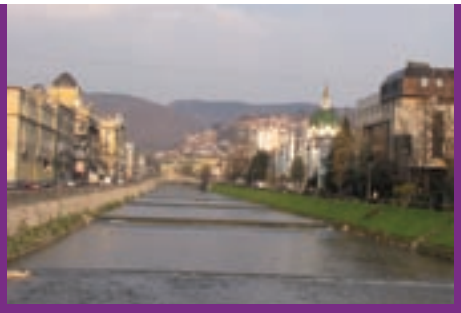
ASSESSMENT OF DEVELOPMENT RESULTS
EVALUATION OF UNDP CONTRIBUTION

BOSNIA AND HERZEGOVINA






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BOSNIA AND HERZEGOVINA

Evaluation Office, May 2009
United Nations Development Programme

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ASSESSMENT OF DEVELOPMENT RESULTS: BOSNIA AND HERZEGOVINA

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FOREWORD

The Evaluation Office of the United Nations Development Programme (UNDP) conducts independent evaluations of UNDP contributions to development results through its country programmes. These evaluations are titled *Assessment of Development Results* (ADR). An ADR evaluates the relevance and strategic positioning of UNDP support and contributions to a country's development over a specified period of time. The purpose of the ADR is to generate lessons for future country-level programming and to contribute to the organization's effectiveness and substantive accountability. This report presents the findings and recommendations of an ADR that was conducted in Bosnia and Herzegovina with a scope covering the period of two country cooperation frameworks (2001–2008). More specifically, the ADR provides forward-looking recommendations to assist the UNDP country office and its partners in formulating an action plan for the next programming cycle (2010–2014).

The evaluation looked at the range of support provided by UNDP to Bosnia and Herzegovina in the areas of poverty reduction, democratic governance, human security and sustainable environment in a post-conflict economic and human development context. Bosnia and Herzegovina is a middle-income country, which is in the process of preparing for European Union (EU) accession. Policy reforms in that country have been under way for more than five years, guided by the government's Medium-Term Development Strategy and with the eventual goal of EU integration. Towards that end, the EU and the Government of Bosnia and Herzegovina signed a Stabilization and Association Agreement in June 2008. Efforts are now ongoing to accelerate the pace of reforms to ensure that political, administrative, economic and legal institutions in the country are stable. Despite trends showing solid economic growth, Bosnia and Herzegovina faces numerous challenges, including tackling poverty, reducing unemployment, strengthening the capacities of public management institutions, controlling fiscal deficit and harmonizing complex administrative structures.

The international community, including the various UN agencies, have played an important role in the country's reconstruction and development and in preparing it for EU accession. The evaluation found that in the context of transition, UNDP quickly established itself as a capable and reliable implementing agency for the government as well as donors. In particular, UNDP has contributed to policy development and dialogue, including the incorporation of pro-poor concerns and the Millennium Development Goals into the national development strategy. National human development reports and strategic research on key issues supported by UNDP have also been important in informing policy. Other UNDP-supported initiatives, in human security, governance and social protection, have contributed to capacity development at various levels of government. Nevertheless, there are a number of remaining areas in which UNDP can provide valuable assistance, especially in the fields of public administration reforms and participatory municipal governance. A critical area in terms of EU integration is complementing and supporting EU leadership of public administration reform efforts by providing a perspective on development priorities and contributing to strategic direction.

Governance reforms will continue to be an essential precondition for sustainable development and for EU membership. The evaluation recognizes the importance of UNDP's continued engagement in priority areas where enhanced national capacity and ownership of the development process can lead to significant results. To maximize results in areas central to UNDP's mandate and to build on its comparative advantages, the evaluation

recommends that UNDP become more strategic in its focus. It also proposes that UNDP develop a strategy for exiting the country, which would include defined phases and steps to be fulfilled in order to allow for closure of development assistance activities by a fixed date. This implies that a strong emphasis must be placed on capacity development, together with advocacy and political dialogue, to ensure that national ownership is achieved.

A number of people have contributed to this report, in particular the evaluation team composed of Evelyn Bazalgette (Team Leader), Alain Thery (Senior International Evaluator), Ozren Runic (National Expert) and the UNDP Evaluation Office Team Member and Task Manager Vijayalakshmi Vadivelu. I would also like to extend my appreciation to Carrol Faubert and Tim Hudson, the external reviewers of the ADR report. I wish to thank Tega Shivute for her background research, and Kutisha Ebron, Thuy Hang To and Anish Pradhan for their administrative support. I wish to thank Lois Jenson for the excellent copy-editing.

The research and preparation of the evaluation was completed thanks to the collaboration and openness of the staff of UNDP Bosnia and Herzegovina, led by Resident Representative Christine McNab. I would like to extend special thanks to Stephan Priesner, the former Deputy Resident Representative, who acted as the country office focal point for the evaluation, and to Peter Van Ruysseveldt, the current Deputy Resident Representative. I wish to thank Seid Turkovic and Nedim Catovic for their support in organizing the various ADR missions. I would also like to express my appreciation to the UNDP Regional Bureau for Europe and the CIS, particularly Kori Udovicki, Assistant Secretary-General and Director of the Bureau, and to Moises Venancio, Senior Programme Advisor for the Western Balkans, and Albana Gjuzi for their efficient support.

This report would not have been possible without the strong interest and support of numerous government officials in Bosnia and Herzegovina, at the state, entity and local levels. The team is also indebted to the civil society and non-governmental organization representatives, donor community of Bosnia and Herzegovina and United Nations Country Team, who generously gave of their time and contributed frank views.

I hope that the findings and recommendations of this report will assist UNDP in responding to the country's challenges and provide broader lessons that may be of relevance to UNDP and its partners internationally.



Saraswathi Menon
Director, Evaluation Office

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ACRONYMS AND ABBREVIATIONS

ADR	Assessment of Development Results
BHMAC	Bosnia and Herzegovina Mine Action Centre
BiH	Bosnia and Herzegovina
CCA	Common country assessment
CPAP	Country programme action plan
CSO	Civil society organization
DIM	Direct implementation modality
DFID	UK Department for International Development
EC	European Commission
EO	Evaluation Office (UNDP)
EPPU	Unit for Economic Planning and Implementation of the B&H Medium-Term Development Strategy (now the Directorate for Economic Policy)
EU	European Union
EWS	Early Warning System (Quarterly Reports)
GDP	Gross domestic product
GEF	Global Environment Facility
GSB	Growing Sustainable Business Project
ICT	Information and communications technology
ILO	International Labour Organisation
LEAP	Local Environmental Action Plan
MDGs	Millennium Development Goals
MTDS	Medium-Term Development Strategy
MYFF	Multi-year funding framework (UNDP)
NEAP	National Environmental Action Plan
NIM	National implementation modality
NGO	Non-governmental organization
NHDR	National human development report
NATO	North Atlantic Treaty Organization
ODA	Overseas development assistance
OSCE	Office of Security and Co-operation in Europe
PARCO	Public Administration Reform Coordination Office
PLOD	Partnership for Local Development
RMAP	Rights-Based Municipal Assessment Programme
SAA	Stabilization and Association Agreement
SALW	Small arms and light weapons
SHD	Sustainable human development
SIDA	Swedish International Development Agency
SRRP	Srebrenica Regional Recovery Programme
SUTRA	Sustainable Transfer to Return-Related Authorities
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNFPA	United Nations Fund for Population Activities
UNHCR	Office of the United Nations High Commissioner for Refugees
VAT	Value Added Tax

EXECUTIVE SUMMARY

BACKGROUND AND OBJECTIVES

The 1995 Dayton Peace Accords ended the ethnic conflict in Bosnia, which had cost many lives and left over two million people displaced or refugees. The peace agreement also set up the political and governing structure for Bosnia and Herzegovina (BiH); the federal government structure comprised a state and two ethnically divided entities. A peacekeeping force led by the North Atlantic Treaty Organization (NATO) was deployed for secure implementation of the peace accord and, in 2004, responsibility for peacekeeping was transferred to the European Union (EU). A High Representative (who also serves as the European Union Special Representative), nominated by the Peace Implementation Council and endorsed by the UN Security Council, oversees the civilian implementation of the agreement.

Policy reforms in Bosnia and Herzegovina have been under way for more than five years. In 2004, the government formulated a Medium-Term Development Strategy (MTDS) for the period 2004-2007. The international agencies working in Bosnia and Herzegovina, including UNDP, supported the MTDS agenda, which incorporates social and economic development components that laid the foundation for sustainable and balanced economic growth, poverty reduction and acceleration towards EU integration. The Government of Bosnia and Herzegovina and the European Union signed a Stabilization and Association Agreement in June 2008. To be eligible for EU membership, the Government of Bosnia and Herzegovina must ensure that its political, administrative, economic and legal institutions are stable. Despite policy reforms and trends showing an increase in the gross domestic product (GDP), challenges continue to confront the country. These include tackling poverty, reducing unemployment, strengthening the capacities of public management institutions, controlling fiscal deficit, and harmonizing the various administration structures.

The State of Bosnia and Herzegovina also has the task of generating the capacities and authority necessary to implement the broad range of requirements for EU accession, which include some critical development priorities. UNDP started its programmes in Bosnia and Herzegovina during the post-war recovery and reconstruction period in 1996. Its goal there has been to provide quality policy and programme support, share best practices, and support government efforts to build capacity to address development challenges. The initial phase of the programme was oriented to post-conflict recovery and reconstruction, but included developing capacities at the community level. The emphasis of the UNDP programme in subsequent years shifted to supporting national authorities to assume greater responsibility in policy-formulation and for the national development agenda.

PURPOSE AND APPROACH OF THE EVALUATION

An *Assessment of Development Results* (ADR) is an independent country-level evaluation led by the UNDP Evaluation Office to assess and validate UNDP's contribution to national development results. An ADR looks backward over a fixed period of time, usually five to seven years, thus ensuring UNDP's substantive accountability as an organization. Its purpose is to draw lessons from identified successes or failures that can guide the country office in formulating the country programme. The findings also inform corporate UNDP policies and strategies. The ADR in Bosnia and Herzegovina is intended to evaluate the contribution of UNDP's interventions to development results

during the period 2001-2008. It assesses how UNDP has situated itself in a context where international assistance is still very active and within a very complex and country-specific political and administrative environment.

DEVELOPMENT CHALLENGES IN BOSNIA AND HERZEGOVINA

The Government of Bosnia and Herzegovina and the international community have made significant contributions to stabilizing peace, post-war reconstruction, and initiating development efforts. The recent signing of the Stabilization and Association Agreement presents opportunities for carrying out reforms and accessing funding under the Instrument for Pre-Accession Assistance. However, while EU membership continues to be a driving factor, the implementation of key reforms has been slow and the momentum has often been interrupted due to lack of political consensus. Complex political and government structures have also hampered the process of reform. Constitutional reforms and aligning national systems with EU standards continue to pose problems.

Economic growth in Bosnia and Herzegovina has been robust over the past 10 years. Initially, economic growth was mainly due to external aid for peace and reconstruction. In the past few years, however, the growth of the private sector has fuelled an expansion of the economy. The country's GDP has quadrupled – from US$2.8 billion[1] in 1996 to $14.6 billion in 2007 – and exports of goods have been growing at an average of 20 per cent per year for the past eight years. Introduction of a Value Added Tax has made a significant contribution to generating public funds. The pace of economic reform processes has slowed down in the past two years, however, largely due to difficulties in maintaining momentum in a weak and unstable macroeconomic situation and unsupportive business environment.

Despite positive growth rates, poverty and social inequality remain among the concerns in the transition process. About one fifth of the population lives below the general poverty line; another third is poor in relative terms and at risk of falling below the line. Unemployment estimates range between 16 and 44 per cent (depending on how they are calculated), but could worsen with increasing privatization. Since most poverty is income-related, pro-poor employment growth remains a challenge. Lack of accurate basic demographic data is a major constraint to planning, management and assessment of development progress.

Bosnia and Herzegovina has made significant progress in speeding up the return of displaced populations. However, while a large number of displaced people have returned, there are challenges in terms of the sustainability of their return. Sustainable livelihoods and local economic development to create employment for returnees and their communities continue to require attention. Dispensing justice for war crimes has been a long, drawn-out process. Institutional capacity for speedy treatment of war crimes and transparency in judicial processes continue to present problems.

To address these and other development challenges, the Government of Bosnia and Herzegovina developed a MTDS for 2004-2007, which was revised in 2006. The strategy includes social and economic development components, and considers poverty reduction and reforms necessary to accelerate integration into the European Union. The government is in the process of preparing a National Development Plan as a follow-up to the MTDS and as a prerequisite for EU membership. Here, too, the complex government structures and ethnic political divisions inhibit sustainable development efforts and progress on necessary reforms.

[1] All dollar amounts are in US$ throughout this publication.

UNDP RESPONSE

In response to the development challenges in Bosnia and Herzegovina, UNDP initiated programmes there in 1996, during a period of post-war recovery and reconstruction. The practice areas of the UNDP programme include poverty reduction, governance, crisis prevention and recovery, and energy and the environment. Programme delivery since 1996 has totalled $181 million.

Until 2000, under the first country progamme, UNDP's programmes were oriented to local-level, area-based schemes for post-conflict recovery and reconstruction, with an emphasis on developing capacities at the community level to promote effective utilization of resources for reconstruction and development. The area-based development programmes were initiated to optimize the impact of centrally managed national reconstruction programmes.

After 2001, the programme emphasis shifted to support for national authorities to assume greater responsibility in policy formulation and for the national development agenda. The second country programme (2001-2004) placed an emphasis on developing national capacities for sustainable long-term development and human security. The programme focused primarily on two areas: 1) sustainable human development through initiatives in capacity development for planning and policy formulation; and support for transparent and accountable governance practices; and 2) human security, through capacity development initiatives for social protection and poverty alleviation; and support for mine action. Cross-cutting issues included gender equity, youth affairs, environment, and development information technology. Programme delivery amounted to $18 million.

The current country programme (2005-2009) carries forward most of the activities of the second country programme, but directs initiatives to governance reforms, poverty alleviation and support to basic social sectors, crisis prevention, and energy and environment. Major components of the programme portfolios include: local governance; developing capacities for local development; supporting initiatives to strengthen national capacities for strategic planning; and poverty alleviation through micro-finance. Programmes have been strongly rooted in a human rights-based approach. The UNDP initiatives are intended to contribute to linking efforts at the central and local levels and with civil society. Cross-cutting issues include gender equity, a human rights-based approach, capacity development and knowledge management. Programme delivery as of September 2008 has exceeded $94 million. The main pillars (thematic areas) of the ongoing country programme are as follows:

- **Democratic governance** aims at strengthening national institutions to enable efficient and responsive public administration. Support in this area has been provided to public administration reform, aid management systems, information and communications technology and eGovernance, justice and human rights.
- **Social inclusion** aims at poverty reduction and inclusive reconstruction and local development. It is closely linked to local governance. The programme aims to further pro-poor policies, a human rights-based approach to development planning and a gender-sensitive approach to governance. Research and studies are designed to feed into advocacy and support for development of national policy and strategy formulation.
- **Human security** combines work at the policy and field level to strengthen government mechanisms for security-related issues such as mine clearance, destroying weapons/ammunition and combating HIV/AIDS and tuberculosis.
- **Environment** is the fastest growing area in the UNDP BiH portfolio, partly because UNDP manages assistance funded under the Global Environment Facility. The interventions are intended to support the country's efforts in fulfilling international commitments, such as the UN Framework Convention on Climate Change, and achieving growth through

sustainable planning and the efficient management of natural resources. Support to national efforts is to be complemented by support to local-level planning for sustainable environmental action.

DEVELOPMENT RESULTS

STRENGTHENING LOCAL GOVERNANCE

UNDP has supported municipal planning and development efforts through several projects aimed at strengthening municipalities' capacity for sustainable development, post-war reconstruction and inclusive resettlement of those affected during war. Significant efforts were made to introduce a participatory approach based on human rights, leading to municipal development strategies and plans. Concerted attention was also given to transform municipal management from a purely administrative function inherited from the past socialist regime to a more participatory decision-making process. This is noteworthy in a country with a population still marked by the trauma of conflict, and where there is a tendency to focus on respective ethnic identities rather than on collective well-being.

Although the approach followed by UNDP has generated a good deal of interest among municipalities, there are concerns about its sustainability. Institutionalization of participatory processes is essential for their continuity after the programme period. The ongoing efforts at the entity level to initiate municipal reforms provide an opportunity for UNDP to streamline democratic principles into institutional systems at the local level.

IMPROVING DEMOCRATIC GOVERNANCE AT STATE AND ENTITY LEVELS

UNDP is not regarded as a key player in the coordination of public administration reforms. These efforts are led by the European Commission (EC), which is best placed for this role in the context of the EU accession process. UNDP has, however, contributed to specific areas of public administration reform, including the establishment of the Federation of BiH Civil Service Agency and civil service training systems for state and Federation of BiH civil servants. It also supported the establishment of the BiH Gender Agency and is helping the government set up a Grant Resources Management System within the Ministry of Finance and Treasury. These contributions have to be appreciated mostly as inputs to a process that has yet to produce results.

The judicial system in Bosnia and Herzegovina is weak and does not fulfil European standards. In addition, the potentially contentious issue of war-related crimes must be addressed urgently. UNDP and other donors have contributed to setting up a War Crimes Chamber within the Court of BiH, strengthening the capacities of the Prosecutor's Office and organizing an outreach campaign to inform the public about the Chamber's role. The impending closure of the International Criminal Tribunal for the Former Yugoslavia and the transfer of war crime investigations generated by the Tribunal have increased the case load of the BiH Prosecutor's Office. Consequently, a strategy was drafted to address the immediate constraints to speeding up decisions in pending cases. UNDP is supporting this strategy through the training of lower court personnel as well as furthering advocacy of the reconciliation process.

In the challenging political environment of the country, which includes constitutional power-sharing, UNDP planned for a series of ambitious outcomes, particularly those envisioned for the strengthened capacity of state institutions to drive the development process. However, it had neither the strategic positioning nor sufficient resources to realistically hope for their timely and successful achievement. UNDP has not used its expertise and resources strategically in influencing governance issues at the state and entity levels. In the area of public administration reform, UNDP did not ascertain precisely the contribution it could make. Public administration reform is one of the key development issues in Bosnia and Herzegovina, but the financial resources allocated by UNDP to this area were not commensurate with its development priority.

POVERTY REDUCTION, SOCIAL INCLUSION AND LOCAL ECONOMIC DEVELOPMENT

Support to return has constituted an important part of UNDP's work in Bosnia and Herzegovina through interventions targeting displaced persons. From the start, the UNDP country office has recognized the necessity of looking at the larger context into which returnees move. The country office's support to returnee housing, rehabilitation of necessary infrastructure and services, and sustainable livelihoods for returnees has been increasingly linked to the wider community. Although UNDP has tried to encourage social inclusiveness in reconstruction based on clear criteria of needs and an ethnically neutral and transparent process, success in this area has been largely dependent on the political environment of the municipality concerned.

Early support to sustainable livelihoods was focused on returnees, consisting largely of microfinance grants to individual families that were not linked to any real assessment of market viability. There is little evidence that these have had a real impact on poverty reduction, even at the individual level, and none on their contribution to local economic development. More recently, a new approach, including efforts to link funding to market opportunities, has been introduced in some cases. This is not being applied systematically as yet, and it is too early to assess the sustainability of results. Nevertheless, the first signs are hopeful. Efforts are also now being made to link potential investors with opportunities for local enterprise development.

HUMAN SECURITY

UNDP BiH has made significant contributions to developing mine action policy and institutional systems for mine action management. The creation of the BiH Mine Action Centre is important in many ways, and represents a successful effort by UNDP to promote a state mine action system with the required management and technical capacities to operate on its own. There has also been significant progress in demining civilian areas. Under the current legislation, the overall responsibility for demining comes under the state Ministry of Civil Affairs. The state-level Mine Action Centre serves as the operational arm of the Demining Commission and coordinates mine action, prioritization, surveying, task identification, quality insurance and certification, while maintaining and updating the database. UNDP has also helped reinforce the technical capacities necessary to reduce small arms and light weapons and provided equipment for speedier and safer disposal of weapons. The military staff responsible for the destruction of such weapons are now professionally trained and have better equipment, some of which meets environmental standards. Operations appear to be very efficient, but the safety of the sites and the effectiveness of the operations in terms of speed of disposal are questionable.

UNDP'S STRATEGIC POSITIONING

The evaluation mission looked at the strategic positioning of UNDP in response to the development needs in the country, as well as the position it has taken organizationally to enhance its participation in its areas of strength. During the assessment period, UNDP, together with other international agencies, have played an important role in dialogue concerning rationalization of state-entity competencies; in seeking to reduce ethnic divisions by encouraging greater understanding and reconciliation movements; in facilitating freedom of movement, especially for returnees; and in supporting reforms required for EU accession. However, while UNDP has been well positioned to influence development strategy in the country because of its strong links at the local level, it has yet to fully realize its potential in this respect. UNDP needs to focus its priorities strategically, taking into account its own resources in terms of corporate experience and financing as well as the activities of other donors. Considering that Bosnia and Herzegovina is in the process of carrying out reforms to fulfil requirements for EU accession, UNDP has an important role in complementing and supporting EU leadership of public administration reform efforts by providing a perspective on development priorities and contributing to strategic direction.

COORDINATION

UNDP is a participant in a number of coordination and consultation mechanisms of the government and international agencies. UNDP serves as secretariat for the Donor Coordination Forum, an informal space for members of the international community to network and discuss key development issues. The UN Resident Coordinator represents the UN Country Team in the 'Board of Principals'.

With the reform process linked to EU accession likely to be accelerated, the donor community perceives the need to more strongly link European Commission programme interventions to the strategic development needs of the country. While EU accession requirements specify areas of reform and other changes that Bosnia and Herzegovina must act upon, this assumes national capacity to formulate clear requests for assistance, which have garnered the agreement and commitment of state and entity bodies. UNDP BiH sees the need for a more proactive approach to help national bodies formulate requests for assistance from the European Commission, and thus support and encourage implementation of policies and strategies where BiH government structures are not yet able to move forward easily. More concerted effort is required on the part of UNDP to be able to facilitate policy direction in Bosnia and Herzegovina.

There has been coordination and cooperation among UN agencies in the preparation of project proposals for funding (for example, under MDG Thematic Funds), but it is less clear that synergies and complementary goals of UN agencies have been drawn on effectively by UNDP in implementation of projects covering common concerns, including those prepared jointly.

CONCLUSIONS

CHOICES IN PROGRAMMING AND STRATEGIC FOCUS

The range of UNDP's programme activities has increased considerably in the last few years. While all these interventions are relevant in the context of Bosnia and Herzegovina, it is less certain that UNDP can provide meaningful contributions to development results in all these areas. Moreover, to transform lessons into appropriate policy advice for relevant entity- and state-level bodies would require far greater resources for analysis and preparation of information for concerned decision-makers than are currently available. While some of the interventions are strong and focused (such as those relating to mine action, reduction of small arms and light weapons, gender, municipal planning, and support for sustainable return), others seem to have been taken up mostly due to the availability of funding. The overall strategic focus of UNDP's country programme today is not clear, nor is its comparative advantage in some areas of intervention.

The limitations of core resources for UNDP BiH need to be compensated for by assertive intellectual leadership that draws on broad corporate experience and resources based on a detailed analysis of carefully targeted issues. UNDP can play a critical role in advancing discussions among governments and donors on important development issues, particularly in support of processes related to EU membership.

MICRO-MACRO LINKAGES IN PROGRAMMING

Among the most critical areas of intervention in Bosnia and Herzegovina is the strengthening of local government institutions where the legal framework is weak and service delivery is unstructured. UNDP has been working with municipalities from the start. As intended early on, this enables it to contribute to the formulation and application of national (state and/or entity, and cantonal in the case of the Federation of BiH) public administration and sector reform policies, strategies and plans that have implications for municipalities and for local economic development. However, the necessary linkages have not been systematically developed and used to good effect.

In the context of Bosnia and Herzegovina, it may be more difficult to work effectively at the state, entity and canton level than at the local level.

However, interventions by UNDP BiH at the local level should in future be linked to relevant macro-level policy-making and strategies to contribute to setting up a framework under which local activities should be conducted – as is planned for in the Municipal Training System. It will also be important to ensure coordination and complementarity with initiatives arising from EU reform requirements and accession-related funding.

DEVELOPMENT PARTNERSHIPS

UNDP has many types of partnerships in Bosnia and Herzegovina, developed with the government at various levels, with international agencies and with civil society organizations. However, only a few government partners share a sense of ownership and responsibility that would allow them to continue joint work on their own. Partnerships have been effective with national government agencies in the area of mines, small arms reduction and gender.

The state government is the key partner of UNDP and a signatory to the country programme action plan. Much of the programme, however, has been implemented almost entirely by UNDP, which has implications for the level of government engagement and significantly diminishes the nature of the partnership. The partnership with government agencies has therefore had different levels of intensity, depending on the area of work. Some consider UNDP a useful international agency providing technical support. In the area of health, UNDP is seen as a fund manager and facilitator of procurement. With some state agencies and entity governments, the partnership has been seen as essentially financial in nature.

While current engagement with government agencies is valuable, strategic partnership in the area of policy, advocacy, networking and providing expertise was not evident in most areas. Government officials at the state level were appreciative of the useful support provided by UNDP, but do not consider UNDP as a key partner in achieving development results. Partnerships have been limited at the entity level, in particular in the Republic of Srpska, where UNDP has worked almost entirely at the municipal level. The government officials describe UNDP interventions as top-down and supply-driven – though they appreciate the work that UNDP has done. Cooperation with municipalities has usually been good. At all levels, UNDP can increase the accountability of the government to development results by involving government partners more actively in planning and executing programmes.

UNDP has worked with civil society organizations (CSOs) in a variety of ways, mainly at the municipality level to strengthen the transparency and accountability of local government. A more structured approach has been used, with signs of strengthened CSO participation in municipal planning but often in narrow ways: tendering for and implementing projects that align with the UNDP programme and municipal development strategy plans. Creating 'space' for CSOs has proved useful to municipalities since their involvement is one of the criteria in accessing EC funds. But the evaluation team found that, in some instances, participation by civil society was overtaken by various interest groups and political parties. UNDP has more infrequently (and mainly at the national level) worked with CSOs as resources and full partners in advancing analysis and political dialogue in support of a national human development agenda in areas of common concern.

Serious consideration needs to be given to partnerships with donor agencies. UNDP should move on from being an implementer of donor projects to developing synergies with the international community. In particular, attention should be directed towards clarifying a partnership with the European Commission so that UNDP can support, complement and reinforce the EC's tasks related to Bosnia and Herzegovina's accession process. Partnerships with other UN agencies have also been sub-optimal, and have not built sufficiently on their strengths.

POLITICAL BARRIERS TO ADVANCING THE DEVELOPMENT AGENDA

There is no doubt that a complex administrative system, considerations of entity autonomy and ethnicity-based political posturing makes development assistance more difficult. The asymmetry of power in governing institutions, state-entity politics, and ethnic dynamics has slowed reforms in key areas of state governance in Bosnia and Herzegovina. The sensitivities surrounding entity and state jurisdiction (and within the Federation of BiH, entity and canton jurisdiction), and the political positioning that takes place around these that stresses differences rather than commonalities, are challenges to carrying forward changes and reforms. This is, nevertheless, the reality in which UNDP must operate.

Rather than seeing the administrative and political structures of the country as obstacles to state-level development progress, to be bypassed as far as possible, they should be taken as a development challenge. The question that UNDP should be asking itself is how it can best address the politically based barriers in order to move forward at entity, and hence, state levels. Advocacy focused at the entity level can help unblock the road to progress. Where UNDP has contributed most effectively to state-level progress in the development agenda has been in areas where entity-level commitment has been achieved: information and communications technology legislation, mine action, gender, transitional justice and support to sustainable return.

IMPLEMENTATION MODALITY

Use of the direct implementation modality (DIM) for programmes is an issue of concern in BiH, where a large proportion of projects are implemented directly by UNDP. This has implications for the sustainability of development results, especially in relation to strengthening the capacities of the government. The national implementation modality (NIM) is an important instrument for national ownership of UNDP programmes and for developing capacity within the country. It is perfectly understandable that under emergency conditions, when the emphasis was on the rapid delivery of essential services to the population, UNDP preferred to use direct implementation. But continued reliance on DIM weakens the focus on one of the core objectives of UNDP, namely capacity development, as it tends to perpetuate a reliance on UNDP for the implementation of assistance programmes. The country office perceives weak capacity within the public administration and the incomplete deployment of the public procurement system as constraints to implementation under NIM.

Direct implementation also undermines partnership relations with the government and reduces accountability to stated development results. By not promoting national implementation, UNDP in fact creates a high risk of capacity substitution and perpetuating dependence on international assistance, without real national ownership. Furthermore, the persistence of DIM runs the risk of having UNDP perceived as self-serving, which is an imminent possibility in Bosnia and Herzegovina.

UNDP BiH programmes cannot really be considered as being fully effective and sustainable until UNDP is able to transfer ownership to its partners. The country office has had a very successful experience with shifting to NIM: the BiH Mine Action Centre. It should use the lessons from this experience to begin introducing elements of NIM in all its projects. Realistically, the transfer of ownership may need to be spread over several years, to allow adequate support and advice in later stages.

DEVELOPING AN EXIT STRATEGY

Today, Bosnia and Herzegovina is a middle-income country, moving clearly towards accession to the EU. UNDP has contributed to its present status and has done so in a way built on respect for human rights. Now it is primarily the responsibility of the European Commission to guide and support the processes required for accession. The question is not whether UNDP can continue to mobilize donor support for a country programme

in Bosnia and Herzegovina; undoubtedly it can. The real question is whether it should. At present, UNDP has not formulated an exit strategy. UNDP BiH should look to a date when it can complete its support to the country and devise an exit strategy in accordance with goals that need to be addressed during that period. Providing support to a country that is aiming at EU accession should not be an open-ended process.

The discussion of key issues includes a number of suggestions and recommendations, many of which are interlinked. The main recommendations are listed below: others are subsumed and can be found in the main text.

RECOMMENDATIONS

The evaluation team is firmly convinced that it is now time for UNDP BiH to concentrate on developing national and local ownership of interventions it supports. This has implications in terms of capacity development, and will shift responsibility for projects and programmes from being entirely 'UNDP-managed' to management by national partners, thereby preparing the way for UNDP's timely exit. It also has implications for the strategic focus of programmes and projects in which UNDP BiH is involved. The following recommendations are therefore interlinked:

Develop a strategy to transfer ongoing projects from direct to national implementation modalities, and use a form of NIM for new projects.

1. UNDP should shift from direct to national implementation of projects so that counterparts are able and willing to carry work forward without UNDP by the time of its departure. Increased efforts are required to strengthen the capacity of counterparts to assume ownership of projects. This will require the rethinking of partnerships and developing the capacity of specific counterpart organizations.

2. A modified form of DIM should provide the basis for an agreement with the concerned counterpart agency for each project. This should establish stages through which UNDP can transfer responsibility to the counterpart(s) within a specified time frame. Counterpart organizations must agree to integrate the main principles and systems of the project in their ongoing work, over the long term. This policy should be adopted as soon as possible, and should be reflected in the next country programme document and action plan.

Develop an overall exit strategy for development assistance to Bosnia and Herzegovina, to be carried out within a defined time frame.

3. UNDP should develop a strategy for exiting the country, which would include defined phases and steps to be fulfilled in order to allow for closure of development assistance activities by a fixed date – probably 2014, in view of current commitments. The phases should already be reflected within the next country programme action plan.

4. A strong emphasis should be placed on capacity development, together with advocacy and political dialogue, to ensure that national ownership is achieved.

Define clearly the strategic focus for current and future UNDP interventions and narrow the range of activities accordingly.

5. To maximize results in areas central to UNDP's mandate and build on its comparative advantages, UNDP should take necessary measure to be more tactical in its focus. UNDP BiH needs to rethink where its efforts can have the most effect, bearing in mind its specific competencies, and ensure that its activities are aligned accordingly.

6. Narrowing the range of activities included in its projects would also require developing appropriate partnerships with other

organizations that can assume responsibility for complementary activities that are no longer priorities for UNDP.

7. UNDP should strengthen linkages between policy initiatives at the state level and operational interventions at the entity and municipality levels. There should be more emphasis on expanding existing interventions that are successful, and future short-term projects should build on these.

8. The strategic focus should be aimed at advancing the sustainable human development agenda, facilitating progress in administrative reform, and supporting the country's progress towards EU membership, which includes addressing existing barriers through an analysis of entity-level perspectives.

MAIN ADR LESSONS

In addition to the above recommendations for the UNDP country office in Bosnia and Herzegovina, there are important lessons for corporate UNDP:

An excessive focus on finance delivery can have serious drawbacks for development results. The increasing emphasis by UNDP in its reporting on finance delivery may actually be counterproductive since it weakens the focus on results and outcomes in the area of national capacity development. The emphasis should instead be on programme delivery and the processes followed by country offices to strengthen national capacities.

Direct implementation is appropriate under certain conditions, but ultimately limits the development of national capacity. Under emergency conditions and other special circumstances, the modality of direct implementation is perfectly appropriate. However, as UNDP shifts its operations towards a more developmental focus, continued reliance on DIM weakens one of the core objectives of UNDP, namely capacity development. UNDP headquarters should ensure that country offices comply with the stipulations of the NIM approach.

Chapter 1

INTRODUCTION

1.1 RATIONALE AND METHOD

UNDP started work in Bosnia and Herzegovina (BiH) in early 1996, a few months after the Dayton Peace Agreement was signed. The UNDP country office in BiH initially focused on supporting emergency aid locally, but rapidly expanded its efforts to address the post-conflict transition from emergency rehabilitation to development. It is now reaching the end of its third country programme (2005-2009), and the next UN Development Assistance Framework is under preparation by the UN Country Team.

Bosnia and Herzegovina has received massive donor support, with per capita assistance among the highest in post-conflict countries.[2] However, with progress being made on reconstruction and on the economy, donor funding is now falling off. Furthermore, a Stabilization and Association Agreement with the European Union (EU) and its member states was signed on 16 June 2008, which will change European funding modalities. It is an appropriate time, therefore, to assess UNDP BiH's development results.

1.2 PURPOSE AND APPROACH OF THE EVALUATION

An *Assessment of Development Results* (ADR) is an independent country-level evaluation led by the UNDP Evaluation Office to assess and validate UNDP's contribution to national development results. An ADR looks backward over a fixed period of time, usually five to seven years, thus adding to UNDP's substantive accountability as an organization. Its purpose is to draw lessons from identified successes or failures that can guide the country office in formulating the country programme (see Box 1). The findings also feed into corporate UNDP policies and strategies. The ADR for Bosnia and Herzegovina was to focus on the results achieved during the ongoing country programme (2005-2009), with the previous country cooperation framework (2001-2004) serving as background. The ADR will contribute to the new UN Development Assistance Framework for Bosnia and Herzegovina as well as to the ongoing UNDP country programme and the preparation of the next one. The ADR also aims to evaluate how UNDP has situated itself in a context where international assistance is still very active within a complex and country-specific political

Box 1. Questions Posed by the Evaluation

- Is UNDP doing the right things, with a focus on relevance to the country's development goals, partnership, and strategic positioning for the future?
- Is UNDP doing things right, with a focus on the effectiveness of its activities, efficiency of execution, and efficacy given internal country and external global contextual factors? Are there better ways of achieving the results?
- Are the results sustainable? Do they ensure sustainability with a focus on national ownership, an enabling policy environment, capacity development, gender equality and other key drivers UNDP considers in assessing development effectiveness?

Source: UNDP Evaluation Office, *Guidelines for an Assessment of Development Results*, January 2007

[2] World Bank, *Bosnia and Herzegovina Country Partnership Strategy for FY08-FY11*, Report No 41339, November 2007.

and administrative environment. Specifically, the ADR's objectives are to assess UNDP's role and contributions to development in Bosnia and Herzegovina and to reach an understanding of the implications of its findings for UNDP at a time when the country is entering a new phase in its relationship with the European Union.

1.3 SCOPE OF THE EVALUATION

The ADR has two main components. First, the evaluation should provide an overall assessment of progress towards development results achieved through UNDP support and in partnership with other key development actors. Second, the evaluation should assess how UNDP has positioned itself strategically given the political and administrative context within the country to add value in response to identified and evolving national needs. The scope of the evaluation – its focus and coverage – was defined through intensive consultations with stakeholders in June 2008. The ADR will cover two programme areas from the second country programme (2001-2004) and most outcomes of the ongoing third country programme (2005-2009).

UNDP is one of many international agencies active in Bosnia and Herzegovina. It is therefore important to assess how effectively it has avoided duplication of other agencies' efforts and how it ensures coordination and complementarity to make the best use of its comparative advantages. The issue is of special relevance within the UN Country Team, but is also important in relation to other international agencies. One critical aspect is the effectiveness of partnerships created for joint work with governmental and civil society organizations as well as with international agencies.

1.4 METHOD

The BiH ADR follows the method developed by the UNDP Evaluation Office (see Annex 1 for the Terms of Reference for the evaluation mission). After selecting the country for an ADR in 2008, a wide selection of background materials and reports were compiled and made available. Preliminary briefing notes concerning UNDP BiH were also prepared. In early June 2008, there was a one-week scoping mission to Bosnia and Herzegovina to discuss the focus of the report with the country office and key stakeholders. The main mission took place three months later, following briefings of the team in New York by the Evaluation Office and by relevant units in the Bureau for Development Policy.

The methodological framework used for the ADR is based on 'triangulation'. Specifically this involves:

Documentation review: As a preparation for the ADR, the UNDP Evaluation Office identified an exhaustive list of secondary source documents of relevance for the exercise, from which data and qualitative appreciations could be extracted. During the process of reviewing this documentation, the team identified additional sources of information that were incorporated in the desk review as they became available. The ADR team looked at all available status reports and project evaluations, external reviews and surveys to get a clearer appreciation of how the country programme was implemented (see Annex 2 for a list of key documents reviewed).

Semi-structured stakeholder interviews: Initially, each interview was attended by the entire ADR team to develop a semi-structured approach for each type of stakeholder and to ensure that the approach was well understood. On several occasions thereafter, the team split up in order to cover a broader range of stakeholders. These interviews were intended to confirm the findings of previous evaluations and the hypotheses being developed by the team while leaving the door open for new perspectives. The list of interviewees was initially set by the inception mission as well as the country office, but was significantly revised and extended to include new leads that were identified (see Box 2 on the following page for an explanation of the main thrust of the interviews with various stakeholders and Annex 3 for a list of persons interviewed).

Box 2. Discussions with Various Stakeholders

- In discussions with **government stakeholders** at the state and entity levels, the team explored perceptions of donor support, especially on the part of UNDP; most valuable achievements; key challenges; UNDP's special contributions; and the implications of EU accession for their sector and for the country.
- In discussions with **municipal representatives** and local communities (administrative subdivisions of municipalities, known as MZ), the team explored changes in their communities over the last 10 years; the situation of displaced persons and returnees; key challenges and how they respond to them; relationships with civil society organizations and community groups; their experiences of donor support, and where UNDP fits within these; most positive and negative examples of their experiences with UNDP in the municipality; and priority concerns now and how these are being tackled.
- In discussions with representatives of **civil society organizations**, the team explored how they saw their role in contributing to development (specifically and for civil society in general); what their experience, if any, of working with UNDP or UNDP-supported activities has been, especially in relation to how they see their role; key challenges faced in their communities and in their area(s) of concern.
- In discussions with the **international community** (including other UN agencies), the team explored major development changes since 2000; key challenges for the development of the country; donors' roles in light of EU accession requirements and the EU's future role following the signing of the Stabilization and Association Agreement; donor coordination; how donors tackle problems arising from the heavy administrative structures of Bosnia and Herzegovina and the political sensitivities that often lead to a slowing down of progress on reform-related measures; their relationships with and experience of working with UNDP; and their perceptions of UNDP's contributions in common areas of concern.
- In discussions with a small number of **individual beneficiaries** of UNDP local initiatives, the team focused on descriptions of how they and their families have benefited; whether any economic activity supported through the programme matches real markets and what support has been given; the impact felt on livelihoods; future plans and expectations; and what they view as the most valuable aspect of the experience.
- Discussions with the **country office** team consisted mainly of briefings concerning the focus of their work, how it has evolved, lessons that have been drawn from experience and how these have been applied. Preliminary findings of the mission were discussed with senior management and portfolio managers before the team left the country.

Field visits: The main mission took place between 25 August and 16 September 2008 in Sarajevo, with field trips to Jajce, Banja Luka, Derventa, Doboj, Gorazde, Mostar and Srebrenica.

The ADR process concluded with a one-day stakeholders' meeting, held in Sarajevo on 9 April 2009, to validate the draft report of the evaluation with stakeholders and obtain their final inputs. It should be noted that ADR draft reports were prepared in English.

1.5 EVALUATION CRITERIA

The standard ADR criteria were used to evaluate UNDP's contribution to results, which include relevance, effectiveness, efficiency, sustainability, responsiveness and equity. Partnership, coordination and national ownership were evaluated as part of each of the criteria.

Effectiveness is assessed by an appreciation of the extent to which specific objectives were achieved or are expected to be achieved, taking into account the external factors that could have affected implementation.

Efficiency is used to measure the outputs – qualitative and quantitative – achieved as a result of inputs. The ADR was not entirely successful in assessing efficiency in terms of alternative approaches to achieving an output.

Sustainability is based on a considered assessment of whether the organization has been able to develop permanent structures, procedures and professional capacity that would continue to perform the expected services within institutions. Are the results produced by the programme activities sustainable?

Relevance is based on an assessment of whether the types of interventions selected by the organization fit the priorities of the country. How relevant are the sample programme activities to the priority needs of the country? Has UNDP used partnerships with donors, with other UN agencies, non-governmental organizations and the private sector effectively in addressing the Millennium Development Goals and in enhancing its programme outcomes?

Responsiveness is used to evaluate to the extent to which the UNDP programme responded to the development needs in Bosnia and Herzegovina and its timeliness. How has UNDP anticipated and responded to significant changes in the national development context?

Equity is used to evaluate if programme activities led to reduced vulnerability in the country. Did UNDP's programme in any way influence existing inequities in society? Was the selection of geographic areas of intervention guided by need?

1.6 LIMITATIONS

- There are differences in the way outcomes and programme areas are outlined in the country programme, how these relate to the results and resources framework and UNDAF, and how projects/programmes both 1) relate to the four focus areas identified in the country programme, and 2) are divided among the seven portfolio managers for implementation by the country office, especially given the way field programmes use an integrated approach. The ADR team had to use their own judgement in deciding where to discuss certain results.
- Reliability of national demographic and social statistical data is subject to strong reservations. The last population census predates massive population movement due to the conflict, significantly modifying population distribution characteristics. The need for an updated comprehensive census is a very sensitive topic; its absence means that quantitative development indicators should be viewed with caution.
- The team was able to meet relatively few beneficiaries of UNDP BiH's local and area-based programmes who were considered part of a vulnerable group, despite specific requests. This was partly due to time constraints, but also because organizations rather than individuals were perceived as beneficiaries. This inhibited learning about the impact of initiatives on poverty reduction and social inclusion.

1.7 STRUCTURE OF THE REPORT

This report is structured as follows:

Chapter 1 is an introduction.

Chapter 2 describes the national context outlining the main development challenges.

Chapter 3 presents the UNDP BiH programme and positioning.

Chapter 4 provides an assessment of development results for each of the main programmatic areas based on documentary evidence and information from interviews.

Chapter 5 reviews how cross-cutting issues were handled.

Chapter 6 assesses the evolution of the strategic positioning of UNDP BiH over the past eight years.

Chapter 7 presents the summary conclusions, recommendations and main lessons.

Chapter 2

NATIONAL CONTEXT

2.1 GEOGRAPHY

The State of Bosnia and Herzegovina is located in the centre of the former Socialist Federal Republic of Yugoslavia. It shares borders with Croatia in the south, west and north, Serbia in the northeast, and Montenegro in the southeast. It has as a narrow strip of coast in the south.

The coastal plains in the south have a Mediterranean climate, while the mountainous centre and plains in the north have a continental climate.

The state comprises two entities and a self-governing district: the Federation of Bosnia and Herzegovina, which covers about 50 percent of the territory; the Republic of Srpska, which covers about 49 percent; and the District of Brčko, which operates under internationally supervised administration[3] (see Box 3 for further geographic details).

Box 3. Geographic Characteristics of Bosnia and Herzegovina

Coordinates: 44 00 N, 18 00 E

Surface area:* 51,197 square kilometres land; 12.2 square kilometres sea

Major natural resources: coal, iron ore, bauxite, copper, lead, zinc, chromite, cobalt, manganese, nickel, clay, gypsum, salt, sand, forests, hydropower

Main cities & estimated populations:* Sarajevo 387,876; Banja Luka 220,407; Mostar 208,904; Tuzla 118,500; Bihac 49,544

*Source: BiH Agency of Statistics

2.2 POLITICAL CONTEXT

Bosnia and Herzegovina is a complex multi-ethnic state with a rich yet difficult historical background. Its history is characterized by long periods of external control: Ottoman rule (1463-1878), Austro-Hungarian rule (1878-1918) and, as part of Yugoslavia, first under a Yugoslavian monarchy (1918-1941), then as a Socialist Republic of Bosnia and Herzegovina within communist Yugoslavia (1945-1992), which shaped the country's social, economic and cultural structure. Following the collapse of the communist Yugoslav State in 1991, bitter disputes erupted first among pro- and anti-independence factions and later among the political representatives of its three largest ethnic groups[4] – Bosniak, Croat and Serb – over the republic's future status. Bosnia and Herzegovina descended into a four-year period of war. In the process, it broke up along ethnic and religious divides.

A first peace agreement (the Washington Agreement) was reached between Bosniaks and Croats in 1994, transforming the internal structure of territories. A majority of Bosniaks and Croats within the Republic of Bosnia and Herzegovina was turned into a federation of 10 self-governing federal units (cantons), with equal rights and responsibilities.[5]

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[3] The Dayton Agreement on the Brcko District does not mention that the district owns any territory. The agreement on the status of Brcko District is pending.

[4] Ethnic identity in Bosnia and Herzegovina is closely linked to religious background. Bosniaks are traditionally Moslem, Croats are traditionally Roman Catholic and Serbs are traditionally Serb Orthodox Christians.

[5] "Bosniacs and Croats, as constituent peoples (along with others) and citizens of the Republic of Bosnia and Herzegovina, in the exercise of their sovereign rights, transform the internal structure of the territories with a majority of Bosniac and Croat population in the Republic of Bosnia and Herzegovina into a Federation, which is composed of federal units with equal rights and responsibilities." (Washington Agreement, March 1994, available at: http://www.usip.org/library/pa/bosnia/washagree_03011994)

Finally, after much international effort and intense external pressure, a comprehensive peace agreement between all three groups was reached in Dayton, Ohio, in November 1995.

The General Framework Agreement for Peace in Bosnia and Herzegovina, more commonly known as the Dayton Peace Agreement, was a compromise among warring parties rather than a genuine settlement, emphasizing reconciliation and national unity. Nevertheless, it is the paramount document that established the country's institutional framework and system of government. Bosnia and Herzegovina's Constitution is outlined in Annex IV of the Agreement. It has only 12 articles and gives state-level institutions limited jurisdiction relative to customs, foreign and monetary policies, trade and, more recently, common defence structures. The General Framework Agreement for Peace provides that all other remaining functions and powers "not expressly assigned in the Constitution to the institutions of Bosnia and Herzegovina shall be those of the Entities" (Annex IV, Article III [3a]). The entities are autonomous administrative units with their own substantive governments and wide jurisdiction over social and economic matters in their respective territories. Formal supervision of the small municipality of Brčko, designated as a district, operates under internationally supervised administration. However, it represents a unique unit of local self-governance over which the entities have no control – according to the decision of the International Court of Justice's Arbitral Tribunal for Dispute over Inter-Entity Boundary in Brčko Area. However, the same decision awards the international community exclusive supervision over the district. The Federation of Bosnia and Herzegovina also has a middle level of government in the form of ten cantons established as part of the 1994 Split agreement between Bosniak and Croat representatives (prior to the Dayton Peace Agreement). The ten cantons comprise 74 municipalities while the Republic of Srpska has a centralized form of government and 63 municipalities.

2.3 STRUCTURE OF THE STATE

Bosnia and Herzegovina is not yet a fully independent and sovereign state, as it still operates under the supervision of a High Representative/ EU Special Representative and his staff in the Office of the High Representative. This position was created by the international community to oversee implementation of the civilian aspects of the Dayton Peace Agreement and is supervised by

Box 4. Milestones in the History of Bosnia and Herzegovina

1991: Collapse of the Socialist Federal Republic of Yugoslavia

1992-1995: Civil war, resulting in an estimated 2.2 million people displaced either internally or as refugees fleeing the country

March 1994: Washington Agreement between Bosniaks and Croats; constitution of the Federation of Bosnia and Herzegovina with central and cantonal governments

21 November 1995: General Framework Agreement for Peace initialled in Dayton, Ohio

December 1995: Signature of the General Framework Agreement in Paris; creation of a Peace Implementation Council and the Office of the High Representative to oversee implementation of General Framework

1997: The 'Bonn Powers' established by the Peace Implementation Council

March 2000: Formal establishment of the District of Brčko as a single administrative unit of local self-government existing under the sovereignty of Bosnia and Herzegovina

2005: European Commission recommends that the EU start negotiations with Bosnia and Herzegovina for a Stabilization and Association Agreement (SAA)

2006: Partnership for Peace agreement with NATO

December 2007: SAA initialled

June 2008: SAA signed with the EU

the Peace Implementation Council. The Council comprises 55 countries and agencies that support the peace process in many different ways – by assisting it financially, providing peacekeeping troops, or directly running operations in Bosnia and Herzegovina. A small contingent of troops from the European Union Force continues to oversee the security situation: While concerns over personal security have greatly diminished, societal divisions and ethno-political rhetoric are everpresent.[6]

The first mandate of the High Representative included overseeing, coordinating and reporting on implementation of the General Framework Agreement for Peace (Art. II, Annex 10). However, due to slow progress in implementation, in December 1997, the Peace Implementation Council decided to grant substantial legislative and executive authority (the 'Bonn Powers') to the High Representative. Elaborating on Annex 10 of the Dayton Agreement, the Council authorized the High Representative to remove from office any official found to have violated any legal commitments and to impose legislation as seen fit in the event that BiH legislative bodies fail to do so. In February 2002, the European Union's General Affairs Council also appointed the High Representative to act as the EU's Special Representative in Bosnia and Herzegovina, to facilitate political coordination and to supervise the European Police Mission in Bosnia and Herzegovina. The international community oversight of the state is further reflected in the composition of the BiH Constitutional Court, in which three out of nine members are international judges appointed by the European Court of Human Rights (see Box 4 on previous page for key dates in the history of Bosnia and Herzegovina).

According to the provisions of the Dayton Peace Agreement, the State of Bosnia and Herzegovina can be described as a consociational democracy: Its government is based on the principle of power-sharing among the three constituent peoples (Croats, Serbs and Bosniaks). The state-level institutions established by Annex IV of the General Framework Agreement for Peace are commonly referred to as joint institutions and function primarily on an ethnic balance principle. (Annex 4 of this report shows the political and administrative structure of Bosnia and Herzegovina at state and entity levels. Cantonal-level government structures in the Federation of BiH, not shown in the chart, echo the entity level.)

Bosnia and Herzegovina has 14 legal systems, 13 constitutions, 13 prime ministers, five levels of administration, and over 150 ministries (including in each canton within the Federation of Bosnia and Herzegovina). The structure entails very high administrative costs, which have been estimated at 50 percent of gross domestic product (GDP), while the state-wide fragmentation of administrative and legislative systems and processes has distinctly negative effects on efficiency in all sectors. Furthermore, issues of mandate and jurisdiction combine with ethnic sensitivities and political positioning to make coordination very complex.

The following state-level institutions established by Annex IV of the General Framework Agreement for Peace are commonly referred to as joint institutions, primarily functioning on the ethnic balance principle.

- BIH Presidency (a tripartite presidency with Bosniak, Serb and Croat members rotating as chairs every eight months)
- The two-house Parliament:
  - The House of Representatives has 42 members, two thirds of whom are elected from the territory of the Federation of BiH, one third from the territory of the Republic of Srpska.
  - The House of Peoples has 15 delegates, two thirds from the Federation of BiH (including five Croats and five Bosniaks) and one third from the Republic of Srpska (five Serbs).

[6] World Bank BiH Report, 2007

- The Council of Ministers (Chairman-Prime Minister and nine Ministers)
- The Constitutional Court has nine members. Four members are selected by the House of Representatives of the Federation of BiH, and two members by the People's Assembly of the Republic of Srpska. The remaining three members are selected by the President of the European Court of Human Rights after consultation with the BiH Presidency.

2.4 BOSNIA AND HERZEGOVINA AND THE EUROPEAN UNION

Based on the regional approach agreed upon at the 2003 EU summit in Thessalonica, and respecting the progress that the country managed to achieve despite its difficulties, the European Commission (EC) decided, in October 2005, to recommend that the EU start negotiations with Bosnia and Herzegovina on a Stabilization and Association Agreement. The Agreement's conditionality includes: substantial reforms of the civil service, implementation of new laws, especially regarding police reform and public broadcasting, and constitutional evolution. One key priority for the Stabilization and Association Agreement is cooperation with the International War Crimes Tribunal for the Former Yugoslavia in The Hague. Comprehensive public administration reform at all levels of government (state, entity and local) is of special concern for EU monitors.[7] Other areas where comprehensive reforms are expected include: justice, freedom and security; economic, commercial and industrial policies; employment and education; environment; transport and communication; and research and development.[8] Following recommendations from the EU and other partners, BiH state-level institutions managed to initiate and/or complete the following reforms:

- Introduced and implemented a Value Added Tax (VAT) system with the state Treasury and related institutions, which involved an agreed-upon process for dividing revenues between the state and various entities
- Completed defence sector reforms, which established joint military forces and a State Ministry of Defence, which allowed the signing of the Partnership for Peace agreement with the North Atlantic Treaty Organization (NATO) in 2006
- Included BiH in a regional free trade network through the Central European Free Trade Agreement
- Initiated the process of police reform in late 2007, after difficult negotiations.

The Stabilization and Association Agreement with the EU and its member states was signed on 16 June 2008; pending fulfilment of further EU conditions, its signature opens the way to pre-accession funding and support.

2.5 ECONOMIC CONTEXT

Prior to the war, Bosnia and Herzegovina had a strong industrial sector. "Twelve big firms produced 35 percent of the GDP, four generating over 40 percent of the republic's exports. Firms were organized as self-managed companies of associated labour in a self-managed market economy, seen as halfway between central planning and a modern market economy. Bosnia's main trade partners in 1990–91 were the Soviet Union, Germany and Italy; its trade with the EC countries in 1991 was in a surplus."[9] Most industries were severely damaged during the war, and much of the surviving equipment is out of date.

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7 "In the context of inclusion of BiH into the European integration processes, it is necessary to develop public administration that will be capable of implementing the Acquis communitaire. The existing administrative capacities are considerably weaker than necessary for a country negotiating EU membership." (Government of BiH, *Bosnia and Herzegovina: Poverty Reduction Strategy Paper - Mid-Term Development Strategy*, IMF Country Report, No. 04/114, April 2004, p.133.)

8 A country-specific report is available at http://ec.europa.eu/enlargement/

9 Stojanov, Dragoljub, *Hungary and Bosnia and Herzegovina: A Success and a Failure of Transition*, Institute for World Economics - Hungarian Academy of Sciences, Working Paper No. 149, December 2004, pp. 16-17.

Since the Dayton Peace Agreement, Bosnia and Herzegovina has made considerable progress in reconstruction, social integration and economic development. Its economic recovery has been supported by extensive international assistance: assistance to Bosnia and Herzegovina was among the highest per capita of all post-conflict countries.[10] Estimates of total international assistance funds for BiH during 1996-2002 are about $5.2 billion. The population distribution and the political sanctions on the Republic of Srpska largely defined aid distribution: Entities and the Federation of Bosnia and Herzegovina received about $3.6 billion, while the funds allocated to the Republic of Srpska were about $1.4 billion.[11] State-level institutions received minimal financial aid packages; they were being established at the time and were not responsible for management and implementation of assistance programmes. Even today, international grant aid and concessional loans contribute a not insignificant sum to BiH development: over €400 million in 2006.[12]

Today, Bosnia and Herzegovina is a middle-income country with an official gross national income per capita of $4,289 in 2007, according to the state Agency for Statistics of BiH. Confidence in the currency is high, as indicated by steadily increasing local currency deposits.[13] The service sector accounts for approximately 56 percent of gross domestic product, industry[14] accounts for 29 percent of GDP, and agriculture[15] for 9 percent.[16] However, the quality and competitiveness of domestic production are insufficient; exports ($4.2 billion in 2007) continue to lag behind imports ($9.9 billion), with major trading partners being Croatia, Serbia, Germany, Italy and Slovenia.[17] In 2007, there was a sharp increase in foreign direct investments, which reached approximately $2.2 billion.[18]

Overall, Bosnia and Herzegovina has had robust economic growth over the past 10 years (see Table 1, following page). At first, growth was mainly due to reconstruction efforts, but recently it has reflected advancement in the private sector. Gross domestic product has more than quadrupled (from $2.8 billion in 1996 to $14.6 billion in 2007) and the export of goods has grown 20 percent on average for the past eight years.[19] Inflation, moderate during this period, remained below 3 percent in 2007 despite a peak of 7.5 percent in 2006 due to the introduction of a VAT.[20] This was a major reform for BiH: A centralized VAT collection system automatically allocates approved funds for state-level institution costs from a common account, while division of the balance of VAT revenue among the entities is proportional to their expenditure.[21]

While significant progress has been made on structural reforms since 1995, the pace over the last two years has been somewhat slower. The banking sector has been largely privatized and

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10 World Bank Report No. 41330 - BA, 2007.

11 *UNDP International Assistance to BiH 1996-2002: A Tentative Analysis of Who is Doing What, Where,* Sarajevo

12 The Donor Coordination Forum/UNDP *Donor Mapping Report 2006* reported €424 million from the 18 donor agencies participating in the study.

13 World Bank, *Country Brief for Bosnia and Herzegovina*, 2007.

14 Steel, aluminium, minerals, vehicle assembly, textiles, tobacco products, wooden furniture, explosives, munitions, aircraft repair, domestic appliances and oil refining.

15 Wheat, corn, fruit, vegetables and livestock.

16 World Bank, *Country Brief for Bosnia and Herzegovina*, 2007.

17 Central Bank of Bosnia and Herzegovina, Annual Report 2007.

18 Central Bank of Bosnia and Herzegovina, Annual Report 2007.

19 World Bank, Data and Statistics for Bosnia and Herzegovina, 2007.

20 Central Bank of Bosnia and Herzegovina, Annual Report 2007

21 Unit for Economic Planning and Implementation of the B&H MTDS (EPPU) - Office for Monitoring and Implementation of the BiH MTDS.

Table 1. **Key Economic Indicators, 2007-2008**		
Indicator	**Value**	**Source**
GDP (nominal)	$14,655 million	Central Bank of BiH Annual Report 2007
GDP per capita	$3,802	Central Bank of BiH Annual Report 2007
GDP real growth	6%	Central Bank of BiH Annual Report 2007
Unemployment rate	23%	Agency for Statistics BiH-Labour Force Survey 2008
Average net wage	$472 per month	BiH Statistics, 2007
Imports	$10,400 million	Central Bank of Bosnia and Herzegovina Annual Report 2007
Exports	$4,400 million	Central Bank of Bosnia and Herzegovina Annual Report 2007
Foreign direct investment	$10,300 million	Central Bank of Bosnia and Herzegovina Annual Report 2007
Gini coefficient	26.2	Global Peace Index 2007 for Bosnia and Herzegovina
Human development index	0.81	Human Development Report 2007-2008

modernized, and other financial sector reforms have made good progress. Other state-owned companies have been privatized slowly, particularly in the Federation of Bosnia and Herzegovina, and the private sector's contribution to GDP is still lower than in most neighbouring countries. The 'grey' economy is extensive – estimated at 25-37 percent of GDP, depending on sources[22]– and still has a significant impact on the overall image of the economy.

The 2006 revised Medium-Term Development Strategy 2004-2007 discusses the negative effect of "the fragmented market, which is a consequence of the constitutional order in BiH"[23] on financial and labour markets and privatization processes. It goes on to say that this market contributes to a "poor business environment and fragmented economic space in BIH."[24] Economic growth could be better and the balance between exports and imports greatly improved with a stronger private business sector.

2.6 SOCIO-DEMOGRAPHIC CONTEXT

Today, there are three main ethnic groups in Bosnia and Herzegovina: Bosniaks constitute an estimated 48 percent of the population, Serbs 34 percent, and Croats 15 percent, with 2 percent from other ethnic groups (including the Roma).[25] Ethnicity plays an important part in all aspects of life in Bosnia and Herzegovina. Although the term 'Bosnian' is used to refer to citizenship, concepts of ethnicity, nationality and religion are generally closely interlinked, and often highly politicized. The Bosniaks are predominantly of Islamic religious affiliation, while Bosnian Serbs are associated with Serb Orthodoxy and Bosnian Croats with Roman Catholicism. A small proportion of the population belong to other religions. Three different languages are spoken – Bosnian, Serbian, and Croatian – which are very similar and have the same roots although they use different scripts.

Divisions during the conflict were along ethnic lines and the peace agreements took into consideration ethnic identity in defining entities.

[22] UNDP, *National Human Development Report 2005 – Better Local Governance*, p. 30; EPPU, The Medium-Term Development Strategy BiH 2004-2007, Revised version, Sarajevo, May 2006, p. 34.

[23] EPPU, The Medium-Term Development Strategy BiH 2004-2007, Revised version, Sarajevo, May 2006, p. 16.

[24] Ibid., p.61.

[25] Economics Institute Sarajevo, *Human Development Report 2002 – Bosnia and Herzegovina*, UNDP, 2002.

As a result, ethnicity strongly marks all political processes in the country today. Nevertheless, some changes seem to be occurring. According to UNDP Early Warning System reports, a majority of the population across all ethnic groups now see their future linked to the State of Bosnia and Herzegovina, which was not the case in the immediate post-war years.

The last reliable source for demographic data was the 1991 census, which counted a total population of 4.4 million. Since that time, an estimated 2 million people have fled their homes, becoming either refugees abroad or internally displaced persons. More than a million have since returned to their place of origin, registering as returnees with the state Ministry of Human Rights and Refugees and the entity ministries; not all have remained there. Others have opted to stay where they are part of an ethnic majority, have chosen to settle elsewhere or have been unable to return.

The Agency for Statistics of BiH estimates the total population at 3.8 million as of end June 2008. This is projected from preliminary findings of a Labour Force Survey carried out that year, and is more than half a million higher than estimates projected from 2007. Other sources give a range of estimates, illustrating the difficulty in formulating a clear BiH population profile without a current census. According to 2007 Labour Force Survey estimates, 18 percent of the population are under age 15; 67 percent are between the ages of 15 and 64; and 15 percent are over 65. The population is approximately 51 percent female. According to statistics cited by the European Commission, the natural population growth rate was estimated at 0.4 per thousand inhabitants in 2006.[26] The issue of undertaking a new census is a subject of considerable political sensitivity.

The war and resulting displacement have had a marked impact on the demographic composition of the population. Information from municipalities[27] suggests that not only have the sizes of the population changed greatly (usually downward), but also in many places multi-ethnicity has markedly decreased, even when displaced persons have returned.

The BiH national human development report for 2002 indicates an increase in single-parent (mostly female) households as a result of war deaths or disappearances.[28] According to a 2003 study, 25 percent of BiH households are headed by females – most of whom are elderly, which has implications in terms of vulnerability and the need for specific services. Only about one in five of these households are headed by women with children under 18.[29] Ninety-seven percent of the population over 15 are literate.

2.6.1 EMPLOYMENT

Unemployment estimates range from 16 percent to 44 percent (depending on the methodologies used to calculate them and estimates of the grey economy), but the situation could deteriorate as privatization accelerates. According to preliminary data from the 2008 Labour Force Survey,[30] nearly 1.2 million people are economically active, of whom 890,000 are employed (including 48,000 unpaid family workers) and 270,000 are unemployed (see Table 2, following page). Nearly 1.5 million people are inactive economically. About 325,000 people were registered as unemployed, but did not meet the International Labour Organisation (ILO) classification for unemployment. Services represent the primary sector of employment (47 percent), followed by industry (33 percent) and agriculture (21 percent).

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[26] Commission of the European Communities, *Bosnia and Herzegovina 2007 Progress Report*, Brussels, 2007, p. 56.

[27] For example, in municipal development strategies prepared under the Rights-Based Municipal Assessments programme.

[28] Economics Institute Sarajevo, *Human Development Report 2002 – Bosnia and Herzegovina*, UNDP, 2002, p. 85.

[29] Kukanesen, Ren, *Female-Headed Households in BiH*, United Nations in Bosnia and Herzegovina, May 2003.

[30] Agency for Statistics of Bosnia and Herzegovina, *Labour Force Survey*, 2008, Preliminary data, year 3, no.1, Sarajevo, 1 September 2008.

Table 2. Labour Force Characteristics in 2008		
Employed	**Unemployed (as per ILO classification)**	**Inactive**
Total: 890,000 (36% female)	Total: 270,000 (43% female)	Total: 1,500,000 (63% female)
Employees: 645,000 (36% female)	Unemployed less than 1 year: 34,000 (41% female)	Discouraged: 62,000 (57% female)
Self-employed: 197,000 (27% female)	Unemployed more than 1 year: 234,000 (43% female)	Other: 1,400,000 (63% female)
Unpaid family workers: 48,000 (69% female)		

*Source: Agency of Statistics for BiH, *Labour Force Survey*, 2008, Preliminary data, year 3, no.1, Sarajevo, 1 September 2008. Estimates based on a sample of 10,509 households; the survey covered employment status during the week prior to interview.

It should be noted that although women constitute 60 percent of the able-bodied population, according to a 2003 report on the Millennium Development Goals,[31] they form little more than one third of those employed. There is less gender difference in the short-term or long-term unemployed group, but almost two thirds of the economically inactive population are female. Gender-specific barriers to employment include collapse of child-care facilities previously provided by the state and absence of choice (more self-employment options proposed for women than for men tend to be in production areas that correspond little to real market opportunities); difficulties in access to credit either because property ownership (required for loans) tends to be in the husband's name or because no collateral can be provided.

Young people also face particular problems in finding employment. The 2008 Labour Force Survey indicates that 48 percent of young people are unemployed – almost four times the EU average. This figure is markedly lower than for 2007, when the rate was 58 percent. This drop in unemployment almost certainly reflects changes in classification, rather than a major change in real employment status. There are marked gender differences in youth employment: female unemployment in the 15-24 age group was reported to be 52 percent in 2008, compared to 45 percent for men. The proportion of economically inactive women in the 20-24 age group is also considerably greater.

Unemployment reportedly dropped from 29 percent to 23 percent between 2007 and 2008, according to the Labour Force Surveys. This drop, however, may be a reflection of improved recognition of informal sector work and application of the ILO classification for unemployment, rather than a major improvement in employment.

A number of factors underlie the extensive unemployment situation. Major factors include the collapse of former enterprises employing rural populations; discrepancies between job opportunities and population distribution; a fragmented labour market; inadequate labour market information; gaps between skills needed for modern enterprises and the education and training received by job-seekers; a difficult business climate that discourages investors from investing in relatively rural localities, including complex regulations affecting access to and transport of goods and materials between entities; and the reluctance of many people to move to areas of a different ethnic majority.[32]

[31] UNDP, *Bosnia and Herzegovina Human Development Report – Millennium Development Goals 2003*, UNDP, Bosnia and Herzegovina, June 2003.

[32] Recent EWS reports show some improvement in such attitudes, but complex regulations are also a factor. For example, a worker may be defined as a foreigner when employed in another entity.

2.6.2 POVERTY

Like other countries in transition, Bosnia and Herzegovina has a growing economy but also widespread poverty and social hardship. Despite the steady rate of macroeconomic growth, around a fifth of the population live below the general poverty line; the worst hit groups are the elderly, those middle-aged and unemployed, returnees, youth and the Roma. A still larger proportion (almost a third) is poor in relative terms, living just above the poverty line and at risk of falling below it, according to the most recent data (2004) from the Living Standards Measurement Study.

It is estimated that over 50 percent of the population are socially excluded in some way, facing difficulty in accessing social, economic and/or political rights.[33] Social exclusion prevents citizens from fully contributing to and participating in society. Weak governance, decreased access to and lapses in the quality of basic education and health services, and inadequate social protection are identified as the main challenges in Bosnia and Herzegovina.[34]

Many of the poor, disadvantaged and vulnerable have the status of internally displaced persons or returnees. However, considering differences along demographic, socioeconomic and life satisfaction/subjective health variables, 'The Silent Majority Speaks' concludes that: "Overall, compared with other analyses in this report, the parameter estimates for displacement status are moderate or weak. They do not mark out returnees and non-returnees as special-needs groups which require immediate attention."[35] It would appear that, in terms of socio-economic exclusion, the differences between urban and rural dwellers are greater than those between returnees and non-returnees. However, when returnee status combines with other factors of vulnerability, such as disability, being an old-age pensioner, single-parent family, or having a lower education status, vulnerability is greatly compounded.

As of June 2008, according to the BiH state Ministry for Human Rights and Refugees, just under 125,000 people (40,600 families) are still classified as displaced persons.[36] These are people who have chosen not to or, more often, have been unable to return to their original homes. Over 2,700 families live in temporary collective centres, and another 300,000 still need a durable solution to their displacement situation.[37] According to the Office of the UN High Commissioner for Refugees (UNHCR), "only an estimated 17 percent of the IDPs [internally displaced persons] are employed. Many others rely on pensions and other allowances and/or entitlements for their subsistence. It is assumed that 20 percent of the IDPs are without any source of income."[38]

One vulnerable group that receives very little attention, and for whom limited socio-demographic information exists, is the Roma community, which faces discrimination in accessing housing, health care, education, employment and social services. A strategy to address marginalized Roma was adopted in 2005, and efforts have been made to improve education levels.[39]

Pro-poor employment growth could solve much of the poverty problem. However, the administrative fragmentation of the country

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33 UNDP BiH, *National Human Development Report – Social Inclusion in BiH*, UNDP, Sarajevo, 2007.

34 UN Development Assistance Framework for Bosnia and Herzegovina Report 2005-2008; UNDP CCA BiH 2008 Report.

35 Oxford Research International, *Main Report Quantitative Survey*, p. 20.

36 Internal Displacement Monitoring Centre, *Bosnia and Herzegovina: Broader and improved support for durable solutions required*, 28 August 2008, available at: http://www.internal-displacement.org

37 Ministry of Human Rights and Refugees BiH-Revised Strategy for Implementation of Annex VII, 2008.

38 UNHCR BiH, Briefing Note on UNHCR and Annex 7 in Bosnia and Herzegovina, October 2007.

39 Commission of the European Communities, *Bosnia and Herzegovina 2007 Progress Report*, Brussels, 6.11.2007, p. 19.

not only inhibits employment creation, it also complicates access to the social support systems that can reduce vulnerability and social exclusion. Furthermore, adequacy of poverty reduction strategies and plans is affected by low reliability of available socio-economic data.

2.6.3 NATIONAL PLANNING

Under the direction of the BiH Coordination Board for Economic Development and EU Integration, Bosnia and Herzegovina prepared its first national Medium-Term Development Strategy (MTDS)/Poverty Reduction Strategy Paper in 2002-2003, through a process involving working groups with representatives of state, entity and cantonal governments and municipalities.[40] Furthermore, a determined effort was made to consult civil society through some 300 countrywide round table discussions. During the same period, preparation for a national human development report was under way, to define the country's targets under the Millennium Development Goals (MDGs) (See Annex 5 for MDG indicators for Bosnia and Herzegovina). This involved a number of people who were also in MTDS working groups, which allowed the MDG targets to be clearly (albeit not specifically) reflected in the MTDS (2004-2008). The strategy was finally adopted in March 2004 by the state Council of Ministers and the entity governments.

The MTDS (2004-2008) defines three main goals: to create conditions for sustainable and balanced economic development, reduce poverty, and accelerate integration into the EU. The strategy was very broad based, and priorities within and among sectors were not clearly defined. This had implications for both allocation of funds and monitoring of implementation. In 2006, the Economic Policy Planning and Implementation Unit of the B&H MTDS therefore coordinated a similar process to update the plan, which led to a revised strategy covering the years 2004-2007. The strategy, known as the MTDS (2004-2007), confirmed the main goals and also identified six general development priorities: to maintain macroeconomic stability; increase private investments and restructure the economy; increase employment and strengthen connections between human resources and the labour market; improve the social protection system; and increase the transparency and capabilities of BiH society.

The priorities were to be reached through a set of specific sectoral measures focusing mainly on the continuation of regionally balanced economic growth, faster movement towards new production capacities and increasing social inclusion, since it was recognized that "economic development alone does not decrease poverty."[41] Improved use of human and natural resources, the incorporation of gender equality, the importance of information technology, and reduced fragmentation of labour and finance markets were identified as cross-cutting issues that apply to all sectors.

In late 2007 a new national planning process, based on EU methodology, was officially launched by the BiH Coordination Board for Economic Development and EU Integration. Two development strategies are currently under preparation: the Country Development Strategy and the Social Inclusion Strategy, both of which will cover the period 2008-2013. They will serve as the basis for preparing the National Development Plan and Joint Inclusion Memorandum (3-year period), which are mandatory requirements for EU membership.

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[40] The BiH Coordination Board for Economic Development comprised the Chairperson of the BiH Council of Ministers (Chair), BiH Minister of Foreign Trade and Economic Relations, BiH Minister of Finance and Treasury, BiH Minister of Foreign Affairs, Prime Ministers and Finance Ministers of both entities, the Director of the BiH Directorate of European Integrations and the Mayor of the Brčko District.

[41] Ibid.

2.7 KEY NATIONAL DEVELOPMENT CHALLENGES

Not only has Bosnia and Herzegovina had to deal with the transition from a communist regime to a capitalist market economy. It has concurrently had to face a transition from internal conflict to a newly reconstructed state that is built on a base of hyper-sensitivity to ethnicity. Furthermore, the nature of the BiH Constitution and the institutional structure of the country, with separation of powers between the state, entities, cantons and municipalities (discussed in section 2.2), frequently impede progress in the formulation and adoption of policies, strategies and plans related to development and reform. The 2006 revision that created the MTDS 2004-2007 underlines that the fragmentation due to the constitutional structure is an impediment to development in many areas, including the economic sphere. This reality is an integral part of all of the following national development challenges.

2.7.1 MOVING FROM INTERNATIONALLY DRIVEN TO NATIONALLY OWNED DEVELOPMENT PROCESSES

Transfer of overall responsibility for governance of Bosnia and Herzegovina from the Office of the High Representative to state government has not yet taken place. Demonstrating the capacity to lead the process of political and socio-economic reforms is the biggest challenge for all government levels in Bosnia and Herzegovina. High levels of international aid have meant that donors have often instigated and been closely involved with implementation of development initiatives, with acceptance but not necessarily ownership by national authorities.

Usually, the concept of 'nationality' refers to a country. In Bosnia and Herzegovina, the term is more commonly linked to ethnicity. The majority of residents in the Republic of Srpska, for example, identify themselves with the entity rather than the state. Bosnian Croats identify themselves first by nationality. Only the Bosniaks see themselves as a part of the 'Bosnian nation'. State-level ownership can only have meaning if both entities are in agreement, so effective national (country) ownership requires extensive advocacy, political dialogue and negotiation at the entity level. Many development challenges, such as creating a single economic space, can only be met if the entities (and within the Federation of Bosnia and Herzegovina, the cantons) assume common ownership.

Much international assistance has focused on support at the level of municipalities, and systems were introduced in an uncoordinated way. This has often compounded weak micro-macro communication between municipalities and the higher levels of the administrative structure that are a product of a complex constitution. Efficient administration depends on harmonized systems that facilitate communication among all levels.

2.7.2 REDUCING UNEMPLOYMENT AND IMPROVING THE BUSINESS ENVIRONMENT

Robust macroeconomic growth does not automatically ensure employment growth and poverty reduction. Creation of a single economic space within Bosnia and Herzegovina is a condition of EU accession, and it is a precondition for real progress in generating employment opportunities through the growth of investment in new enterprises across the country. This implies a range of necessary administrative reforms. Although Bosnia and Herzegovina has benefited from marked increases in foreign investment, the willingness of investors to invest in its many potential economic opportunities is still negatively affected by the present fragmented institutional situation and the consequent difficulties in having reforms implemented.

Improvement in communication concerning labour market needs and opportunities is essential if human resources and economic opportunities are to be aligned effectively for job creation. Closely linked to this is the need for good information and analysis concerning market opportunities based on demand and available resources.

2.7.3 PROMOTING PARTICIPATION, TRANSPARENCY AND ACCOUNTABILITY

The MTDS accords an important role to civil society in strengthening transparency and accountability through participation both in formulating policies and strategies and in monitoring, with "focus on certain sectors in which it has an important role – social protection, education, environmental protection, and human rights and corruption in all of these."[42]

Many studies, which reflect various educational levels, ethnicities, ages and gender, report low levels of confidence and interest in political processes and government institutions among the general population, and a resulting apathy. Early Warning System reports since 2002 suggest little improvement over the years. In fact, they have shown the contrary: Confidence in municipal authorities has tended to be higher than in entity- and state-level institutions. Even at best, confidence has been expressed by barely two thirds of those interviewed, and an overall downward trend to around 50 percent confidence level has been recorded. Many civil society organizations have been created in recent years, but the extent to which civil society can effectively assume the roles assigned to them will depend on developing not only their capacities but also the confidence of people that they can make a difference.

2.7.4 STRENGTHENING PLANNING THROUGH RELIABLE DATA

Tremendous efforts have been made to develop demographic estimates for use in preparing socio-economic strategies and plans. However, the lack of a population census reflecting real population distribution in the country weakens government capacity to make the most effective use of available resources in prioritizing and implementing their plans of action, and in monitoring the impact of their programmes.

2.7.5 INCREASING HUMAN SECURITY

Despite considerable progress in demining, the presence of unexploded ordinance in a section of the territory (about 3.6 percent) affects effort to reconstruct infrastructure and the possibility to exploit land and natural resources for economic and social purposes. In addition, small arms and light weapons and surplus weapons and ammunition in storage pose serious threats to surrounding communities and to human security.

[42] MTDS, p. 57.

Chapter 3

UNDP AND THE UN IN BOSNIA AND HERZEGOVINA

Although a few small projects had been in place since 1994,[43] UNDP opened a country office in Bosnia and Herzegovina in 1996 during the reconstruction and recovery efforts that followed the signing of the Dayton Peace Agreement. Since that time, the goal of UNDP in that country has been to provide quality policy and programme support, share best practices, and support government efforts to build capacity to address development challenges. While coming into Bosnia and Herzegovina in the wave of emergency relief and rehabilitation aid, UNDP BiH has, from the start, recognized the need to link rehabilitation efforts to both community participation and longer-term development. According to the first UNDP country programme, the main objective of UNDP's cooperation in Bosnia and Herzegovina was to "initiate the transition of donor assistance from reconstruction to development."[44]

Following UN reforms initiated in 1997, UN development agencies are required to harmonize their programming. This involves a process of consultation between resident and non-resident UN agencies, representatives of the government and the international community to provide a shared analysis of national development challenges and development strategies, using a human rights-based approach.

In 2000, a first Common Country Study, subtitled *The Transition to Development – Challenges and Priorities for UN Development Assistance to Bosnia-Herzegovina*, was undertaken by agency heads. It became the basis upon which UN development agencies prepared their next strategy frameworks, according to their separate planning cycles. Planning cycles were then aligned so that the jointly prepared UN common country assessment (CCA) would lead to a joint strategy – the United Nations Development Assistance Framework (UNDAF). The UNDAF aims to ensure harmonization of the programmes and provides a collective and coherent strategy addressing national priorities and needs, jointly identified with the government. The UNDAF sets out the agreed main programme outcomes and areas of agency cooperation and clearly identifies the links between these and relevant planning and human rights frameworks: the Millennium Development Goals; national plans of action and development strategies; and international agreements and conventions signed by the government. The UNDAF then forms the basis for each UN development agency's country programme action plan, which is agreed to and signed with the government.

The first CCA for Bosnia and Herzegovina was undertaken in 2004, for the first UNDAF, which covers the period 2005-2009. The second CCA was under preparation at the time of the evaluation mission. The new UNDAF will provide the operational framework for UN development assistance in Bosnia and Herzegovina for the period 2010-2014. The UNDAF will provide the common UN operational framework for achieving objectives identified as national priorities and be focused on areas of UN comparative advantage in the country. The entire CCA/UNDAF process takes into account the status

[43] Using unutilized indicative planning figure resources for the former Yugoslavia, these included a small reconstruction project in Gornji Vakuf, executed by Department of Development Support and Management Services, which became UNDP's first area-based project (UNDP Country Programme 1997-1999, para 11).

[44] UNDP Country Programme 1997-1999.

of Bosnia and Herzegovina as a potential EU candidate and the country's aspiration to become a member state of the European Union. The forthcoming UNDAF was completed at the end of 2008 and defined the individual agency agreements with the government.

The resident UN Country Team today comprises: UNDP, the UN Children's Fund (UNICEF), the UN Fund for Population Activities (UNFPA), the International Labour Organisation (ILO), the UN Educational, Scientific and Cultural Organization (UNESCO), the International Organization for Migration (IOM), the World Health Organization (WHO), the Office of the UN High Commissioner for Refugees (UNHCR) and the UN Development Fund for Women (UNIFEM). The UN Country Team is headed by the UN Resident Coordinator, who is also the UNDP Resident Representative.

3.1 THE UNDP PROGRAMME

3.1.1 UNDP'S APPROACH UP TO 2004

UNDP's first country programme covered the period 1997-2000 and outlined the need for priority reconstruction, while also stressing the importance of the transition to development. UNDP's activities included multisectoral area-based development programmes to optimize the impact of centrally managed national reconstruction programmes through consultative processes involving beneficiary communities. This strategy has been carried over into later planning. The review of the first country programme in 2000 described UNDP engagement in Bosnia and Herzegovina as "small" and estimated that it was "over-optimistic in its assessment of what could be achieved."[45] It also emphasized the value of UNDP's approach in the area-based and sector projects in achieving results.

The Common Country Study, which was undertaken by UN agency heads in 2000, was a detailed study of 13 main issues, under the groupings of 'contextual issues' (covering governance and post-conflict concerns), 'social sectors' and 'economic development and environment'. The study did not set priorities nor lead to a common framework for UN development assistance. However, in the absence of any national development strategy at the time, it suggested strategies and action plans for a number of sectors.

From 2001, on the basis of the Common Country Study, the UNDP country programme emphasis shifted to support national (state and entity) authorities in assuming greater responsibility in policy formulation and a BiH development agenda. At the same time, UNDP would continue municipal-level initiatives that could also contribute to rights-based policies and plans. The second country programme covering the period 2001-2004 identified two mutually reinforcing programme thrusts:

- "The agenda for sustainable development that will entail capacity development for (a) consensus-based planning and policy formulation for Sustainable Human Development (SHD); and (b) transparent and accountable governance practices"
- "Human Security that will entail capacity-development for (1) a sustainable social-protection system and a poverty-alleviation strategy; and (2) mine action." [46]

Under UNDP's multi-year funding framework (MYFF), introduced as part of improved results-based management, specific outcomes were later defined. The sustainable development agenda focus area was composed of three interrelated and mutually reinforcing levels of capacity development assistance:

- **The municipal SHD agenda** included a continuation of area-based activities with support to returnees. This included support for sustainable livelihoods for returnees, but

[45] Country Programme Review, Executive Summary, 2000.

[46] UNDP Second Country Cooperation Framework for Bosnia and Herzegovina (2001-2003), which was extended to 2004.

also expanded work at the municipal level through programmes designed to strengthen community participation and local governance for local socio-economic development based explicitly on human rights.

- **Advocating SHD issues through independent think tanks** built on UNDP BiH's mobilization of information and analysis. It was foreseen that such information and analysis could contribute to advocacy, dialogue and decision-making in relation to policy development, strategy formulation and action plans. These included the formulation of the BiH's Millennium Development Goals and the BiH MTDS as well as activities related to gender, youth and employment.
- **A national SHD agenda** concerned support to selective key entity- and state-level institutions to develop their capacity for (1) strategic planning and policy development, and (2) for the management and coordination of the development process and of overseas development aid. This included support to administrative reform through institution-building and training.

The human security focus area comprised two distinct areas for capacity development assistance:

- **A sustainable system of social protection and a poverty-alleviation strategy**, which involved both building on pilot area-based social protection initiatives started under the first country programme and assisting the statistical agencies to carry out and analyse household and labour surveys. Such surveys would inform government formulation of relevant strategies and systems to address social protection and poverty. In the plan, it was classified under human security in recognition of the fact that the vulnerability of large sections of the population contributes to the potential for unrest. In practice, however, this was effectively integrated within the three levels of the agenda for sustainable human development.
- **Mine action** furthered ongoing efforts to build a state-level institution to tackle the extensive risks to the population represented by mines, and was extended to also cover problems related to the surplus of small arms and light weapons.

Cross-cutting issues identified included gender equity, youth affairs, environment and information technology for development.

3.1.2 THE ONGOING COUNTRY PROGRAMME

In 2004, the UN Country Team started the process of preparing the first UNDAF, covering the period 2005-2008, using the CCA as its basis. This focused attention on five main areas for development:

- Governance
- Basic services (concentrating on education and health)
- Social protection
- Environmental protection
- Human security (focused on mine action and small arms and light weapons).

During formulation of the UNDAF, particular attention was paid to Bosnia and Herzegovina's identified MDG challenges to be met by 2015, the provisions of the BiH MTDS (2004-2007) and the discussions that had started concerning future accession of the country to the European Union. The UNDAF identified three areas of cooperation, linked to three key outcomes, to guide UN County Team activity, particularly interventions by UNDP, UNFPA and UNICEF, for the period 2005-2008:

- Good governance: Strengthened accountability and responsiveness of government to pro-active citizens (UNDP, UNHCR, UNICEF, UNFPA)
- Social protection, education and health: Improved access to and quality of basic education, health and social protection services (UNICEF, UNFPA)

- Human security: Improved government and local community management of mine action, including mine-risk education, mine-victim assistance, and small arms and light weapons at national and local levels (UNDP, UNICEF)

The UNDP country programme for 2005-2009 builds on the 2004 CCA and outlines support for four main programme components, in line with UNDAF, together with specific outcomes. The results areas and outcomes include:

1. **Local governance for socio-economic development** provides support to municipal rights-based development plans, training of municipal civil servants, local economic development, strengthening the capacity of civil society organizations for constituent advocacy and improved use of information and communications technology to streamline business processes.

Intended outcomes:

- Strengthened capacity of municipalities and civil society organizations to manage and participate in long-term, sustainable socio-economic development within a framework of human rights and rule of law (as outlined in UNDAF 1.1)
- Developed the capacity of municipalities to generate employment using a pro-poor approach.

2. **National capacity to manage local development** is aimed at reinforcing the capacity of the state and entities to foster, manage, coordinate and support municipal development initiatives by concentrating on areas most likely to improve overall government performance, while remaining sensitive to the realities of contemporary decision-making, particularly at the local level. This component would also enable UNDP to advocate for human rights-based approaches at the highest levels of policy-making in Bosnia and Herzegovina.

Intended outcomes:

- Strengthened capacity of the state to manage local socio-economic development and to engage key national partners (as outlined in UNDAF 1.3). This implies strengthened capacity for:
  - government efficiency, transparency and accountability
  - state and entity ministries in the management and coordination of development resources and public investment priority-setting, planning, monitoring and evaluation
  - the justice system, with a view to reconciliation (transitional justice); mechanisms for transitional justice as an essential precondition for reconciliation should be advocated
  - providing vulnerable groups with increased access to justice
  - the state to mainstream gender at the policy level.

3. **National capacity for strategic planning** consists of supporting and facilitating think tanks, fora for discussion, research and socio-economic analysis to inform policy-making, strategic choices, and the vision of Bosnia and Herzegovina in 2015 and beyond.

Intended outcomes:

- Increased government and independent capacity to strategize, analyse, and advocate for sustainable development and equitable growth (as outlined in UNDAF 1.5)

4. **Capacity development of national institutions and civil society organizations to advance human security** comprises two distinct areas. The first relates to conflict-related risks to human security and concerns a comprehensive medium-term mechanism for coordinated assistance by donors to support national capacities for mine action and the reduction of small arms and light weapons. The second concerns sustainable environmental

protection, which has both human security and economic development implications. This component includes advocacy and support to developing national and local environmental strategies and action plans and support to technical capacity development to enable Bosnia and Herzegovina to fulfil commitments to international agreements and EU requirements.

Intended outcomes:

- Strengthened capacity of government to plan and implement mine clearance and collection and destruction of small arms (as outlined in UNDAF 3.1)
- Strengthened national capacity in sustainable environmental management.

The country programme also takes into consideration the UNDP multi-year funding framework, the BiH MTDS, the BiH Millennium Development Goals and the EU accession process. The country programme is the basis for the UNDP country programme action plan 2005-2009 (CPAP), which is agreed to and signed with the government. In addition to the country programme, UNDP BiH has been assigned responsibility for managing funding for Bosnia and Herzegovina from the Global Fund to Fight AIDS, Tuberculosis and Malaria and from the Global Environment Facility.

The country office has continued an integrated approach to its work that it adopted in recognition of the mutually reinforcing character of its programme areas. It identifies four main pillars to its country programme that reflect both the MYFF categories and key challenges: democratic governance, social inclusion, human security, and the environment.

The **democratic governance** pillar focuses mainly on state and entity levels of governance and covers: public administration reform, which includes civil service capacity development, especially in the Federation of Bosnia and Herzegovina,[47] aid management, information and communications technology (ICT) and eGovernance; and justice and human rights.

The **social inclusion** cluster covers: research and development (a range of expert analysis and socio-economic studies that would contribute to pro-poor policy and strategy development, the most important of which is the national human development report); gender (involving support to both national gender centres and regional coordination); local governance (focusing especially on socially inclusive local development planning using a rights-based approach and capacity-building for local government and civil society organizations); local poverty reduction initiatives (continuation of the multifaceted area-based development approach with sustainable transfer to return-related authorities [SUTRA] and programmes focusing on the Srebrenica and Upper Drina areas). The term 'social inclusion' has been adopted instead of 'MDGs and poverty reduction' to align with EU emphasis on this area.

The **human security** programmatic pillar combines work at the policy and field levels to strengthen mechanisms for security-related issues. These include mine clearance; eliminating threats posed by the large and uncontrolled presence of weapons in civilian possession and a military excess of weapons and ammunitions; and combating HIV and tuberculosis.

Environment was not among the priority focus areas in the past, but today represents the fastest growing portfolio of the UNDP country office. As national development efforts shift away from reconstruction and recovery to faster economic development, the country also needs assistance to maintain its international commitments, such as the UN Framework Convention on Climate Change, respond to EU concerns about the environment, and to achieve growth through

[47] Republic of Srpska Civil Service Agency support is provided by DFID.

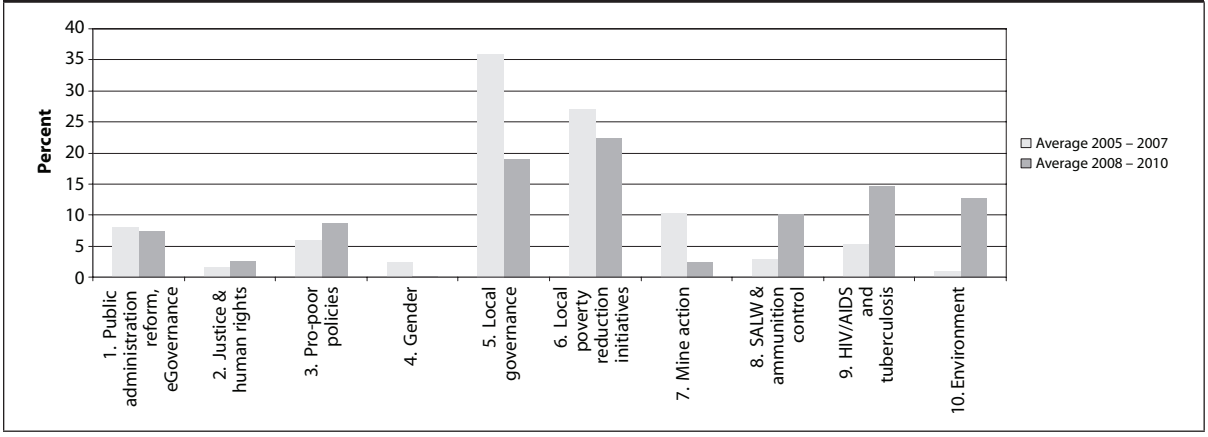
sustainable planning and efficient environmental resource management.

The UNDP country office has divided its projects and programmes into six main portfolios: public administration reform; ICT for development; justice and human rights; social inclusion; human security and area-based development; and HIV/AIDS, energy and environment. Some of these contain subsidiary portfolios. Many of its programmes and projects, especially the area-based initiatives, address more than one programme component. In view of the integrated character of much of its work, the organization of the work into (and within) portfolios bears at best a loose relationship to the formal structure of its work as reflected in the country programme and CPAP.[48] The way that UNDP's programmes cut across focus areas has to be borne in mind when looking at development results within the frame of UNDP's focus areas. Table 3 (following page) shows how the portfolios and the pillars inter-relate.

Figure 1 shows the proportional allocation of the available total funds to the major project and programme portfolios in the past two years compared to the planned allocations for the upcoming period. The largest financial means in the past have been dedicated to local governance capacity-building and area-development programmes oriented to poverty reduction. As illustrated in the graph, there is a significant increase in funding for future activities in the environment and HIV/AIDS portfolios, while others such as local governance and gender will see substantial decreases. Thematic fields with a significant level of transfer to national ownership, such as the mine action portfolio, are being phased out completely.

The resident UN Country Team,[49] in consultation with non-resident agencies[50] and the government, were working on the new CCA (2008) for the next UNDAF (2010-2014) at the time of this evaluation mission, and a draft was made available to the evaluation team.

Figure 1. UNDP BiH Funding Allocations by Programmatic Theme (Average Actual 2005 – 2007 and Approved 2008 –2010)



Source: UNDP BiH

[48] See Annex 6 for details.

[49] Comprising UNDP/UNV, UNICEF, UNFPA, ILO, UNESCO, IOM, WHO, UNHCR and UNIFEM.

[50] UN Environment Programme (UNEP), International Fund for Agricultural Development (IFAD), UN Industrial Development Organisation (UNIDO), Food and Agriculture Organization of the UN (FAO), UN Habitat.

Table 3. Relationship between UNDP's Programme Portfolio and Focus Areas

PROGRAMME PORTFOLIO	Programme/ project	Focus area/ pillar				
		Democratic governance		Social inclusion (poverty reduction and the MDGs)	Human security (crisis prevention and recovery)	Environment and sustainable development
		State/entity level	Local governance			
Public administration reform	Support to Public Administration Reform	■				
	Support to Civil Service Agency FBiH	■	■			
	Civil Service Training Project	■	■			
	eGovernment	■	■			
	Aid Coordination	■				
ICT for development	eGovernment			Potential		
	eLegislation	■	■			
	Early Warning System	■			Potential	
	Growing Sustainable Business	■		■		
	eSEE Secretariat	Indirect				
Justice & human rights	Transitional Justice	■	■	■		
	Judicial Training	■	■	■		
	Support for War Crimes Chamber				■	
Human security/area-based development	Integrated Mine Action	■			■	
	Small Arms Control BiH	■			■	
	Srebrenica Regional Recovery		■	■		
	Upper Drina Regional Development		■	■		
	Tourism			■		
HIV/AIDS, energy & environment	HIV/AIDS			Not in country programme		
	Environment	■	■			■

(cont'd) ►

◄ (cont'd)

PROGRAMME PORTFOLIO	Programme/ project	Focus area/ pillar				
		Democratic governance		Social inclusion (poverty reduction and the MDGs)	Human security (crisis prevention and recovery)	Environment and sustainable development
		State/entity level	Local governance			
Social inclusion	Research & Development: (National human development report; other)					
	Sustainable Transfer to Return-Related Authorities					Local initiatives
	Rights-based Municipal Assessment					Local initiatives
	Local Governance: - Integrated Local Development					
	- Municipal Training System					
	UN Volunteers (RiverSEE, European Voluntary Service, Youth Employment)					
	Gender		Potential	Potential		
Key to shading		In CPAP/ Revised Results Framework		Not planned	Not in country programme document	Potential

Based largely on UNDP BiH Organization Chart (June 2008), CPAP/ Revised Results Framework, Country Programme Document 2005-2009. For details, see Annex 6.

This draft CCA identifies a number of national challenges that should be considered in formulating the new UNDAF: state structure/constitutional reform; preparation for EU membership; economic development and job-based growth; statistics and a national census; management of environmental degradation and pollution; social inclusion-protection/inclusive growth; reconciliation; and institutional development.

On this basis, three priority areas have been identified to be of particular relevance for the government's and the UN Country Team's programme of work in 2010-2014: social inclusion; capacity-building at all levels of government; and environment. Underlying the proposed interventions is a human rights-based approach, with gender and youth mainstreamed across the entire programme.

3.2 COUNTRY OFFICE PROGRAMME MANAGEMENT

The UNDP country office, which also serves as the liaison office for the Federation of Bosnia and Herzegovina, is located in Sarajevo. A small project office in Banja Luka liaises with the Republic of Srpska; the environment and HIV/AIDS-tuberculosis portfolios are located in this office. Other offices across the country are project-related.

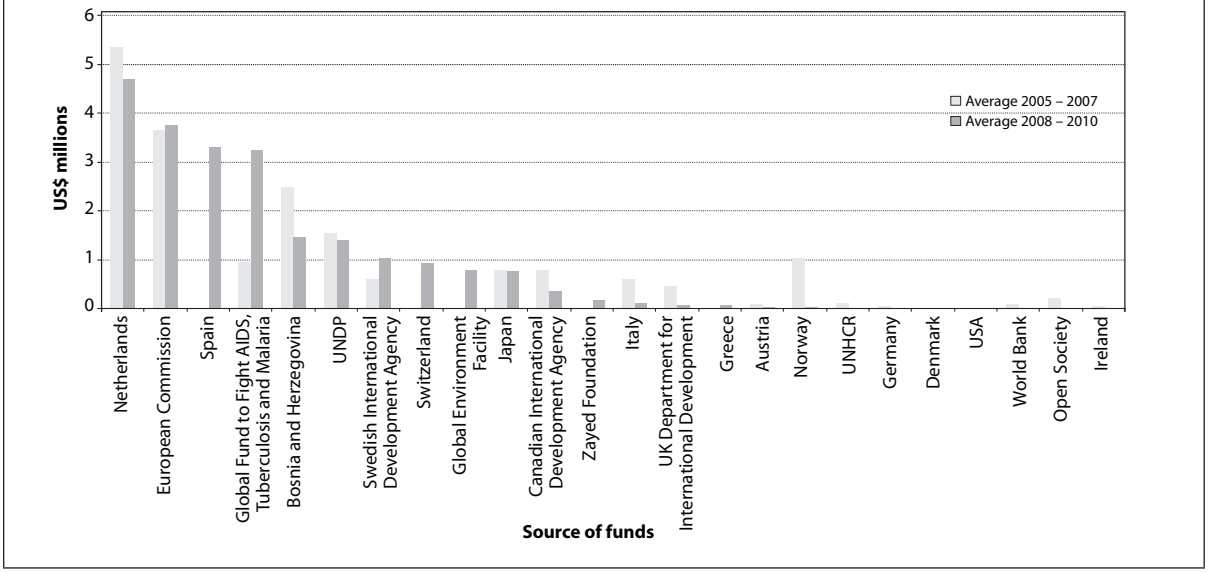
Most of the country office's projects and programmes are currently implemented under the direct implementation modality. Close to 200 people work for UNDP in Bosnia and Herzegovina, either as full-time staff or under service contracts: 72 percent of them are assigned to programme portfolios and projects.

3.3 RESOURCE MOBILIZATION

Total expenditures on UNDP programmes since 1996 have amounted to $181 million. The approaches proposed by UNDP have drawn donor support for a range of projects and programmes.

During the period 2005-2007, a total of almost $57 million was allocated to the country programme, an annual average of almost $19 million in programme delivery. Currently, funding allocations and commitments for 2008-2010 amount to $86 million, an annual average of over $23 million.

Figure 2. Average UNDP Expenditure 2005-2007 and Budget Allocations 2008-2010 by Funding Source (US$ millions)



Source: UNDP BiH

Table 4. Annual Budget of the UNDP Programme by Core and Non-Core Funds, 2001-2007 (US$) [51]

	2001	2002	2003	2004	2005	2006	2007
Core funds	268,000 (3%)	1,146,000 (13%)	1,639,000 (15%)	970,000 (9%)	984,000 (5%)	916,000 (5%)	979,000 (5%)
Non-Core funds	8,387,000 (97%)	7,723,000 (87%)	9 ,518,000 (85%)	10,393,000 (92%)	18,819,000 (95%)	15,819,000 (95%)	19,325,000 (96%)
TOTAL	8,654,000	8,870,000	11,158,000	11,364,000	19,803,000	16,735,000	20,305,000

Percentages may not add up to 100 due to rounding.
Source: UNDP BiH

These major increases indicate donor support for a growing emphasis on the environment (from Spain, through the MDG Achievement Fund and from the Global Environment Facility), for conflict prevention and peacebuilding (from the European Commission for control of small arms and light weapons, and from Spain under the MDG Fund), and for HIV/AIDS prevention (from the Global Fund to Fight AIDS, Tuberculosis and Malaria).

Figure 2 (previous page) shows the distribution of these funds by donor. With an average of $5.3 million per year over 2005-2007, the Government of the Netherlands has been the most significant donor to UNDP programmes in Bosnia and Herzegovina, 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 over the same period.

The significant increase of pledged donor funds from the Government of Spain for 2008-2010 stands out, with an annual average of $3.3 million from the MDG Achievement Fund (in the areas of environment and of conflict prevention and peacebuilding). The increase in allocations from the Global Fund to Fight AIDS, Tuberculosis and Malaria (averaging $3.2 million per year) is also highlighted.

As can be seen in Table 4, non-core funds in recent years have usually represented well over 90 percent of annual budgets for the country programme.

3.4 STRATEGIC PARTNERS

In terms of overall aid management over the past ten years, UNDP has worked in close coordination with BiH state-level institutions, sharing "the vision for Bosnia and Herzegovina by 2009; a fully self-governing country with a capable national democratic government structure agreed to by all BiH nationals, responsive to the needs of citizens, sustainable equitable economic growth and pro-actively negotiating its European membership."[52] UNDP's contributions in drafting and implementing important aspects of the country's key development planning documents (such as the MTDS and the Strategy for Public Administration Reform) demonstrate a high level of partnership and cooperation. However, due to the general political climate, as well as UNDP's strategic and policy choices (discussed at length in the following chapters), this cooperation has been somewhat more difficult at the entity and local levels of government (see Box 5 on the following page). Due to the current constitutional composition of Bosnia and Herzegovina, the majority of decisions take place at these levels. The aim is to transfer responsibility and ownership of the coordination of development assistance to the BiH government, under the leadership of the Ministry of Finance and Treasury, in February 2009.

[51] UNDP BiH records.

[52] UNDP Country Programme Document for Bosnia and Herzegovina (2005-2009), para 19.

Box 5. Making Strategic Choices in a Complex Government Structure

As discussed in Chapter 2, the BiH Constitution accords extensive powers to the two entities. The powers of the state are restricted, and can only be extended for purposes of more effective government if the entities agree to accord additional authority to the state. Municipalities also have extensive mandates. UNDP made a strategic decision to work at municipality, entity and state levels.

However, there is an intermediate layer of government that also has significant power: the 10 cantons of the Federation of Bosnia and Herzegovina, which have jurisdiction in all matters not specifically allocated to the Federation's entity government. The canton administrations absorb much of the public budget and add considerable complexity to an already complex structure, as they have their own individual administrative and legislative structures.

Like most donors, UNDP has decided that the potential cost-effectiveness of working specifically at the canton level is relatively limited. In the interests of using available resources to the maximum, it has therefore decided to focus efforts at the municipal, entity and state levels, and to support direct work with the cantons only where they form part of the link between state and local levels, or where there are special considerations that call for involvement of specific canton governments.

Once the BiH government started to initiate and implement the comprehensive reforms necessary for accession to the European Union, it was logical that the European Commission would assume the lead role in working with national authorities to prioritize and set the pace of these reforms. The EU Commission is the lead agency in terms of coordination of reform efforts in the areas of democratic governance and economic development. However, this does not prevent UNDP from finding modes for effective cooperation with these multilateral donors in fields where they perceive UNDP can have an impact on sustainable human development. The most recent proof of this is the EC delegation's approval, in September 2008, of €2.7 million to support UNDP's Small Arms Control Project.

Many of the major bilateral and multilateral development agencies in Bosnia and Herzegovina are members of the BiH Donor Coordination Forum,[53] which serves as a semi-formal platform for information exchange among these organizations, which meet on a quarterly basis. The Donor Coordination Forum was established in December 2005 by 17 of the major donor agencies in Bosnia and Herzegovina, and is hosted by UNDP, which serves as secretariat. UNDP also participates in weekly meetings of the Board of Principals, in which the Office of the High Representative and heads of multilateral organizations participate.

[53] The members of the Donor Coordination Forum are as follows: Austria (ADA), Canada (CIDA), France, Germany (KfW and GTZ), Italy (IC), Japan (JICA), The Netherlands, Norway, Spain (AECID), Sweden/(SIDA), Switzerland/(SDC), UNDP, UNFPA, UNICEF, United Kingdom (DFID), United States of America (USAID), and the World Bank.

Chapter 4

UNDP'S CONTRIBUTION TO DEVELOPMENT RESULTS

UNDP has contributed to development results in Bosnia and Herzegovina, not only through interventions funded from core funds and from other donors, but also through a range of advisory, advocacy and information-sharing activities. The role of UNDP in making the transition from post-conflict emergency aid to development support was recognized in the 2006 revision of the MTDS: "The UNDP is directed toward the realization of different activities that gradually changed the focus from post-war recovery to questions connected to the strengthening of the capacity for sustainable and long-term socio-economic development."[54] The chapter reviews the programme performance in contributing to development results, within the context of national priorities and strategies.

4.1 SUPPORTING DEMOCRATIC GOVERNANCE

In post-conflict reconstruction and development, working with municipalities became an obvious choice for UNDP (along with most other donor agencies working in Bosnia and Herzegovina), since reconstruction occurs at the local level. Furthermore, international agencies were of the view that it was important to strengthen the state and municipalities for a more effective government system. The local government structures were left relatively intact at the end of the conflict compared to higher levels of government, and many agencies found it politically less controversial to work with municipalities. However, the transition to democratic governance necessitated the participation of citizens beyond voting. This required a change in governance approach at the municipality to enable transparency and accountability in government practices.

4.1.1 APPROACHES TO SOCIALLY INCLUSIVE GOVERNANCE

In reconstruction as well as development activities, UNDP has placed specific emphasis on strengthening municipalities. UNDP used a twofold approach: to enhance the capacity of municipalities to better respond to the challenge of reconstruction and development and to adopt a participatory approach to local governance.

Using a human rights-based approach. UNDP gave an added dimension to its participatory approach by anchoring it within human rights principles. Displaced persons and returnees received particular attention from UNDP BiH, whose interventions at the level of municipalities included participatory forums where 'duty bearers' (those obligated to fulfil human rights) and 'claim holders' (those claiming their rights) could participate in reconstruction and development planning. Under the Rights-Based Municipal Assessment programme (RMAP), UNDP BiH developed a special tool to identify community needs through extensive consultations within the framework of human rights principles. Based on this experience, the tool has been adjusted to strengthen inputs from vulnerable groups, and UNDP has supported municipalities in adopting and practising right-based assessments in preparing its multisectoral development strategies and multi-year action plans.[55] (This approach is discussed further in section 5.1, as a cross-cutting issue.)

[54] MTDS, p. 21.

[55] Planning periods varied from 1-2 years to 5 years, according to the municipality.

A possible downside to participatory processes is that they are liable to raise unrealistic expectations in a society unused to being consulted as to its needs. In addition, planning, very often, does not take budget realities into account. Recognizing this, UNDP provided support for certain projects, including training in project formulation and seed money (which had to be matched by municipal financial or in-kind inputs for some high priority projects). Synergy was created with subsequent UNDP municipal interventions where funds were allocated for local development projects.

These projects have been implemented with varying degrees of success. Many municipalities involved in rights-based municipal assessments or other UNDP programmes implemented locally have been able to raise at least the minimum resources required. Some have also been able to attract donor support for their plans using their strategy documents. Although local development needs have not always been effectively prioritized by municipalities, UNDP has been able to communicate the message that citizens should have a role in governance.

More than half the country's municipalities have expressed an interest in rights-based municipal assessments, reflecting the potential for replicating the approach, provided UNDP BiH can ensure that local capacity to carry out such assessments is developed without requiring its ongoing support. Effectiveness and sustainability of the rights-based approach also require political will to assess and consider citizens' rights and the capacity of citizens groups to participate actively in assessments, planning and monitoring. This combination has not always been achieved,[56] even while project staff were still present. The evaluation team found indication that initial effectiveness in formulating development strategies is sometimes being undermined by political and/or private interests and that this is not being countered due to insufficient monitoring and follow-up of how priorities are set and plans implemented. As a result, the contribution of this approach to democratic governance results has been sub-optimal in a number of municipalities. UNDP should take steps to ensure that its local partners and/or project teams actively monitor projects in order to take appropriate remedial steps such as advocacy or using the Ombudsman function.

Two new projects related to the development of systematic municipal planning and management, one through developing standards and one through training, plan to build on the experience of the project, and should link it to cantonal and entity-level systems.

Increasing the role of civil society. Civil society in Bosnia and Herzegovina is evolving, and UNDP's municipal-level projects address the need to strengthen the capacity of civil society organizations (CSOs) to play an effective role in enhancing transparency and furthering participatory governance. UNDP has also supported the formation of local action groups, with representatives from civil society, the business sector and municipal administration, as a forum for consultation. Projects have also provided CSOs with seed money for work related to municipal plans. Some local action groups have subsequently been registered as CSOs.

Most participatory processes initiated by UNDP at the municipal level resulted in development strategies that included CSO inputs and were later converted into action plans that are now being implemented. However, it appears that more attention was paid to the participation of CSOs in formulation of municipal development strategies than to their potential role in monitoring how the resulting action plans reflected priorities identified with civil representatives, how plans are implemented, and how participatory processes continue to be integrated into municipal consultative systems. As a result, their

[56] Prime examples include Stolac, Derventa and Foca, where mobilizing political will to accept wide participation of the population in the whole process is proving to be a challenge.

subsequent participation has often been limited to one-time access to seed money for implementing activities linked to municipal action plans, rather than as part of a sustainable governance process.

The evaluation team found that, despite initial successes in promoting CSO participation in planning, participatory processes in some municipalities now appear to be diverging from those originally intended. They have become less inclusive with criteria for inclusion based more on social or political affiliation than on potential contribution to good governance. The degree this process has been captured by political powers varies in intensity among municipalities. In one extreme example, only CSOs in full political agreement with the municipality appear to be allowed to participate actively; CSOs that are working from a reconciliation and unity perspective seem to be systematically kept outside this so-called 'participatory' process.

In many ways, such deviation of the participatory process could have been anticipated, and it could have been mitigated through careful monitoring of implementation – by CSOs and by the UNDP teams. The evaluation team received the impression[57] that a factor in weak long-term monitoring of the ongoing participatory process was pressure on UNDP teams for programme delivery.[58] Project staff consequently pay less attention to the sustainability of the participatory process once it has been mobilized, and more to achieving the local socio-economic development outputs established for their projects.

In a number of places, the local action groups have been formally registered as CSOs. Some CSOs, including some within local action groups, expressed concern that such consultative platforms were being registered as CSOs; in their view, a process need not be institutionalized as such. The evaluation team considers that the formalization of local action groups may signal a shift from a participatory platform to a more implementation-oriented organization with control over resources but reduced social inclusiveness.

As EC Instrument for Pre-Accession Assistance grants become available to municipalities, the tendency to favour some CSOs over others may be intensified, with municipalities tending to channel approved funding through favoured CSOs.

Despite limitations in CSO participation in municipal projects, the participatory process should be seen in a wider context of establishing a balance between institutional legal authorities and citizens' demands. Where CSOs have become more assertive in demanding accountability from the municipality, some progress has been made even where they are not formally included in their municipality's consultative process. In future work on participatory processes, UNDP should pay greater attention to developing the capacity of CSOs to participate effectively in monitoring in order to increase the sustainability of the process.

Reinforcing gender equality. UNDP BiH, along with many donors, actively supported entity-level Gender Centres[59] in a process that led to the passing of the state Law on Gender Equality in 2003. Under this law, the Gender Agency of Bosnia and Herzegovina was established under the auspices of the Ministry for Human Rights and Refugees. UNDP has made additional use of this success by facilitating sharing of gender agencies' experiences with other countries in the region facing similar challenges.

The Gender Equality Law prohibits gender discrimination in relation to all human rights and freedoms, and requires all statistical data to be gender-disaggregated. It also assigns extensive

[57] Reinforced by comments from UNDP staff concerning 'mixed messages'.

[58] 'Programme delivery' is used as the yardstick of success in all the UNDP BiH Strategy Notes, reinforcing a notion of success measured solely in financial terms.

[59] A FBiH Gender Centre was established by FBiH Government decree in 2000; a Republic of Srpska Gender Centre was established by Republic of Srpska Government decree in 2001.

monitoring responsibilities to the state Gender Agency and the entity Gender Centres, which have a role in formulating and monitoring state Action Plans on Gender Equality, assessing laws and the gender impact of state policies and programmes, and reporting on implementation of the law. UNDP and other UN agencies have been supporting the new BiH Gender Agency and the two entity Gender Centres, as well as concerned CSOs, in their efforts to monitor implementation of the law.

Article 18 of the Gender Equality Law specifically requires all statistical data and records to be gender-disaggregated at all administrative levels and in both public and private sectors. Insofar as possible, statistical agencies at the entity and state level are now providing gender-disaggregated statistics, although the reliability of the data is subject to reservation since they depend largely on recent household-level surveys and on projections based on the 1991 population census (prior to the dislocation caused by the conflict). UNDP has contributed to this improvement by, for example, supporting training related to the Labour Force Surveys.

Gender Centre and Gender Agency representatives recognize that the real value of such statistics lies less in their use in describing women's situation and gender discrimination than in their usefulness in analysing the gender-related causes and implications of problems. Such analytical skills must be greatly enhanced if gender-disaggregated data are to be used effectively to increase participation by both men and women in strategic thinking, policies and planning.

Relationships among entity Gender Centres appear to have been built on the identification of common problems and challenges and consensus on a set of issues that facilitated passage of the Gender Equality Law. These links, in turn, have helped forge a relationship with the state Gender Agency. Political positioning in relation to ethnic divisions and entity autonomy is minimal, if not absent, in discussions concerning gender issues: Even generally sensitive topics, such as need for a new census for improved planning, are discussed on the basis of commonly agreed needs. Differences between entity systems and structures are discussed in terms of adjustments to be made, rather than being seen as major barriers to collaboration on gender issues. This focus on common concerns, and the problem-solving approach where differences exist, is refreshing in a context where differences tend to be presented as barriers. It has facilitated and enhanced UNDP's contribution to work in the field of gender equality at the institutional level.

UNDP support to gender equality measures at the state and entity levels has contributed to real progress in developing a legal and administrative framework for gender mainstreaming. However, no real effort appears to have been made within the framework of UNDP's work in municipalities to promote the activation of or involvement by municipal and local community gender commission structures provided for by law, despite the fact that field staff 'recognize' that there are gender dimensions to vulnerability.

Similarly, UNDP has actively encouraged systematic application of the law concerning gender disaggregation of all data in municipalities where it has been working, although municipal records, including electoral lists, lists of returnees and lists of others receiving assistance could and should be gender-disaggregated. The rights-based municipal assessments have incorporated gender issues, to a greater or lesser extent, insofar as the teams understood the term 'gender',[60] but gender characteristics of the population have not been indicated systematically, even approximately, in these reports and strategies. Most strategy documents have mentioned gender differences in municipal staffing and among elected officials. However, other than usually identifying women among vulnerable groups, the documents

[60] While a number of field staff have greater understanding of gender, comments by some field staff reflected limited understanding; 'women's stuff' was one term used in discussion.

tend to lack the analysis needed to make the strategies gender-sensitive. Even for their own monitoring purposes, UNDP's programmes are apparently not systematically ensuring gender-disaggregation of municipal data.

Opportunities to encourage municipalities to disaggregate data available to them, and analyse these to develop gender-sensitive strategies and plans, have not been well used. The outcome of UNDP support in mainstreaming gender in democratic governance has therefore been sub-optimal. Greater attention should be paid to this in local-level initiatives in the future, including in both municipal governance projects and the planned local environment programme.

4.2 STRENGTHENING GOVERNMENT INSTITUTIONS

One of the key areas of UNDP cooperation with the BiH government has been "fostering democratic governance" and to support efforts towards the "full political transition of Bosnia and Herzegovina that can be exercised through reform of its administrative and civil service institutions and practices."[61] In order to achieve these ambitious goals, UNDP provided support, through a number of projects, to information and communications technologies, civil service reforms, public finance management, institutions of transitional justice, and local development initiatives. Specific projects dedicated to institutional capacity-building at the state level include support to public administration reform, aid management and eGovernance. Their common objective is "the development of an efficient and responsive public administration, which will ensure equitable access to public services." [62]

4.2.1 PUBLIC ADMINISTRATION AND PUBLIC FINANCE REFORM AT STATE AND ENTITY LEVELS

Public administration reform at the state level, which was initiated by the Office of the High Representative in late 2003, resulted in a common inter-entity agreement on the reform process and, in 2004, formal establishment of the Public Administration Reform Coordination Office (PARCO). Aided by a consortium of international partners, the inter-entity working group created a common strategy for public administration reform in 2006 and mandated the reform office to become operationalized. This was planned in three phases through two action plans. The first plan, in an updated version, is to cover the period from 2007 till the end of 2010; the second would encompass the long-term objectives of the 2011-2014 third phase. Based on an EC-funded review of the public administration system, the activities of the first action plan would "build, consolidate and harmonize the general systems of: Public Finance and Human Resources Management, Administrative Procedure, Information Technology, and Institutional Communication."[63] Implementation of the first phase is behind schedule. In view of the close links between EU accession processes and reform requirements, the European Commission became the lead agency in the process.

According to the UNDP Strategic Results Framework (MYFF 2004-2007), UNDP's engagement in the public administration reform programme at the state and entity levels emphasized strengthening government capacity for greater efficiency, transparency and accountability. In the ongoing UNDAF, "strengthened capacity of state to manage local socio-economic development and to engage key national partners" is envisaged. The programme aimed at strengthening the public administration reform process through human resource management

[61] UNDAF 2005-2008.

[62] Country Programme Document 2005-2009.

[63] BiH Public Administration Reform Strategy 2006.

policy and training, designed and applied at the state and entity level, making the BiH civil service agency fully operational. UNDP supported the drafting of the reform strategy through the provision of expertise to an inter-governmental task force assigned to that role.[64] However, the budget it allocated to provide intellectual and technical leadership turned out to be modest given the ambitious planned outcomes of the national reform process. UNDP potential and resources were not adequately used, with low investment in high-priority issues, and thinly spread limited resources for multiple reform goals. International organizations and national stakeholders involved in the reform process indicated to the evaluation team that UNDP's role in establishing the state-level PARCO and in the initial action plan activities was limited because it did not participate in the Public Administration Reform Fund. While international agencies claim certain successes in furthering the reform process, UNDP has by and large chosen to focus its efforts on supporting specific interventions dedicated to institutional capacity-building whose "common objective is the development of an efficient and responsive public administration, which will ensure equitable access to public services."[65] These include developing administrative capacity to apply reforms through training of civil servants and developing ICT systems to support the implementation of reforms. In response to specific information gaps affecting progress, it has also developed activities related to aid management.

4.2.2 CAPACITY DEVELOPMENT FOR PUBLIC ADMINISTRATION

Training for civil servants. UNDP has contributed to efforts by PARCO to establish a state-level system for civil service training for both entities. It supported studies for what was perceived by some as a centralized training facility. Up until the time of this evaluation, state-level training was largely aimed at state civil servants. Entity authorities stress their very different legislation and public administration structures. For example, in the Republic of Srpska, public administration is centralized, with no municipality-level employees classified as civil servants; in the Federation of Bosnia and Herzegovina, it is cantonal, with civil servants at the entity, canton and municipal levels. (About a third of municipal officials in the Federation are civil servants; the rest are classified as municipal employees.) It has not yet been possible to achieve agreement on a common civil service training system that would allow for entity differences.

UNDP helped to set up the Federation of Bosnia and Herzegovina Civil Service Agency, which was established in 2004, and facilitated the agency's development in the initial period of its operation. It provided office infrastructure, professional guidance, training and counsel. Cooperation with the Civil Service Agency in the Republic of Srpska was less extensive, since the agency was receiving support from the UK Department for International Development (DFID). An independent mid-term evaluation of the Civil Service Training Project in 2006 rated UNDP's implementation of this project as an overall success, though some key stakeholders in the entity ministries and civil service agencies are questioning the long-term impact and sustainability of such short training sessions. The fact remains, however, that the Federation of BiH Civil Service Agency is now managing its own training process and considers that its training institutes have now developed the capacity to respond effectively to the training needs of the Federation's – and others' – civil service. There was little inter-entity collaboration in individual public administration reform processes and apparently limited synergy among the international actors (UNDP and DFID) who undertook efforts to aid both civil service agencies.

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[64] The Public Administration Reform Inter-Governmental Task Force is in charge of coordinating and leading capacity development in policy-making, strategy development, public administration reform, programme formulation and implementation.

[65] Country Programme Document 2005-2009.

This is a missed opportunity for coordinated development of both entity agencies, especially in terms of the groundwork for the subsequent public administration reform process carried out at the state level. The state Civil Service Agency pointed out that 80-90 percent of training content would apply to civil servants at all administrative levels, and that no more than 20 percent needed be tailored to fit specific institutional differences.

Building the capacity of municipal administrations. In the Federation of Bosnia and Herzegovina, about a third of municipal administration staff are classified as civil servants, and hence are eligible for inclusion in civil service training programmes.[66] In the Republic of Srpska, no municipality staff are classified as such. Indeed, this difference has been a key argument used by the entities against having a centralized system of civil service training. As a result, there is no current basis whereby any single standard municipal administrative system has been developed and applied across all municipalities, even within either entity, and municipal training as such is not directly included in public administration reform processes. Municipal administrative capacity-building has largely occurred in an uncoordinated way through a multiplicity of municipal-level local development projects funded by different donors, including UNDP.

Although it is the level of government closest to the citizens of Bosnia and Herzegovina, the local level is the most disadvantaged branch in terms of administrative capacities, resources and democratic reforms. Delivery of a large proportion of public services falls within the responsibilities of municipal authorities. In the context of Bosnia and Herzegovina, a large number of municipalities have suffered severe material and socio-economic losses and radical changes in the structure of their populations. Local government reform priorities have been linked to the issues of major infrastructural (re)construction and implementation of Annex VII of the General Framework Agreement (concerning reinstatement of property rights and basic conditions for the return of internally displaced persons and refugees). Understandably, such work came before any meaningful attempts at institutional capacity-building and/or improvement of democratic governance. UNDP's work with the state Ministry of Human Rights and Refugees has helped tighten state-issued criteria for implementation of Annex VII (see section 4.B), although related administrative systems for applying these still come under municipal and entity authorities and are not standardized. However, with EU accession and the expected according of Instrument of Pre-Accession Assistance grants to and through municipalities, local administrative systems as well as the capacity of municipality officials to manage grant funding will have to meet EU standards. It is therefore relevant to include discussion of municipal administrative capacity-building in the context of public administration reforms.

Much of the municipal administration and public finance reform in Bosnia and Herzegovina has been conducted under the Municipal Administration Reform Programme, with support from the Office of Security and Co-operation in Europe (OSCE). The Office estimates that of the 104 municipalities that joined the programme, 98 had met its requirements by June 2008. These requirements, however, largely concern the ability of municipality officials to provide basic public services and correctly conduct essential election procedures.

As mentioned earlier, UNDP's municipal-level programmes have built on growing experience in inclusive processes for governance, with particular emphasis on rights-based assessments as a basis for municipal planning and active participation of the civil sector. To date, some

[66] The FBiH Civil Service Agency gave figures as of August 2008: of 5,586 FBiH civil servants attending training, 2,163 are from municipalities and 2,352 from canton administrations. The remainder were from the FBiH entity administration. (Note: actual persons trained would be fewer; the count reflects cumulative attendance of training courses and is not adjusted for attendance.)

50 municipalities have benefitted from a relatively coherent, albeit evolving, approach to municipal development capacity-building. However, the sustainability of processes introduced is uneven. Without supportive institutional systems in place, neither civil society nor even UNDP teams working in a municipality can enforce inclusiveness in planning processes.

Entity representatives (especially in the Republic of Srpska) also criticized the lack of systematic feedback from UNDP local initiatives, although there are indications that at least rights-based municipal assessments and resulting municipal development strategies have been shared. Reportedly, the Ombudsman has followed up on some of the issues they raised.[67] But UNDP is not alone in providing support for municipal systems and related training.[68]

UNDP plans to introduce a Municipal Management Information System, which would be related to appropriate eGovernance applications and improve service delivery and business processes, have not yet been implemented. This is due in part to the difficulty in reaching agreement on a unified system for state-wide use. UNDP staff recognize that while a general introduction of the system was blocked, they may have missed an opportunity to demonstrate its potential by developing a small pilot version that could be tested in municipalities participating in area-based development programmes.

To address the gaps and problems in the local-level public administration reform process, UNDP is initiating two complementary projects: a comprehensive Municipal Training System and an Integrated Local Development Project. The former is intended to develop a training system that "will become a platform for coordination of ongoing and planned donor and local initiatives in the area of local capacity-building, and will serve to anchor and sustain various capacity-building programmes and products created by different projects and actors."[69] In response to the problem of entities stressing their differences rather than the commonalities between them, the plans call for extensive consultation with authorities of both entities as well as with entity-specific Associations of Cities and Municipalities. Such consultation will be essential if a common system is to be established. The Integrated Local Development Project will build on the cumulative experience of UNDP at the local level. It will also draw on UNDP's credibility as well as that of others to develop a methodology framework for municipal development planning and administration that can then be tailored to each municipality for appropriate capacity-development packages to be agreed upon with them. The project will benefit from lessons learned by UNDP's failure to ensure the sustainability of earlier programmes, and is designed to feed into the development planning-related aspects of the Municipal Training System.

UNDP is therefore taking steps to correct recognized weaknesses in its work at the municipal level and to progress towards its local governance outcome. It is hoped that synergy will also be created with the planned Local Environment Programme, which includes inclusive municipal capacity-building for environmental development planning. However, the evaluation team notes that although both project documents stress partnerships with key institutions with potential roles in long-term application of systems, neither specifies strengthening the capacity of these institutions to assume responsibility for executing the project. Continued use of the direct implementation modality creates the impression that UNDP will always be there to take overall responsibility, which discourages full local

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[67] RMAP project document (for additional funding), December 2006.

[68] Not all such training is effective. For example, municipal representatives referred to training in areas such as project cycle management. However, when faced with the task of applying for Instrument for Pre-Accession Assistance grants, they were not necessarily able to handle the applications easily.

[69] UNDP Municipal Training System project document.

ownership and encourages dependency. UNDP should give serious consideration to building into these projects a clear transfer of responsibility to local and entity partners in a way that emulates national execution before the projects end. For real sustainability, it will also be important to ensure clear and functional links between state or entity and municipality level systems (including through cantonal administration in the Federation of Bosnia and Herzegovina).

Systems for information and communications technology. Responding to demands for ICT development, UNDP supported and organized a series of multilevel workshops and consultations across Bosnia and Herzegovina in 2002, looking at how these technologies could enhance development in all sectors.[70] These efforts culminated in a Bosnia and Herzegovina ICT Forum in 2004, and the drafting of a national policy, strategy and action plan for information society development.[71] The resulting documents were adopted by the BiH Council of Ministers in November 2004,[72] and the BiH Ministry of Communications and Transport was assigned overall responsibility for implementation. UNDP's approach was particularly relevant in view of the country's relative underdevelopment in ICT after the war: It put in place a process of information technology development and concerned ministries have followed up on the action plan, which is reflected in the revised MTDS. While the gap between policy and implementation often slows progress in Bosnia and Herzegovina, there are clear examples of national ownership of ICT development that bode well for sustainability. For example, in the context of eBusiness, the Independent Taxation Authority identified a multiplicity of software systems as inhibiting their system. They then generated their own funds and developed an interface that allows for the exchange of necessary data rather than open access to all data.[73] Concerns about full data sharing between entities were also avoided, reducing a factor that often inhibits implementation of state-level reforms.

eLegislation and eGovernance. The development of ICT to enhance democratic governance has been included in a state-level Public Administration Reform Strategy and its implementation plan. UNDP supports the ICT component of the public administration reform process primarily through two initiatives: eLegislation and eGovernance. Electronic legislation efforts mainly focused on building state, entity, and Brčko District legislation databases and providing electronic cross-referencing between these, while the eGovernance component has so far focused on support to the BiH Council of Ministers. The development of an eGovernance system in the BiH Council of Ministers has yet to make progress in becoming an effective governance tool. According to e-readiness assessments and interviews with officials, efforts are still at the stage of providing hardware and workstation usage guidance for employees. The issue of coordinating and sharing-information among various levels of government remains to be solved. Meanwhile, entities are developing their own eGovernance systems separately from the UNDP project. Information-sharing network mechanisms between the entity and state level for processes involving the Council of Ministers have yet be agreed upon and worked out.[74]

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70 UNDP e-readiness report 2005/06.

71 These cover several critical 'development pillars': eGovernance, eLegislation, eEducation, ICT industry, ICT infrastructure, also indirectly, eHealth, eBusiness.

72 Is.gov.ba., *Towards an Information Society in BiH: Strategy for Development of the Information Society*, September 2004.

73 UNDP/eSEE, South Eastern Europe Ministerial Conference on Information Society Development and the 3rd Information Society Conference: eGovernment and Public Administration Reform, *Best Practice Showcase in Implementation of eSEE Agenda*.

74 Republic of Srpska officials indicated that 95 percent of their system is e-enabled and networked.

The eGovernance system should primarily serve as an avenue for efficient functioning of government decision-making processes. It will also serve as a tool for faster delivery of public services among all levels of administration through to the municipality to enable effective civil society participation. UNDP plans to enhance the service orientation of municipalities through ICT modernization have yet to be developed and implemented. The entity governments are primarily interested in a secondary aspect of the eGovernance project: the Grant Resources Management System, discussed below.

In the public administration reform plan of action, eGovernance systems are due to be introduced in phases two and three, to serve both administrations and the public. Since implementation of phase one is facing delays, it was not clear to the evaluation team how far UNDP's eGovernance project is, or will be, integrated with PARCO implementation of this component. Without full alignment on this issue, current efforts could become redundant, or worse, create competing systems running in parallel. Close coordination with PARCO in this respect is essential.

Aid management. Although the massive aid of the immediate post-conflict period has dropped off, international development assistance still constitutes an important contribution to government budgets and expenditure, with some going directly to the entity level or lower. As in many areas, the complex divisions of jurisdiction and mandates in Bosnia and Herzegovina's political and administrative structure come into play in relation to aid management. In theory, the state is responsible for macroeconomic stability. However, much of the operational and investment spending is done at the entity level.[75] Responsibility for aid coordination has been allocated to the Directorate for Economic Policy and Planning at the state level and to the Prime Minister's Office in each entity. At the state level, recent reorganization of responsibilities for aid coordination was allocated to the recently established Sector for the Coordination of International Aid within the BiH Ministry of Finance and Treasury and the Directorate for European Integration. The Sector for the Coordination of International Aid is responsible for managing all external assistance other than that which is directly linked to the EU integration process; the Directorate for European Integration coordinates funds related to the country's accession to the European Union. The Directorate for Economic Planning, which has been tasked with developing Bosnia and Herzegovina's Country Development Strategy, participates in aid coordination through the Board for the Coordination of International Aid – an advisory body for improving the efficiency of donor aid. In addition to the BiH Ministry of Finance and Treasury, Directorate for European Integration and Directorate for Economic Planning, the Board's membership consists of entity and Brčko District ministries of finance. Despite agreement on allocation of these responsibilities, aid management is complex since each jurisdiction tends to remain extremely protective of what it sees as its prerogatives.[76]

Under a joint EC/UNDP project, UNDP is assisting aid management through the development of a Grant Resources Management System that is designed to link specific resources and public investment plans at the entity and state levels. It is expected to facilitate linkage of external aid to development planning, while ensuring transparency. The management system is also intended to inform macroeconomic planning to estimate the impact of the grant aid-supported spending on key macroeconomic balances, thus initiating an iterative process of adjustment of parameters

[75] In that regard, one is reminded of the situation in Argentina prior to the crisis of the late 1990s: While the central government was trying to maintain macroeconomic balances, it had very little control over borrowing by provinces, which eventually led to the severe financial crisis.

[76] The issue became very clear when discussing the Grant Resources Management System and the intended sharing of information among jurisdictions.

through which key macroeconomic objectives of growth and price stability would be met. The system is being set up within each entity as well as within the Council of Ministers. As yet, the Grant Resources Management System is not fully operational. It will only function efficiently if the databases are complete and fully linked. Comments from entity officials suggested that they see the most benefit for their entity in terms of effective access and management of information relating to forthcoming EU Instrument for Pre-Accession Assistance funds. However, there appears to be marked reluctance at the entity level to share full information on all donor aid. It will be a challenge to achieve macroeconomic coherence as long as each entity is strongly protective of its autonomy.

UNDP's role at present is in providing the ICT system. If the political decision not to fully share databases were to be confirmed, the usefulness of the Grant Resources Management System could be severely curtailed. The Independent Tax Authority faced similar problems when establishing its eBusiness system; lessons from its experience might be explored to find a solution that could reduce this risk.

4.2.3 TRANSITIONAL JUSTICE

UNDP is one of many agencies contributing to reform of the justice system. It has assisted in merging all minor offence courts within BIH municipal (Federation of Bosnia and Herzegovina) and basic (Republic of Srpska) courts and providing 300 judges with training to bring the quality of these judicial proceedings up to European standards.

In recent years, most UNDP support to the justice system has concentrated on the important but highly politically sensitive issue of handling war crimes. UNDP and other donors have contributed to setting up the War Crimes Chamber within the Court of Bosnia and Herzegovina and to strengthening the BiH Prosecutor's Office through a combination of capacity-building activities, provision of office infrastructure and a campaign to inform the public about the role of the War Crimes Chamber. Operational since 2004, the War Crimes Chamber Section-1 Court of BiH treats war-related cases with organized crime characteristics.

The impending closure of the International Criminal Tribunal for the Former Yugoslavia and transfer of its war-crime investigations have increased the case load[77] of the BiH Prosecutor's Office. To deal with this, in 2007 the BiH Ministry of Justice convened several working groups to assess needs and to develop a strategy for the fair, expeditious and transparent processing of the case load of war-related crimes. The needs assessment concluded that the lower courts did not have adequate capacity to apply a uniform law, lacked witness protection services, and had inadequate personnel and infrastructure to handle the excess case load. Consequently, a strategy was drafted with the aim of addressing the immediate constraints to accelerating verdicts in pending cases. UNDP is supporting this strategy through the training of lower court personnel.

UNDP has also engaged with civil society organizations involved in reconciliation process discussions, with the aim of building a common history for the different ethnic groups that constitute the new country. This is a very sensitive and controversial issue since the perspectives on the recent conflict and on the general history of the country tend to depart significantly among the various constituent groups. Indeed, in one municipality visited, the team found that such CSOs were effectively sidelined in 'participatory' municipal processes. UNDP is therefore treading very cautiously, encouraging a common perspective among the CSOs that later can be shared more broadly. Here, UNDP's role is more as a facilitator for CSO advocacy than working as an advocate itself.

[77] Estimated at some 13,000.

It would be unrealistic to expect clear outcomes rapidly in relation to the post-conflict transitional justice initiatives. Many studies indicate lack of confidence in government institutions, including the judicial system, and political manoeuvring around ethnic issues make war-related crimes potentially contentious. Positive impact will take a long time to become marked, but the will of CSOs to engage in reconciliation work is an important step in the right direction, which is reinforced when supported by UNDP and other organizations.

4.2.4. SUPPORT TO INFORMATION-BASED DECISION-MAKING

Over the years, UNDP has supported research studies on a number of topics relevant to policy-making in Bosnia and Herzegovina and ensured their publication and dissemination. It has mobilized think tanks and commissioned research to address information gaps and develop thinking on specific concerns, sharing the results in a range of reports that serve both planning and advocacy efforts.

Early Warning System. In response to concerns about the stability of Bosnia and Herzegovina during a period of massive changes, UNDP decided to engage in a very sensitive domain that is not usually covered by UNDP: monitoring the public pulse. This initiative merits special attention.

Since 2000, UNDP has commissioned quarterly surveys of perceptions and opinion of a cross-section of the Bosnian population in different parts of the country. The surveys span a number of issues, including politics, institutions, the business environment, income and social welfare, social inclusion, ethnic relations and public and personal safety. The data are published in quarterly and annual Early Warning System (EWS) reports that are widely disseminated.

The publication of the reports is path-breaking in Bosnia and Herzegovina, making information available that is collected through a well-developed methodology that either confirms or informs popular perceptions. In the politicized atmosphere of the country, the credibility of the publication continues to depend on it being perceived as coming from a neutral – rather than governmental – institution. UNDP has been solely responsible for the publication of the EWS reports.

The Early Warning System is considered by UNDP as the largest database of evolving public opinion in BiH history. A review of different issues (including annual ones) indicates that the information contained in each report is valuable in attempting to understand the socio-economic and political dynamics over a period of time, although the relevance of information that can be drawn from some of the questions in the survey is dubious.[78] It is also unclear whether the quarterly collection of some of the information presents a real advantage compared to a biannual or even annual collection. While the title strongly suggests a publication of immediate use for government remedial action, links between events and trends in opinion are not systematically flagged and analysed, and the time difference between the survey period and the actual publication of the EWS for that quarter does not fulfil that purpose.[79] Delays in publication reduce the value of the EWS for some users.

At the time of the evaluation mission, UNDP BiH was considering the possibility of reducing frequency of the EWS publication. While cost considerations are obviously a factor in the decision, there would be very little 'early warning' in a publication that comes out every six months. UNDP has to consider if the way ethnic groups now view and trust each other is relevant from a security point of view in 2008. If it is still found to be relevant, the section on security concerns

[78] For example, answers to question regarding perceptions of a series of second-rank institutions are more likely to reflect a general attitude towards all institutions than on direct knowledge of the functioning of the specific ones named.

[79] As an example, the EWS for the first quarter 2008 (ending in March) was posted on the website on 20 June 2008.

would need to be published every quarter, while the rest of the publication could be bi-annual or annual. The managers of the EWS insist on its importance for spotting 'trends'. Accepting this view, one would recommend that, using appropriate statistical techniques, the raw data be smoothed over periods of time and that the sharp differences in those trends be flagged with the event that can be identified as triggering the change in the general trend.

While recognizing that the EWS is making available important information to a broad audience, it may be useful to review the objectives, the nature of the audience that the EWS is meant to address and their needs. Although the donor community is appreciative of EWS, it was difficult to ascertain to what degree it is actually used by the government as a primary source of information for decision-making. The EWS has the potential to develop into a key source of information for policy-making if the questions are streamlined on development indices, and reports are produced annually.

The evaluation team considers that the EWS in its present form no longer has much relevance for policy and government decision-making. While surveys provide an interesting snapshot of the socio-economic situation at a given point of time, it is no longer appropriate for UNDP to support and finance a private and ongoing information service of this kind. Should such an information service be continued, UNDP could facilitate its transfer to a private subscriber-supported service or a national institution such as the Agency for Statistics of BiH.

Other studies. Over the years, UNDP has supported research studies on a number of topics relevant to policy-making in Bosnia and Herzegovina and ensured their publication and dissemination. The national human development report (NHDR) remains UNDP's flagship initiative, dedicated to research on a topic of specific relevance for the country. UNDP has commissioned and produced appropriately timed NHDRs: on youth (2000), Bosnia and Herzegovina's Millennium Development Goals (2003), better local governance (2005) and social inclusion (2007). Both the timing of and the preparation process for the MDG NHDR were particularly critical: Its preparation paralleled that of the government's MTDS, and UNDP ensured synergy by involving key persons from the MTDS process.

UNDP has also commissioned a number of surveys, some of which were issued as EWS special reports, for example on public perceptions on justice and truth and on employment. Other surveys have complemented EWS information (for example, on perceptions of governance and 'The Silent Majority Speaks'), while others looked at particular vulnerable groups, such as female heads of households and youth. Jointly with other donors and the national statistical agencies, some major surveys were undertaken to fill gaps due to the lack of current census data. The 'Living in BiH' series of surveys (2001-2004) also served to strengthen the state Agency for Statistics and the capacity of entity statistical agencies. More recently, UNDP has supported the statistical agencies in producing the Labour Force Surveys.

UNDP is also involved in supporting preparation for the census (part of EU accession requirements). However, since the European Commission is financing the census and UNFPA and the Statistical Office of the European Communities are in a better position to provide technical support, UNDP's role and contribution was not clear to the evaluation team. Comments by other organizations suggest that UNDP's efforts in advocating for the census could benefit from a closer partnership with UNFPA, which has been working on ways to handle the ethnic sensitivities that contribute to reluctance to carry out a full census.

Both government and international organization representatives clearly appreciate UNDP's contributions in stimulating consideration of issues of relevance for policy-making, development of strategies and planning, and find this kind of intellectual leadership of value to their work.

In the future, UNDP would do well to use its comparative advantage in this area to further support public administration reform. It could do this by devoting greater attention to areas where reluctance of entities to cede jurisdiction inhibit administrative reform progress. This could include use of think tanks and studies in both entities to inform political dialogue on issues such as where and how stronger entity-state administrative coordination can bring benefits to the entities and lower levels in the administrative structures. Such support to public administration reform processes could help reduce the current blockages by facilitating smoother and more comprehensive coordination and collaboration among the entities and the state.

4.3 POVERTY REDUCTION, SOCIAL INCLUSION AND LOCAL ECONOMIC DEVELOPMENT

UNDP integrates poverty reduction across all programmes, addressing it within the wider context of local governance in Bosnia and Herzegovina, and including support to vulnerable groups within the context of promoting democratic governance. It has also worked to integrate the EU social inclusion concepts with those represented by the MDGs. Although extreme poverty does not exist in Bosnia and Herzegovina, almost half the BiH population is at persistent risk of falling below the poverty line. A similar proportion is estimated to be socially excluded in some form.

Displaced persons and returnees constitute a distinctive section of the total population that has received particular attention by UNDP BiH. Initially this attention was in the context of support for sustainable return. Later, in other programmes, displaced persons and returnees were regarded as vulnerable groups, since many of them are at high risk in terms of poverty, unemployment and other aspects of social exclusion. Such problems are often compounded for those who are ethnic minorities in the place they live. Vulnerability is also compounded by cumulative factors such as older age, disability, Roma origins, being part of a single-member or single-parent household (especially female-headed) with children under 18, low educational status, and living in a rural area.

4.3.1 SUSTAINABLE RETURN

Support to return has constituted an important part of UNDP's work in Bosnia and Herzegovina. Initially this was carried out through projects targeting displaced persons and their communities and, more recently, through area-based development programmes that include returnees as one of the vulnerable groups addressed. UNDP BiH has always recognized the necessity of looking at the larger context into which returnees move. The government strategy document for Annex VII recognizes the importance of this contribution: "The UNDP will also be a partner to the domestic structures in the transfer of competence from international community structures to local authorities, and envisaged cooperation is based on the project 'SUTRA', endorsed by the RRTF [Return and Reconstruction Task Force]."[80] It has also led to a number of donors choosing to channel some of their support through UNDP BiH. The Republic of Srpska Minister for Refugees and Displaced Persons was clear in supporting UNDP: "We would not commit our funds to the UNDP programme if we did not believe that their approach is good."

[80] Ministry for Human Rights and Refugees (Government of BiH), Office of the High Representative & UNHCR, *Annex VII (GFAP) Strategy: A Strategy of Bosnia and Herzegovina and the RRTF for the Implementation of Annex VII with Regard to the Return of Refugees and Displaced Persons and Building Capacity for a Transfer of Responsibilities to Domestic Institutions*, Sarajevo, 15 January 2003 (The RRTF is the Return and Reconstruction Task Force under the Office of the High Representative).

The Annex VII Strategy document clearly identifies an important role for civil society in encouraging people to participate in securing their basic human rights in the context of sustainable return, and sees civil society as a key player.[81] UNDP BiH has efficiently mobilized civil society in the municipalities where it has been working, but the effectiveness of this has often been inhibited by insufficient follow through of such mobilization. The strategy foresaw networks of civil society groups working together to achieve respect of returnees' rights. Results on this aspect have been sub-optimal, for the reasons discussed earlier concerning civil society.

Initially, sustainable return was viewed mainly in terms of displaced persons' right to return to their place of origin to re-establish their homes. This meant reclaiming their homes, and often rehabilitating or rebuilding them. Other sustainable return considerations had to be addressed rapidly: access to schooling, health care and social welfare services,[82] and employment.

UNDP BiH realized quite early on that sustainable return also requires attention to the local community, to contribute to creating an environment that can support return in a socially inclusive way. It has therefore taken steps to broaden interventions to include local people who were not displaced but were vulnerable. UNDP BiH's support to return has three main aspects: housing of returnees; rehabilitation of necessary infrastructure and services; and enabling returnees to establish a sustainable livelihood. Only the first targets returnees only. Discussion of the other components applies equally to area-based development and other programmes at the municipal level. Support to sustainable livelihoods is therefore discussed in the broader context.

4.3.2 REHABILITATION AND RECONSTRUCTION OF HOUSING

In January 2003, while formulating the strategy for Annex VII of the Dayton Peace Agreement dealing with the refugees and displaced persons, the Ministry for Human Rights and Refugees reported that 65,000 housing units in priority areas of return required reconstruction. In quantitative terms, UNDP BiH's contribution to reconstruction of housing (about 1,500 housing units funded), infrastructure and service delivery clearly represents only a small part of the whole effort in this context, even within the municipalities where it has worked. Many donor organizations undertook projects and programmes to rebuild homes and repair infrastructure, and state and entity governments set up the BiH Return Fund to support such efforts. As discussed earlier, UNDP BiH rapidly found a niche indirectly linked to support for return through its efforts to involve stakeholders in planning. While the right to assistance in re-establishing at least basic viable housing cannot be denied, various minimum housing standards for either repairs or reconstruction were being applied according to the locality and the different sources of funding. To avoid such potential differential treatment, in May 2006, the Ministry for Human Rights and Refugees published precise guidelines that set out details of what should be provided.[83]

As reconstruction funds become available, municipalities are responsible for selecting families for housing reconstruction assistance. The selection process has not always been transparent and based on clear criteria. When providing reconstruction assistance, UNDP initiated procedures that included the municipality

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[81] "The RRTF should increase awareness throughout BiH at all levels of civil society to create a civil environment in which refugees and DPs will be supported and integrated (according to the letter and spirit of Annex VII (GFAP)) and not, as is in some places still the case for various reasons, deterred or segregated. Should the refugees and DPs decide to exercise their individual right to return and to repossess their property, civil society will be one of the key players in encouraging people to participate in securing their basic human rights." Annex VII (GFAP) Strategy, p. 27.

[82] This involves compiling the relevant administrative documents, including those related to social security records held in other municipalities (and sometimes in a different entity), hence the value of an eGovernance system linking municipalities.

[83] For example, the number of viable rooms and estimated necessary material, as a function of the number of household members, and connections to water, power and sanitation networks. Ministry for Human Rights and Refugees, *Book of Rules on Minimum Housing Conditions for Rehabilitation and Construction of Housing Units for the Purpose of Return*.

and the population in an attempt to ensure transparency. Nevertheless, the final selection still did not always correspond to actual needs.[84] Partly due to feedback from UNDP projects, this was recognized by the Ministry for Human Rights and Refugees, which recently issued tighter guidelines on the selection of beneficiaries for housing unit assistance.[85] Special criteria help to focus selection on the most vulnerable groups among the returnees,[86] although their application remains an issue. UNDP has not been entirely successful in introducing a more comprehensive returnee selection process. In this regard it should also be noted that gender dimensions have been overlooked in selection, although they were flagged as a problem in the 2003 national human development report, which focused on the MDGs.[87] UNDP BiH should take steps to ensure that gender dimensions are carefully considered, both in the SUTRA and Partnership for Local Development (PLOD) programmes, when implementing the forthcoming MDG Achievement Fund project. The project will address remaining returnees who are vulnerable and still have no solution to their housing problems.

In exercising their right of return, not all returnees then stay. In a number of places visited, it was reported that many returnees are not currently living there.[88] Sometimes it is a clear reflection of a selection process that has given priority to applicants that fit criteria but do not intend to return, at least in the near future, over others with more immediate needs. It was not possible to verify if any of these were funded through UNDP. That many housing units have gone to families who have limited resources is evidenced by the number of partially restored homes that can be observed. One can see those that have received aid for a minimum specified number of rooms: Incomplete structures around the restored parts of houses indicate lack of means to complete additional work. It is possible that the sustainability of the completed part may be reduced by weather damage to the incomplete parts of the structures, but this is an inevitable risk when the poorest returnees receive aid for rehabilitating a minimum necessary to live in; completely restored houses belong to people with access to greater resources.

4.3.3 RECONSTRUCTION OF INFRASTRUCTURE AND SERVICE DELIVERY

Infrastructure work was carried out in municipalities where there were returnees, who share with the rest of the community the need for public services such as schools, health and social welfare centres, utilities and communication structures, many of which were in a severe state of disrepair. UNDP BiH's interventions attempted to create conditions that would contribute to sustained return, as well as facilitate integration of returnees in the communities through shared services. The effectiveness of such efforts in terms of facilitating

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84 Some early RMAP assessment reports give some indication of cases where priorities reflected political or other interests. For example, in a rights-based assessment in Derventa, an early bias towards selecting returnees of the ethnic majority for housing benefits was noted. This bias seems to have been corrected in later selections.

85 Ministry for Human Rights and Refugees, *Instruction on the Manner and Procedures for Selection of Beneficiaries of the Return Projects and Housing Units Reconstruction*, which replaced *Instruction on the Implementation of Procedures for the Selection of Beneficiaries of Assistance Programmes in Reconstruction of Housing Units for Return Purposes*, issued in 2004.

86 It must be noted that these include absolutely no consideration of gender and specific-gender needs (even under specific criteria that identify 'single parent, guardian or family supporter') and, indeed, tend usually to refer to beneficiaries as 'he' in most articles. Given the high proportion of women, this is unfortunate.

87 The 2003 national human development report on the MDGs pointed out that women face particular difficulty with producing evidence of previous house ownership since such documents are almost always in men's names.

88 This is also reflected in SUTRA monitoring records. The team heard of many cases where either one single member of a family is living in the restored family home, usually an older man with the family living and working elsewhere, or no returnee is actually living in the house. In an extreme example, representatives of one municipalities told the team that the keys to many of the housing units were handed to the family lawyer at completion of work, since the beneficiaries were living elsewhere, often abroad. It was not possible to verify if any of these were funded through UNDP.

integration also depends on local will to accept returnees (which, according to Early Warning System reports, is varied but gradually improving in areas that were once resistant). On the whole, the results have been satisfactory.

The team noted that there appears to be no ceiling placed on investment in infrastructure projects related to making housing units viable. This can, and has on occasion, led to excessively high costs per house served by electricity networks, water supply and sanitation connections.[89] In similar exercises in the future, it would be advisable to establish an acceptable ceiling to such expenditure, based on cost per household served.

In general, local communities served by infrastructure projects have contributed in some way to the work, often in the form of in-kind contributions. UNDP BiH appears to have been successful in transferring some sense of local ownership, particularly for rural infrastructure projects. This is essential for the sustainability of the infrastructure. It is less certain that these communities have developed plans for maintenance.[90] This is particularly critical in a context where people have been used to the state providing for such concerns, and UNDP should ensure that beneficiary communities clearly accept responsibility for upkeep.

4.3.4 SUPPORT TO ECONOMIC DEVELOPMENT: SUSTAINABLE LIVELIHOODS

Triggering economic activities that will help the community rise from unemployment, underemployment and poverty always constitutes a challenge, and all the more so in post-conflict situations. As stressed in the BiH Medium-Term Development Strategy, the challenge is compounded by the fragmented economy created by the country's constitutional structure, which creates a poor business climate.[91]

Initial efforts to support livelihoods in the context of sustained return appear to have been ad hoc. They largely responded to requests for equipment, supplies or livestock, with limited assessment of market opportunities or potential employment that might be created on the basis of the help provided. This approach continued long after post-conflict recovery, and the scattered support to individuals or families did not have a real impact on local economic development. From the data available to the mission, the impact of this approach appears to have been negligible. Until recently, UNDP teams did not appear to have monitored for impact of the support provided, in order to improve the process. Moreover, even some recent efforts to support livelihoods through other programmes have similarly failed to assess market viability and constraints. This is particularly critical in the area-based development programmes, located in disadvantaged areas where most pre-war enterprises had collapsed and markets are limited, leaving few employment opportunities other than small-scale farming.

However, an alternative approach has begun to be used in the past two years. This involves provision of entrepreneurial support based on a detailed assessment of local potential, business constraints and the resources that are available both locally and within UNDP to address constraints. In the Srebrenica area, this value-chain approach successfully helped identify opportunities to link dairy producers with buyers and to structure a network to facilitate marketing ('the Milk Road'); while the interventions have clearly

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89 In one site, the engineer quoted the cost of an electricity network that came to more per household than the assistance provided for the houses themselves.

90 The team was unable to verify this in many places, but in at least one site visited, plans were vague, indicating a certain ad hoc attitude. Sustainability of results calls for clear agreement and understanding as to what maintenance is required, and with what frequency, in order to avoid the breakdown of systems.

91 According to the *2008 Doing Business* annual study by the World Bank, BiH ranked 117 out of 181 countries in terms of ease of doing business.

benefited the participating households, it is too early to make observations on the contribution to sustainable livelihood opportunities in the larger community. Synergy with the small Growing Sustainable Business project (GSB) is now opening up the possibility of linkage to external investors who are prepared to establish production in the area. It could also improve market access, which would have greater impact on the local economy if successful.[92] It is too early to tell if similar patterns will emerge in Upper Drina; a start has been made with a study of resources and business potential, but synergy with GSB has not been reported.

Few projects arising from municipal development plans address employment creation with support from UNDP. A few of these look at tourism as an option. But they have tended to structure the sub-projects through civil society organizations,[93] anticipating longer-term knock-on employment creation through immediate low-cost CSO support in developing local natural or historical heritage assets rather than creating viable local tourism businesses. 'Business Centres' created have the potential to provide advice and support in relation to the complex administrative procedures linked to the country's fractured economic space, as well as linkages to potential investors – especially in the context of the new UNDP brokerage project. However, the centre visited appears to be serving more as a contractor for municipal projects to be implemented by CSOs than as an advisory service.[94]

The Growing Sustainable Business project is intended to facilitate linkages between potential investors and local partners that would encourage private sector engagement in viable local pro-poor investment projects, as well as facilitate access to markets. The project is still only in its early stages, with limited resources, and links with the field seem to have been ad hoc. Still, there are indications of the increased potential value to local economic development initiatives if synergy is developed systematically and the GSB is scaled up.

UNDP should clearly identify the lessons to be learned from its experience here. It must also make sure monitoring and follow-up are carried out correctly and seriously, and that synergy among programmes with local economic development allows lessons to be transferred rapidly – which is not the case at present.[95] The pressure put on UNDP to meet programme delivery targets means that energy that should be used to monitor and follow up on recent projects is being diverted to creating new projects.

UNDP's contribution to local economic development so far has been limited. But its experience now offers direction for supporting local economic development that should be followed up and explored further. Systematic synergy between the GSB and field-level programmes should prove invaluable and should be strengthened. However, care should be taken to ensure that responsibility for future local economic development initiatives does not depend on UN teams, but is increasingly assumed by national partners.

4.3.5 MONITORING FIELD-LEVEL INTERVENTION AND MANAGEMENT

Responsibility for monitoring is assigned within each project or programme. Since UNDP is actively involved in direct implementation at the field level, monitoring of these programmes is potentially of critical importance, not least in

[92] For example, potential investors have been identified for a small wheelchair factory that would provide employment near Srebrenica, providing an agreement can be firmed up.

[93] For example, in Jajce (Vitorog) and Stolac.

[94] An evaluation of the Upper Drina Regional Development Project also refers to the role of Business Centres as organizing calls for grant applications from CSOs.

[95] For example, a Backward Cash Tax-Refund scheme is being introduced in Upper Drina, although it has been dropped in Srebrenica since it was found to be of little value in practice.

order to trigger timely management decision-making in case of problems. However, result and impact indicators are not clearly defined at this level. This means that project monitoring tends to focus more on outputs and programme delivery. Reports from the field appear not to be monitored closely for outcomes and impact – nor, indeed, for precision; beneficiary records from SUTRA, for example, contain large gaps and inconsistencies in data.[96] Yet there is little indication of follow-up to complete the data. The allocation of responsibilities for specific projects between main portfolios does not appear to facilitate sharing of information among them. Although in principle opportunities to share feedback from the field occur through regular staff meetings in which UNDP programmes are discussed, it appears that this is not happening systematically. Many topics have to be dealt with in such meetings, and while reports on deliverables are usually shared, time is often limited for more detailed discussion of progress towards and difficulties encountered in achieving outcomes and impact.

UNDP BiH should consider assigning one staff member the task of pulling together and analysing data from field-level interventions, whether these come under the social inclusion, human security or area-based development portfolios. Doing so could build synergies, enhance learning from the field through comparisons among programmes and provide management with an integrated overview.

Indeed, the distribution of projects among the main portfolios, which is done for management purposes, in relation to the main pillars of the programme (see Chapter 3) appears symptomatic of unclear strategic focus, which does not facilitate either synergy or use of field experience to shape policy advice and political dialogue at governmental levels. Several projects address similar (or even the same) target groups, with similar activities and aims – yet are not grouped together under one main portfolio that could optimize synergy and channel key lessons from the field towards appropriate decision-makers at entity and state levels, be they in public administration or technical sectors. UNDP would do well to bring all projects implemented at the municipal level together in one main portfolio; reporting and advisory links could be designed between this and relevant technical sections in the office.

4.4 HUMAN SECURITY: CONFLICT-RELATED WEAPONS DISPOSAL

4.4.1 MINE ACTION

The extent of the demining problem can be seen in a survey of landmine impact that identified 128 municipalities (or 1,366 communities) directly impacted by mines.[97] The total number of residents countrywide directly affected by mines represents at least 37 percent of the estimated population.[98] Mined areas on the periphery of urban areas restrict the use of public or industrial areas, while in rural areas, the mines are loosely scattered, constraining the potential development of agriculture and use of natural resources. In addition, reconstruction has been more difficult and dangerous.[99]

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[96] For example, incomplete monitoring records for SUTRA II and PLOD suggest that in an average of more than 1 in 5 cases, homes were handed over to families who have not returned, some of whom, according to the same summary sheets, also have received sustainable livelihood support. Such monitoring sheets should be maintained and updated with explanatory notes based on follow-up, to provide an overview and inform fieldwork practice.

[97] The estimated affected population is as follows: 100,187 (7.3 percent) of people living in high-impact areas; 594,143 (43.2 percent) living in middle-impact areas; and 681,477 (49.5 percent) living in low-impact areas.

[98] This calculation uses the average of the most recent BiH population estimates from different sources, ranging from 3.6 to 3.8 million residents in the country.

[99] According to the Landmine Impact Survey Final Report, activities related to reconstruction were directly linked to a number of mine accidents in the years prior to 2005.

Faced with weak national management capacity, donor assistance for mine action has lacked coordination. From the very beginning, UNDP BiH demonstrated its special strengths and comparative advantages in achieving progress. By funding demining operations and channelling funds from some donors toward such operations, the office worked to achieve greater coordination of donor assistance in this sector and to build the national capacity to manage a process that realistically could not achieve the desired results in the short term.

From the creation of a UN Mine Action Centre in 1996, the UNDP office worked toward the creation of a BiH Mine Action Centre (BHMAC), which eventually assumed operational responsibilities for demining activities. UNDP provided the UN Mine Action Centre with operational support and technical assistance to lay the groundwork for an autonomous national institution.

The creation of BHMAC is significant in many ways: UNDP had to convince the international community, national leadership and political leadership in the two entities of the advantages of moving from a weakly coordinated dual-entity system to a central system that has the required management and technical capacities. On this basis it was possible to bring about an agreement on a national demining strategy and action plan defining institutional demining structures, with supporting legislation. Once this legislation was passed, the UN Mine Action Centre officially became BHMAC. UNDP support took the form of a nationally executed project, and the number of technical advisers was reduced accordingly.

Under the current legislation, the overall demining responsibility comes under the state Ministry of Civil Affairs. A Demining Commission, whose key contribution is the legitimacy it gives to a central process, comprises a representative from each of the state ministries of civil affairs, foreign affairs, and refugees and human rights and provides political guidance on mine-action issues. BHMAC acts as the state-level operational arm of the Commission and coordinates mine action, prioritization, surveying, task identification, quality insurance and certification while maintaining and updating the database. It also collaborates closely with UNICEF, the lead organization for mine-risk education in Bosnia and Herzegovina. BHMAC is now an autonomous entity and is responsible for a wide range of technical and managerial activities related to mine action.

Using UNDP corporate experience and resources, UNDP BiH was very effective in building a national institutional structure within Bosnia and Herzegovina that is capable politically, managerially and technically of assuming the continued responsibilities for mine action within the country. UNDP has dealt effectively with the political divergences that so often inhibit progress in other areas. This success story is all the more remarkable since it is in sharp contrast with the very slow progress towards capacity development within the public administration that is widely recognized by UNDP and other donors in the country.

The institutional structure for mine action is sound, but concerns have been expressed by BHMAC about carrying forward the action plan. While the existence and performance of BHMAC contributed to the successful mobilization of funds for mine action by the Ministry of Civil Affairs from the government budget and donors (notably through the International Trust Fund for Demining and Mine Victims Assistance), the funding is not sufficient to meet the 2019 milestone set in the national strategy. The effective implementation of BHMAC's mine action programme is reported as being hampered by restrictive procedural rules and lengthy procurement procedures. Issues have also been raised with the procedures applied by the International Trust Fund concerning not only transparency in their procurement approach but also the poor timing of awarding contracts, thus curtailing the time available for operations before the onset of winter. In light of national procurement delays, it remains unclear how the demands

by BiH authorities that funding for mine action bypass the International Trust Fund would contribute to speeding up operations.

These issues do not directly concern UNDP. However, since UNDP both contributed to BHMAC and[100] works closely with the Ministry of Civil Affairs on the Board of Donors for Mine Action in Bosnia and Herzegovina, it should consider the procurement issue as a key priority to be addressed with other donors working on public administration reform.

4.4.2 SMALL ARMS AND LIGHT WEAPONS

Prior to the 1992-1995 conflict, Bosnia and Herzegovina produced a significant quantity of military equipment and the bulk of small arms and light weapons (SALW) for the Republic of Yugoslavia. During the conflict, a large quantity of arms and weaponry were produced as well as purchased from a number of sources. As a result, at the end of hostilities there were numerous stockpiles of arms and ammunition that exceeded the reasonable expected needs for defence of the country.

The international security forces present in the country restricted their role on this issue to the inspection of storage sites and control of the use of stocked materials. The management of these stockpiles depended on the political leadership of the newly independent country and therefore was subject to its complex administrative structure.

According to an evaluation conducted in 2004, the management of the SALW had not received the attention warranted from the authorities and many of the identified 38 SALW stockpiles presented a number of risks. including:

- Insufficient security measures to eliminate the possibility of theft
- Serious risks for neighbouring populations, especially in view of the possible growing instability of some of the propellants and explosives, a problem exacerbated by poor storage conditions.

It is estimated that some 33,500 metric tons of ammunitions exist in military warehouses of which about 7,500 metric tons may be justified for the use of the newly constituted Armed Forces of Bosnia and Herzegovina, leaving about 26,000 metric tons to be destroyed. The issue is of concern to many international agencies, including the Office of the High Representative, the European Commission, NATO and the European Union Force. UNDP BiH had an active role in addressing the problem through:

- Grass-roots awareness-raising campaigns to increase popular understanding of weapons decommissioning issues
- Training and on-site technical assistance to help the government identify options and respond to international norms
- Assisting the Ministry of Defence in destroying surplus stocks through the provision of equipment to upgrade capacities.

From stakeholder comments and sites visited, the evaluation team found that UNDP has been successful in strengthening the SALW reduction process. The military staff responsible for the destruction of these weapons are professionally trained and now have better equipment that meets environment standards. However, while observed operations seemed to be conducted very efficiently and relied on mostly recuperated buildings and equipment, the safety of the sites and the effectiveness of the operations in terms of speed of disposal are questionable.

To achieve greater security, ammunition disposal and destruction should strive for a balance between the pace of operations and maintenance of safety and environmental standards. In Bosnia and Herzegovina, it appears that the issue of SALW disposal is being slowed by a

[100] Since 2006 the Ministry of Civil Affairs has assumed full chairmanship.

political decision to try to recuperate a number of chemicals (notably explosives) for eventual sale. This process relies on largely antiquated equipment and material that weakens efficiency (except when new equipment has been provided). However, according to experts in the field, it is far from clear that a market for these products exists or that the operation could even be profitable given the cost implied in the recuperation process.[101] Furthermore, although Bosnia and Herzegovina now has a national armed force that is responsible for the destruction of SALW, the legal status of ownership of the ammunition warehouses, and hence the sharing of the revenues between the respective entities and the state, has yet to be resolved. In the meantime, recuperated explosives tend to remain on site. Thus, the existence of these ammunition warehouses continues to present a risk for the population living in the neighbourhood.

The efforts of UNDP to dispose of SALW in Bosnia and Herzegovina have been significant, and it has received recognition for its contribution to training and the provision of equipment. UNDP should use this credibility to further dialogue that could help break the political impasse over ownership and thus speed up the pace of SALW disposal.

4.5 ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

As late as 2006, donor mapping by UNDP indicated that less than 1 percent of ODA was being allocated specifically to environmental protection. With World Bank assistance, a National Environmental Action Plan was developed by ministries, scientists and non-governmental organizations and adopted in 2003. A number of plans and strategies related to the environment have been developed by entity and cantonal ministries. Local Environmental Action Plans (LEAPs) are obligatory at the municipal level and, under the Federation of Bosnia and Herzegovina law on environmental protection, at the cantonal level. Around a quarter of municipalities have developed such plans so far, despite the fact that in the Federation of BiH these depend officially on cantonal prescription. Canton Sarajevo has developed its cantonal environmental action plan and about 20-25 percent of municipalities have completed their local action plans; a few others are in the process of drafting them.

Extremely complex division of environmental roles and responsibilities in Bosnia and Herzegovina is a major constraint to implementation of concerted environmental action plans. Not only do environmental issues cut across ministerial domains (such as physical planning, agriculture, forestry, water management, health, energy, transport, industry), they do so differently in each entity. Implementation of environment-related strategies and the National Environmental Action Plan depend on these being integrated into sectoral policies. This is not happening. The Ministry of Foreign Trade and Economic Relations has been assigned state-level responsibility for environmental protection and has three departments responsible for environmental matters under a Sector for Natural Resources, Energy and Environment. However, the Ministry is not mandated by the entities to take a lead role in coordinating state-wide environmental matters, since the constitution does not specify environmental protection – and all matters not so specified fall under the mandate of entity governments. The Federation of Bosnia and Herzegovina's constitution places responsibility for environmental policies and use of natural resources under both the federal government and cantons, with a duty to consult between them. The Republic of Srpska has a more centralized administration for environmental protection, although municipalities also have responsibility for this. A 54-person National Steering Committee for Environment and Sustainable Development was established in 2002, but was not active. The Committee

[101] Even TNT that can be relatively easily recuperated by 'sweating it out' with pressured steam has a low market value since an alternative ammonium nitrate and fuel oil is a readily available substitute.

was effectively replaced by an Environmental Steering Committee created by the two entities, which meets regularly to work on common environmental laws, policies, international agreements and other related issues, including EU requirements.

National capacity for environmental protection is reportedly very limited. On the one hand, human resources specifically assigned to it are limited and not necessarily networked since, as mentioned, they are divided among ministries at different levels. On the other hand, institutes with the equipment and capacity for monitoring subjects such as climate and air quality were severely disrupted and lost much of their equipment during the war. More importantly, although the MTDS spells out environmental priorities, and Bosnia and Herzegovina has signed relevant agreements and conventions (such as the Convention on Climate Change, ratified in 2000, with commitments to reduce greenhouse gas emissions), it does not appear that there is strong national commitment to prioritize environmental action. Although concern is widely expressed about the sad state of the country's beautiful environment and rich biodiversity, action at the governmental levels appears to be driven by the international community.

There is little doubt that there are groups mobilized around environmental issues at the municipal level. UNDP field-level programmes have already allocated some municipal development seed money to environmental protection-type projects, including preparation of local environmental action plans, cleaning river beds, clearing illegal waste deposits and cleaning up various urban areas.

UNDP's role was envisioned as being that of managing Global Environment Facility (GEF) funds made available for Bosnia and Herzegovina, and the government was to be responsible for implementation, with the Ministry of Spatial Planning, Civil Engineering and Ecology of the Government of the Republic Srpska as executing partner. A Memorandum of Understanding was signed to this effect. However, the complexity of the legal framework, especially in relation to procurement, has prevented this from happening. The government has recently requested UNDP to assume responsibility for executing GEF projects, including preparation of the first National Communication on Climate Change.

Given the difficulty of mobilizing commitment to developing national capacity to manage environment-related work, UNDP plans to assume a hands-on role in local-level environmental projects under a new programme. This is being done in the expressed hope that successes at this level can be used to inform policy-making at the national level. In so doing, it is building on the experience of other UNDP BiH local development initiatives. While it is too early to comment on progress, UNDP would do well to make a major effort to ensure that the process of integrating environmental concerns in local development planning processes is locally owned, and that LEAPs are not only developed by the community, but responsibility for implementation is assumed by them. The lessons discussed earlier concerning follow-up and counteracting deviation from participatory processes in relation to active civil society organizations could well apply here too.

In fact, the real question that UNDP should consider seriously is whether it should, at this stage, be starting to implement directly yet another programme at the municipal level. That ongoing programmes add an environmental component to their work and bring in additional expertise where appropriate might be understandable, provided that, at the same time, a focused effort is made to develop local ownership of such activities, along with the capacity to plan and implement such projects. However, bringing in another team to work with municipalities and civil society organizations is liable to reinforce the impression that UNDP will always be there to support development work rather than encourage local communities and municipalities to fully assume their rights and responsibilities.

UNDP should seriously consider how it can build into the new environment programme a series of steps whereby a transfer from direct implementation to national implementation can take place during the programme's lifetime. Possibilities could include breaking the programme into sub-programmes, with national partners sharing increasing responsibility for sub-programme management, with close support from the UNDP team whose role would then shift from managerial to advisory. The possibility of arranging secondment of someone from the Sector for Natural Resources, Energy and Environment (or the appointment of a person, with commitment from the Ministry of Foreign Trade and Economic Relations to integrate him/her to one of the vacant posts) could be explored. This would allow a national programme director to work alongside UNDP's programme manager. Planned carefully, a process of transfer from direct to national implementation could also serve to develop counterpart capacity through mentoring.

Chapter 5

CROSS-CUTTING ISSUES

As mentioned in the discussion of development results, UNDP BiH has taken an integrated approach to local development. As a result, certain cross-cutting issues – a human rights-based approach and gender – have been discussed in relation to governance in Chapter 4. In this chapter, issues specifically related to the process of addressing cross-cutting issues are explored.

5.1. A HUMAN RIGHTS-BASED APPROACH

Consideration of human rights is integral to the work of the United Nations. Since first embarking on projects in Bosnia and Herzegovina in 1996, UNDP BiH has adopted a human development framework to its efforts. The BiH context provides particular challenges for UNDP in this respect. The consociational nature of democracy as established under the Dayton Peace Agreement stresses ethnic differences and empowers the ethnic majority groups of the 'three constituent peoples' in a way that would, under other circumstances, be considered as unacceptable because of their human rights implications. As a result, ethnicity pervades and mobilizes political activity, often paralyzing attempts to formulate, adopt and – most of all – implement social and economic policies necessary for pro-poor development. UNDP BiH seeks actively to mitigate risks of the potentially discriminatory impact of this in governance, in social support systems and in justice.

Ethnicity, linked to minority status, is certainly a factor in social exclusion. Many studies confirm that minority ethnic groups within communities are at far higher risk of poverty than members of the majority group – particularly when minority status is compounded by other vulnerabilities such as displacement during the war, age, living in a single- (female-) headed household, rural locality, low educational status and disability. At the state level, no single ethnic group has an advantage. But representatives of government agencies, donor organizations and civil society organizations indicate that, in practice, some ethnic biases creep in at the entity level, while becoming stronger at the cantonal and/or municipal levels. The challenge taken up by UNDP BiH has been finding ways to identify where and which human rights are disrespected, and to bring the views and needs of minority and vulnerable groups into development planning and implementation.

In particular, the innovative Rights-based Municipal Assessment Project (RMAP), discussed in Chapter 4, allowed UNDP to test out and develop a tool for using rights-based assessments for municipal planning.[102] The tool is now being shared not only within Bosnia and Herzegovina, but also with other UNDP country offices, and has received global recognition from within UNDP. These assessments are holistic, covering all sectors. The RMAP team now works closely with other UNDP teams to apply the same principles for area-based development. As already discussed in more detail in Chapter 4, where municipalities have assumed ownership of the resulting strategies, rights-based action plans have been formulated and are being implemented.

The level of demand for assistance from RMAP suggests growing recognition of the assessment process' value, although close follow-up is often needed if the principles laid out in the Municipal

[102] The Human Rights Law Centre at the University of Nottingham assisted RMAP with the initial design, which has since evolved based on actual experience with using it.

Strategic Action Plan are to be kept in mind over time. Time is needed for new ways of thinking to be fully adopted, especially when past experience has not involved consideration of human rights, means of implementation are limited, and political movements create pressure to act in favour of their ethnic constituency. For real sustainability, the human rights practices need to be institutionalized. Civil society must be dynamic in order to monitor implementation by municipalities and mobilize citizens to react when this is unsatisfactory. As yet, this is seldom the case: The Early Warning System reports, national human development reports (especially the issue on youth in 2000 and the recent one on social inclusion) and other studies indicate that the general public tends to be apathetic and dependent where human rights issues are concerned. UNDP BiH has made tremendous efforts to build the capacity of and work through young and inexperienced local civil society organizations. But it has not yet found an effective way to systematically build real partnerships with organizations that have developed the capacity to assume such roles (see Chapter 4.1.1 for more discussion of this subject).

Another challenge has been to develop maximum synergy between the human rights-based approach of UNDP as reflected in the Millennium Declaration and the MDGs, and the EU's social inclusion agenda. The difference between the two is not great. Both concern the human rights of individuals and groups, but the human rights-based framework stresses the structural causes of poverty that are related to rights and responsibilities. The EU framework, on the other hand, focuses on the processes that prevent individuals or groups from being fully included in the political, social and economic dimensions of their communities. Finding a way to bring these together in a measurable way is important in order to facilitate monitoring of Bosnia and Herzegovina's developmental progress in a way that also meets EU requirements. Here, too, UNDP BiH has worked on an innovative tool: the human social exclusion index, which is used for an extensive analysis of social inclusion in the 2007 national human development report (see discussion on the MDGs, below, for more detail.) It is too early to tell how far this will be taken up by the government and/or members of the international community, or how effective the resulting analyses are for developing advocacy towards a human rights-based approach in strategies, plans and their implementation.

5.2 GENDER IN UNDP PROGRAMMING

UNDP BiH is largely consistent in mentioning gender in general strategy and planning documents. However, this is usually in general terms, with some mention of gender-specific characteristics but limited discussion of the implications of gender dimensions. Optimal gender mainstreaming results require more exploration of gender differences and their causes, in order to ensure that planned interventions respond to these rather than identifying 'women' in general as a target/ vulnerable group for specific attention. Various data indicate that gender differences vary considerably according to age and type of locality, both in the general population and within the displaced and returnee populations.[103] As mentioned in the previous chapter, gender dimensions in relation to beneficiaries of housing and of local economic development have scarcely been considered. Opportunities have thus been missed not only to ensure gender equality in the work but also to stimulate application of the Gender Law concerning local statistics and gender commissions. More attention to analysis of gender dimensions is required in planning. Important steps in this direction have been taken recently with tailored training of country office staff, checklists and establishment of a gender

[103] For example, in the draft common country assessment a gender breakdown is given for general unemployment, but not for the data cited for youth unemployment (although the gender gap is far greater for the 15-24 age group). This was the case despite the fact that, according to the 2007 NHDR, more females than males are in education or training (and therefore not included in the economically active population).

Box 6. Practising What you Preach: Gender Equality in UNDP Staffing

UNDP BiH has achieved relative gender balance. Forty-four percent of its staff are women. This applies to staff at all levels, except in the lowest grades, where there is a strong bias towards male employees (69 percent), who are working as security guards or as drivers, which are clearly viewed as male positions.

However, this gender balance is not found evenly across portfolios and programmes, even when excluding drivers and security guards from the analysis. Among the programmes implemented at the municipality level, only SUTRA has nearly achieved gender balance in the team. The RMAP and Srebrenica Regional Recovery Programme teams have two males for every female member, while in the Upper Drina Regional Development Project, the ratio is 4 to 1. At the municipality level, the message that UNDP BiH strongly supports gender equality is liable to be undermined by what people see. The office would do well to make a concerted effort to improve this situation, especially since these programmes actively promote human rights and social inclusion.

team with focal points from each unit. (See Box 6 to find out how the UNDP office itself is doing in terms of gender equality.)

Most of the national human development reports have looked at certain gender dimensions fairly extensively, but the potential value of these analyses is not being fully exploited for strengthening gender mainstreaming in UNDP BiH's strategy and programme/project formulation. While gender is mentioned, if not developed, in country-level programming, the situation is less satisfactory in terms of project action plans, reporting and monitoring, where more careful attention to gender dimensions is essential for effective gender mainstreaming. For example, the fact that unemployment, in particular long-term unemployment, is higher for women than for men should be considered in targeting assistance for sustainable livelihoods to reflect unemployment distribution. This could possibly be linked to ensuring the participation of female-headed families with children as a priority group for inclusion.

Programme record-keeping systems appear to make little effort to look for gender-disaggregated data, let alone monitor and report on this, except where activities are specifically directed towards women. No effort is made to monitor what proportion of returnees benefiting from support for housing are female-headed households, although female-headed households are known to constitute a sub-group particularly vulnerable to poverty, especially when combined with displacement and/or rural locations. In implementing the forthcoming MDG Achievement Fund project for displaced persons, UNDP BiH should take particular care: Gender interacts with other characteristics of vulnerability of the main target group, both directly and indirectly (for example, the fact that women are usually caretakers in the home inhibits their ability to participate in livelihood assistance activities). This interaction should be taken into consideration when planning and monitoring programmes. A strong gender imbalance in the beneficiaries of sustainable livelihood support under current programmes is at least partly the result of the fact that it was granted to official household heads, especially but not only within SUTRA. A small number of initiatives, included mainly to show consideration of gender, were specifically addressed to women (such as cheese production, handcrafts). But they tended to pay little attention to gender-linked barriers to successful realization of proposed options, such as access to markets and balancing work with career roles. If UNDP BiH intends to have an equitable, sustainable impact on local economic development, it must better address the gender dimensions of its target populations in terms of employment opportunities and needs.

It is strongly recommended that UNDP BiH take rapid steps to ensure that records concerning beneficiaries of its initiatives systematically include gender data. This should take place from the start, when beneficiaries are selected, so that the statistics on performance can be gender-disaggregated and monitored to ensure

that there is no unintentional gender bias. Improvements in understanding and analysing gender dimensions would also improve options for sustainable livelihoods offered to women.

As mentioned earlier, all national human development reports look at gender, to a greater or lesser extent. The 2003 report, on the MDGs, not only dedicates a chapter to gender, it also included an analysis of gender dimensions of all topics covered in other chapters (including international cooperation). In contrast, the 'MDG Update Report' issued by UNDP the following year largely confined discussion of gender to the context of Goal 3 (gender equality and the empowerment of women), with little mention of women and none of gender in other sections. In other words, a gender lens was not used for the MDGs overall. The 2005 national human development report on better local governance introduced calculation of the gender development index and the gender empowerment measure for Bosnia and Herzegovina for the first time. But it then largely confined discussion of gender to the methodology used to calculate them. This was therefore a missed opportunity to develop advocacy for gender equality in local governance through broader discussion.

Most national surveys undertaken with support from UNDP BiH collect and present gender-disaggregated data, in keeping with (and pre-dating) the requirement of the Gender Equality Law in this respect. The Early Warning System report disaggregates data systematically, although gender differences found in these data are not always presented, let alone explored, in the text. In contrast, some special surveys have totally ignored any gender dimensions. For example, the Governance Perceptions Survey and the Assessments of Business Clusters totally ignore any consideration of gender dimensions. Both could have provided some valuable insights for gender-sensitive follow-up to the study.

As stressed by the Gender Centres, it is not sufficient to generate gender-disaggregated data; there is a great need to strengthen capacity for adequate gender analysis so that advocacy for gender equality and gender-sensitive policies can become more effective. UNDP would do well to address this need. A valuable contribution to gender equality would be the commissioning of a future national human development report with a special focus on analysing the gender dimensions of concern to national development.

5.3 THE MILLENNIUM DEVELOPMENT GOALS

Discussion of progress towards achievement of the MDGs in Bosnia and Herzegovina should take into consideration the lack of baseline population data since the 1991 census. Household surveys undertaken since 2000 give slightly more reliable data, but even these cannot fully compensate for the lack of a reliable basic reference point for projections.

The MDGs form part of the planning framework of the UN system, and as such are used both for UNDAF and country office planning. However, advocating and monitoring policy development and strategies in support of the MDGs is complicated by the division of responsibilities between entities and state levels and between ministries at any one level, which frequently causes fragmentation and duplication.

UNDP BiH's own programmes have mainly addressed Goal 1 (eradicate extreme poverty and hunger), Goal 3 (promote gender equality and the empowerment of women) and Goal 8 (develop a global partnership for development). Little progress against targets has been reflected in official statistics for these Goals, except for internet targets under Goal 8, which were achieved rapidly. UNDP's inputs to the ICT law and strategy formulation certainly contributed to this. Recent assignment of responsibilities for management of global funds has added Goal 6 (combat HIV/AIDS, malaria and other diseases) and Goal 7 (ensure environmental sustainability). The reduction target for reducing tuberculosis has already been achieved; relevant baseline data are not readily available for Goal 7 targets.

Although Bosnia and Herzegovina participated in the Millennium Summit, adapting the MDGs to Bosnia and Herzegovina has been somewhat UN-driven. By choosing the 2003 national human development report as a tool for promoting this process, UNDP BiH succeeded in involving the first MTDS coordinators in the discussions, along with representatives of concerned ministries in the Federation of Bosnia and Herzegovina and the Republic of Srpska, a wide range of civil society organizations and members of the UN Country Team. The result was a document setting out the MDG priorities, 18 specific targets together with 48 indicators and milestones tailored to the BiH context for better monitoring of progress. As already mentioned, gender dimensions were analysed throughout the entire report. The 2003 national human development report developed and presented a set of policy suggestions that could support movement towards achieving the country-specific targets. More importantly, the process of preparing the report underlined its complementarity with the process of preparing the MTDS, with the result that although the BiH MDG targets are not directly referred to in the 2004-2007 MTDS, they are clearly echoed there, especially in pro-poor targets.

A follow-up *MDG Update Report: Republic of Srpska, Europe and Beyond*, produced by UNDP BiH staff in 2004, aimed to align the country national human development report on the MDGs with the MTDS 2004-2007, while also bringing the MDG targets for Bosnia and Herzegovina clearly in line with the EU social inclusion agenda. This study revised targets to facilitate monitoring and looked at policy implications related to achieving the goals.[104] While a valuable addition to thinking, and written following consultation with others, it is clearly a UNDP report rather than a product of a national working group. It is unfortunate that this was undertaken internally: The national human development report in 2003 had brought together a group from government, academia and civil society, and reflects a clear sense of national ownership.

The 2007 national human development report on social inclusion followed up the concern to align relevant MDG targets and indicators with the EU social inclusion agenda. It did so by developing techniques for working with the 18 Laeken indicators of social exclusion[105] while retaining the concerns of the human rights-based approach to development. These took into consideration the BiH context (including ethnicity) and available data. Three indexes of human social exclusion have been developed in order to bring the UN human rights-based developmental thinking into the analysis. Given that Bosnia and Herzegovina will be expected to provide the EC with data in line with these indicators, such adaptation is very relevant.

The human social exclusion index shows that around half of the population in Bosnia and Herzegovina is socially excluded in at least one aspect of their lives. Two subsidiary indexes add additional indicators to identify (1) human extreme social exclusion and (2) human long-term social exclusion. This national human development report provides an analysis of social exclusion in Bosnia and Herzegovina based on the Laeken indicators, bringing the UNDP human rights-based developmental thinking into the discussion, and developing an identification of the social and economic policy measures required in order to increase social inclusion. It is too early to tell what impact this work will have on improving progress towards achievement of the country's MDG goals, but if used well, it should enhance the targeting of vulnerable groups. It would be worthwhile exploring the transferability of the index methodology developed, refining and

[104] Unfortunately, it did not carry through the gender-sensitivity shown in the 2003 NHDR, but only addressed gender in relation to Goal 3 (gender equality and the empowerment of women).

[105] A set of common European statistical indicators on poverty and social exclusion, established in relation to the Social Inclusion Agenda and adopted at the European Council meeting in Laeken in December 2001.

adapting as necessary for use elsewhere – especially other countries in Eastern Europe where the EU social inclusion agenda is being treated in parallel to the MDGs by other UNDP country offices.

5.4 CAPACITY DEVELOPMENT

UNDP's country programme is constructed around capacity development. The second country cooperation framework stated that "The country programme for the period 2001 to 2003 will concentrate on developing national capacity to assume ownership of an agenda for sustainable development that will address priority human-development and human-security issues."

Although UNDP has stressed the importance of capacity development for many years, the Capacity Development Group in the Bureau for Development Policy has done considerable work on clarifying UNDP's approach to capacity development (as opposed to the less comprehensive concept of capacity-building[106]) in order to improve understanding of the process, and has only recently issued a series of related guidelines. An underlying premise of capacity development is that it is a transformation *process* that cannot be driven from outside, but must be based on existing capacity assets, nationally determined priorities, policies and results.[107] Unlike capacity-building, effective capacity development is closely associated with ownership by those organizations and individuals who benefit from it. This is particularly pertinent to the BiH context, where construction of a new state, extensive administrative reforms and major development challenges all call for strengthened capacity state-wide. This section therefore uses the more precise framework of capacity development, while recognizing that the period being assessed pre-dates the guidelines that help differentiate clearly between capacity-building and development.

5.4.1 CAPACITY DEVELOPMENT AT THE STATE LEVEL

The complex government structure of Bosnia and Herzegovina has inhibited the building of state-level political commitment and ownership necessary to embed the capacity-development process into broader national development priorities. The principles of social inclusion and pro-poor development are agreed upon by all and included in the MTDS, and the need for strengthening national capacity is officially recognized. Nevertheless, political positioning over the entities' autonomy and around ethnicity often acts as a filter, diminishing political commitment to, and interest in, full capacity development at the state level. This is evidenced by difficulties often encountered in progressing from strategies to their implementation. Stakeholders focus on differences as reasons preventing institutional reforms, rather than seeking solutions that can build on what they have in common while allowing adaptation where necessary. This limits real dialogue and is particularly problematic at state and entity levels.

Many BiH institutional arrangements and systems have been undergoing rapid change and reforms in response to external – rather than national – demand, not least in the context of negotiations to join the EU. UNDP has been part of the external drive, especially in relation to integrating human rights in policy and strategy formulation, and has integrated

[106] The Bureau for Development Policy's Capacity Development Practice Note (May 2008) defines the difference as follows: Capacity development is commonly used to refer to the process of both creating and building capacities, as well as the (subsequent) use, management and retention of capacities. It is seen as endogenously driven and recognizes existing national capacity assets as its starting point. Capacity-building is used to refer to a less comprehensive process. It focuses only on the initial stages of building or creating capacities and assumes that no initial capacities exist. In its 'good practice' paper, the OECD/DAC writes that "[t]he 'building' metaphor suggests a process starting with a plain surface and involving the step-by-step erection of a new structure, based on a preconceived design. Experience suggests that capacity is not successfully enhanced in this way." (p. 5).

[107] UNDP, Capacity Development Group/Bureau for Development Policy, *Supporting Capacity Development: The UNDP Approach,* UNDP, New York, June 2008.

capacity development activities in many projects at all administrative levels. However, its effectiveness has often been undermined by divisions among stakeholders as to how to structure and plan implementation. The decision to work more at the municipality level is at least in part due to greater opportunities to arrive at agreement among stakeholders at this level and move forward with implementation, including developing necessary capacity.

The greatest success in developing capacity has been in the fields of human security and gender equality, where the drive has been more strongly national. This does not mean full consensus on the part of all parties, especially on gender equality, but that the movement for reform and capacity development has been nationally owned, as has spurred dialogue on why it is needed. UNDP has been able to fully engage stakeholders in relation to capacity development in these sectors, at state and entity levels.

Capacity development was also critical to the project on implementation of the Gender Equality Law. With its BiH partners, UNDP effectively formulated a capacity-development response that built on capacity assets and identified needs, and included: support to and creation of institutional mechanisms necessary for implementation of the law; planned support for building and strengthening both organizational and individual leadership capacities; and mobilization and enabling of institutional accountancy and voice mechanisms, including involvement and support to civil society groups. A 2006 evaluation of the Gender Equality Law Project[108] found that the process had taken longer than planned, but had produced the desired results in terms of appropriate systems and capacity developed for implementation at state and entity levels. Extending the capacity-development process to concerned bodies at municipal levels requires further efforts; linkages with other UNDP programmes, especially area-based ones, are important for developing capacity of local institutional mechanisms to support mainstreaming gender in local organizations. (This has not been actively followed up on, and should be, as discussed earlier.)

5.4.2 TRAINING AS CAPACITY DEVELOPMENT

Much valuable capacity-building is taking place through UNDP's projects and programmes – but it is often formulated more on the basis of programme management's identification of capacity needs (including not only skills and knowledge required but also systems and equipment) than in terms of gaps between existing capacity assets and assessed capacity needs. In many cases, capacity-building is undertaken as a one-off component of a project or programme. The term 'training' is used to cover a range of learning activities, not all of which are designed to develop relevant skills. The capacity-building activities appear to be more orientation than development of real knowledge or skills needed for some clear purpose.

The Civil Service Training Project is a clear example. Considerable building of skills and technical capacity of civil servants (especially in middle-management positions) has taken place under the UNDP-supported project. However, an evaluation in late 2006[109] highlighted that the training design appeared to have been based on a public administration system needs assessment rather than on trainee needs.

The evaluation also pointed out that extensive use of foreign trainers meant that national training capacity was not being sufficiently used. Both comments reflected weak assessment of existing capacity assets and needs. (Similar problems were reflected in comments from some civil society organizations that had participated in

[108] Somun-Krupalija, Lejla, et al., 'Development of Capacity and Partnership Between Government and Civil Society in the Implementation of the Gender Equality Law of Bosnia And Herzegovina', December 2006.

[109] Trutkowski, Cezary, and Azra Hromadži, Civil Service Training Project, mid-term evaluation report, December 2006.

municipal level learning events.) Since then, corrective action has been taken in the Civil Service Training Project and a capacity development process established within the Federation of Bosnia and Herzegovina's Civil Service Agency.

5.4.3 CAPACITY DEVELOPMENT AT THE MUNICIPAL LEVEL

Response to UNDP's efforts at the municipal level has been somewhat mixed. By using a mentoring, learning-by-doing approach, some level of ownership is usually generated during the process of rights assessments and municipal development strategy formulation. And there are indications that the effectiveness of this has increased with experience.[110] Early in the Rights-Based Municipal Assessment Programme, for example, recognition of the need for an incentive mechanism was rapidly taken into account in the form of means to implement priority projects, and has been carried over to other local-level UNDP programmes and projects. Mobilizing civil society as participants has been an accountability and voice mechanism strategy, although the latter has not necessarily become a sustainable part of the municipal planning system. Assessment of capacity assets and needs, with consequent adjustment to capacity-development design tailored to specific groups, has received less attention, while (as discussed in chapter 4) follow-up to ensure that participants remain able and willing to fulfil their role has sometimes been sub-optimal.

Unfortunately, not all municipalities have chosen to continue to use the approach. Some even refer to the development strategy and plan as 'UNDP's', reflecting lack of ownership. Without ownership, neither the capacity-development process nor the product is really sustainable. However, UNDP has been increasingly successful in engaging stakeholders in constructive dialogue, with much greater commitment and continued use found in recent municipalities. Use of the rights-based assessment tool (discussed earlier) has contributed to this. The area-based programmes working at the municipal level, especially the Srebrenica Regional Recovery Programme, have also built on rights-based assessments to promote the engagement of stakeholders in relation to their programmes.

5.4.4 DEVELOPING CIVIL SOCIETY CAPACITIES

The capacity assets found in the civil society organization sector have not been systematically assessed and recognized by UNDP as potential resources in the capacity-development process. While some CSO are very young, a range of agencies, especially international non-governmental organizations but also UNDP, have undertaken capacity-building in others.

It must be noted, however, that UNDP faces a real constraint to mobilizing real (rather than token or purely self-interested) stakeholder engagement among civilian populations, due to low confidence and interest levels shown by the general population towards political processes and government institutions, and resulting apathy.[111] While many CSOs have been formed around real shared development concerns, a number have been formed (often in response to donor-funded projects) less because of real

[110] It would probably be true to say that a parallel capacity development process has been taking place within UNDP. As the RMAP team's own capacity was developed and performance improved through feedback from early experience, demand from, and hence engagement, of stakeholders at the municipal level has been strengthened. It is now being shared with UNDP programmes. This is valuable in that UNDP should then be better placed to encourage and support national/ organizational programme ownership and capacity development process work. Furthermore, national staff members can be expected, sooner or later, to move on into roles where they will become stakeholders in local or national development activities. Their capacities will become part of the capacity assets to be drawn upon. However, it was and is not a goal in itself.

[111] This is seen in many studies, applying across educational levels, ethnicity, age and gender. Confidence in municipal authorities has tended to be higher than in entity- and state-level institutions: EWS reports since 2002 show an overall downwards trend, confidence being expressed at best by barely two thirds of those interviewed, falling to around 50 percent in some groups.

commitment to working towards community or national interests than for perceived opportunity to access support. Great attention therefore has to be paid to ensuring that civil representation among stakeholders is assessed in terms of motivation and commitment. If engagement is to be optimal, the capacity-development process must demonstrate an ongoing will to listen to committed CSOs and their constituents and to work with them effectively. UNDP has managed to mobilize CSO and community representatives to participate in programmes and projects at different levels, but has not always differentiated clearly, particularly at local levels, between those motivated to contribute to human development and those driven more by personal or political interests. Such differentiation is important, as the former should play an important role in the whole capacity-development process, especially in the monitoring stages.

Some CSOs pointed out that they did not need the equipment provided under capacity-building, nor are they interested in tendering for the kinds of projects through which municipalities provide CSOs with seed money. However, they do need recognition of their resource value (capacity assets), not least because their capacity to fulfil their chosen role and responsibilities vis-à-vis their own target populations depends also on their being able to fundraise by selling services to other organizations (including municipalities and other CSOs; the Federation of Bosnia and Herzegovina's Civil Service Agency does, in fact, get some of its local trainers through such CSOs). UNDP would do well to differentiate clearly between provision of seed money to CSOs, which should be limited to one single time, and making use of relevant capacity assets found in CSOs, against remuneration where appropriate.

In future, UNDP BiH should make a concerted effort to assess existing capacity assets as well as needs, to ensure that capacity-development responses address the gap and are clearly part of a process that will enhance both performance and a sense of ownership. This will be important if the new Integrated Local Development Project, Municipal Training System and environment projects are to make a maximal contribution to real capacity development.

Box 7. 'Conditionality' that Leads to Capacity-Building

The Srebrenica Regional Recovery Programme was recently asked to help the Srebrenica Municipality develop an urgent and important funding request. Project officials accepted – but only on the condition that municipal staff subsequently enrol in an in-depth training course on project design and management, spread over several months. In the future, municipal staff will be able to handle such matters themselves.

5.4.5 INTEGRATING CAPACITY DEVELOPMENT IN PROGRAMMING

Combined strategies for capacity-development responses create changes in the way individuals and organizations work, which take time to evolve. Monitoring and evaluation of capacity-development progress is therefore essential. Information should feed back into an ongoing organization capacity-development process: engagement of stakeholders, updated assets and needs assessment, response formulation and implementation. For this to be effective, the process must be owned and managed by national and local stakeholders. This is not happening systematically as yet. While some organizations have assumed ownership of UNDP-supported work and seem to be engaged in their own capacity-development processes, far from all municipal administrations have done so. Meanwhile, UNDP teams remain an important motor of their local-level programmes – a contradictory fact, given the aim to develop local capacity. However, signs in certain places indicate some transfer of ownership to municipalities and some CSOs, especially in the case of the Srebrenica Regional Recovery Programme (see Box 7).

The risk run at present by UNDP, faced with lack of national drive for capacity development, is that of providing capacity substitution rather

than capacity development. This is especially true in relation to fields in which it has been a driving force at the national level or where it has been appointed to manage global funds allocated for work in Bosnia and Herzegovina (for example, in areas relating to the environment, HIV/AIDS and tuberculosis). One clear example of capacity substitution coming into play is the preference by national organizations to have UNDP handle procurement in order to avoid the difficulties and delays encountered through a complex government procurement system.[112]

There may well be occasions when such a role is unavoidable if implementation is to move ahead, especially given the pressure to 'deliver'. But it should not be allowed to become 'the system'. A capacity-development approach response to such a challenge is to seek reforms that would reduce the need to bypass obstacles, so that national ownership and management capacity can be developed more effectively. As stressed by UNDP's Capacity Development Group, this is a common problem in post-conflict and transition periods. However, Bosnia and Herzegovina is moving on from a post-conflict situation towards EU accession. UNDP should consider carefully whether its present use of the direct implementation modality is really contributing to developing capacity or, in fact, acting as a constraint to achieving the desired outcome of national (and local) assumption of responsibility for development processes. The most effective way to avoid being trapped in long-term capacity substitution is to establish contractually agreed upon, carefully phased exit strategies linked to capacity-development support and transfer of responsibility; the phases can be reviewed frequently and adjusted if necessary.[113]

At the field level, the Srebrenica Regional Recovery Programme has now developed such an exit strategy, with a defined process for the transfer of responsibility. However, this is not the case in general. As local-level projects come to an end, others start – still under direct implementation. UNDP should explore ways to link capacity-development efforts to a clear exit strategy, both per project and overall. This would entail identifying necessary steps to be achieved (including a gradual shift by UNDP staff from execution to advisory roles, and from direct to national implementation); indicators for progress towards transfer of ownership and responsibilities; and a realistic time frame for this to happen, which would take into consideration commitments of UNDP in relation to ongoing commitments. The process may have to be spread over five years or more, but new and ongoing plans should be revised as appropriate to allow for the steps necessary to encourage real transfer of ownership. A period of advisory support would probably be necessary to ensure that sustainability is not diminished by ethno-political or private interest manoeuvring to undermine or gain control.

[112] The BiH Mine Action Centre experience gives a strong illustration of this. Now using government procurement processes, BiMAC find that delays in receiving essential supplies eat into the limited number of months in which they can undertake the fieldwork part of demining. Every delay reduces the annual demining results, leaving mines still in place as a threat to human security.

[113] UNDP, Capacity Development Group/Bureau for Development Policy, *Supporting Capacity Development: The UNDP Approach,* UNDP, New York, June 2008.

Chapter 6

STRATEGIC POSITIONING OF UNDP

UNDP has been implementing programmes in Bosnia and Herzegovina for over a decade. The decisions it made in the selection of programme interventions were initially guided by the dynamics of post-conflict reconstruction. Strengthening institutions at the state and entity levels, and reconstruction and local development priorities at the municipal level, provided opportunities as well as challenges. The challenges in the area of reconstruction have been to ensure transparency and accountability in the rehabilitation process, which should be inclusive and employ an approach that contributes to more integrated public and political institutions. Building and strengthening institutions at the state level involves working with entities and cantons and redistributing competencies. In the area of governance and social equity, UNDP has the comparative advantage of being able to inform the development of national strategies, and it responded to the opportunity to ensure that development planning and programmes are responsive to local needs through engagement at the municipality level.

Donor participation in the country's post-war reconstruction and development and support to fulfilling EU accession conditionality has been intense. Within this context, the role of UNDP to influence development priorities relates not only to funds it can mobilize, but also the intellectual leadership it is able to provide. This evaluation report examines UNDP's strategic positioning in Bosnia and Herzegovina in addressing human development goals and priorities, and in maximizing organizational resources and capacity. This chapter discusses the major issues and challenges UNDP has faced in strategic positioning and what could be the way forward.

As discussed in Chapter 2, significant progress has been made in Bosnia and Herzegovina in initiating judicial and public administration reforms, and in efforts towards macroeconomic stabilization. Efforts have been made by the BiH government to implement the Medium-Term Development Strategy. Progress has also been made in post-war reconstruction and rehabilitation. However, certain challenges remain in achieving human development through transparent and accountable governance structures. The separation of power among state, entities and cantons creates constraints in carrying out development and policy interventions. In the context of a consociational democracy and a complex federated state, democratization has been a particularly challenging process. UNDP has made efforts to address some of these issues.

Following the signature of the Stabilization and Association Agreement in June 2008, accelerated progress in meeting conditions related to reform is required in relation to EU membership. Since the adoption of the amended European partnership for Bosnia and Herzegovina, with expectations of increased financial aid under the Instrument for Pre-Accession Assistance, the dynamics of donor coordination have been changing with the European Commission increasingly taking the lead; in the future, EU member states will channel support primarily through the European Commission. The role of international donor agencies, including UNDP, is seen as critical in supporting the reform process.

6.1 HOW UNDP HAS POSITIONED ITSELF

UNDP is one of many agencies contributing to development results in Bosnia and Herzegovina, and its estimated contribution to total aid provided is relatively minor.[114] Considering the wide range of development issues in the country and its own limited resources, UNDP has made certain choices in its programme approach. UNDP focus in the areas of human security, poverty alleviation, governance and environment is consistent with the BiH Medium-Term Development Strategy and development priorities. While there has been success in some areas of the programme, the main limitation in other areas is more a result of the direct role and use of partnerships by UNDP than with the programme choices per se.

In the area of human security, UNDP has positioned itself well. UNDP BiH's contribution to setting up the BiH Mine Action Centre, assisting in the drafting of mine action policies, and supporting small arms reduction is seen as significant by the BiH government. UNDP plays a coordinating and management role in dispensing funds through the Global Fund to Fight AIDS, Tuberculosis and Malaria. It also provides the government with support for the operationalization of a Grant Resources Management System located within the Ministry of Finance and Treasury. UNDP participates in consultation on the Country Development Strategy and is supporting the preparation of the component on social inclusion. The contribution to setting up civil service and gender agencies at state and entity levels is noteworthy. UNDP's efforts in civil service reforms, eGovernance, strengthening municipalities and institutionalizing budget and planning practices could have been better.

UNDP interventions in the area of post-conflict reconstruction have been protracted. The approaches it followed in various municipality-level programmes were intended to contribute to an equitable and integrated reconstruction and development process. While broad guidelines on the rehabilitation of returnees and affected populations exist at the state level, there are gaps in fulfilling selection procedures and reaching the most disadvantaged. Inclusive resettlement is an issue of concern to most organizations working in Bosnia and Herzegovina.

A considered decision was made to focus interventions at state and municipality levels. This is in line with donor agencies' dominant view that efforts should be made to strengthen state and municipality government, since the institutions at these two levels are considered to be weak in competencies. Since UNDP has invested a considerable proportion of its funds for activities in municipalities, the question is whether it was optimal for UNDP to limit its scope of activities to the municipality level without involving the entity government in the process and ensuring systematic linkage to policy development. For institutional changes and reforms at the municipality level it is important to work with the entities. Except in the case of setting up the Federation of BiH Civil Service Agency, which was an entity-level initiative, very limited policy-oriented work took place at the entity level.

Participation of international agencies is high at the municipality level. Since donor coordination at this level is weak, development work is duplicated, with several agencies working on similar development issues. At the local level, UNDP could have played a more substantial coordination role to institutionalize inclusive local governance practices, including promoting the application of guidelines for selection of returnee beneficiaries and the Gender Law on disaggregation of all statistics. UNDP has not adequately taken up the agenda of municipal reforms essential to strengthening local government institutions, although it was indeed considered (but dropped) earlier. Intensive involvement at this level would already have given UNDP the added leverage to

[114] UNDP's contribution to total development aid in BiH in 2006 was 2.9 percent. See donor mapping study.

engage in municipal and social service reforms within earlier initiatives. It is too early to comment at this point on the outcomes of recent initiatives such as the Integrated Local Development Project (ILDP) and Municipal Training Programme.

Other opportunities have been missed. UNDP has not used its expertise and resources strategically in influencing governance issues at state and entity levels. Public administration reform is one of the key development issues in Bosnia and Herzegovina. In this area, UNDP did not ascertain precisely what contributions it could make. While the European Commission takes the lead in public administration reform, bilateral agencies such as DFID and the US Agency for International Development are participating actively in reform initiatives. The financial resources allocated by UNDP to public administration reform were not commensurate with the development priority, nor was its organizational positioning. UNDP must now provide intellectual leadership by preparing strategy papers and facilitating consultations in its areas of comparative advantage, such as civil service reform and issues related to separation of power. UNDP should continue its work in the area of civil service reform, to which it should allocate adequate resources.

Opportunities have also been missed in initiating municipal reforms with entity governments. While the relevance of working with municipalities cannot be disputed, the relation of micro-level activities such as RMAP, SUTRA and area-based development projects to long-term institutional change is crucial for sustaining efforts at the municipality level. There have been few examples of UNDP successfully transferring lessons both ways between levels. Enabling linkages between micro-level interventions and macro-level policy remains a challenge. Greater strategic thrust at the municipal level is needed, since this would strengthen UNDP's contributions to advocacy, strategic thinking and policy formulation at national and sub-national levels. These considerations will also be applicable to the new environment programmes.

Support to institutional development and reforms in the governance field should be UNDP's main aim in the next country programme. It must engage in activities with policy relevance; one of the areas where it is well positioned is municipal reforms. UNDP should use the lessons learned from its projects to advocate for reforms. UNDP's initiatives in the environment and climate change fields provide opportunities for operationalizing environmental policy.

6.2 CHALLENGES TO STRATEGIC POSITIONING

As discussed below, organizational priorities, dependency on external funds, and approaches to programmes have created boundaries for UNDP's strategic positioning. Programmes have largely been carried out through direct implementation, and the compulsion to meet donor targets considerably influenced UNDP's programme direction. The small portfolio size in early 2000 to a certain extent undermined a more pro-active positioning of UNDP. The significant increase in programme size provided an opportunity to engage in key development issues. The evaluation team identified areas where UNDP can follow a more considered approach to contributing to development results and effectively maximizing its resources.

6.2.1 COORDINATION

UNDP participates in a number of government and international agency coordination and consultation mechanisms. As part of the UN Country Team, it manages and acts as secretariat for the Donor Coordination Forum, which provides an informal space for members of the international community to network and discuss key issues. The UN Resident Coordinator is part of the 'Board of Principals', an exchange forum in which heads of the multilateral organizations and the Office of the High Representative participate.

Since the EU accession reform process is likely to accelerate, the donor community perceives a need to influence EC programme interventions so

that they more strategically relate to the country's development needs. This has been discussed in the Donor Coordination Forum. Still, UNDP, as a neutral agency, has a wide role to play in harmonizing reform processes by bringing in its human development perspective and broad global experience through complementary information and advocacy initiatives. Although EU accession requirements specify areas of reform and changes that Bosnia and Herzegovina must address in order to be accepted, this assumes national capacity to formulate clear requests for assistance, and to achieve agreement by and commitment of state and entity bodies. But in the complex BiH context, this is often precisely where difficulties arise. UNDP sees the need for a more proactive approach at times in order to develop such capacity – for example, in relation to environmental protection. Some EU member states, in fact, are counting on UNDP to step in where BiH government structures are not yet able to move forward easily. To avoid this becoming a point of conflict with the EC, it will be important to ensure that the complementarity of the two views is clearly recognized and that resulting efforts are coordinated.

UNDP participation in the UN Country Team has been effective. In Bosnia and Herzegovina, the UN Resident Coordinator is also the UNDP Resident Representative. Non-UN international agencies saw no ambiguity in this role. Other UN agencies had mixed perceptions about UNDP's role in coordinating interventions and joint initiatives, for example, in work with returnees. While smaller UN agencies acknowledge that UNDP has the operational strength to take on large programme responsibilities, a tendency to expand into other UN agencies' specialized areas is not appreciated, particularly when their own roles are then played down or forgotten. This was also noted by some of the donor representatives interviewed. UNDP is seen to be getting into areas sometimes clearly assigned under UNDAF to other agencies, and where it does not have technical expertise. For example, it was noted that in areas such as the census, the outcome could be much better if UNDP worked closely with other UN agencies that have the relevant technical skills.

6.2.2 DEVELOPMENT PARTNERSHIPS

Partnerships have been developed with governments at all levels, international agencies and civil society organizations. The partnership with state and entity government agencies in the areas of mines, small arms reduction, and gender has been very effective. Other state government officials were also appreciative of the support provided by UNDP. At the entity level, partnerships have been less satisfactory: At times, UNDP interventions were perceived as top-down and supply-driven, without taking local priorities into account.

Although the UNDP country programme action plan was agreed upon with the BiH government, it has been implemented largely by UNDP under the modality of direct implementation. This has had implications for the level of engagement by the government. The partnership with government agencies therefore had different levels of intensity depending on the area of work.[115] Part of the government considers UNDP a useful international agency providing technical support,[116] organizing training,[117] seminars and workshops, promoting information exchange[118] and process facilitation.[119] In the area of health, specifically in relation to the Global Fund to Fight AIDS, Tuberculosis and Malaria, UNDP is seen as fund manager and facilitator of procurement. The BiH Mine Action Centre values UNDP's financial support, but also appreciates policy

[115] This is also substantiated by the programme and evaluation documents.

[116] Aid Management Unit in the Ministry of Finance and Treasury.

[117] Civil service agencies, state and the Federation of BiH.

[118] State and entity Gender Agencies.

[119] Transitional Justice Court and Gender Agency.

facilitation and operations support. With some state agencies[120] and entity governments, particularly the Republic of Srpska, the partnership has been essentially financial in nature. Strategic engagement in the area of policy, advocacy and networking has been less than optimal. UNDP use of the direct implementation modality significantly diminishes the nature of development partnerships with national organizations.

The international community considers UNDP as an agency with the potential to play a key role in policy and reforms. Contrary to such expectations, UNDP adopted an approach more oriented towards field work with relatively limited interventions in the areas of policy and advocacy. There is also a widely shared view that, at times, UNDP's project implementation approach is substituting for the government rather than enhancing and developing national capacities.[121] UNDP justifies this by suggesting that there is weak national capacity to implement and gives priority to the delivery of services in a complex political environment rather than to empowering a small section of government staff. However, government capacities will not be developed if international agencies such UNDP substitute for them. The real challenge for UNDP should be finding ways of developing real partnerships with government agencies at different levels that develop their capacity while improving service delivery.

Relations with the international community have been largely limited to the Donor Coordination Forum, with a few specific instances of collaboration. Bilateral donors identify UNDP as a useful partner in implementing their projects, but space for synergy and collaborative work was not manifest. To access funding from international agencies, UNDP is seen to diversify into areas where it has no expertise, ones that can be better left to other UN agencies. UNDP's direct project implementation approach and the costs it incurs have been criticized by bilateral donor representatives and members of the Republic of Srpska government. Over-dependence on external funding in its areas of comparative advantage has made UNDP's place in the strategic development of Bosnia and Herzegovina less effective.

Since 2000, UNDP has been very successful in mobilizing funds. The portfolio increased from under $10 million in early 2000 to about $98 million in 2008. This increase has enabled UNDP to carry out various interventions and strengthen its presence greatly in terms of the scale of development projects. UNDP also gained credibility as a useful implementing agent of projects by bilateral donors.

It is not clear whether this funding mobilization was strategically planned or whether UNDP grasped opportunities to develop or extend its field-level interventions within the broad frame of the country programme action plan. While earlier initiatives did provide potential inputs to advocacy, policy and strategy, linkages are less evident in more recent area-based development projects, leaving unanswered the question of their strategic relevance to UNDP's key roles as a development partner. Fundraising is not incompatible with being a strategic player in key areas of development. In the context of EU accession and the reforms that are foreseen, it is important for UNDP to retain its position as a key player in the area of policy and in ensuring a strategic approach to development.

Since the Medium-Term Development Strategy accords an important role to civil society in the country's development, the strategic value of UNDP's partnerships with CSOs is potentially high. However, partnerships with civil society have been sub-optimal. If UNDP works *on behalf* of government institutions (with or without the government agencies' support), it tends to try to work *through* CSOs more often than *with* them.

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[120] PARCO.

[121] Several agencies pointed out the large size of UNDP's office, with over 200 staff members.

Many CSOs are new and not yet very competent, especially at the local level. However, some have the commitment, will and technical capacity to work alongside UNDP BiH as resources, and even as partners, within the context of their own areas of interest. At the national level, UNDP BiH does recognize some of these organizations, and has involved them in advocacy and think tank work. At the local level, UNDP BiH has contributed to building CSO capacity. But it has often tended to work through them, both as a means of holding municipalities accountable and by involving them in implementation of small projects identified in relation to municipal plans – not necessarily in the main area of interest of the CSOs – viewing them as beneficiaries rather than as local partners in the programmes. Sustainability of processes initiated through UNDP's activities would be enhanced by stronger partnerships with CSOs. Furthermore, UNDP can be more tactical in its support to CSOs, giving priority to partnerships with CSOs that demonstrate a will to cut across narrow political and ethnic divides.

Chapter 7

CONCLUSIONS AND RECOMMENDATIONS

The UNDP BiH programme has been implemented in a difficult and, at times, tense political environment in a context of complex consociational power-sharing between the state, the entities and their respective lower-level jurisdictions. A relatively small actor in terms of its own resources compared to other international agencies present in the country, UNDP BiH has nevertheless managed to make significant contributions to the transition of the country from a post-conflict society to one that is now preparing itself for eventual membership in the European Union. At the time of the evaluation mission, the Stabilization and Association Agreement with the EU was signed, giving Bosnia and Herzegovina a measure of optimism as to better economic prospects. It is, however, safe to assume that the challenges faced in the recent past have yet to be fully overcome and, in many ways, will continue to define how smooth the path forward will be.

This chapter outlines the main findings of this evaluation report, identifies and discusses key issues arising from them and their implications for improving UNDP's contribution to development results in the future. Finally, it presents a summary of main recommendations.

7.1. ASSESSMENT OF THE PROGRAMME

Overall, the programme outcomes as indicated in the UNDAF, UNDP's country programme document and country programme action plan are in alignment with the development needs and priorities of the country.

A key area of focus is strengthening governance, especially governance based on democratic principles, by developing local governance for socio-economic development and the national capacity to manage local development. In this arena, UNDP BiH has built on its earlier experience in post-conflict reconstruction, while shifting emphasis to ensuring local ownership by developing local capacity to strategize and plan in accordance with human rights principles through broad participation. In so doing, UNDP BiH aims to address social inclusion at the local level, where most of the service delivery occurs, by changing the power relationship between administrators and administered to one between rights holders and duty bearers. This is also intended to then also feed into policies and strategies at higher government levels.

Significant interventions also focused on strengthening state and entity levels of government in relation to civil service, justice (especially in relation to war crimes), gender equality, information management for decision-making and ICT systems. Currently, UNDP BiH is introducing environmental management within the governance focus area, including support to government concerning international conventions signed and a new programme aimed at developing local government's capacity to address environmental problems. Governance reform at all levels of the country – whether it is understood to be changing relations between citizens and the administration or making the public administration more efficient and effective – has been and will remain for the foreseeable future a key challenge for the country.

The second main focus area, of more urgent concern, deals with providing the population with an environment that is free of war-related risks through projects related to mine action and the reduction of small arms and light weapons. An additional sector, outside the country

programme action plan, is management of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

7.1.1 RELEVANCE OF THE PROGRAMME

All country programme areas correspond to issues identified as national challenges in the BiH Medium-Term Development Strategy/ Poverty Reduction Strategy Paper and/or the country's Millennium Development Goals. The addition of an environment programme also responds to a concern reflected in the BiH MDGs and the MTDS. The addition of the programme financed by the Global Fund to combat AIDS reflects more the international community's interest than Bosnia and Herzegovina's, since the incidence of AIDS is believed to be minimal in the country; tuberculosis, however, is a subject of national concern. Consequently, the programme can be assessed as fully relevant in that it addresses key human development challenges of the country. This is further confirmed by UNDP BiH's considerable success in mobilizing donor funding for its programmes.

UNDP BiH's role, however, is not to contribute alone, or as the UN lead agency, to the whole process of institutional transformation. The UN Development Assistance Framework represents the agreed upon framework for all the UN agencies to build on in their areas of comparative advantage, and with their experience to open up the doors to sustainable development. It is less certain that it is relevant for UNDP to take responsibility in as wide a range of activities as is currently the case.

The evaluation team looked at the strategic positioning of UNDP in response to the development needs in the country, as well as its position organizationally to enhance its participation in its areas of strength. During the assessment period, UNDP has played an important role collectively with other international agencies in dialogue concerning rationalization of state-entity competencies. It has sought to reduce ethnic divisions by encouraging greater understanding and reconciliation movements, facilitated freedom of movement, especially for returnees, and supported reforms required for EU accession. However, while UNDP has been well positioned to influence development strategy in Bosnia and Herzegovina because of its strong links at the local level, it has yet to fully realize its potential in this respect. UNDP needs to focus its priorities strategically, taking into account its own resources in terms of corporate experience and financing as well as the activities of other donors. Considering that Bosnia and Herzegovina is in the process of carrying out reforms to fulfil requirements for EU accession, UNDP has a significant role in complementing and supporting EU leadership in public administration reform by informing development priorities and by contributing to strategic direction.

7.2 OVERVIEW OF RESULTS

While many agencies provide support to local planning, UNDP's approach raised the bar by incorporating the criteria of rights-based assessments and inclusiveness. Through several projects aimed at strengthening municipalities in terms of sustainable development, initially in the context of the right to return but later in terms of municipal development, UNDP made significant efforts to introduce a participatory, human rights-based approach. This is noteworthy in a country with a population still bearing the scars of conflict and where a tendency exists to focus on respective ethnic identities rather than the collective good. Under such circumstances, UNDP BiH managed successfully to introduce approaches that aimed to shift municipal management from a purely administrative function inherited from the past socialist regime to a more inclusive decision-making process. If the process of development is based on change, then clearly UNDP BiH provided that opportunity and contributed to improving the understanding of sustainable development. The approach was effective. Many municipalities not only showed pride in their ability to engage in participatory processes; they were also contacted by neighbouring municipalities asking them how to conduct a similar

exercise. The introduction of new approaches and their acceptance, however, should not be confused with their sustainability.

It is debatable whether UNDP should still be directly involved in managing implementation of infrastructure work, housing and livelihood support. However, it is true that these activities at the local level provided an entry point into municipalities and an opportunity to introduce rights-based practices.

Another area of success has been the mine action programme. Here, UNDP BiH succeeded in creating and transferring to national authorities a BiH Mine Action Centre. The Centre is the sole agency responsible for operational aspects of mine action and is widely recognized as concentrating all the technical know-how on the matter in the country. In the area of governance and social equity, UNDP has provided significant expertise and assistance to the state in drafting and finalizing the National Development Strategy. It has also supported the establishment of civil service and gender agencies, and initiated discussions on public administration reform.

In the challenging constitutional power-sharing political environment of the country, UNDP planned for a series of ambitious outcomes, particularly those envisioned for strengthened capacity of state institutions to drive the development process. However, it had neither the strategic positioning nor sufficient resources to realistically hope for their timely and successful accomplishment. The results of interventions in the area of state-level civil service reforms, eGovernance, strengthening municipal administrative capacities and institutionalizing budget and planning practices have been sub-optimal.

7.2.1 EFFICIENCY AND EFFECTIVENESS

UNDP BiH has been successful in mobilizing funds and in expanding its programme interventions. It can be said that, in relation to outputs, UNDP has been quite efficient, since most stated outputs have been produced according to programme plans. The emphasis on management of programme delivery may have contributed to output performance. It is far less clear from this assessment that UNDP was performing as well with regard to outcomes.

For example, the successful use of broad-based consultative processes for municipal planning has not been linked to support for adequate monitoring of follow-up. The contribution of some of the outputs in public administration or in ICT to outcomes remains to be proven. One of the reasons for this uncertainty may be found in the somewhat overly ambitious expectations about what could be achieved within the time frame of the programme. It is relatively easy to introduce change, but it is much more difficult to make sure that this change is sustained. Projects may have been well designed and implemented from the perspective of outputs, but they have fallen short from the perspective of outcomes.

The programme implementation process followed by UNDP makes it difficult to establish that the programme contributed to planned outcomes. While the government is a signatory to the country programme action plan, hence formally a partner to the programme and approving the outcomes, the full responsibility for implementation of the programme rests with UNDP. UNDP tends to put forward the government's lack of capacity as justification for direct implementation of projects, instead of considering these limitations as a critical part of the development challenge and addressing them. However, although the direct implementation modality for many UNDP projects has facilitated their implementation, it has been a major constraint to achieving the outcomes related to strengthening national capacity and ensuring national ownership of processes introduced and their results.

There are exceptions, as discussed in previous chapters. The contribution of UNDP has been effective in the area of mine action and small arms reduction. The role of UNDP in setting up the BiH Mine Action Centre and support to policy, and its technical support to reducing small

arms and light weapons, is widely acknowledged by national counterparts and other stakeholders. UNDP also worked closely with government agencies and ensured that there was national ownership in relation to gender and the civil service of the Federation of Bosnia and Herzegovina. By mobilizing think tanks on the BiH MDGs during preparation of the Medium-Term Development Strategy, it contributed to integrating pro-poor policy considerations into the national development strategy. There have been efforts to enhance transparency and accountability in projects supporting eGovernance and aid management.

Project components intended to contribute to sustainable livelihoods and local economic development have, on the whole, not been efficient and effective. Until recently, little attention was paid to the viability of sustainable livelihood activities supported, almost certainly in part because these were linked to right to return assistance. Some recent initiatives have used a new approach, linking individual support to market opportunities; initial results suggest that they are proving much more effective.

It was not the task of this evaluation mission to examine in detail the input cost and cost-effectiveness of the programme implemented by UNDP. Since a large proportion of the funding is from non-core funds, direct implementation of projects and the high transaction costs this involves were pointed out by some donors and government representatives as a cause for concern. Nevertheless, while the size of the organization and the cost it incurs is an issue, implementation of projects and the flexibility of UNDP systems have been seen as efficient by government counterparts (especially in relation to procurement) and donors.

7.2.2 SUSTAINABILITY

There were strong indications of sustainability of some of the interventions. The best example is in the area of mine action and national ownership of the BiH Mine Action Centre, although the Centre's long-term success will depend on its access to government resources required to meet the milestones set in its action plan. The initiatives supporting gender agencies at the state and entity levels and civil service reforms and training in the Federation of Bosnia and Herzegovina are fully embedded in the public administration. They benefit from a tremendous sense of national ownership, although the outcomes remain to be seen. The aid management programme and interventions to reduce small arms and light weapons have the potential for national ownership, provided that inter-entity agreements can be reached.

Regarding initiatives supporting democratic governance, the evaluation mission found evidence of contributions towards sustainable institutional capacity on certain levels, as in the case of the Federation of BiH Civil Service and its five cantonal offices. On the other hand, insufficient coordination with other international actors and/or appropriate approaches for simultaneous capacity-building activities at other levels (especially the Republic of Srpska and Federation of BiH governments and the Republic of Srpska Civil Service) limited the possibility of significant progress towards strengthened capacity of the state to manage local socio-economic development.

Albeit often successful in the short term, participatory planning approaches introduced through UNDP projects have not systematically led to their integration in ongoing processes. Moreover, their sustainability and impact at the municipal level cannot yet be determined since the systems have not been institutionalized. The difficulty in institutionalizing participatory planning and human rights-based needs assessments are in many ways related to insufficient attention to linking municipal interventions with entity-level administrative structures and ensuring that lessons from project localities be included in wider municipal administration reforms. It is only within projects starting relatively recently that this is being addressed.

7.2.3 UN COORDINATION

Preparing the UN Development Assistance Framework is the main joint activity among UN agencies. The agencies regarded their engagement in this process positively and considered that it was well coordinated by the UN Resident Coordinator. UNDP is the largest agency in the UN Country Team, both in terms of funding and human resources, and there were expectations among UN agencies that there would be a more coordinated UN effort to support development. There has been coordination and cooperation in the preparation of project proposals for funding (for example, under MDG Thematic Funds). But it is less clear that synergies and complementary goals of UN agencies were drawn on effectively – or even used – by UNDP in implementing projects covering common concerns, including those prepared jointly. UN agencies contacted during the mission were of the view that there is need for further alignment of partnership in implementation of work, an opinion also expressed by some heads of non-UN agencies who have been observing the process among UN agencies. There are few examples of clear joint work to achieve UNDAF outcomes: Despite the common development assistance framework, the essence of partnership was found to be lacking in practice.

Some UN agencies were of the opinion that UNDP has been too broad in its programme scope, entering areas in which it did not have comparative advantages or technical expertise – areas that come under the mandate of other UN agencies. The census and labour surveys were among the examples cited by them. It was suggested that support to advocating for a census is a case in point where greater collaboration could have yielded positive results in a shorter period of time.

7.2.4 MANAGEMENT

The management of the UNDP country office in Bosnia and Herzegovina has been exceptionally successful in mobilizing resources. In early 2000, the country office's finances were limited to core funds. The increase in the portfolio to $98 million can be attributed to management capacity in mobilizing resources. There will be a further increase in the size of the portfolio with the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the country office has sufficient financial resources to sustain its activities for five years.

Programme planning and the current organization of the programme under pillars and main portfolios appear to have limitations for the effective management of results. There is also sub-optimal scope for developing synergies among projects. While recognizing that an integrated approach to field-level interventions means there are many cross-cutting issues among projects, programmes and portfolios, a better alignment of thematic areas would enable a more coherent approach to programming and strategic planning. In some cases, allocation of responsibility for a given project or programme under a specific main portfolio appears to be more a function of the person responsible than of the portfolio theme.

7.3 CONCLUSIONS

Certain recurring issues, largely interconnected, have arisen during the evaluation that have implications for the future. These are discussed below, together with some considerations of how UNDP should or could respond to them.

7.3.1 CHOICES IN PROGRAMMING AND STRATEGIC FOCUS

Early projects and programmes had a clear strategic focus: linking experience from communities to policy advice for strategies that would respond to human development priorities. However, the range of UNDP's programme activities has increased considerably in the last few years. At the state level, activities include: public administration training and human resource management; ICT development, including eGovernance, eLegislation, and aid management; support to war-related justice; advocacy for a reconciliation

process; publication of surveys and studies (including an Early Warning System and the national human development report); support for growth of sustainable business; demining and reduction of small arms and light weapons; prevention of HIV/AIDS; environment; and management of a potential avian flu outbreak. At the municipal level, activities include: support to returnees and displaced people (including housing and reconstruction of damaged infrastructure); local governance (including municipal development planning and local administration systems); and local economic development covering several sectors. Local environmental protection activities are forthcoming.

While all these interventions are relevant in the context of Bosnia and Herzegovina, it is less certain that UNDP can provide a meaningful contribution to development results in all these areas. To transform lessons in all these fields into appropriate policy advice to be shared with the many relevant entity and state-level bodies would require far greater resources for support to analysis and preparation of information for concerned decision-makers than are currently available. The strategic focus of UNDP's country programme today is not clear, nor is its comparative advantage in some areas of intervention. Indeed, the distribution of projects between main portfolios for management purposes in relation to the main pillars of the programme (see Chapter 3) appears symptomatic of an unclear strategic focus. For example, several field-level projects address similar (or even the same) target groups, with similar activities and aims – yet are not managed together under one portfolio to optimize synergy and mobilize appropriate political dialogue and advocacy for policies, legislation, strategies and action plans by relevant government agencies at the entity and state levels. UNDP has diversified its programme in several areas. Some of these interventions, for example, in areas such as mine action, small arms and light weapons, gender, municipal planning, support to sustainable return are strong and focused. There are certain areas, for example, public administration reform, where the allocation of resources has been limited in relation to planned outputs and outcomes.

For UNDP to influence particular development areas and inform national strategy, emphasis should be on areas where UNDP has relative strength. While UNDP considers that sufficient attention was given to the public administration reform programme, the results from choices made in the allocation of resources have not been optimal. This is at least in part because focus has not included sufficient attention to working with, rather than around, entity political and governmental leadership on relevant legislative and administrative issues that have an impact on the implementation of reforms and national development. In the next UNDAF and country programme document, UNDP should hone its programme areas, focusing on areas where it can bring added value.

UNDP should invest its resources in areas where it can use its comparative advantages. In addition, there should be sufficient effort to allocate resources for key development areas such as administrative reform, irrespective of the availability of external funds. UNDP can play a critical role in advancing discussions among governments and donors on important development issues, particularly in support of processes related to achieving EU membership. At this stage in the development of Bosnia and Herzegovina, UNDP should no longer support large-scale and routine collection of statistics: the value of such surveys is linked to their regular collection and this should be the responsibility of national institutions. UNDP's contributions should be limited to further strengthening national capacity to use such statistics effectively for formulating policies, strategies, action plans and for monitoring change against targets.

7.3.2 MICRO-MACRO LINKAGES IN PROGRAMMING

Among the most critical areas of development intervention in Bosnia and Herzegovina is the strengthening of institutions of local government

where the legal framework is weak and the service delivery is unstructured. UNDP has been working with municipalities since it began operations in the country. As intended early on, this places it in a position to contribute significantly to the formulation and application of national (state and/or entity and cantonal in the case of the Federation of Bosnia and Herzegovina) public administration and sectoral reform policies, strategies and plans that have implications for municipalities and for local economic development. However, the necessary linkages have not been systematically developed and used to good effect. Although in the context of Bosnia and Herzegovina it may be more difficult to work effectively at state, entity and cantonal levels, interventions by UNDP BiH at the local level should in future be linked to relevant macro-level policy-making and strategies in order to contribute to a framework under which local activities should be conducted – as is planned for the Municipal Training System. It will also be important to ensure coordination and complementarity with initiatives arising from EU reform requirements and accession-related funding.

UNDP has recently undertaken projects on environment and climate change, including a programme at the local level, with the stated expectation that interventions here will help mobilize greater commitment to environmental protection at government levels. While programmes at the municipality level are important, UNDP must ensure that such micro-macro linkages are established to strengthen ownership at the different government levels (cantons have extensive jurisdiction in this area), so that the projects can contribute to further policy development and implementation of environmental legislation.

7.3.3 DEVELOPING PARTNERSHIPS

It is important that UNDP takes a critical look at what constitutes partnerships in achieving results. It has a variety of types of partnership in Bosnia and Herzegovina, but few where partners share ownership and responsibility that would allow them to continue joint work alone.

The state government is the key partner of UNDP and a signatory to the country programme action plan. However, UNDP implements most of the programme itself rather than with government counterparts. As a result, government agencies tend to view UNDP as a financer of projects and/or as an implementer. Except in a few areas, partnership was found to be lacking with government counterparts. There were indications that government implementation of programmes causes delays in achieving deliverables and that public administration is viewed as lacking sufficient capacity to carry out development projects. The complex political environment and lack of government capacity is precisely the reason to work through the government system. In the next country programme, UNDP must work towards implementing all of its programmes through government agencies or government-approved institutions. The goodwill developed with the government over the years should be used to further partnership with the government.

The evaluation finds that UNDP is not perceived as a key partner by the government in achieving development results. The partnership taken in a narrow sense has been limited at the entity level, in particular with the Republic of Srpska, where UNDP has worked almost entirely at the municipal level. Republic of Srpska government officials describe UNDP interventions as top-down and supply-driven – though appreciative of the work accomplished. Cooperation with municipalities has usually been good. At all levels UNDP can increase the accountability of the government to development results by involving government partners more actively in planning and implementing programmes.

UNDP has worked with civil society organizations in a range of ways: as targets for increasing participatory processes and accountability in municipal planning and administration; as beneficiaries of capacity development and of seed money in the context of municipal development; as implementers of certain local development projects (including initiatives that involve CSOs in [public]-private partnerships in infrastructure

development); and more rarely (mainly at the national level), as resources and full partners in advancing analysis and political dialogue in support of a national human development agenda in areas of common concern. There have been instances of a more structured approach to civil society engagement at the municipal level, for example, in providing support to the formation of local action groups. These initiatives have been important in the context of Bosnia and Herzegovina where working with non-governmental organizations (NGOs) and CSOs is a relatively recent development, but their effectiveness in terms of strengthening civil participation for transparency and accountability depends on how participating CSOs are selected. Creating 'space' for CSOs has proved useful to municipalities since the involvement of these organizations is one of the criteria in accessing EC funds. However, the evaluation team found that, in some instances, civil society space was overtaken by interest groups and political parties.

UNDP can be more tactical in its support to, and ways of working with, CSOs. Many of these organizations operate within the parameters of political and ethnic systems; priority should be given to work with organizations that are not part of the narrow political and ethnic divides and indeed demonstrate their will to cut across these. Real partnerships could be formed with CSOs that share UNDP's vision and values and have capacity that could contribute to achieving outcomes.

Serious consideration needs to be given to partnerships with donor agencies. UNDP should move on from being an implementer of donor projects to developing synergies of mutual interest with the international community. In particular, attention is needed to clarify partnership with the EC so that UNDP can support, complement and reinforce the European Commission's tasks related to the country's EU accession processes. Partnerships with other UN agencies could have been better. UNDP BiH has involved them in project formulation, but is perceived as not building on their special competencies once funding is accorded, leaving little space for partnership during implementation.

There is a real need to rethink how UNDP BiH can work more effectively as a partner with organizations at various levels, using these opportunities to develop the commitment and capacity necessary for real ownership of its interventions by counterparts within Bosnia and Herzegovina. As long as UNDP BiH takes the role of 'senior partner' and manages interventions directly, especially at the local level, it is liable to reinforce the very weaknesses that have been used to justify its current approach. This has negative implications for sustainability once project funding comes to an end. At all levels, UNDP can increase the accountability of the government for results by planning and implementing programmes 'jointly' with the government, or with government-approved national counterparts.

7.3.4 POLITICAL BARRIERS TO ADVANCING THE AGENDA

There is no doubt that a very complex administrative system, considerations of entity autonomy and ethnicity-based political posturing creates a difficult context within which development assistance must operate. The asymmetry of power in governing institutions, state-entity politics, and ethnic dynamics has slowed reforms in key areas of state governance in Bosnia and Herzegovina. The sensitivities around entity and state (and within the Federation of Bosnia and Herzegovina, entity and canton) jurisdictions, and the political positioning that takes place around these that stress differences, constitute very difficult challenges to carrying forward changes and reforms that are called for – on the one hand, by the requirements of sustainable human development and on the other by requirements related to EU accession. This is, nevertheless, the reality in which UNDP has to operate.

It is suggested that rather than seeing the administrative and political structures of the country primarily as obstacles to state-level development progress, to be bypassed as far as

possible, that they be taken as an integral part of the development challenge. That is, UNDP should ask itself how it can address politically based barriers and work with the reality, in order to move forward at entity, and hence, state levels. Advocacy focused at the entity level can contribute to unblocking the road to progress. UNDP has contributed most effectively to state-level progress in the development agenda in areas where entity-level commitment has been achieved: these include ICT legislation, mine action, gender, transitional justice, and support to sustainable return. Success with civil service systems has been with one entity, the Federation of Bosnia and Herzegovina, while support to the Republic of Srpska has been provided separately by DFID. Common ground among entities has not been established, so progress on a state-level system for the country has been limited. The evaluation team found little indication of UNDP support to advocacy efforts using entity perspectives to open dialogue on how essential public administration and municipal reforms can effectively be introduced and applied countrywide. For the former, a state perspective tends to be stressed, and for the latter, UNDP has worked directly with municipalities.

Not unrelated is the fact that studies supported by UNDP itself (Early Warning System reports, 'The Silent Majority Speaks') have shown that, on an individual level, many Bosnians are not in support of political and ethnic-based divisions that prevent a functional federal state. But as yet there does not appear to be concerted effort to create space where the implications of such findings can be fed into processes of political dialogue, especially within the entities.

Where UNDP could play a critical role, using its comparative advantage in mobilizing and strengthening advocacy built on analysis, is by addressing the barriers from the perspective of the entities rather than from that of the state. In doing so, it could work on recognizing where there might be common interest among entities and where flexibility is necessary to allow for differences within a state-level system, and popular acceptability of adjustments in mandates. Appropriate UNDP responses would almost certainly require increased investment in efforts to support analysis at entity and cantonal levels, to be used in advocacy and political dialogue, which could contribute significantly to progress in efforts to reform public administration. Such a shift in perspective could prepare the ground for reducing the fragmentation that prevents progress in implementing national public administration reform and development strategies.

7.3.5 IMPLEMENTATION MODALITIES

Use of the direct implementation modality for programmes is an issue of concern in Bosnia and Herzegovina, where a large proportion of projects are implemented directly by UNDP. This has implications for the sustainability of development results, especially in relation to strengthening the capacities of the government. The national implementation modality is an important instrument for national ownership of UNDP programmes and for developing capacity within the country. It is perfectly understandable that under emergency conditions, when the emphasis was on the rapid delivery of essential services to the population, UNDP used direct implementation. But continued reliance on this modality of operations weakens the focus on one of the core objectives of the UNDP, namely capacity-building and development, since it tends to perpetuate a reliance on UNDP for the implementation of assistance programmes. The UNDP country office perceives weak capacity within the public administration and the incomplete deployment of the public procurement system as constraints to national implementation. However, persistent use of direct implementation by UNDP in Bosnia and Herzegovina goes against its stated objectives: to contribute to sustainable capacity development.

Furthermore, the direct implementation modality undermines partnership relations with the governments and reduces their accountability for agreed-upon development results. By not encouraging national implementation, UNDP in

fact creates a high risk of capacity substitution, perpetuating a system of dependence of national authorities on international assistance, without real national ownership. Furthermore, the persistence of direct implementation runs the risk that UNDP will be perceived as self-serving, which is an imminent possibility in Bosnia and Herzegovina.

It is critically important that UNDP initiates a time-defined approach to implement programmes through national institutions, which could be either governmental or institutions respected by both entity governments. Concerns about national administrative capacity, adequate financial systems, and ways to address these should be incorporated in the design and action plans of new projects. In addition, UNDP should develop appropriate mechanisms with flexible execution modalities that would allow a phased shift from direct implementation-type arrangements to a full national implementation modality for its projects by the time they end. This phase-out would have to be specified in signed project documents.

UNDP BiH's programmes cannot really be considered as being fully effective and sustainable until they are able to transfer ownership to partners in Bosnia and Herzegovina. This will involve a process that requires strategic planning, clear conditions vis-à-vis partners, and defined stages along the way, with transfer from DIM to a form of NIM at an agreed point; new projects should start under a modified NIM. Even under direct implementation modalities it is possible to negotiate some form of commitment by government agencies – for example, through secondment of staff, with guarantees that they will return to their government post at the end of the project. Agreements with national partners from now onwards should indicate that UNDP expects these partners to assume ownership and responsibility by given points in time. And while some flexibility should be allowed in meeting the stages set out, it should be made equally clear that, if necessary, funds would be returned to donors if national partners are unable or unwilling to develop the capacity to assume full responsibility.

UNDP BiH has had a very successful experience with shifting to national implementation: the BiH Mine Action Centre. It should use the lessons of this experience to start introducing elements of this modality in all its projects. Realistically, the transfer of the ownership process may need to be spread out over several years, to allow adequate support and advice in later stages. However, it is only really likely to take effect when UNDP BiH decides to formulate a national exit strategy that indicates its intention not to continue indefinitely managing projects for Bosnia and Herzegovina.

7.3.6 DEVELOPING AN EXIT STRATEGY

Today, Bosnia and Herzegovina is a middle-income country, moving clearly towards EU accession. UNDP has contributed to its present status and has done so in a way that builds on respect for human rights. Now it is primarily the responsibility of the EC to guide and support the processes required for EU accession. The question is not whether UNDP can continue to mobilize donor support for a country programme in Bosnia and Herzegovina; undoubtedly it can. The real question is whether it should. At present, UNDP has not formulated an exit strategy. Since the test of success for a development organization should be when its services are no longer required, and in the context of the increasingly important role that the EU is playing in Bosnia and Herzegovina, UNDP BiH needs to define its exit strategy within a reasonably determined time frame. Such a strategy will help the country office focus on better matching its resources with the key priorities of an independent country that can go forward without further international tutelage. Providing support to a country that is aiming at EU accession should not be an open-ended process.

The time frames for such an exit strategy will need to take into account UNDP's current commitments to donors and to global funds/facilities

that have assigned responsibility to UNDP for management of programmes and projects. This would imply an end date of 2014. However, the approach that UNDP BiH takes to implementing activities under these funds should also reflect initial steps towards UNDP's reduction of its role in Bosnia and Herzegovina. The exit strategy should define specific stages to be reached during the period covered by the next country programme, and be reflected in the country programme action plan.

7.4 RECOMMENDATIONS

The evaluation team is firmly convinced that it is now time for UNDP BiH to concentrate on developing national and local ownership of interventions it supports. This has implications in terms of capacity development, and will shift responsibility for projects and programmes from being entirely 'UNDP-managed' to management by national partners, thereby preparing the way for UNDP's timely exit. It also has implications for the strategic focus of programmes and projects in which UNDP BiH is involved. The following recommendations are therefore interlinked:

Develop a strategy to transfer ongoing projects from direct to national implementation modalities, and use a form of NIM for new projects.

1. UNDP should shift from direct to national implementation of projects so that counterparts are able and willing to carry work forward without UNDP by the time of its departure. Increased efforts are required to strengthen the capacity of counterparts to assume ownership of projects. This will require the rethinking of partnerships and developing the capacity of specific counterpart organizations.

2. A modified form of DIM should provide the basis for an agreement with the concerned counterpart agency for each project. This should establish stages through which UNDP can transfer responsibility to the counterpart(s) within a specified time frame. Counterpart organizations must agree to integrate the main principles and systems of the project in their ongoing work, over the long term. This policy should be adopted as soon as possible, and should be reflected in the next country programme document and action plan.

Develop an overall exit strategy for development assistance to Bosnia and Herzegovina, to be carried out within a defined time frame.

3. UNDP should develop a strategy for exiting the country, which would include defined phases and steps to be fulfilled in order to allow for closure of development assistance activities by a fixed date – probably 2014, in view of current commitments. The phases should already be reflected within the next country programme action plan.

4. A strong emphasis should be placed on capacity development, together with advocacy and political dialogue, to ensure that national ownership is achieved.

Define clearly the strategic focus for current and future UNDP interventions and narrow the range of activities accordingly.

5. To maximize results in areas central to UNDP's mandate and build on its comparative advantages, UNDP should take necessary measure to be more tactical in its focus. UNDP BiH needs to rethink where its efforts can have the most effect, bearing in mind its specific competencies, and ensure that its activities are aligned accordingly.

6. Narrowing the range of activities included in its projects would also require developing appropriate partnerships with other organizations that can assume responsibility for complementary activities that are no longer priorities for UNDP.

7. UNDP should strengthen linkages between policy initiatives at the state level and operational interventions at the entity and municipality levels. There should be more emphasis on expanding existing interventions that are successful, and future short-term projects should build on these.

8. The strategic focus should be aimed at advancing the sustainable human development agenda, facilitating progress in administrative reform, and supporting the country's progress towards EU membership, which includes addressing existing barriers through an analysis of entity-level perspectives.

7.5 MAIN ADR LESSONS

In addition to the above recommendations for the UNDP country office in Bosnia and Herzegovina, there are important lessons for corporate UNDP:

An excessive focus on finance delivery can have serious drawbacks for development results. The increasing emphasis by UNDP in its reporting on finance delivery may actually be counterproductive since it weakens the focus on results and outcomes in the area of national capacity development. The emphasis instead should be on programme delivery and the processes followed by country offices to strengthen national capacities.

Direct implementation is appropriate under certain conditions, but ultimately limits the development of national capacity. Under emergency conditions and other special circumstances, the modality of direct implementation is perfectly appropriate. However, as UNDP shifts its operations towards a more developmental focus, continued reliance on DIM weakens one of the core objectives of the UNDP, namely capacity development. UNDP headquarters should ensure that country offices comply with the stipulations of the NIM approach.

Annex 1

TERMS OF REFERENCE
ASSESSMENT OF DEVELOPMENT RESULTS IN BOSNIA AND HERZEGOVINA

1. INTRODUCTION

The Evaluation Office (EO) of the United Nations Development Programme (UNDP) conducts country evaluations called *Assessments of Development Results* (ADRs) to capture and demonstrate evaluative evidence of UNDP's contributions to development results at the country level. ADRs are carried out within the overall provisions contained in the UNDP Evaluation Policy.[122] The overall goals of an ADR are to:

1. Provide substantive support to the Administrator's accountability function in reporting to the Executive Board

2. Support greater UNDP accountability to national stakeholders and partners in the programme country

3. Serve as a means of quality assurance for UNDP interventions at the country level

4. Contribute to learning at corporate, regional and country levels.

The EO plans to conduct an ADR in Bosnia and Herzegovina (BiH) beginning April 2008. The ADR will focus on the results achieved during the ongoing country programme (2005-2009), while the previous country programme (2001 to 2004) will be assessed as background. The ADR will contribute to the new UNDAF and the ongoing and next country programmes.

2. BACKGROUND

Policy reforms in BiH have been under way for more than five years. In the year 2004 the government formulated a Medium-Term Development Strategy (MTDS) for the period 2004-2007. The international agencies working in BiH, including UNDP, supported the agenda of the MTDS. The MTDS incorporates social and economic development components, laying the groundwork for sustainable and balanced economic growth, poverty reduction and acceleration of EU integration. The Government of BiH and EU negotiations on the Stabilization and Association Agreement have concluded recently, subject to the fulfilment of certain conditions. To be eligible for EU membership, the BiH government must ensure that there are stable political, administrative, economic and legal institutions. Despite policy reforms and trends of increase in the GDP, the challenges which continue to confront BiH include: tackling poverty, reducing unemployment, strengthening capacities of the institutions of public management, controlling fiscal deficit, and harmonization of the different administration structures. The state of BiH also has the task of generating the capacities and authority necessary to implement the broad range of requirements for accession, which include some critical development priorities.

The goal of UNDP in Bosnia and Herzegovina is to continue to provide quality policy and programme support, share best practices and support government efforts to build capacity

[122] http://www.undp.org/eo/documents/Evaluation-Policy.pdf

to address development challenges. The practice areas of the BiH UNDP programme include poverty reduction, governance, crisis prevention and recovery, and energy and environment. UNDP initiated its programmes in BiH during the reconstruction phase in 1996 and the total expenditure for the past decade has been $181 million.

The completion of the 2004-2008 UNDAF and the 2005-2009 country programme in BiH presents an opportunity to evaluate UNDP contributions and shortcomings during the ongoing programme cycle and before. The findings will be used as inputs to the 2010-2012 country programme document and for the next UNDAF.

3. OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of the ADR in BiH include:

- To provide an independent assessment of the progress, or lack thereof, towards the expected outcomes envisaged in the UNDP programming documents. Where appropriate, the ADR will also highlight unexpected outcomes (positive or negative) and missed opportunities
- To provide an analysis of how UNDP has positioned itself to add value in response to national needs and changes in the national development context
- To present key findings, draw key lessons, and provide a set of clear and forward-looking options for management to make adjustments in the current strategy and next country programme.

The ADR will review the UNDP experience in Bosnia and Herzegovina and its contribution to the solution of social, economic and political challenges. The evaluation will cover the ongoing and previous country programmes (2005-2009 and 2000-2004). Although it is likely that greater emphasis will be placed on more recent interventions (due to better availability of data, etc.), efforts will be made to examine the development and implementation of UNDP's programmes during the last country programme. The identification of existing evaluative evidence and potential constraints (lack of records, institutional memory, etc.) will occur during the initial Scoping Mission (see Section 4 for more details on the process).

The overall methodology will be consistent with the ADR Guidelines prepared by the EO (dated January 2007). The evaluation will undertake a comprehensive review of the UNDP programme portfolio and activities during the period under review, specifically examining UNDP's contribution to national development results across the country. It will assess key results, specifically outcomes – anticipated and unanticipated, positive and negative, intentional and unintentional – and will cover UNDP assistance funded from both core and non-core resources.

The evaluation has two main components, the analysis of development outcomes and the strategic positioning of UNDP.

DEVELOPMENT RESULTS

The assessment of development outcomes will entail a comprehensive review of the UNDP programme portfolio of the previous and ongoing programme cycles. This includes an assessment of development results achieved and the contribution of UNDP in terms of key interventions; progress in achieving outcomes for the ongoing country programme; factors influencing results (UNDP's positioning and capacities, partnerships, policy support); and achievements/progress and contribution of UNDP in practice areas (both in policy and advocacy); analysing the cross-cutting linkages and their relationship to the MDGs and UNDAF. The analysis of development results will identify challenges and strategies for future interventions.

Besides using the available information, the evaluation will document and analyse achievements against intended outcomes and linkages

among activities, outputs and outcomes. The evaluation will qualify UNDP's contribution to outcomes with a reasonable degree of plausibility. A core set of criteria related to the design, management and implementation of its interventions in the country are as follows:

- **Effectiveness:** Did the UNDP programme accomplish its intended objectives and planned results? What are the strengths and weaknesses of the programme? What are the unexpected results it yielded? Should it continue in the same direction or should its main tenets be reviewed for the new cycle?
- **Efficiency:** How well did UNDP use its resources (human and financial) in achieving its contribution? What could be done to ensure a more efficient use of resources in the specific country/sub-regional context?
- **Sustainability:** Is UNDP's contribution sustainable? Are the development results achieved through UNDP's contribution sustainable? Are the benefits of UNDP interventions sustained and owned by national stakeholders after the intervention is completed?

Special efforts will be made to examine UNDP's contribution to capacity development, knowledge management and gender equality.

STRATEGIC POSITIONING

The evaluation will assess the strategic positioning of UNDP both from the perspective of organization and the development priorities in the country. This entails, 1) a systematic analysis of UNDPs place and niche within the development and policy space in BiH; 2) the strategies used by UNDP BiH to strengthen the position of UNDP in the development space and create a position for the organization in the core practice areas; 3) from the perspective of the development results for the country the assessment will evaluate the policy support and advocacy initiatives of the UNDP programme vis-à-vis other stakeholders. In addition, the evaluation will analyse a core set of criteria related to the strategic positioning of UNDP. This includes:

- **Relevance of UNDP programmes:** How relevant are UNDP programmes to the priority needs of the country? Did UNDP apply the right strategy within the specific political, economic and social context of the region? To what extent are long-term development needs likely to be met across the practice areas? What were critical gaps in UNDP's programming that constrained contribution to national development results?
- **Responsiveness:** How did UNDP anticipate and respond to significant changes in the national development context? How did UNDP respond to national long-term development needs? What were the missed opportunities in UNDP programming?
- **Equity:** Did the programmes and interventions of UNDP lead to reduce vulnerabilities in the country? Did UNDP intervention in any way influence the existing inequities (exclusion/inclusion) in the society? Was the selection of geographical areas of intervention guided by need?
- **Partnerships:** How has UNDP leveraged partnerships within the UN system as well as with national civil society and private sector?

The evaluation will also consider the influence of administrative constraints affecting the programme and specifically UNDP's contribution (including issues related to the relevance and effectiveness of the monitoring and evaluation system). If, during initial analysis, these are considered important, they will be included in the scope of the evaluation. Within the context of partnerships with the UN system and overall UN coordination, the specific issue of the development of joint programmes will be highlighted.

4. EVALUATION METHODS AND APPROACHES

DATA COLLECTION

The evaluation will use a multiple method approach for data collection that includes desk reviews, workshops, group and individual interviews (at both headquarters and the country office), project/field visits and surveys. The appropriate set of methods would vary depending on the country context and the precise nature would be determined during the Scoping Mission and detailed in an Inception Report.[123]

VALIDATION

Data analysis will follow objective, verifiable methods. All information will be triangulated and validated to the greatest possible extent.

STAKEHOLDER PARTICIPATION

A strong participatory approach, involving concerned stakeholders is envisaged. The identification of the stakeholders, including government representatives of ministries/agencies, civil society organizations, private sector representatives, UN agencies, multilateral organizations, bilateral donors and beneficiaries will be carried out. To facilitate this approach, the ADR will include a process of stakeholder mapping that would include both UNDP's direct partners as well as stakeholders who do not work directly with UNDP.

5. EVALUATION PROCESS

The ADR process will follow the ADR Guidelines, according to which the process can be divided into three phases, each including several steps.

PHASE 1: PREPARATION

- **Desk review:** Initially carried out by the EO (identification, collection and mapping of relevant documentation and other data) and continued by the evaluation team. This will include general development-related documentation specific to the country as well as a comprehensive overview of UNDP's programme over the period being examined.
- **Stakeholder mapping:** A basic mapping of stakeholders relevant to the evaluation in the country will be carried out. These will include state and civil society stakeholders and go beyond UNDP's partners. The mapping exercise will also indicate the relationships between different sets of stakeholders.
- **Inception meetings:** Interviews and discussions in UNDP headquarters with the EO (process and methodology), the Regional Bureau for Europe and the CIS (context and county programme), as well as with other relevant bureaus (including the Bureau for Development Policy and the Bureau for Crisis Prevention and Recovery).
- **Scoping Mission:** A mission to BiH in order to:
  - Identify and collect further documentation
  - Validate the mapping of the country programmes
  - Get key stakeholder perspectives on key issues that should be examined
  - Address logistical issues related to the main mission, including timing
  - Identify the appropriate set of data collection and analysis methods
  - Address management issues related to the rest of the evaluation process, including division of labour among the team members
  - Ensure that the country office and key stakeholders understand the ADR objectives, methodology and process.

[123] The Scoping Mission and Inception Report are described in Section 5 of the evaluation process.

The Task Manager will accompany the Team Leader on the mission.

- **Inception report:** An inception report will be prepared by the evaluation team leader. This will include the evaluation design and plan – background to the evaluation, key evaluation questions, detailed method, information sources and instruments and tools for data collection and analysis, and the format for reporting.

PHASE 2: CONDUCTING THE ADR AND DRAFTING THE EVALUATION REPORT

- **Main ADR mission:** The mission involves a three-week visit to the country by the independent Evaluation Team and will focus on data collection and validation. An important part of this process will be an Entry Workshop (possibly more than one) where the ADR objectives, methods and process will be explained to stakeholders. During the Scoping Mission, the number of programmes to be visited will be identified. The team will visit significant project/field sites as identified in the mission.
- **Analysis and reporting:** the information collected will be analysed in the draft ADR report by the Evaluation Team within three weeks after the departure of the team from the country.
- **Review:** The draft will be subject to 1) factual corrections and views on interpretation by key clients (including the UNDP country office, the Regional Bureau for Europe and the CIS [RBEC], and government); 2) a technical review by the EO and 3) a review by external experts. The EO will prepare an audit trail to show how these comments were taken into account. The Team Leader in close cooperation with the EO Task Manager shall finalize the ADR report based on these final reviews.
- **Stakeholder meeting:** A meeting with key national stakeholders will be organized to present the results of the evaluation and examine ways forward for BiH. The main purpose of the meeting is to facilitate greater buy-in by national stakeholders in taking the lessons and recommendations from the report forward and to strengthen national ownership of development process and the necessary accountability of UNDP interventions at country level. It may be necessary to incorporate some significant comments into the final evaluation report (by the evaluation Team Leader).

PHASE 3: FOLLOW-UP

- **Management response:** The UNDP Associate Administrator will request relevant units (in the case of the ADR, usually the relevant country office and regional bureau) to jointly prepare a management response to the ADR. As a unit exercising oversight, the regional bureau will be responsible for monitoring and overseeing the implementation of follow-up actions in the Evaluation Resource Centre.
- **Communication:** The ADR report and brief will be widely distributed in both hard and electronic versions. The evaluation report will be made available to the UNDP Executive Board by the time of approving a new country programme document. It will be widely distributed in Bosnia and Herzegovina and at UNDP headquarters, and copies will be sent to evaluation outfits of other international organizations as well as to evaluation societies and research institutions in the region. Furthermore, the evaluation report and the management response will be published on the UNDP website.[124]

[124] www.undp.org/eo/

The timeframe and responsibilities for the evaluation process are tentatively as follows:

Activity	Estimated date
Collection and mapping of documentation by the research assistant	April
Desk review by the Evaluation Team	May
Meetings in New York	29 and 30 May
Scoping Mission to [Sarajevo, Bosnia and Herzegovina]	31 May to 9 June
Inception report and full ADR terms of reference	10 June 12 June
The following are tentative and will be firmed up during the Scoping Mission in consultation with the country office and the government:	
Evaluation team meeting in UNDP New York	16 to 18 July
Main ADR mission to Bosnia and Herzegovina	19 July to 16 August
Submission of first draft report	20 August
Comments from EO and Advisory Panel	26 August
Submission of second draft report	10 September
Factual corrections from country office, regional bureau, government	20 September
Issuance of final report	1 October
Stakeholder workshop	November

6. MANAGEMENT ARRANGEMENTS

UNDP

The UNDP EO Task Manager will manage the evaluation and ensure coordination and liaison with RBEC, other concerned units at headquarters level and at the BiH country office. The EO will also contract a Research Assistant to facilitate the initial desk review and a Programme Assistant to support logistical and administrative matters. The EO will meet all costs directly related to the conduct of the ADR. These will include costs related to participation of the Team Leader, international and national consultants, as well as the preliminary research and the issuance of the final ADR report. The EO will also cover costs of any stakeholder workshops as part of the evaluation.

The Evaluation Team

The team will consist of three members:

- Consultant Team Leader, with overall responsibility for providing guidance and leadership, and in coordinating the draft and final report
- Consultant Team Specialist, who will provide the expertise in the core subject areas of the evaluation, and be responsible for drafting key parts of the report
- National Consultant, who will undertake data collection and analyses at the country level, as well as support the work of the missions.

The Team Leader must have a demonstrated capacity in strategic thinking and policy advice and in the evaluation of complex programmes in the field. All team members should have in-depth knowledge of development issues in BiH and the region.

The evaluation team will be supported by a Research Assistant based in the Evaluation Office in New York. The Task Manager of the Evaluation Office will support the team in designing the evaluation, will participate in the Scoping Mission and provide ongoing feedback for quality assurance during the preparation of the inception report and the final report. Depending on need, the EO Task Manager may also participate in the main mission.

The evaluation team will orient its work by United Nations Evaluation Group (UNEG) norms and standards for evaluation and will adhere to the ethical Code of Conduct.[125]

The UNDP Country Office

The UNDP country office in BiH will take a lead role in organizing dialogue and stakeholder meetings on the findings and recommendations, support the evaluation team in liaison with the key partners, and make available to the team all necessary information regarding UNDP's activities in the country. The office will also be requested to provide additional logistical support to the evaluation team as required. The country office will contribute support in kind (for example, office space for the evaluation team), but the EO will cover local transportation costs.

7. EXPECTED OUTPUTS

The expected outputs from the evaluation team are:

- An inception report (maximum 20 pages)
- A comprehensive final report on the Bosnia and Herzegovina Assessment of Development Results (maximum 50 pages plus annexes)
- A two-page evaluation brief
- A presentation for the Stakeholder Workshop

The final report of the ADR to be produced by the evaluation team will follow the following format:

Chapter 1: Introduction

Chapter 2: Country Context

Chapter 3: The UN and UNDP in the Country

Chapter 4: UNDP's Contribution to National Development Results

Chapter 5: Strategic Positioning of the UNDP Country Programme

Chapter 6: Conclusions, Lessons and Recommendations

Detailed outlines for the inception report, main ADR report and evaluation brief will be provided to the evaluation team by the Task Manager.

The drafts and final version of the ADR report will be provided in English.

[125] The UN Evaluation Group Guidelines (UNEG), *Norms for Evaluation in the UN System* and *Standards for Evaluation in the UN System* (April 2005).

Annex 2

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Annex 3

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Svetlana Pavelić, Assistant Resident Representative, UNDP

Stefan Priesner, Deputy Resident Representative, UNDP

Alexandre Prieto, Programme Manager, SRRP, UNDP

Renato Radić, Senior Civil Engineer, SRRP, UNDP

Lejla Riđanović, Project Officer, UNHCR

Stephanie Roels, UNV Programme Officer, UNDP

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Goran Vukmir, Portfolio Manager, Energy and Environment, UNDP

Tarik Zaimović, ICT for Development Portfolio Manager, UNDP

Damir Žarad, Capacity-Building Coordinator, Upper Drina Regional Development Project, UNDP

State-level institutions of Bosnia and Herzegovina

Samir Agić, Assistant Minister for Civil Security, Ministry of Security

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Dušan Gavran, Director, BiH Mine Action Centre

Amila Hadžić, ARDA (development agency)

Samra Filipović Hadžiabdić, Director, Agency for Gender Equality

Samir Huseinbašić, Head, Security and Training Department, Ministry of Security

Hazim Kazić, Director of Sector for Training, Civil Service Agency

Meddžida Kreso, Chairperson, State Court of Bosnia and Herzegovina

Dragiša Mekić, (Ministry of Foreign Trade and Economic Relations) member, Demining Commission

Mario Nenadić, Assistant Minister, Ministry of Human Rights and Refugees

Sredoje Nović, Minister; Rade Marković, Assistant and Interpreter, Ministry of Civil Affairs

Slavka Popović, Deputy Director, Agency for Statistics

Nevenka Savić, Suad Musić, State Coordinators, Public Administration Reform Coordination Office

Mario Sego, Head of Logistics Sector, Ministry of Defence

Božidar Skravan, Assistant Minister, Ministry of Communication and Transport

Federation of Bosnia and Herzegovina

Enver Adžem, Assistant Mayor, Municipality of Goražde

Sulejman Alijagić, Assistant Minister, Ministry for Refugees and Displaced Persons

Danijel Babić, Secretary-General Mayor's Office, Municipality of Stolac

Franjo Bošković, Section Head; SuadaĆorić, Slavenko Marić, Urban Department, Mostar

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Zada Gabela, Ministry of Treasury and Finance

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Mevla Hubijer, Local Community Representative, Municipality of Goražde

Enver Išerić, Director, Civil Service Agency

Amer Kreho, Assistant Mayor, Municipality of Jajce

Mustafa Kurtović, Mayor, Municipality of Goražde

Ljupko Lovrić, Council Chairman, Municipality of Jajce

Zinka Salihagić, Secretary, Civil Service Agency

Ratković Suad (Bogušić), Tiro Džemo (Goražde IV), Ferhatović Šemso (Rešatnica), Mujagić Rasim (Ilovača), Zupčić Adnan (Zupčić), Hodo Nesib (Vranić), Goražde Local Community Representatives

Ana Vuković, Director, Gender Centre

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Republic of Srpska

Brankica Arežina, Agency Secretary, Civil Service Agency

Vlado Blagojević, Secretary, Republic of Srpska Government

Omer Branković, Minister, Ministry for Refugees and Displaced Persons

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Živojin Jurošević, Mayor, Municipality of Milići

Vladimir Karajica, Expert Advisor, Republic of Srpska Civil Service Agency

Suvad Kulovac, Assistant Advisor, Municipality of Doboj

Dragomir Kutlija, Director, Civil Service Agency

Spomenka Krunić, Director, Republic of Srpska Gender Centre

Mile Lalović, Deputy Mayor, Municipality of Milići

Colonel Dragan Lepir, Major Safer Ahmetović, BiH Army Unit, Doboj

Zoran Lipovac, Minister, Ministry of Administration and Local Government

Abdurahman Malkić, Mayor, Municipality of Srebrenica

Eldina Mehinagić, SUTRA Project Officer, Municipality of Doboj

Radmila Mihić, Assistant Minister, Ministry of Finance

Jelena Milinović, Public Relations Officer, Republic of Srpska Gender Centre

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Abdulrahman Omić, Head of Returnees and Refugees Section, Municipality of Srebrenica

Dragan Pajić, Local Advisor, Municipality of Derventa

Dragan Pavlić, Technical Coordinator, Municipality of Doboj

Jagoda Petrović, Department of Development, Ministry for Refugees and Displaced Persons

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Saša Savičić, Legal Advisor, Republic of Srpska Gender Centre

Milorad Simić, Mayor, Municipality of Derventa

Milanka Šopin, Assistant Minister, Ministry of Administration and Local Government

Enes Suljkanović, Municipality Council Chairman, Municipality of Doboj

Milka Todorović, Department for Economy, Municipality of Milići

Donors and international organizations

Taku Aramaki, First Secretary, Embassy of Japan

Jan Braathu, Ambassador, Embassy of Norway

Nedim Bukvic, National Programme Officer, Swedish International Development Agency (SIDA), Swedish Embassy

Douglas Davidson, Head of Mission, Office of Security and Co-operation in Europe (OSCE)

Renate French, Deputy Director, Department of Human Rights, OSCE

Anders Hedlund, Director, SIDA, Sarajevo

Ferdinand Kopp, Chief of Operations, a.i., European Commission Delegation in BiH

Amela Kreho, Chief Economic Department, Office of the High Representative

Gus McKay, Director, UK Department of International Development (DFID) BiH

Mervan Miraščija, Programme Coordinator, Soroš

Angela Pudar, Programme Officer, DFID BiH

James Rodeheaver, Director, Department of Human Rights, OSCE

Emmanuel Sauvage, Programme Director, Handicap International

Bruce W. Steen, Counsellor/Head of Technical Cooperation, Embassy of Canada, Sarajevo

Almir Tanović, National Programme Officer, Canadian International Development Agency

Goran Tinjić, Country Operations Officer, World Bank, Sarajevo

Archie Tuta, Chief, Political Department, Office of the High Representative

Joost Van Ettro, Embassy of The Netherlands

Enrico Visentin, Country Representative, Danish Refugee Council

Lars Erik Wingren, Ambassador, Embassy of The Netherlands

Civil society organizations, non-governmental organizations and the local business community

Vito Afieri, Director, Intersos (NGO for demining)

Amir Alete, Diabetics Association

Rešid Alihodžić, Director, Aida Kuduz, Goražde Business Centre

Ivan Barbalić, Director, ACIPS Centre for Interdisciplinary Studies

Vujadin Berberović, Udruženje Srba Povratnika (Serb Returnees Society)

Igor Borozan, Association for Culture and Art

Miodrag Bosić, ROTOR

Miodrag Dakić, Centre for Environment

Momir Dejanović, President, Centre for Humane Politics

Miodrag Đurđević and Dijana Đurđević, EURO PLUS

Afieri Fontana, Director, Intersos (NGO for demining)

Valentina Gagić, SARA

Božić Goran, Executive Director, LAG Doboj

Denis Hadžović, Centre for Security Studies

Zagorka Hamza, (CSO for citizens affected by cancer)

Minva Hasić, Association Orhideja

Slavko Helet, Šansa

Sudeza Jagodić, VIVA

Lana Jajčević, Director, and Aleksandra Petrić, Human Resources Advisor, Udružene Žene (Women Together)

Prokopije Joksimović, Director of INTAL Milići (wood processing and house kit company)

Dragana Jovanović, Mirela Smajlović, Friends of Srebrenica

Nada Jovanović, Srebrenica Business Centre

Slavko Klisura, Project Manager, CPCD, Civil Society Promotion Centre

Srđan Kukolj, Action Against AIDS

Amel Lizde, New Step

Abdurahman Ibrahimović Meho, Marketing Specialist, Idranka Bojić, Food Production Specialist, Agriculture Extension Service

Snežana Mišić Mihajlović, MDP (Centre for Management, Development and Planning)

Ilija Miličić, Vitorog

Milijana Milovčević, Drina Drvo

Aida Muslic, Director, Partnership in Health (AIDS-related NGO)

Husein Oručević, Youth Cultural Centre 'Abrašević'

Žarko Papić, Director, Independent Bureau for Humanitarian Issues (IBHI)

Mirjana Penava, Forma F

Željana Pjevalica, Women Association 'Priroda'

Jovanka Popović, Women Association Derventa

Snežana Šešlija, TOOPER Doboj

Lejla Somun-Krupalija, Director, The Independent Bureau for Humanitarian Issues (IBHI)

Sanja Stanić,Victoria

Drago Tadić, BioPlus

Mirsad Tokača, Director, Research and Documentation Center, IDC Biblioteka

Zlatan Trninić, Ragib Dizdar, Privrednik

Enida Tucaković, Tutti

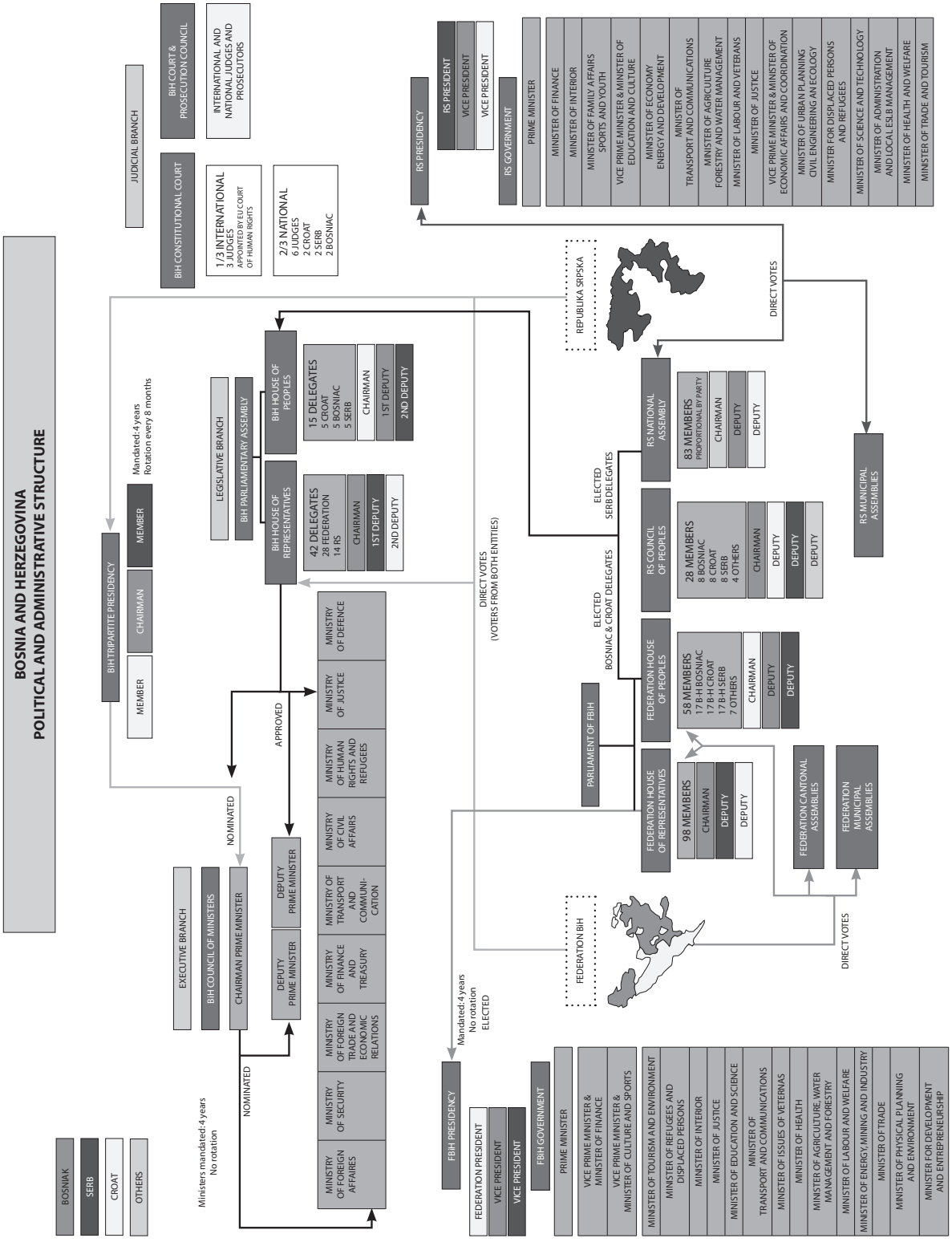
Ferid Tutić, Director; Šapčanin Gordana, Social Worker; Kunovac Dženana, Psychologist; Dučić Sadina, Nurse, Centre for Mental Health Care Goražde

Davor Vojinović, Eco Movement

Nuna Zvizdić, Director; Maria Theresa Mann, Public Relations Coordinator; Žene Ženama (Women to Women)

Annex 4

BiH POLITICAL AND ADMINISTRATIVE STRUCTURE



Annex 5

MDG INDICATORS FOR BOSNIA AND HERZEGOVINA

Millennium Development Goals				
	1990	1995	2000	2007
Goal 1: Eradicate extreme poverty and hunger				
Employment to population ratio, 15+, total (%)	58	56	55	55
Employment to population ratio, ages 15-24, total (%)	*37*	36	36	*37*
Income share held by lowest 20%	..	..	..	*7.0*
Malnutrition prevalence, weight for age (% of children under 5)	..	..	4.2	*1.6*
Poverty headcount ratio at national poverty line (% of population)	..	..	*19.5*	..
Prevalence of undernourishment (% of population)	.	9	..	..
Vulnerable employment, total (% of total employment)	..	..	..	..
Goal 2: Achieve universal primary education				
Literacy rate, youth female (% of females ages 15-24)	..	..	100	..
Literacy rate, youth male (% of males ages 15-24)	..	..	100	..
Persistence to last grade of primary, total (% of cohort)	..	..	..	..
Primary completion rate, total (% of relevant age group)	..	..	..	..
Total enrollment, primary (% net)	..	..	..	..
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)	..	..	29	14
Ratio of female to male enrollments in tertiary education	..	..	..	..
Ratio of female to male primary enrollment	..	..	..	..
Ratio of female to male secondary enrollment	..	..	..	..
Ratio of young literate females to males (% ages 15-24)	..	..	100	..
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	..	..	*39.2*	..
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	*52*	53	80	*90*
Mortality rate, infant (per 1,000 live births)	18	16	14	*13*
Mortality rate, under-5 (per 1,000)	22	19	17	*15*
Goal 5: Improve maternal health				
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	*30*	26	*21*
Births attended by skilled health staff (% of total)	*97*	..	100	*100*
Contraceptive prevalence (% of women ages 15-49)	..	..	48	*36*
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	*3*
Pregnant women receiving prenatal care (%)	..	..	99	*99*
Unmet need for contraception (% of married women ages 15-49)	..	..	..	..

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Goal 6: Combat HIV/AIDS, malaria and other diseases				
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)	..	..	..	..
Condom use, population ages 15-24, female (% of female ages 15-24)	..	..	..	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	94	84	63	*51*
Prevalence of HIV, female (% ages 15-24)	..	..	..	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	0.1
Tuberculosis cases, detected under DOTS (%)	..	..	71	*62*
Goal 7: Ensure environmental sustainability				
Annual freshwater withdrawals, total (% of internal resources)	..	..	..	..
CO2 emissions (kg per PPP $ of GDP)	..	0.9	1.4	..
CO2 emissions (metric tons per capita)	1.6	1.2	6.2	..
Forest area (% of land area)	43	..	43	*43*
Improved sanitation facilities (% of population with access)	..	96	96	*95*
Improved water source (% of population with access)	97	97	97	*99*
Marine protected areas (% of surface area)	..	..	..	..
Nationally protected areas (% of total land area)	..	..	..	..
Goal 8: Develop a global partnership for development				
Aid per capita (current US$)	*2*	277	199	*131*
Debt service (PPG and IMF only, % of exports of G&S, excl. workers remittances)	..	..	12.6	*4.5*
Internet users (per 100 people)	..	*0.0*	1.1	28.0
Mobile phone subscribers (per 100 people)	..	..	2.5	64.9
Telephone mainlines (per 100 people)	*15.4*	7.1	21.1	28.2
Other				
Fertility rate, total (births per woman)	1.7	1.5	1.4	*1.2*
GNI per capita, Atlas method (current US$)	..	*840*	1,560	3,790
GNI, Atlas method (current US$) (billions)	..	*2.8*	5.8	14.3
Gross capital formation (% of GDP)	..	20.0	21.2	17.8
Life expectancy at birth, total (years)	72	64	74	*75*
Literacy rate, adult total (% of people ages 15 and above)	..	..	97	..
Population, total (millions)	4.3	3.3	3.7	3.8
Trade (% of GDP)	..	91.9	107.5	106.1

Source: World Development Indicators database

Annex 6

PROGRAMME COMPONENTS, OUTCOMES, FOCUS AREAS AND PORTFOLIOS

Programme component	Outcome (CPAP 2005-2008, UNDAF)	Core result & links to MYFF focus areas & service lines
UNDAF Outcome 1: Strengthened accountability and responsiveness of government to pro-active citizens (Area of cooperation: Good governance)		
1. Local governance for socio-economic development	1.1 Strengthen capacity of municipalities and CSOs to manage and participate in long-term sustainable socio-economic development within a framework of human rights and the rule of law (UNDAF 1.1) *1.2 Developed capacity of municipalities to generate employment a using-pro poor approach (CPAP)*	Replicable local poverty initiative(s) linked to policy change undertaken *Achieving the MDGs and reducing human poverty* *S.L.1.3 Local poverty initiatives, including microfinance*
		Capacities developed and partnerships formed with local governance actors in urban/rural areas for policy formulation, service delivery and resource management *Fostering democratic governance* *S.L.2.6 Decentralization, local governance and urban/rural development*
2. National capacity to manage local development 2.1. Efficiency and accountability in the civil service 2.2. *Aid coordination and management (only in 2005)*	2.1 Strengthened the capacity of government for efficiency with transparency and accountability	Public administration reform for efficient, effective, responsive, and pro-poor public services promoted *Fostering democratic governance (S.L.2.7 Public administration reform and anti-corruption)*
	2.2 Strengthened the capacity of state and entity ministries for management and coordination of development resources and public investment priority-setting, planning, monitoring and evaluation	
	2.3 Strengthened the justice system with a view to reconciliation (transitional justice). Advocated for mechanisms of transitional justice as an essential precondition for reconciliation	Transitional justice mechanisms and security sector reform processes implemented to support peacebuilding and to prepare for longer-term institutional development of the justice and security sector *Fostering democratic governance (S.L. 2.4 Justice and human rights)*
	2.4 Strengthened capacity of state to manage local socio-economic development and to engage key national partners *(UNDAF 1.3)*	Poor and disadvantaged groups empowered to seek remedies for injustices, and justice institutions enabled to be responsive to claims, consistent with international human rights norms *Fostering democratic governance (S.L. 2.4 Justice and human rights)*

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Programme component	Outcome (CPAP 2005-2008, UNDAF)	Core result & links to MYFF focus areas & service lines
	2.5 *Strengthened capacity of state to mainstream gender at the policy level*	Gender analysis and sex-disaggregated data integrated in MDG reporting and in the design of policies, programmes and operations *Achieving the MDGs and reducing human poverty (S.L.1.1 Gender mainstreaming)*
	2.6 Strengthened the capacity of the state to manage local socio-economic development and to engage key national partners *Strengthened national capacity in sustainable environmental management (2007 Results-Oriented Annual Report)* *Improved local level environmental planning; enhanced management of environment resources & delivery of environmental services; increased national awareness & action (MDG Fund and Environmental Governance Revised Results Framework)*	Sustainable management of the environment and natural resources incorporated into poverty reduction strategies/key national development frameworks and sector strategies *Energy and environment for sustainable development* *(S.L.3.1 Frameworks and strategies for sustainable development)*
3. National capacity for strategic planning	3.1 Increased government and independent capacity to strategize, analyse, and advocate for sustainable development and equitable growth (UNDAF 1.5)	Statistical capacities and analytical processes for regular MDG reporting established National human development report prepared addressing priority national issues *Achieving the MDGs and reducing human poverty (S.L. 1.1 MDG country reporting and poverty monitoring)*
UNDAF Outcome 1: Strengthened accountability and responsiveness of government to pro-active citizens (Area of cooperation: Good governance)		
4. Capacity development of national institutions and CSOs to advance human security	4.1 Strengthened capacity of government to plan and implement mine clearance and collection and destruction of small arms (UNDAF 3.1)	National capacities for weapons collection, management, control and destruction established *Crisis prevention and recovery (S.L. 4.3 Small arms reduction, disarmament and demobilization*
		Mine action programming integrated into broader national development planning and budgeting processes, maximizing socio-economic impacts *Crisis prevention and recovery (S.L. 4.4 Mine action)*

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Programme component	Outcome (CPAP 2005-2008, UNDAF)	Core result & links to MYFF focus areas & service lines
Environment (included under 4 in CPAP)	4.2 *Strengthened national capacity in sustainable environmental management* Increased the capacity of government and independent research institutions to analyse, strategize and advocate for sustainable development and equitable growth (UNDAF 1.5)	*Sustainable management of environment and natural resources incorporated into poverty reduction strategies/key national development frameworks and sector strategies* Energy and environment for sustainable development S.L.3.1 Frameworks and strategies for sustainable development S.L. 3.6 National/sectoral policy and planning to control emissions of ozone-depleting substances and persistent organic pollutants
NOT IN UNDP CPAP, CPD	According to the Strategy Note 2007, UNDP's role would be confined to the managerial; the substantive lead would be taken by UNICEF. Strategy Note 2008 reports extending support to secure implementation	HIV/AIDS (Corporate Goal 5: Responding to HIV/AIDS)



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