

**Country: Bosnia and Herzegovina**

**Project Title:** Economic Governance for Growth  
**Project (Award) Number:** BIH10/00113375  
**Implementing Partner:** United Nations Development Programme (UNDP)  
**Start Date:** 2019  
**End Date:** 2021  
**LPAC Meeting date:** 28.11.2018  
**Implementation modality:** Direct Implementation Modality (DIM)

**Brief description**

The Economic Governance for Growth seeks to contribute to economic growth and entrepreneurship development, improving economic governance and fostering the growth of market-oriented capabilities for a knowledge-based economy.

**Linkage with SDGs:** SDG 8 “Promote inclusive and sustainable economic growth, employment and decent work for all”; SDG 9 “Build resilient infrastructure, promote sustainable industrialization and foster innovation”.

**Linkage with EU accession agenda:** Public finance; Labour Market

**Linkage with UNDP Strategic Plan 2018-2021:** A. Advance poverty eradication in all its forms and dimensions, foresees concrete actions to assist marginalized groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs. B. Accelerate structural transformations for sustainable development

**UNDAF:** (i) reduction of regional, economic and social disparities; and (ii) access to services and employment opportunities for the most vulnerable.

**Outputs ID (with gender marker):** 00111551 (GEN2)  
 00117091 (GEN2)

<b>Total resources required:</b>	<b>USD 2,486,054</b>	
<b>Total resources allocated:</b>	<b>UNDP:</b>	<b>149,325</b>
	<b>Government of Norway:</b>	<b>1,900,899</b>
	<b>Government(s) in BIH:</b>	<b>348,890</b>
	<b>Government of Sweden/Sida through UNICEF:</b>	<b>86,940</b>
	<b>In-kind:</b>	
<b>Unfunded:</b>		

**Agreed by:**

Print Name: Sukhrob Khoshmukhamedov, Deputy Resident Representative, UNDP 

Date: 23.09.19



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## Economic Governance for Growth (EGG) Project Document



December 2018

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## LIST OF ABBREVIATIONS

BIH	Bosnia and Herzegovina
FBIH	Federation of Bosnia and Herzegovina Entity
RS	Republika Srpska Entity
CPD	Country Programme Document
EU	European Union
GDP	Gross Domestic Product
GIM	Growing Inclusive Markets
MSMEs	Micro, small and medium enterprises
SDGs	Sustainable Development Goals
STEM	Science, technology, engineering and mathematics
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
ICT	Information and communications technologies
UNICEF	United Nations Emergency Children Fund
UN	United Nations



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## 1. DEVELOPMENT CHALLENGE

### 1.1 Wider country context

Following strong and stable growth of around 5% annually between 2000 and 2008, the economy of Bosnia and Herzegovina (BIH) deteriorated as a consequence of the global economic crisis between 2009 and 2012, posting low and/or negative growth numbers. Despite the global recovery since 2012, the country has been unable to reach pre-crisis growth rates.<sup>1</sup> The causes of economic laggardness include slow pace of transitional reforms, an unfriendly business and investment climate (the country ranked 89<sup>th</sup> in the 2019 Doing Business Report among 190 economies<sup>2</sup>), inefficient government spending, low investments (gross fixed capital formation was 18.9% of GDP in 2014, down from a high of 27.1% in 2005<sup>3</sup>), and perhaps most importantly, a painfully high level of unemployment. In 2015, the rate of unemployment was 27.7%, reaching up to 62.2 % among youth (aged 15-24), and the rate of inactivity was very high at 55.9%.<sup>4</sup> Even after social transfers, 27% of the population is at risk of poverty.<sup>5</sup> Although the unemployment level dropped to 18.4% by the end of 2018, it was mostly due to declining labour force participation, while the level of unemployed youth still remained very high (approximately 50%).<sup>6</sup> Also, the participation of women in the labour force is notably lower than that of men.

Furthermore, 23 years after the war, this multi-ethnic country, still suffers from ethnic divisions and political instability, which hamper the prospects of successful reconciliation. Political tensions and economic development of the country are obviously interlinked, as most important political progress in terms of building state institutions and advancing towards the EU integrations was accomplished in the years when the BIH economy was showing stable growth. The lack of job opportunities and economic vision provides space for political actors who are eager to bank on fuelling tensions, while the number of people who leave the country, particularly youth is constantly growing.

The complex governance structure stemming from the Dayton Peace Agreement is highly cumbersome. The country of 3.5 million people<sup>7</sup> has 13 constitutions, 14 legislative frameworks (state, two entities, one autonomous district and 10 cantons) and more than 150 ministries. Ineffective governance and an over-sized public sector reduce the effectiveness of public policy and slow down reforms. The political climate is tense and dominated by nationalistic tendencies, concerted political obstruction of reforms and frequent political gridlocks which, in turn, have impeded the country development. According to the Fragile States Index 2017, BIH features as a fragile state, ranked 93<sup>rd</sup> among 178 countries.

BIH's Human Development Index value for 2018 is 0.768, which positions the country in the 77<sup>th</sup> spot out of 188 countries,<sup>8</sup> which is still below the average for Europe and Central Asia. Nearly 17% of the population or more than 500,000 people live below the poverty line.<sup>9</sup>

### 1.2. Sector specific analysis

Despite the prevailing unfavourable environment in the country, positive initiatives from private sector and investors, both foreign and domestic, are taking place in specific leading and export-oriented industries such as metal and automotive, wood processing, textile and leather. Manufacturing sector accounted for the largest share of FDI in BIH, 32% in 2017.<sup>10</sup> The metal processing sector (along with the automotive industry) is the

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<sup>1</sup> Agency for Statistics of Bosnia and Herzegovina. (2015). *First release. Gross domestic product in Bosnia and Herzegovina, 2005-2013. Revised data*. Sarajevo.

<sup>2</sup> International Bank for Reconstruction and Development/The World Bank; 2017; *Doing Business 2017: Training for Reform*; Washington.

<sup>3</sup> The World Bank. (n.d.). Retrieved from World DataBank:

<http://databank.worldbank.org/data/reports.aspx?source=2&series=NE.GDI.FTOT.ZS&country=BIH>

<sup>4</sup> Agency for Statistics of Bosnia and Herzegovina. (2015). *Labour force survey 2015. Final results*. Sarajevo.

<sup>5</sup> The World Bank. (2011). *Poverty and Social Exclusion in Bosnia and Herzegovina. Insights from the 2011 Extended Household Budget Survey*.

<sup>6</sup> The World Bank Group (2018) – Western Balkans Regular Economic Report No. 13

<sup>7</sup> 2013 Census results: <http://www.popis2013.ba/popis2013/doc/Popis2013prvvoizdanje.pdf>.

<sup>8</sup> Reference: <http://hdr.undp.org/en/countries/profiles/BIH>.

<sup>9</sup> Household Budget Survey, 2015, Agency of Statistics of Bosnia and Herzegovina.

<sup>10</sup> Foreign Investment Promotion Agency of BIH. (n.d.). *FDI Position and Performance*: <http://www.fipa.gov.ba/informacije/statistike/investicije/default.aspx?id=180&langTag=en-US>

fastest-growing industry, making up approximately 37% of the total country exports and ensuring 4.7% of the employed. These industries are growing steadily but are still far from reaching their full potential.



Figure 1. Overview of industries represented in exports<sup>11</sup>

One of the major obstacles reported by businesses, especially those that are expanding and adopting innovative technologies that are a prerequisite for accessing high value markets, is the lack of skilled labour despite the high numbers of formally unemployed registered by the relevant government agencies. This is especially relevant for the ICT sector, which is facing very serious shortage of skilled labour force which hampers its potential development. Businesses thus tend to invest substantial resources and time to train and retrain newly recruited employees, representing a real financial burden and causing significant financial losses due to delays in delivery of goods to buyers, low quality of products, waste of raw materials etc. All of this has a negative impact on their competitiveness in the market. The abundance of unemployed labour, especially youth, represents an important potential to meet the labour demand of the growing industries, but this is only possible if their skills are aligned with the needs of growing industries.

### 1.3 Programmatic background

The promotion of inclusive and sustainable development, at heart of which lies generation of employment and skills development, has been an important item of both the UNDP's Global Programme 2014 – 2017 and UNDP Strategic Plan 2018 – 2021, concretely its Outcome 1: Advance poverty eradication in all its forms and dimensions, foresees concrete actions to assist marginalized groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs. To that end, the Programme foresees drawing on the broader experiences of UNDP, to establish a collaborative network that identifies, develops, tests, assesses and promotes innovative ways of tackling issues of employment, particularly among young people as a means to reconciliation and conflict prevention. In the context of BIH, the efforts in this area are mostly structured around support to private sector through active employment measures, upgrading value chains and facilitating access to markets, leading to the creation of sustainable and equitable employment opportunities. A great part of these efforts also regards cooperation with the private sector to raise capacities of local labour force, with focus on youth and women. In addition to this this, sustainable development requires structural transformations in order to create and sustain progress. This is primarily envisioned through building more effective governance systems that can respond to trends such as

<sup>11</sup> <https://tradingeconomics.com/bosnia-and-herzegovina/exports-by-category>



technological and demographic changes. Inclusive and accountable governance is a key driver of structural transformations.

Since 1996, UNDP has delivered more than USD 521 million in development assistance to BiH. While UNDP finances some initiatives with own resources, the majority of its funding comes from partnerships with multilateral funds and bilateral donors that recognise UNDP as a reliable and strategic development partner. Since 2014, UNDP in BiH has implemented USD 10 million in partnership with the Government of Norway.

At present, UNDP works in more than 70% of local governments, with a wide portfolio of assistance, including local governance and service delivery; energy efficiency; local economic development; private sector development; agriculture and rural development; community development; diaspora engagement; and disaster risk management.

Since 2010, UNDP has stepped up its involvement in private sector development and employment, partnering with over 300 businesses and generating more than 5,000 new jobs. With job skills routinely cited as barriers to further economic growth, the organisation has been actively working on the establishment of professional training facilities, in partnership with local authorities and the resident private sector. In 2017, UNDP launched a new project to engage private sector actors in Sustainable Development Goals (SDGs) roll out in the country, while also working on restructuring business incentive grants to make them more impact-oriented and aligned with private sector needs.

UNDP has a long and successful track record in training and development, with more than 8,000 public officials trained under the auspices of the Sida-sponsored Municipal Training System. Since 2016, UNDP has been working with local governments to optimize government operational costs and reinvest savings into development projects with a vast array of methodological tools and resources already developed. Under the same initiative, extensive value chain analysis has been performed and six value chains have been created or strengthened across the country.

#### 1.4. Target groups and their specific needs

The Project addresses specific needs of diverse range of target groups:

- **Municipal governments** have an important role in creation of a business-friendly environment which is conducive to fostering of entrepreneurship endeavours and private sector development at the local level. However, they suffer from chronic administrative and financial inefficiencies to effectively manage delivery of such services.
- **Citizens** who are increasingly dissatisfied with lack of meaningful job opportunities and students, with a special focus on girls, who are robbed of opportunities to gain relevant education corresponding to market needs.
- **Educational institutions** whose activities are hampered by the lack of know-how as well as resources to upgrade service delivery, improve and introduce new curricula etc.
- **Local businesses**, which need conducive business environment in order to operate smoothly thus becoming or remaining drivers of economic development at the local level.



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## 2. STRATEGY

### 2.1 Impact hypothesis and theory of change

To ensure maximum effect, the Project will work simultaneously across different sectors and with multiple stakeholders in both private and public spheres, addressing three key obstacles to local economic development: 1) an operating environment that is ill equipped to support and enable innovation and entrepreneurship, both new and traditional; 2) an absence of technical and entrepreneurial skills among the unemployed youth, hampering economic growth and entrepreneurship; and 3) lagging support by government for local economic development, as well as administrative and financial inefficiencies.

The Project will pursue an integrated approach to generating and utilizing economic growth opportunities in target localities. It will help address pressing workforce development needs through short, medium and long-term measures aimed at increasing youth employment and reducing shortages in skilled labour across growth-oriented industries. It will simultaneously also work on increasing financial management capacities of local governments in order to create business friendly environment. Concretely, the Project will focus on:

- Supporting fast-growing and export-oriented industries and increasing employment through the establishment of two specialized professional development centres as well as through provision of free of charge non-formal education for girls and women and development of entrepreneurship simulation games;
- Aligning outdated vocational education curricula with the pressing industry trends;
- Introducing STEM (science, technology, engineering and mathematics) training in secondary and elementary schools to cultivate interest in technological disciplines in children, with special focus on girls;
- Upgrading economic infrastructure and increasing effectiveness and size of government-to-business incentive programs through better public expenditure management.

The Project will operate along two principle areas of intervention. On the one hand, it will address a systemic flaw in entrepreneurship development through upgrading future-market oriented skills and supporting innovation and start-up ecosystem. On the other, it will support optimized public spending and targeted deployment of public incentive schemes in support of economic development.

At the highest level of Project's impact, envisioned is the creation of new jobs, thus bringing about a direct and immediate improvement in the quality of life for the selected households in target areas. At outcome level, the result will be a combination of improvements in economic governance by partner authorities, illustrated by smarter public spending on economic incentives, and a marked increase in employability of targeted individuals, brought about by the designed short-, mid- and long-term measures.

The charts below present the problem tree analysis and the Project theory of change:



By focusing on specific areas where fast-growing industries are concentrated and simultaneously addressing gaps in existing entrepreneurial ecosystems and governance frameworks, the Project will tangibly contribute to the development of new, and improvement of existing, businesses across the project area. This model can serve as a springboard for other regions to replicate and scale up in Bosnia and Herzegovina and the region. Focusing on innovative education practices, such as STEM, in-school entrepreneurship trainings as well as informal trainings, the Project aims to cultivate interest in technological disciplines for fast-growing value-added industries of the future.

**Area economic prospects and entrepreneurship opportunities improved through upgraded support infrastructure and better governance across targeted localities.**

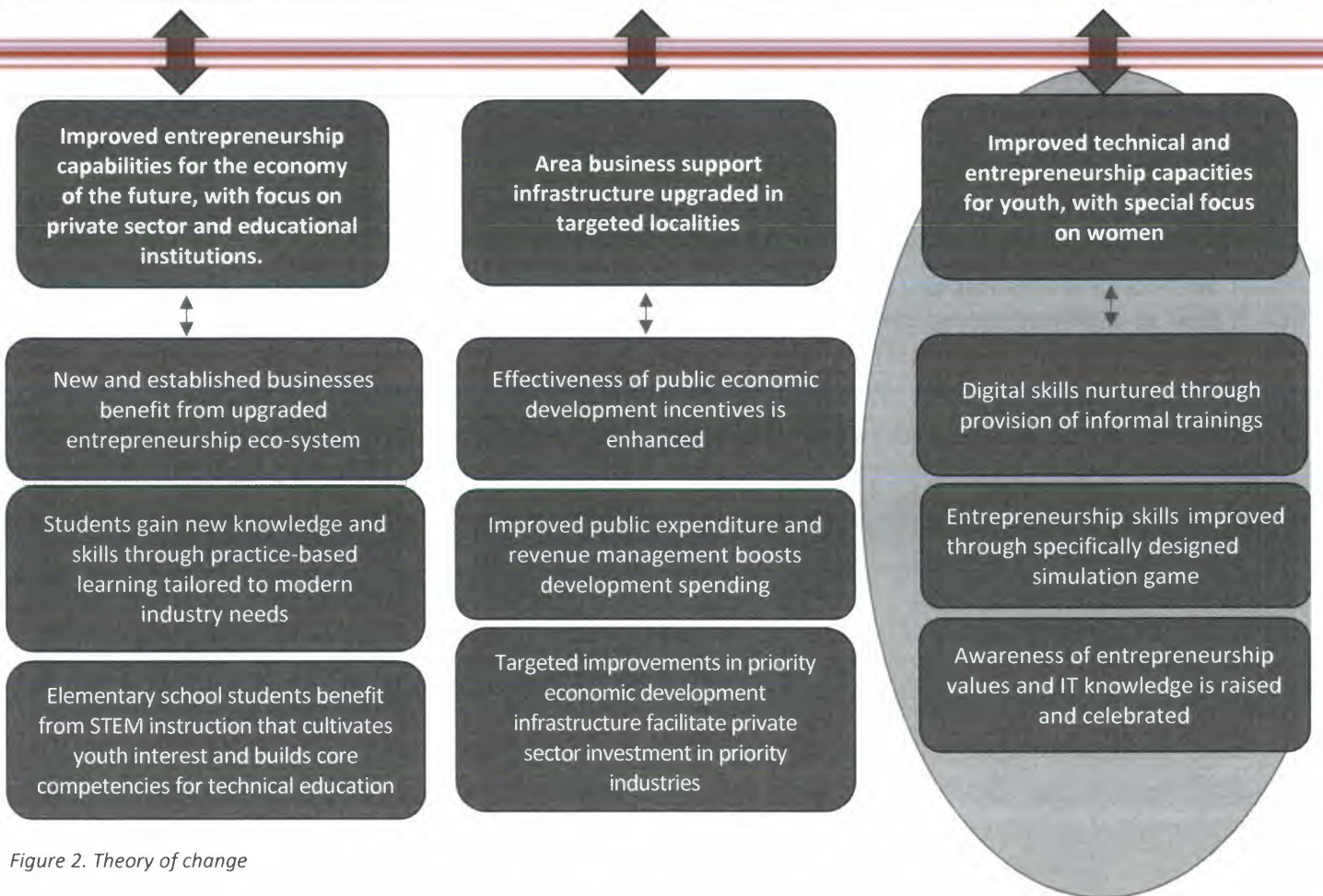


Figure 2. Theory of change

## 2.2 Relevance to and coherence with policy frameworks

The Project is aligned with key priorities set by the Reform Agenda for BIH 2015-2018, which sets out the main plans for socio-economic and related reforms of all levels of government. The agenda is focused on the six medium-term priorities: Public finance, Taxation and Fiscal Sustainability; Business Climate and Competitiveness; Market Labour; Social Welfare and Pension Reform; Rule of Law and Good Governance; and Public Administration Reform. The Project is specifically relevant in terms of improving business environment and competitiveness, and economic governance as well as labour market. While the main drivers for the implementation of the reform agenda will be

the state and entity governments, some aspects of the agenda could be addressed at the local level. Municipal authorities and local actors could contribute to the business climate and competitiveness as well as in terms of labour market improvements.

The Project is in line with the European Union's Revised Indicative Strategy Paper for BiH (2014-2020), or more specifically with its priority "Competitiveness and innovation, local development strategies".

The project originates from Outcome 4 related to economic and social disparities of both the United Nations Development Assistance Framework (UNDAF) 2015-2019 and the UNDP Country Programme Document (CPD).

As stated in its expected output, the project intends to build local capacities to sustain economic growth and support private sector development. As such, the project will work with local actors to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation. In parallel, the project will continue to work with the private sector to increase its competitiveness by achieving higher levels of economic productivity through technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors such as ICT sector. As such, the project will contribute at the project target region level to the achievement of targets set under the SDG 8: Decent Work and Economic Growth as well as the SDG 9: Industry, Innovation and Infrastructure.

### **2.3 Hierarchy of objectives**

As previously explained, the Project will contribute to economic growth, with focus on job creation and entrepreneurship development in targeted localities. This will be achieved by improving economic governance and fostering the growth of market-oriented capabilities for a knowledge-based economy.

Accordingly, the Project has the following two outputs:

- 1) Increased entrepreneurship capabilities for economy of the future and private sector development enabled by conducive governance frameworks and**
- 2) Increased knowledge and skills in entrepreneurship and IT sector among young people in Bosnia and Herzegovina, with focus on young women**

Below is a visual snapshot of the hierarchy of objectives for the Project:



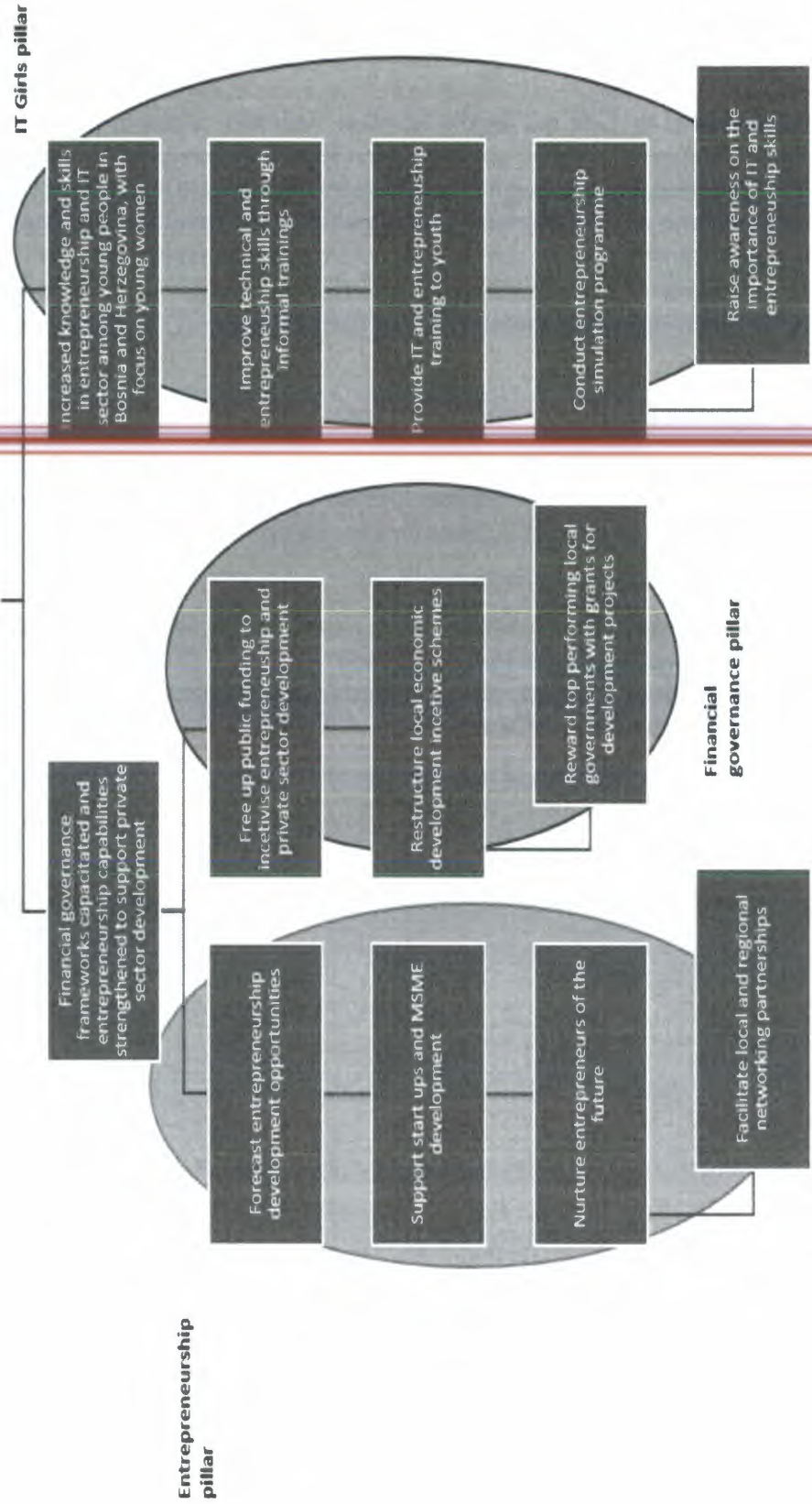


Figure 3. Hierarchy of objectives.



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### 3. RESULTS, APPROACH AND PARTNERSHIPS

#### 3.1 Detailed description of outputs and activities

As already mentioned, the Project has the following outputs: 1) **Increased entrepreneurship capabilities for economy of the future and private sector development enabled by conducive governance frameworks and 2) Increased knowledge and skills in entrepreneurship and IT sector among young people in Bosnia and Herzegovina, with focus on young women**

To achieve the Output 1, the Project will pursue an integrated approach to generating economic growth opportunities in target localities through activities grouped into two inter-related and closely connected pillars. It will help address gaps in the entrepreneurial environment, delivering short, medium and long-term measures aimed at boosting the ranks and improving the competitiveness of entrepreneurs pursuing a market-share in future-facing industries through the activities in the Entrepreneurship pillar, while it will simultaneously work at restructuring financial governance in order to support private sector development through the Good governance pillar. The Entrepreneurship pillar will focus on supporting fast-growing, export-oriented industries via tailor-made assistance to emerging and mature entrepreneurs. In addition to this, Project will work on setting up STEM academies through piloted entrepreneurship curricula and “fab labs” in selected primary and secondary schools, thus supporting entrepreneurship development in targeted areas. All these activities will in long-term lead to upgrade of entrepreneurship and innovation ecosystem and establishment of local networking and partnership opportunities for emerging entrepreneurs. Through the second pillar which focuses on improvement of financial management capacity for local government officials, the Project will work to upgrade economic infrastructure and increase both size and effectiveness of financial incentives aimed for the private sector.

To achieve the Output 2, the Project will also pursue an integrated and multidisciplinary approach to facilitate provision of technical skills and knowledge to the youth, through non-traditional and informal channels of knowledge transfer, such as web-based training programs and development of conceptualized simulation games where the participants will experience real life market situations which will help them prepare to run own businesses.

The Output 1 will be achieved through following activities, interrelated and interconnected through two mentioned pillars, as defined below in more detail.

#### *Entrepreneurship pillar*

##### **Activity 1.1: Forecast entrepreneurship development opportunities**

The first set of activities to be kicked off includes forecasting entrepreneurship development opportunities in such a way as to create both short as well as medium- and long-term strategies for growth. This will initially require a comprehensive assessment of trends in target industries, including but not limited to ICT and automotive. The assessment will include analysis of production technologies and processes, human capital, digitalization processes etc. Information will be gathered through analysis of the existing reports and other secondary data sources, in addition to primary research through interviews and focus groups with key players and stakeholders. The analysis will serve as a basis for identification of main challenges as well as opportunities for growth. The Project will rely heavily, whenever possible, on previously conducted value chain analysis under the auspices of the EU-funded Local Integrated Development (LID) Action, which was carried out in the following sectors: food production and processing, textile sector, wood processing, metal sector, production of construction materials and ICT. Against this newly collected information set in the background, the Project will go on to map both mature companies as well as start-ups using some of the following criteria: (i) MSME/start-up potential for employment/income generation/sales potential, (ii) possible impact of MSME/start-up on the local economy; (iii) MSME/start-up competitiveness analysis; (v) prospects of integration in markets and possibilities for growth; (vi) availability of

adequate work force; (vi) potentials for job generation for youth as well as vulnerable groups. Simultaneously to mapping of relevant MSMEs and start-ups, the Project will also map entrepreneurship support and resource networks which could be leveraged in both mid as well as long-term to ensure sustainability of efforts. This is all expected to result in establishment of a regional partnership network which will bring together all relevant actors – private and public sector, as well as relevant educational institutions.

Sub-activities to be implemented under this activity are:

- 1.1.1. Assess/review trends in target industries, identifying challenges and opportunities for growth in short, mid and long term (i.e. technologies, digitalisation, human capital, production processes, etc.). The Action will conduct extensive assessment of underlying trends identified within target industries – specifically automotive and metal processing in terms of both short, medium- and long-term prospects. Value chain analysis previously conducted;
- 1.1.2. Map successful mature regional companies/recent start-ups in the target industry against short and mid-term industry needs;
- 1.1.3. Map relevant entrepreneurship support and resource networks;
- 1.1.4. Establish a regional partnership network bringing together educators, progressive private sector actors and public sector enablers.

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### **Activity 1.2: Support start-up and MSME development.**

This activity will focus on competitive selection of start-ups and MSMEs as final beneficiaries and provision of tailored assistance, as per the broader objectives of the Project. Both start-ups as well as MSMEs will be selected based on open competitive processes and specific selection criteria for each target group, specifically targeting beneficiaries within the priority export industries in target territories.

Specifically, when it comes to the selection of MSMEs for support, the following main criteria will be applied: (i) the MSME belongs to one of the priority export industries; (ii) the MSME application is fully in line with the Project's priorities to support innovation ecosystems in target territories; (iii) applicant MSME is committed to co-fund the Project's assistance. Evaluation of applications and selection of MSMEs as beneficiaries of the Project will be organised in a participatory manner, with commission comprising representatives of UNDP and relevant local / regional actors from target territories. Criteria for selection of start-ups will not require co-funding but will weigh in on the possibility of job creation and applications of innovative solutions.

The delivered support will be tailored to the needs of the selected beneficiaries and will mainly be focused on capacity building of existing as well as newly employed. In addition to this, the Project support will also extend to assistance in procuring new machines in order to expand production capacities. However, the support could also be extended to some of the following topics: support to implement standards and certificates required for the EU market facilitation of access to finances; support for accessing new markets (e.g. trade fairs, business-to-business meetings, investment brokerage, etc.); branding, promotion and place marketing; management improvement; support to business innovation and access to new technologies.

As for the entrepreneurship promotion and support to start-ups (for unemployed or those interested in starting a new business in the target areas), a support scheme will be designed and implemented aiming to stimulate entrepreneurship among the economically active population in the target localities. This is expected to add to the stock of new MSMEs, ultimately contributing to job creation and fostering of entrepreneurship. The Project will identify eligible and interested participants to engage in the practical modular training programme in order to produce business plans. No fewer than 15 of the most successful will receive limited financial support as a primer for feasible business ideas, coupled with follow up mentoring assistance.

Sub-activities to be implemented under this activity are:

- 1.2.1. Support select start-ups in target region to expand their business in view of industry needs.
- 1.2.2. Support MSMEs to advance their competitiveness through innovative business solutions and skills for the future.

- 1.2.3. Explore potential for new start-ups to respond to identified outsourcing opportunities in the target industries in the region.
- 1.2.4. Implement an entrepreneurship development support scheme in the target area.
- 1.2.5. Grant support to new start ups
- 1.2.6. Support entrepreneurial hubs and centres to upgrade and diversify their services to start-ups, including exchange of experiences with EU based knowledge networks.

### **Activity 1.3: Nurture entrepreneurs of the future**

Through this activity, the Project will create a network of STEM and fabrication labs (fab labs), aimed at cultivating interest in technological disciplines and building baseline capacities in critical skill areas. In addition to these efforts, facilitation of events such as hackathons is also expected to yield interest of the future entrepreneurs in innovation. The Project will hence identify a platform through which prevalent industrial problems and challenges could be addressed and will award the most innovative solutions with grants for further developed. Last but not the least, the Project will pilot entrepreneurship curricula in two selected high schools for coupling with relevant technological education. As a prerequisite, teachers in selected elementary and high schools will undergo comprehensive training in order to upgrade their skills in delivering new curricula. This activity will be implemented in cooperation with innovation and entrepreneurship hubs established and supported by the donor government (ICBL, Intera and BIT).

Sub-activities to be implemented under this activity are:

- 1.3.1. Create a network of STEM workshops and “fab labs” across 5 primary and 5 secondary schools in the project area.
- 1.3.2. Facilitate the establishment of “junior” and “senior” hackathon leagues to promote coding and competitiveness and innovation in future entrepreneurs.
- 1.3.3. Award research and development grants to tackle prevalent industrial problems and challenges.
- 1.3.4. Pilot entrepreneurship curricula within two high schools.

### **Activity 1.4: Enable local and regional networking and partnership**

The Project will draw heavily on generated knowledge and lessons learnt which could be replicated not only in BIH, but also regionally, given the relative scarcity of similar initiatives. This will be done in cooperation with relevant line ministries as well as education and private sector stakeholders. Such initiatives will greatly facilitate identification of bottlenecks to entrepreneurship activities and their subsequent removals. As with the previous activity, the Project will bring into play the three innovation and entrepreneurship hubs.

Sub-activities to be implemented under this activity are:

- 1.4.1. Collect and disseminate best start-up practices and ideas (nationally and regionally) and explore potential for institutionalisation and scaling up.
- 1.4.2. Identify and address barriers to entrepreneurship at both national and regional levels, lobbying within an EU framework.

### *Good governance pillar*

### **Activity 1.5: Based on a comprehensive expenditure and revenue review of partner public administrations, support implementation of identified measures**

The Project will focus on reviewing public finance management practices at the local and cantonal level, with a focus on expenditure and revenue management. The financial management capacity of partner local and cantonal governments remains a crucial factor in determining their efficiency in provision of support to the private sector. In that regard, the Project will seek to instigate sustainable reduction of local and cantonal



government operating budgets so as to free up financial resources for local development. This will subsequently result in provision of a set of cost-optimisation measures which would relate to both investment as well as administrative costs.

The assessment will be conducted by experts who will perform thorough reviews of municipal budget expenditures, including, but not limited to: (i) operational costs (printing, IT services, procurement approach, etc.); (ii) utilities' expenditures (electricity, heating, water costs, etc., in municipal-owned buildings), (iii) infrastructure / assets management improvement and reduction of related costs; (iv) selected service-delivery related systems (street lightening, water supply, etc.).

Each partner local and cantonal government will be provided with a set of concrete recommendations and cost-efficiency measures. This assistance will be coupled with a training programme on municipal asset management.

Having in mind the change-driven nature of this activity, the Action will seek strong commitment and determination from local policy-makers, as well as facilitating scrutiny by local communities, so as to ensure sustainable results. Public finance management expertise will be provided, so as to ensure guidance for local governments in translating the identified measures into concrete projects and initiatives, as well as to review progress.

Sub-activities to be implemented under this activity are:

#### ~~1.5.1 Review expenditure and revenue management of participating public administrations~~

1.5.2 In partnership with public administration leadership, draw up action plan to implement measures to cut cost and boost revenues.

1.5.3 Implement continuous monitoring and on-site technical assistance regime.

#### **Activity 1.6: Redesign and restructure partner government incentive schemes aimed at supporting entrepreneurship, private sector development, and job creation**

Once the review of public finance management practices has been completed, the Project will examine current government incentive programs aimed at supporting entrepreneurship, private sector development and job creation in target localities.

This will entail an examination of their effectiveness and overall impact on local economies, specifically looking at job creation and economic growth. This step will be designed and implemented by project experts but working alongside responsible public officials in order to ensure knowledge transfer and sustainability. The results of the evaluation will feed into the redesign process for current schemes in order to increase their effectiveness, where applicable. Following the redesign phase, the Project will provide continuous monitoring of implementation, as well as rendering on-site technical assistance as required.

Sub-activities to be implemented under this activity are:

1.6.1 Audit and redesign existing incentive schemes employed by partner local governments and cantons.

1.6.2 Introduce a comprehensive impact assessment framework to evaluate effects of incentive grants on economic development and job growth.

1.6.3 Implement continuous monitoring of implementation, and on-site technical assistance regime.

#### **Activity 1.7: Award financial grants to three champion local governments for the purpose of co-financing priority economic infrastructure interventions**

This activity will support three champion local governments in the implementation of local priorities originating from respective local strategies/plans. Thus, the Project will provide a "carrot" for local governments in their financial management and incentive restructuring endeavours, through directly contributing to improvements in local public infrastructure, services and business enabling environment.

The financial assistance to local governments will be allocated through a competitive grant scheme, opened to all local governments participating in the Project. Core project selection criteria will be applied to identify champions in financial management projects. In effect, this assistance will also help with implementation of the priority cost-efficiency measures defined within partner local governments under sub-activity 1.5.2, as



well as contribute to an enabling business environment. Applicants will be required to ensure co-funding at the level of minimum 50% of the financial support provided by the Action. This activity will explore possibilities to ensure matching funds from higher government levels as well. All community infrastructure and facilities to be supported under the grant-scheme will comply with the standards and requirements related to ensuring accessibility of persons with disabilities and energy efficiency. The Project team will conduct evaluation of the applications, while the final list of projects to be funded will be endorsed by the Project Board. The results of the grant scheme will be publicly announced.

Sub-activities to be implemented under this activity are:

- 1.7.1 Conduct an evaluation of results across all participating public administrations (extent of savings and new revenues generated).
- 1.7.2 Publicly recognize and promote the three “champions” with best results
- 1.7.3 Implement three priority local economic infrastructure interventions and conduct comprehensive quality assurance for all implemented works.

Below is an overview of activities related to Output 2.

### **Activity 2.1: Develop and design entrepreneurship simulation game**

This activity will focus on designing and developing the entrepreneurship simulation game as an interactive virtual training experience aiming to simulate a realistic market environment in which an entrepreneur can create a virtual prototype of her/his future company, can improve her/his managerial and entrepreneurial skills, gain experience of survival and business development in a competitive environment and learn from this experience. At least 30 young women and men will benefit from new knowledge and skills as a result from the learning through the simulation game and will finally focus on organizing competition to select best virtual performers.

Sub-activities to be implemented under this activity are:

- 2.1.1. Conduct research on potential usage and usefulness of suggested simulation game by target population
- 2.1.2 Conceptualization and development of Entrepreneurship game idea
- 2.1.3. Development of entrepreneurship simulation game and simulation testing
- 2.1.4. Organization of Virtual Entrepreneurship Championship for young entrepreneurs

### **Activity 2.2: Provide digital skills for girls via web development training sessions**

This activity will involve organization at least three trainings in web development for approximately 30 girls ages 16 to 18, as the training sessions which will enable participants to develop good understanding of HTML and CSS programming languages including basic introduction to Java, and to apply these languages in a concrete web application projects based on their own business idea, as well as strengthen participants’ entrepreneurial and team skills. Following successful completion of capacity building trainings, the Project will organize presentation of newly created websites.

Sub-activities to be implemented under this activity are:

- 2.2.1. Development of training module in web development with focus on business and digital product ideas
- 2.2.2. Conduct three Postani ITGirl training sessions in web development
- 2.2.3. Organization of the final event and presentation of the web sites developed during the Postani ITGirl training sessions

### **Activity 2.3: Raising awareness on “Economy of future and youth” sector**

The Project will mark two important international dates: 1) Arduino Day, and 2) EU Robotics Week, by organizing events and promoting successful women, scientists active in STEM areas, with IT Super Girls and their mentees participating.

Arduino is an open-source electronics platform based on easy-to-use hardware and software. Arduino Day is a worldwide celebration of Arduino's birthday. It's an event where those interested in Arduino get together, share their experiences, and learn more about the platform. Participation is open to anyone, either as an organizer or participant, from makers and students to professional developers and educators. EU Robotics Week will aim to bring robotics research and development closer to the public and highlight the growing importance of robotics in a wide variety of application areas and the growing importance of skills in science, technology, engineering and math.

Finally, the Project will raise awareness of this topic through organization of ceremony to honour entrepreneurs engaged in Entrepreneurship simulation game.

Sub-activities to be implemented under this activity are:

- 2.3.1 Organization of an event to mark Arduino Day
- 2.3.2 Organization of an event to mark EU Robotics Week
- 2.3.3. Organization of Award Ceremony for the winning business ideas developed via Entrepreneurship simulation game

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## 4. IMPLEMENTATION STRATEGY

### 4.1 Methodological approach

The **Project approach** is to illustrate, and then help replicate, the transformative effects of area-based reforms in education and public administration where available government funding will be diverted from excessive operational costs into economic development projects. At the same time, the Project will work to pilot modern learning practices (STEM and fab-labs) in select elementary and secondary schools to bring the education system closer to the needs of the modern economy. In particular, the focus will be on critical forward-looking industries, such as automotive and IT.

In parallel, the Project will help grow an entrepreneurship enabling ecosystem with a network of resource hubs providing critical support to existing and emerging entrepreneurs. The assistance will take the form of direct grants as well as training, mentoring and technical support, integrating new entrepreneurs into existing industrial supply chains.

While limited in both geographic scope and available financial resources, the Project is expected to mobilize substantial financial support from governments at all levels and can easily be scaled up for national effect.

### 4.2 Target beneficiaries and expected benefits

Direct Project beneficiaries are unemployed men and women, as well as students joining the labour market. It is expected that 100 new jobs (at least 30% for women) will be created, 10 local governments and 2 cantons will enhance their economic governance through sustained optimisation of public spending and a more effective business incentive regimen, while over 700 people (at least 40% females) will benefit from improved employability, knowledge and skills. The table below gives an indication of the number of beneficiaries to be directly involved with the project at various levels:

<b>Project beneficiaries</b>	
<b>Local governments</b>	<b>10</b>
<b>Cantons</b>	<b>2</b>
<b>Individuals deriving immediate and long-term benefits from the project</b>	<b>785</b>
Students benefiting from demand-driven skill upgrade	330(40% females)
Unemployed (with focus on youth) benefiting from training programmes in priority industry sectors	130 (40% females; 40% youth)
Newly employed persons by private sector employees	100 (30% females)
Number of established and aspiring entrepreneurs benefiting from project-instigated ecosystem infrastructure	225
<b>Educational institutions</b>	<b>10</b>
Educational institutions piloting STEM education in target areas	10

### 4.3 Geographical area of intervention

The Project will be implemented in at least 11 local communities in BiH, namely: Banja Luka, Doboј, Gradačac, Gradiška, Modriča, Odžak, Olovo, Orašje, Sarajevo, Zenica and Žepče. These localities were selected due to being flooded in 2014, as well as based on their previously successful participation in the implementation of local integrated development activities. The number of local governments can be increased, depending on interest by additional local governments and their ability to support and co-finance project activities. Project effects will in any event not be confined to these territories but rather impact a larger group of neighbouring communities.

### 4.4 Partnerships

The Project will make ample use of internal and partner expertise and will be preceded by thematic assessments and broad consultations. The key project partners and their roles include:

- 1) Ten local governments, as the chief creators of a business-conducive local environment, will agree to undergo a stern examination of their finances and will increase their investment in economic infrastructure accordingly;
- 2) Two cantonal governments will provide co-financing for the equipping and capacitating of vocational schools and training centres;
- 3) Ministries of education will enable the implementation of curriculum reform in critical sectors identified through the Project;
- 4) Private sector partners will assist with skill gap identification and provide operational funding for the long-term sustainability of the two training centres;
- 5) Selected elementary and high schools will provide the necessary preconditions for curriculum reform and market-based learning.

### 4.5 Transversal themes: gender equality, social inclusion, human rights, disaster risk reduction

The Project will ensure gender equality perspective across all activities. Specific focus will be given to women economic empowerment through incentivized job creation and livelihood opportunities for women within the Project grant schemes and capacity building activities. The Project envisages concrete gender-sensitive indicators, through which concrete results will be measured. It will track changes by collecting data for sex-disaggregated indicators where possible and relevant.



The Project will seek to enhance social inclusion in all stages of the Project implementation, thus contributing to the creation of equal opportunities for socially excluded groups which include: unemployed women and youth and long-term unemployed people; persons with disabilities; returnees and internally displaced persons; and Roma.

#### **4.6 Synergies with other on-going or planned interventions**

The Project will build synergies with the ongoing projects implemented by UNDP, but also by other local and international partners. These projects include *Vocational Training Center in Gradačac*, financed by TIKa and implemented by UNDP; *Youth Employability and Skill Development*, funded and implemented by UNDP; the EU-financed *Support in the Sector of Competitiveness and Innovation Action "Local Development Strategies"*, implemented jointly by UNDP, GIZ and International Labour Organization (ILO); *Municipal Environmental and Economic Governance Project as well as Integrated Local Development Project*, both supported by the Government of Switzerland; *Local Integrated Development Project*, implemented by UNDP and funded by the EU, etc.

#### **4.7 Sustainability and scaling-up**

The Project will rely on domestic stakeholders to ensure ownership and secure sustainability, employing existing institutional platforms. This includes working through educational institutions that are already in place and are sufficiently capacitated, at elementary or high school level.

To secure the long-term viability of changes to curricula, policy instruments will be reviewed through institutional channels, to include parliamentary commissions and working groups. Consultations will be conducted to ensure local buy-in across the stakeholder spectrum, with the educator-employer dialogue especially relevant development as a mechanism to harmonize supply with demand in the field of vocational education.

Measures to optimize cost and maximize revenues will be built into the long-term budget frameworks for participating public administrations. Relevant information will be shared with civil society and legislatures to ensure any attempts to reverse commitments are met with a robust response. Procedures for the allocation of public incentive funding by local governments will be developed to ensure that positive practices in delivering economic development support are enshrined as part of the administration's operating framework. These will include measures to annually survey the needs of the private sector as well as to assess the impact of grants allocated in the previous period. All products, needs assessments, action plans and coordination functions will be embedded with local stakeholders and existing mechanisms, to ensure their further use, as well as follow up activities. By increasing interest, commitment and resources by local as well as cantonal governments, as well as by leveraging private sector interest, the Project will further contribute to sustainability of activities.

The intervention will also implement train-the-trainers events to ensure that turnover in participating institutions does not affect their ability to deliver teaching and training to standard.

The Project presents opportunities for scaling up, especially horizontally to other local governments within Bosnia and Herzegovina or cantons within Federation of Bosnia and Herzegovina. In addition, the Project's model can serve as a spring board for other regions to replicate and apply.

#### **4.8 Visibility and communications**

The Project will ensure visibility according to the guidelines agreed upon with the donor, the Kingdom of Norway. A detailed Visibility and Communication Plan will be developed in the first quarter of Project implementation.



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## 5. ORGANIZATION, MANAGEMENT AND ADMINISTRATION

### 5.1 Project duration

The total Project duration will be 30 months.

### 5.2 Project management

UNDP will assume full responsibility for the management of the Project, including achieving of the outputs and outcome, the efficient and effective use of resources, as well as implementation monitoring. The Direct Implementation Modality will be applied, premised on the fact that national institutional and administrative capacities are insufficient to undertake core functions and activities.

The Direct Implementation Modality (DIM) will be applied, premised on the fact that institutional and administrative capacities within national stakeholders (line-ministries, local governments) are still not fully sufficient to undertake core functions and activities, as well as having in mind its high potential for maximum cost-effectiveness and tailored flexible capacity development of institutional partners.

### 5.3 Project organizational structure

The institutional structure of UNDP interventions includes the Project Board, Project Assurance and the Project Team, interacting in a broader context with partners and all interested stakeholders.

The **Project Board** is responsible for making management decisions for the Project. It meets no fewer than twice a year and its scope of work includes programme oversight, as well as regular review of work plans, progress reports and relevant procedures submitted by the Project Team. It also provides strategic guidance, as well as gives final approval to milestone strategic and operational matters. Members of the Project Board include representatives of the donor, implementing partner and relevant domestic institutions that have a vested legal or operational mandate in the Project or can provide a substantial contribution to the implementation of its goals.

Independent of the Project Manager, the **Project Assurance** role will support the Project Board by carrying out objective and independent Project oversight and monitoring functions. This role ensures Project milestones are managed and completed. It will be performed by the UNDP Rural and Regional Development Sector Leader.

The **Project Team** comprises the full-time National Project Manager and 5 core team members, including Project Officers responsible for STEM education, private sector support and good governance, along with a Project Associate responsible for overall administrative and financial tasks. The Project will employ part-time support for the positions of Quality Assurance and Programme Operations Support.

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## 6. PROJECT MONITORING, EVALUATION AND REPORTING

The Project will utilize comprehensive quality assurance mechanisms that are embedded into UNDP projects implemented in the country to ensure objective and transparent monitoring. Finally, the Project plans for a final evaluation to capture end results and achievements, crucial for the scalability of the Project in terms of geographical and thematic outreach. The main tools for organising the Project monitoring system encompass:

- The gender-sensitive Logical Framework (as described within Annex 1 of the Project document);
- The Project risk analysis.

### 6.1. Evaluation

The Project will undertake the final participatory review to assess the results and effects, as well as to define the forward-looking vision.

## 6.2. Reporting

UNDP will consolidate narrative reports, as well as detailed financial reports as per the requirements of the donors. Those reports will include:

- Annual Narrative Progress and Financial Reports;
- Final Project Narrative and Financial Report.

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## 7. RESOURCES

### 7.1. Project budget

The total Project budget amounts to USD 2,486,054. The contribution by the Government of Norway in the amount of USD 1,900,899 will be complemented with UNDP co-financing worth USD 149,325 mobilising also government contribution of USD 348,890 (total co-financing of 20,7% against the Norwegian contribution). Government of Sweden through UNICEF will finance implementation of Output 2 with the amount of USD 86,940.

The Project budget is enclosed as *Annex II*.

### 7.2. Cost effectiveness

The Project will deploy numerous measures in order to achieve cost effectiveness. In terms of procurement, outsourcing of services will be based on a transparent and competitive process, as well as on the value-for-money principle.

The Project will seek to achieve economy of scale in investments by combining, where possible, public funds of local governments and higher government levels.

Moreover, all training and capacity development assistance will be delivered by clustering partner local governments, so as to ensure economy of scale. The Project will seek to utilize in-kind contribution from partners in the form of hosting venue, hospitality and transport costs for events and training. For further cost efficiency, the Project will make use of existing relevant training programmes, thus reduce cost for training programme design.

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## 8. RISK ANALYSIS

The main risks affiliated with the project implementation are identified below, together with probability of occurring, types of effects on the Project, as well as adequate mitigation measures.

General Risks	Probability	Type / ct	Project response
Local elections might adversely affect the implementation schedule.	Medium	Operational / Medium	Planning to account for implementation of election results and briefing incoming officials as soon as feasible to ensure buy-in.
Insufficient coordination and/or duplication of efforts by local and international actors.	Low to medium	Operational / Medium	Utilize the Local Development Donor Coordination Group to ensure regular communication among relevant interventions in the country and proactive coordination with domestic partners active in training and

General Risks	Probability	Type / ct	Project response
			education. A separate coordination mechanism may also be established, if needed.
Resistance to change by policy makers as well as teachers.	High	Institutional / Medium	Proactive advocacy campaign, spearheaded by private sector actors, along with consultations to bring the Project subject-matter closer to all those involved.
Local and cantonal officials reluctant to reign in their operational spending on office perks such as transport and funding for political parties.	High	Operational / High	The Project will pursue a proactive public campaign showcasing both positive and negative examples of good public finance management, as well as focusing on how the savings are being channelled into fostering growth and creating jobs.
Restructuring economic incentives to reward performance and job creation at the expense of political or commercial connections may engender resistance by local leaderships.	High	Operational / High	The Project will engage non-governmental and business partners from the local community to oversee the process of restructuring and awarding of grants.
Selected educational institutions and staff resist change in the curricula.	Medium	Medium	The Project will seek to engage educational institutions which have a proven track record of implementing STEM-like activities and whose management is on board to amending relevant curricula.
Private sector fails to honour commitments to co-finance professional development centres.	Medium	High	The Project will pursue a proactive relationship with the private sector and ensure co-financing agreements are signed in order to cover operational costs for the first 12 months.

## 9. LEGAL CONTEXT

### 9.1 Legal context or basis for relationship

The United Nations Development Assistance Framework in BIH for the period 2015-2019 (signed by the Council of Ministers of BIH and UN on 15 June 2015), as well as the current UNDP Country Programme Document 2015-2019 represent the basis for the activities of UNDP in the country.

This Project will contribute mainly to the UNDAF Focus Area 2: Sustainable and equitable development and employment, Outcome 4: by 2019, economic and social and territorial disparities between units of local self-governance are decreased through coordinated approach by national and subnational actors.

All activities of UNDP in BIH are legally grounded in the Standard Basic Assistance Agreement between the Council of Ministers of BIH and UNDP, signed on 07 December 1995.

## 10. ANNEXES

### 10.1. Results and resources framework (in line with the Project application for the Government of Norway)

Level	Goal (expected result)	Indicator and Source Reference	Indicator Values			Comments
			Baseline (2017)	Milestone (target) Year 1	Milestone (target) Final	
Impact	To contribute to economic growth and employment in Bosnia and Herzegovina	- Number of jobs created in target areas <i>Source: Project reports, employment records, media</i>	0	0	100 (at least 30% for women)	
Outcome	Entrepreneurship ecosystem improved in target area	- Number of local governments and cantons with improved economic governance through sustained optimisation of public spending and effective incentives <i>Source: Project reports, partner government decisions / reports, reports on effects of incentives</i>	0	0	At least 10 local governments and 2 cantons	-Local leadership buy-in to be secured - Global and EU economic trends remain positive -Sufficient number of qualified participants/quality ideas under the start-up support scheme
		- Percentage increase in sales across key sectors <i>Source: Project reports, Annual Income Statement and Balance Sheet</i>	0	1.5%	3%	
		- Number of start-ups created <i>Source: Tax Authority Registration papers, Project reports</i>	0	5	15	
Output 1	Increased entrepreneurship capabilities for economy of the future	-Number of established and aspiring entrepreneurs benefiting from project-instigated ecosystem infrastructure <i>Source: Project reports, media</i>	0	40	135	Support to be secured by policy makers and schools
		-Number of educational institutions offering STEM, “fab lab” and entrepreneurship development capabilities <i>Source: Project reports, school and line ministry’s decisions, course material, media</i>	0	3	10	
		- Number of students benefitting from skill upgrade <i>Source: Project reports, school / line ministry records, media</i>	0	120 (at least 40% females)	300 (at least 40% females)	
Output 2	Private sector development enabled by conducive governance frameworks	- Amount of total savings / additional revenues generated annually through improved public finance management by 10 local governments and two cantons <i>Source: Project reports, annual budget reports</i>	0	0	BAM 4 million	Local leadership buy-in to be secured
		- Number of restructured government economic incentive schemes <i>Source: Project reports, partner government decisions and reports</i>	0	5	10	
		- Number of priority economic infrastructure interventions implemented <i>Source: Local governance records, project reports, media</i>	0	0	3	



## 10.2. Results and resources framework (UNDP standard format)

By 2019, economic and social and territorial disparities between units of local self-governance are decreased through coordinated approach by national and subnational actors.									
<b>Outcome 4 indicator/s as stated in the UNDAF RRF:</b> <b>Indicator:</b> Number of businesses / entrepreneurs benefiting from business development services <b>Baseline:</b> 200 (2014) <b>Target:</b> 500 (2019)					<b>Outcome 6 indicator/s as stated in the UNDAF RRF:</b> <b>Indicator:</b> Number of people employed, maintained in employment or benefiting from income generation activities as a result of UN interventions <b>Baseline:</b> 150 (2014) <b>Target:</b> 3,000 (2019)				
<b>Applicable Outputs from the UNDP Strategic Plan:</b> #1 POVERTY: 1.1.2 Marginalized groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs; #2 GOVERNANCE: 1.2.1 Capacities at national and sub-national levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services									
Project title and Atlas Project Number: Economic Governance for Growth, BIH10/00111551									
EXPECTED OUTPUT	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
			Value	Year	2019	2020	2021	FINAL	
<b>Output 1: Increased entrepreneurship capabilities for economy of the future and private sector development enabled by conducive governance frameworks</b>	Number of local governments and cantons practice improved economic governance in support of entrepreneurship and private sector development	<i>Project reports, partner government decisions / reports, reports on effects of incentives</i>	0	2017	3	7	2	At least 10 local governments and 2 cantons	Desk review, Field visit
	Number of start-ups created	<i>Project reports, Tax Authority registrations</i>	0	2017	5	5	5	15	
	Percentage increase in sales across key sectors in selected MSMEs	<i>Project reports, Annual Income Statement and Balance Sheet</i>	0	2017	1.5%	2%	3%	3%	
	Number of established and aspiring entrepreneurs benefiting from project-instigated ecosystem infrastructure (gender disaggregated)	<i>Project reports, media</i>	0	2017	40	60	35	135	
	Number of educational institutions offering STEM, “fab lab” and	<i>Project reports, school decision and</i>	0	2017	3	6	1	10	

	entrepreneurship development capabilities	course materials, media							
	Number of students benefitting from skill upgrade (gender disaggregated)	Project reports, school /line ministry records, media	0	2017	120	150	30	300	
	Amount of total savings / additional revenues generated annually through improved public finance management by 10 local governments and two cantons	Project reports, annual budget reports	0	2017	0	1	3	4 million BAM	
	Number of restructured government incentive schemes in support of entrepreneurship and private sector development	Project reports, partner government decisions and reports	0	2017	5	5	0	10	
	Number of priority economic infrastructure interventions implemented	Project reports, media, municipality records	0	2017	0	2	1	3	
	Unemployed (with focus on youth) benefitting from training programmes in priority industry sectors	Project reports, media, municipality records	0	2017	0	70	30	100	
	Number of new jobs created (gender disaggregated)		0	2017	0	70	30	100	
<b>Output 2: Increased knowledge and skills for entrepreneurship and IT sector among young people in Bosnia and Herzegovina, with focus on young women</b>	Number of entrepreneurship simulation game feasibility and conceptualisation research conducted	Research reports, technical documentation	0	2017	1	0	n/a	1	
	Number of women (18+) included in entrepreneurship simulation game feasibility and conceptualisation research	Research reports, technical documentation	0	2017	30	0	n/a	30	
	Number of entrepreneurship simulation games developed and designed	Project reports, technical documentation	0	2017	1	0	n/a	1	
	Number of girls (age 16 to 18) benefitting from web development trainings	Project reports, Pre-post training evaluation,	0	2017	0	30	n/a	30	

		<i>attendance sheets, media</i>							
	Number of young entrepreneurs benefiting from simulated market experience and increased business management capacities following participation in entrepreneurship simulation game (gender disaggregated)	<i>Project reports, attendance sheets</i>	0	2017	0	30	n/a	30 (out of which 50% are women)	
	Number of young women with strengthened digital and entrepreneurship skills.	<i>Project reports, Pre-post training evaluation, attendance sheets, media</i>	0	2017	0	60	n/a	At least 60	



### 10.3. Monitoring and evaluation plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Project M&E Platform will be established upon the launch of the Project and populated based on the frequency which will be set for each indicator. Slower than expected progress will be addressed by Project management and the Project Board.	UNDP	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage them. The risk log is actively maintained, and risks regularly updated in Atlas to keep track of identified risks and actions taken.	UNDP	
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. The Project will conduct specific activities to facilitate transfer of knowledge to stakeholders.	Quarterly	Lessons Learned Log is established, and relevant lessons are captured by the project team and used to inform management decisions.	UNDP	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP	
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making. Brief Quarterly Progress Reports.	At least semi-annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP, Project Board	
Project Review (Project Board)	Final Narrative Progress Reports submitted to the Project Board; The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Work Plan to ensure realistic budgeting over the life of the project.	Semi-annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP; Project Board;	
Monitoring expenditures including Monitoring Staff proportion and Project Monitoring Activities			<b>TOTAL</b>		

## 10.4. Budget

Budget Item	Y1			Y2			Y3			TOTAL BUDGET			
	Number of units	Unit	Price per unit	Total Y1 (USD)	Number of units	Unit	Price per unit	Total Y2	Number of units		Unit	Price per unit	Total Y3
<b>ACTIVITY 1.1 Forecasting entrepreneurship development opportunities</b>				<b>94,200.29</b>				<b>6,977.80</b>				<b>6,977.80</b>	<b>108,155.89</b>
1.1.1 Assess/review trends in target industries	3	per sector	27,329.71	81,989.14				0.00				0.00	81,989.14
1.1.2 Map successful mature regional companies/recent start-ups in the target industry against short and mid-term industry needs	15	Expert Day	348.89	5,233.35				0.00				0.00	5,233.35
1.1.3 Map relevant entrepreneurship support and resource networks	3	Per event	2,325.93	6,977.80	3	Per event	2,325.93	6,977.80	3	Per event	2,325.93	6,977.80	20,933.40
1.1.4 Establish a regional partnership network				0.00				0.00				0.00	0.00
<b>ACTIVITY 1.2 Support start-up and MSMEs development</b>				<b>173,863.50</b>				<b>220,382.16</b>				<b>17,444.50</b>	<b>411,690.15</b>
1.2.1 Support to selected startups to expand their business	7	Per compar	5,814.83	40,703.83	5	Per compar	5,814.83	29,074.16	3	Per compar	5,814.83	17,444.50	87,222.49
1.2.2 Support to MSMEs to advance their competitiveness	4	Per compar	11,629.67	46,518.66	6	Per compar	11,629.67	69,777.99				0.00	116,296.65
1.2.3 Assessment of outsourcing opportunities for new start-ups	1	Lumpsum	11,629.67	11,629.67				0.00				0.00	11,629.67
1.2.4 Implement an entrepreneurship development support scheme in the target area	50	Per trainee	290.74	14,537.08	50	Per trainee	290.74	14,537.08				0.00	29,074.16
1.2.5 Grant support to new startups	5	Per compar	9,303.73	46,518.66	10	Per compar	9,303.73	93,037.32				0.00	139,555.98
1.2.6 Support to hubs and centers for startups	4	Per hub/cei	3,488.90	13,955.60	4	Per hub/cei	3,488.90	13,955.60				0.00	27,911.20
<b>ACTIVITY 1.3 Nurture entrepreneurs of the future</b>				<b>485,756.47</b>				<b>61,055.74</b>				<b>0.00</b>	<b>546,812.21</b>
1.3.1 Establishment of STEM and fab-labs	10	Per STEM/l.	38,108.95	381,089.48				0.00				0.00	381,089.48
1.3.2 Facilitate the establishment of "junior" and "senior" hackathon leagues	5	Per event	11,629.67	58,148.33	5	Per event	11,629.67	58,148.33				0.00	116,296.65
1.3.3 Award research and development grants to tackle prevalent industrial problems and challenges	3	Per grant	14,537.08	43,611.25				0.00				0.00	43,611.25
1.3.4 Introduce entrepreneurship curricula	1	Per school	2,907.42	2,907.42	1	Per school	2,907.42	2,907.42				0.00	5,814.83
<b>ACTIVITY 1.4 Enable local and regional networking and partnership</b>				<b>11,629.67</b>				<b>22,096.36</b>				<b>10,466.70</b>	<b>44,192.73</b>
1.4.1 Collect and disseminate best start-up practices and ideas	1	Per trip	11,629.67	11,629.67	1	Per trip	17,444.50	17,444.50	1	Per trip	5,814.83	5,814.83	34,889.00
1.4.2 Identify and address barriers to entrepreneurship at both national and regional levels, lobbying within an EU framework.				0.00	2	Per event	2,325.93	4,651.87	2	Per event	2,325.93	4,651.87	9,303.73
<b>ACTIVITY 1.5 Free-up public funding to incentivise entrepreneurship and private sector development</b>				<b>65,126.13</b>				<b>18,607.46</b>				<b>0.00</b>	<b>83,733.59</b>
1.5.1 Review expenditure and revenue management of participating public administrations	16	Per admini	2,907.42	46,518.66				0.00				0.00	46,518.66
1.5.2 Development of action plan to implement measures to cut cost and boost revenues				0.00				0.00				0.00	0.00
1.5.3 Implement continuous monitoring and on-site technical assistance regime	16	Per admini	1,162.97	18,607.46	16	Per admini	1,162.97	18,607.46				0.00	37,214.93
<b>ACTIVITY 1.6 Restructure local economic development incentive schemes</b>				<b>31,981.58</b>				<b>0.00</b>				<b>0.00</b>	<b>31,981.58</b>
1.6.1 Audit and redesign existing incentive schemes employed by partner local governments and cantons	80	Per day	348.89	27,911.20				0.00				0.00	27,911.20
1.6.2 Introduce a comprehensive impact assessment framework to evaluate effects of incentive grants on economic development and job growth	10	Per day	407.04	4,070.38				0.00				0.00	4,070.38
1.6.3 Implement continuous monitoring of implementation, and on-site technical assistance regime				0.00				0.00				0.00	0.00
<b>ACTIVITY 1.7 Reward top performing LGs with co-funding for priority economic infrastructure projects</b>				<b>0.00</b>				<b>208,694.14</b>				<b>104,347.07</b>	<b>313,041.20</b>
1.7.1 Conduct an evaluation of results across all participating public administrations				0.00				0.00				0.00	0.00
1.7.2 Publicly recognize and promote the three "champions" with best results				0.00				0.00				0.00	0.00
1.7.3 Implement three priority local economic infrastructure interventions and conduct comprehensive quality assurance for all implemented works				0.00	2	Per LG	104,347.07	208,694.14	1	Per LG	104,347.07	104,347.07	313,041.20
<b>Activity 2.1. Develop and design entrepreneurship simulation game</b>				<b>31,000.00</b>				<b>30,000.00</b>				<b>0.00</b>	<b>61,000.00</b>
2.1.1 Conduct research on potential usage and usefulness of suggested simulation game by target population				0.00				0.00				0.00	0.00
2.1.2 Conceptualization and development of Entrepreneurship game idea	1	Per contrac	31,000.00	31,000.00				0.00				0.00	31,000.00
2.1.3 Development of entrepreneurship simulation game and simulation testing				0.00	1	Per contrac	23,000.00	23,000.00				0.00	23,000.00
2.1.4 Organization of Virtual Entrepreneurship Championship for young entrepreneurs				0.00	1	Per contrac	7,000.00	7,000.00				0.00	7,000.00
<b>Activity 2.2. Provide digital skills for girls via web development training sessions</b>				<b>0.00</b>				<b>10,500.00</b>				<b>0.00</b>	<b>10,500.00</b>
2.2.1 Development training module in web development with focus on business and digital product ideas				0.00	1		5,000.00	5,000.00				0.00	5,000.00
2.2.2 Conduct three Postani ITGirl training sessions in web development				0.00	1		4,500.00	4,500.00				0.00	4,500.00
2.2.3 Organization of the final event and presentation of the web sites developed during the Postani ITGirl training sessions				0.00	1		1,000.00	1,000.00				0.00	1,000.00
<b>Activity 2.3 Raising awareness on "Women in IT" sector</b>				<b>4,000.00</b>				<b>5,000.00</b>				<b>0.00</b>	<b>9,000.00</b>
2.3.1 Organization of an event to mark Arduino Day				0.00	1	Per event	3,000.00	3,000.00				0.00	3,000.00
2.3.2 Organization of an event to mark EU Robotics Week	1	Per event	4,000.00	4,000.00				0.00				0.00	4,000.00
2.3.3 Organization of Award Ceremony for the winning business ideas developed via Entrepreneurship simulation game				0.00	1	Per event	2,000.00	2,000.00				0.00	2,000.00
<b>ACTIVITY 3 Project Management and Operating Costs</b>				<b>278,979.57</b>				<b>277,557.10</b>				<b>152,003.65</b>	<b>708,540.31</b>
3.1 Project Manager	6	per month	5,931.13	35,586.78	12	per month	5,931.13	71,173.55	6	per month	5,931.13	35,586.78	142,347.10
3.2 Project Officer (private sector development)	6	per month	5,931.13	35,586.78				0.00				0.00	35,586.78
3.3 Project Officer (public finance)	6	per month	2,791.12	16,746.72	12	per month	2,791.12	33,493.44	6	per month	2,791.12	16,746.72	66,986.87
3.4 Project Officer (grants management)	6	per month	2,791.12	16,746.72	12	per month	2,791.12	33,493.44	6	per month	2,791.12	16,746.72	66,986.87
3.5 Project Associate	6	per month	2,325.93	13,955.60	12	per month	2,325.93	27,911.20	6	per month	2,325.93	13,955.60	58,822.39
3.6 Junior Economic Officer	6	per month	2,325.93	13,955.60	12	per month	2,325.93	27,911.20	6	per month	2,325.93	13,955.60	58,822.39
3.7 Sector Quality Assurance	12	per month	575.67	6,908.02	12	per month	575.67	6,908.02	6	per month	575.67	3,454.01	17,270.05
3.8 Programme Operations Support	12	per month	408.39	4,900.65	12	per month	408.39	4,900.65	6	per month	140.00	840.00	10,641.30
3.9 Operations costs (rent of offices, IT equipment, etc.)	12	per month	2,459.89	29,518.69	12	per month	2,341.35	28,096.22	6	per month	2,657.59	15,945.53	73,560.43
3.10 Visibility	1	Lumpsum	3,488.90	3,488.90	1	Lumpsum	3,488.90	3,488.90	1	Lumpsum	3,488.90	3,488.90	10,466.70
3.11 Final external project evaluation				0.00				0.00				0.00	0.00
3.12 Travel	1	Lumpsum	6,687.06	6,687.06	1	Lumpsum	6,687.06	6,687.06	1	Lumpsum	2,907.42	2,907.42	16,281.53
Direct operating costs, total				1,176,537.39				860,870.77				291,239.71	2,328,647.67
Indirect operating costs (8 % for Norway, 8% Sweden, 3% for BIH)				76,531.50				61,342.39				19,535.31	157,409.20
<b>Project costs total</b>				<b>1,253,068.89</b>				<b>922,213.15</b>				<b>310,775.02</b>	<b>2,486,056.87</b>

**10.5. Social and environmental screening**

**Project Information**

<b>Project Information</b>	
1. Project Title	Economic Governance for Growth
2. Project Number	000111551
3. Location (Global/Region/Country)	Bosnia and Herzegovina

**Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability**

**QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?**

**Briefly describe in the space below how the Project mainstreams the human-rights based approach**

The Project document does not explicitly elaborate on human rights it addresses nor it provides reference to the standards adhered to. However, it does provide evidence of genuine project's intention to foster progressive realization of social and economic rights of targeted groups through provision of skills that will enable them to obtain earning and become active members of the society.

**Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment**

The project addresses the issue of gender equality by fostering skills transfer and employment for both males and females.

**Briefly describe in the space below how the Project mainstreams environmental sustainability**

The project does not have obvious impact to the environment. Indirectly, through training, the project will promote environment friendly vocational skills.

**Part B. Identifying and Managing Social and Environmental Risks**

**QUESTION 2: What are the Potential Social and Environmental Risks?**  
*Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.*

**QUESTION 3: What is the level of significance of the potential social and environmental risks?**  
*Note: Respond to Questions 4 and 5 below before proceeding to Question 6*

**QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?**

<b>Risk Description</b>	<b>Impact and Probability (1-5)</b>	<b>Significance (Low, Moderate, High)</b>	<b>Comments</b>	<b>Description of assessment and management measures as reflected in the Project design.</b>
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<b>Resistance to change by policy makers and other local partners.</b>	I = 2 P = 2	<b>High</b>	The project will lead a proactive advocacy	
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campaign, spearheaded by private sector actors, along with consultations to bring the Project subject-matter closer to all those involved.

Force Majeure (e.g. act of nature) impacts Project activities

I = 3  
P = 1

Low

The Project will have a flexible approach, including reprogramming of activities to respond to the emerging needs

The Project will have a flexible approach, including reprogramming of activities to respond to the emerging needs.

**QUESTION 4: What is the overall Project risk categorization?**

Select one

Comments

Low Risk

The project is assessed as a low risk category, particularly from human rights aspect viewpoint.

Moderate Risk

High Risk

**QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?**

Check all that apply

Comments

- Principle 1: Human Rights*  N/A
- Principle 2: Gender Equality and Women's Empowerment*  N/A
- 1. Biodiversity Conservation and Natural Resource Management*  N/A
- 2. Climate Change Mitigation and Adaptation*  N/A
- 3. Community Health, Safety and Working Conditions*  N/A
- 4. Cultural Heritage*  N/A
- 5. Displacement and Resettlement*  N/A
- 6. Indigenous Peoples*  N/A
- 7. Pollution Prevention and Resource Efficiency*  N/A

**Final Sign Off**

Signature	Date	Description
QA Assessor		Nedim Čatović, Sector Associate
QA Approver LPAC Chair		Adela Pozder-Čengiđ, Sector Leader, Rural and Regional Development Sector

### Social and Environmental Risk Screening Checklist

<b>Checklist Potential Social and Environmental Risks</b>		<b>Answer (Yes/No)</b>
<b>Principles 1: Human Rights</b>		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	Yes
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	Yes
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
<b>Principle 2: Gender Equality and Women's Empowerment</b>		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
<b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
<b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No

1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
<b>Standard 2: Climate Change Mitigation and Adaptation</b>		
2.1	Will the proposed Project result in significant greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
<b>Standard 3: Community Health, Safety and Working Conditions</b>		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No



3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
<b>Standard 4: Cultural Heritage</b>		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
<b>Standard 5: Displacement and Resettlement</b>		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions?	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
<b>Standard 6: Indigenous Peoples</b>		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No

6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
<b>Standard 7: Pollution Prevention and Resource Efficiency</b>		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

## 10.6. Multi-year workplan

EXPECTED OUTPUT	ACTIVITIES	PLANNED SUB-ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
			Y1	Y2	Y3		Funding Source	Budget Description	Amount
OUTPUT 1. Increased entrepreneurship capabilities for economy of the future and private sector development enabled by conducive governance frameworks	Activity 1.1. Forecast entrepreneurship development opportunities	1.1.1 Asses/review trends in target industries, identifying challenges and opportunities for growth in short, mid and long term (i.e. technologies, digitalisation, human capital, production processes, etc.)	81,989			UNDP	Norway		91,989
		1.1.2 Map successful mature regional companies/recent start-ups in the target industry against short and mid-term industry needs.				UNDP	Norway		
		1.1.3 Map relevant entrepreneurship support and resource networks;	5,000			UNDP	Norway		5,000
		1.1.4 Establish a regional partnership network bringing together educators, progressive private sector actors and public sector enablers.	6,978	6,978	6,978	UNDP	Norway		20,934
		MONITORING				UNDP	Norway		
	<b>Sub-total for Activity 1.1.</b>		<b>117,923</b>						
	Activity 1.2. Support start-up and MSME development.	1.2.1 Support select start-ups in target region to expand their business in view of industry needs.	40,704	29,074	17,444	UNDP	Norway		87,222
		1.2.2 Support MSMEs to advance their competitiveness through innovative business solutions and skills for the future.	46,519	69,778		UNDP	Norway		116,297
		1.2.3 Explore potential for new start-ups to respond to identified outsourcing opportunities in the target industries in the region.	11,630			UNDP	Norway		11,630
		1.2.4 Implement an entrepreneurship development support scheme in the target area.	14,537	14,537		UNDP	Norway		29,074



		1.2.5 Grant support to new start ups	46,519	93,037		UNDP	Norway		97,556
		1.2.6 Support Intera, ICBL and BIT in upgrading and diversifying their services to start-ups, including exchange of experiences with EU based knowledge networks.	13,956	13,956		UNDP	Norway		27,912
		MONITORING				UNDP	Norway		
		<b>Sub-total for Activity 1.2.</b>	<b>411,690</b>						
	<b>Activity 1.3. Nurture entrepreneurs of the future.</b>	1.3.1 Create a network of STEM workshops and "fab labs" across 10 primary and secondary schools in the project area.	381,089			UNDP	Norway		381,089
		1.3.2 Facilitate the establishment of "junior" and "senior" hackathon leagues to promote coding and competitiveness and innovation in future entrepreneurs.	58,148	58,148		UNDP	Norway		116,296
		1.3.3 Award research and development grants to tackle prevalent industrial problems and challenges.	43,611			UNDP	Norway		43,611
		1.3.4 Pilot entrepreneurship curricula within two high schools.	2,907	2,907		UNDP	Norway		5,814
		MONITORING				UNDP	Norway		
		<b>Sub-total for Activity 1.3.</b>	<b>546,812</b>						
		<b>Activity 1.4. Enable local and regional networking and partnership</b>	1.4.1 Collect and disseminate best start-up practices and ideas (nationally and regionally) and explore potential for institutionalisation and scaling up.	11,630	17,444	5,815	UNDP	Norway	
	1.4.2 Identify and address barriers to entrepreneurship at both national and regional levels, lobbying within an EU framework.			4,652	4,652	UNDP	Norway		9,304
	MONITORING					UNDP	Norway		
	<b>Sub-total for Activity 1.4.</b>		<b>44,193</b>						

	<b>Activity 1.5. Based on a comprehensive expenditure and revenue review of partner public administrations, support implementation of identified measures.</b>	1.5.1 Review expenditure and revenue management of participating public administrations.	46,519			UNDP	Norway		46,519
		1.5.2 In partnership with public administration leadership, draw up action plan to implement measures to cut cost and boost revenues.				UNDP	Norway		
		1.5.3 Implement continuous monitoring and on-site technical assistance regime.	18,607	18,607		UNDP	Norway		37,214
		MONITORING				UNDP	Norway		
		<b>Sub-total for Activity 1.5.</b>	<b>83,734</b>						
	<b>Activity 1.6. Redesign and restructure partner government incentive schemes aimed at supporting entrepreneurship, private sector development, and job creation.</b>	1.6.1 Audit and redesign existing incentive schemes employed by partner local governments and cantons.	27,911			UNDP	Norway		27,911
		1.6.2 Introduce a comprehensive impact assessment framework to evaluate effects of incentive grants on economic development and job growth.	4,070			UNDP	Norway		4,070
		1.6.3 Implement continuous monitoring of implementation, and on-site technical assistance regime.				UNDP	Norway		
		MONITORING				UNDP	Norway		
		<b>Sub-total for Activity 1.6.</b>	<b>31,982</b>						
	<b>Activity 1.7. Award financial grants to three champion local governments for the purpose of co-financing priority economic infrastructure interventions.</b>	1.7.1 Conduct an evaluation of results across all participating public administrations (extent of savings and new revenues generated).				UNDP	Norway		
		1.7.2 Publicly recognize and promote the three "champions" with best results.				UNDP	Norway		
		1.7.3 Implement three priority local economic infrastructure interventions and conduct comprehensive quality assurance for all implemented works.		208,694	104,347	UNDP	Norway		313,041

		MONITORING				UNDP	Norway		
		<b>Sub-total for Activity 1.7.</b>	<b>313,041</b>						
Output 2: Increased knowledge and skills in entrepreneurship and IT sector among young people in Bosnia and Herzegovina, with focus on young women	Activity 2.1. Develop and design entrepreneurship simulation game	2.1.1. Conduct research on potential usage and usefulness of suggested simulation game by target population				UNDP	Sida through UNICEF		
		2.1.2 Conceptualization and development of Entrepreneurship game idea	25,000			UNDP	Sida through UNICEF		25,000
		2.1.3. Development of entrepreneurship simulation game and simulation testing		20,000		UNDP	Sida through UNICEF		20,000
		2.1.4. Organization of Virtual Entrepreneurship Championship for young entrepreneurs		4,000		UNDP	Sida through UNICEF		4,000
		MONITORING	6,000	6,000		UNDP	Sida through UNICEF		12,000
		<b>Sub-total for Activity 2.1.</b>	<b>61,000</b>						
	Activity 2.2. Provide digital skills for girls via web development training sessions	2.2.1. Development training module in web development with focus on business and digital product ideas		1,000		UNDP	Sida through UNICEF		1,000
		2.2.2. Conduct three Postani ITGirl training sessions in web development		4,500		UNDP	Sida through UNICEF		4,500
		2.2.3. Organization of the final event and presentation of the web sites developed during the Postani ITGirl training sessions		1,000		UNDP	Sida through UNICEF		1,000
		MONITORING		4,000		UNDP	Sida through UNICEF		4,000
		<b>Sub-total for Activity 2.2.</b>	<b>10,500</b>						
	Activity 2.3 Raising awareness	2.3.1 Organization of an event to mark Arduino Day		2,000		UNDP	Sida through UNICEF		2,000



	on "Women in IT" sector	2.3.2 Organization of an event to mark EU Robotics Week	2,000			UNDP	Sida through UNICEF	2,000
		2.3.3. Organization of Award Ceremony for the winning business ideas developed via Entrepreneurship simulation game		1,000		UNDP	Sida through UNICEF	1,000
		MONITORING	2,000	2,000		UNDP	Sida through UNICEF	4,000
		<b>Sub-total for Activity 2.3.</b>	<b>9,000</b>					
	<b>Project management &amp; operations</b>	<i>Management and staffing and operations costs and visibility</i>	708,538			UNDP	Norway	708,538
	<b>General Management Support (8%)</b>		150,969 (Norway + BiH) 6,440 (Sida through UNICEF)				Norway and BiH Sida through UNICEF	157,209
<b>GRAND TOTAL</b>								

**Annex 1**

**Project document – COMPLIANCE AND QUALITY ASSURANCE CHECKLIST:**

Project document CHECKLIST		Check if relevant/mark with "NA" if irrelevant	Name, function and signature of the responsible person
<b>Project title:</b>	<i>Economic Governance for Growth (EGG)</i>		
<b>Sector:</b>	Rural and Regional Development		
<b>Donor/s:</b>	Government of Norway, Sida through UNICEF, Government of BIH, UNDP		
<b>Implementation modality:</b>	National Implementation Modality (NIM) <input type="checkbox"/> CO support to National Implementation (NIM) <input type="checkbox"/> Direct Implementation Modality (DIM) <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Adela Pozder-Čengić</i> Adela Pozder- Čengić, Sector Leader
<b>Donor submission status:</b>	<i>Signed FA with Government of Norway, UNICEF (UN agency to UN agency agreement)</i>	<input checked="" type="checkbox"/>	
<b>Joint programme:</b>	YES <input type="checkbox"/> Partner UN Agencies:	NO <input checked="" type="checkbox"/>	N/A
	Fund Management modality:		
<b>The project concept/draft has been shared with the STEP UP Team and other CO/UN colleagues:</b>		<input checked="" type="checkbox"/>	<i>Adela Pozder-Čengić</i> Adela Pozder- Čengić, Sector Leader
<b>The project document complies with corporate quality programming standards:</b>	The project meets corporate quality standards for project design and is developed in the UNDP project document template	<input checked="" type="checkbox"/>	<i>Amra Zorlak</i> Amra Zorlak, M&E Analyst
	Quality assurance assessment has been performed prior to the LPAC meeting and its findings were discussed by LPAC members (quality assurance link: =)	<input checked="" type="checkbox"/>	<i>Adela Pozder-Čengić</i> Adela Pozder- Čengić, Sector Leader
	Project output and results are aligned with UNDAF/CPD outcomes and indicators	<input checked="" type="checkbox"/>	<i>Amra Zorlak</i> Amra Zorlak, M&E Analyst
	Project is aligned with the UNDP Strategic Plan, SDGs and contributes to the EU accession agenda	<input checked="" type="checkbox"/>	
	Social and Environmental Screening is attached to the project	<input checked="" type="checkbox"/>	
<b>Local Project Appraisal</b>	Date: <i>28 November 2018</i>	<input type="checkbox"/>	<i>Adela Pozder-Čengić</i> Adela Pozder- Čengić, Sector Leader

**Annex 1**

**Project document – COMPLIANCE AND QUALITY ASSURANCE CHECKLIST:**

Project document CHECKLIST		Check if relevant/mark with "NA" if irrelevant	Name, function and signature of the responsible person
<b>Committee meeting:</b>			
<b>Implementing partner</b>	UNDP	<input checked="" type="checkbox"/>	Larisa Kubat, PRPMA <i>Larisa Kubat</i>
<b>Responsible party/s</b>		N/A	Larisa Kubat, PRPMA <i>Larisa Kubat</i>
<b>Management Arrangements</b>	The project document envisages a clear and adequate management structure and appropriate legal instruments.	<input checked="" type="checkbox"/>	Larisa Kubat, PRPMA <i>Larisa Kubat</i>
<b>ATLAS proposal/project setting</b>	Proposal/Award: BIH10/00113375 Output project: 00111551; 00117091	<input checked="" type="checkbox"/>	Larisa Kubat, PRPMA <i>Larisa Kubat</i>
<b>Estimated budget and Source of Funding</b>	The project has a clear and feasible budget, including definition of required co-financing by UNDP.	<input checked="" type="checkbox"/>	Larisa Kubat, PRPMA <i>Larisa Kubat</i>
<b>Signing of the project document</b>	Signature of the Project Document on behalf of UNDP	<input checked="" type="checkbox"/>	Sukhrob Khoshmukhamedov, DRR