



PROJECT DOCUMENT

Project Title: Translating the SDG Framework in Bosnia and Herzegovina into sustainable and inclusive growth

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Brief Description

The Programme aims to support the authorities in Bosnia and Herzegovina in their efforts and progress towards the Sustainable Development Goals (SDGs) as per targets defined in the SDG Framework. This will be pursued through two, interlinked and mutually reinforcing, results implemented across all levels of government in BIH related to: planning, implementing, monitoring, and reporting (at state, entity and Brčko District levels); and active participation and contribution of the cantonal and local governments to implementation of the SDG Framework.

Contributing Outcome (2021-2025 UNSDCF/CPD, 2021-2022 UN JWP RPD or GPD):

Outcome 4. By 2025, people contribute to, and benefit from more accountable and transparent governance systems that deliver quality public services, and ensure rule of law

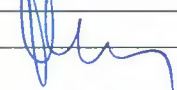
Indicative Output(s) with gender marker

Output 2.1 Collaboration between authorities and societal actors is supported for the design of evidence-based and gender-sensitive policy and regulatory frameworks that enable reforms and system change

GEN 2

Total resources required:	USD 5,154,904.36	
Total resources allocated:	UNDP:	583,865.91
	UNICEF:	42,000.00
	Sweden:	4,529,038.44
	In-kind:	
Unfunded:		

Agreed by (signatures):

UNDP	
Print Name: Steliana Nedera, Resident Representative	
Date:	11/04/2022

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LIST OF ABBREVIATIONS

AMC	Association of Municipalities and Cities
BAM	Bosnia and Herzegovina Convertible Mark
BIH	Bosnia and Herzegovina
CSW	Centre for Social Welfare
COVID	Corona Virus Disease
DIM	Direct Implementation Modality
EU	European Union
EUR	Euro
FBIH	Entity of Federation of Bosnia and Herzegovina
GDP	Gross Domestic Product
GRI	Global Reporting Initiative (Global Standards for Sustainability Reporting)
HBS	Household Budget Survey
IFI	International Financial Institution
IMF	International Monetary Fund
ILO	International Labour Organization
ILDp	Integrated Local Development Project
MEG	Municipal Environmental Governance (Project)
OECD	Organisation for Economic Co-operation and Development
PIPLS	Project for Improving Performance of Local Services
RC	Resident Coordinator (UN)
RCO	Resident Coordinator's Office (UN)
RS	Entity of Republika Srpska
SAI	Supreme Audit Institutions
SDG	Sustainable Development Goals
SME	Small and Mid-Size Enterprises
UN	United Nations (Organization)
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Fund
UNSDCF	UN Sustainable Development Cooperation Framework
UN WOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
USD	United States Dollar
VNR	Voluntary National Review
WG	Working Group
WHO	World Health Organization

1. DEVELOPMENT CHALLENGE

1.1. Wider country context

Bosnia and Herzegovina (BIH) is an **upper middle-income country** with a 3.5 million population that is gradually declining. The country has a high level of human development¹, but is still below the average for the European and Central Asian regions. Poverty remains a concern, particularly in rural areas and among minorities². Children are among the most vulnerable categories: they consistently have higher poverty rates than the general population (30.6% in 2011 compared to 23.4% of the total population)³.

Driven mostly by consumption and public investment, the country's Gross Domestic Product (GDP) rate has been slightly above 3% from 2016 to 2018⁴. However, this was still too low to lead to a noticeable improvement in many citizens' living conditions. With a per capita GDP at some 33% of the European Union (EU)'s average⁵, the pace of BIH's convergence with the EU remains among the slowest in the region. In 2019, the **economic growth** slowed down to an estimated 2.8%⁶. In 2020, the COVID-19⁷ outbreak in Europe triggered an economic crisis in BIH as well, which was further amplified by government restrictions accompanying the spread of the virus throughout the country. As a consequence, the GDP contracted by 5.5% in 2020, implying a GDP loss of more than 8% compared to previous growth trends⁸. The COVID-19 crisis exacerbated BIH's structural weaknesses, including the overall unfavourable business environment and limited competitiveness⁹. By affecting negatively entrepreneurial activity, it disproportionately affects women who are owning some 27% of enterprises in BIH and were already experiencing serious financial obstacles (including lack of initial capital, lack of resources for financing start-up and business development, insufficient information on existing government or other financial incentives, poor supply of entrepreneurial capital)¹⁰.

The country's economy is marked by high carbon and energy intensity, as well as inefficient and wasteful use of natural resources. BIH consumes about 20% of its GDP on energy, which is three times higher than in EU countries. Around 45% of total energy is consumed by the industry, service and transportation sectors. Inefficiencies can be observed across all industries, especially those that have high utilisation of natural resources (including energy) along the value chain (e.g., wood, textile, agri-food, metal, plastics, construction industries). Due to the high resource intensity and low efficiency of the BIH economy, it is realistic to expect that risks to businesses will further increase in the future, resulting in loss of competitiveness, especially when competing internationally.

The **unemployment** rate fell from 18.4% in 2018 to 15.7% in 2019, partly reflecting the country's aging and shrinking workforce. COVID-19 caused job losses, which led to an increase of the unemployment rate in 2020 to

¹ Measuring average levels of income, health and education, the Human Development Index of BIH was at 0.769 in 2019, ranking it 75th among the countries with a high level of human development. Human Development Indices and Indicators, 2019 Statistical Update, UNDP.

² The poverty headcount ratio showed 17% of the population living on less than 60% of median national income, a lower value than in many countries of Central and Eastern Europe. Household Budget Survey, 2015, BIH Agency of Statistics.

³ Household Budget Survey (HBS) in BIH, 2011. The most recent HBS conducted in 2015 did not disaggregate data on child poverty. The current economic model does not generate sufficient public revenue to finance the increasing needs, which includes social protection of vulnerable groups. Based on data from the HBS in 2015, the reduction in the at-risk-of-poverty rate through social transfers was estimated to be only 9.16% (against the EU average of 33.2% in 2016).

⁴ World Bank, Country Report for Bosnia Herzegovina, 2019.

⁵ Eurostat, 2017.

⁶ <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=BA>

⁷ Covid-19 is an infectious disease caused by the virus strain "severe acute respiratory syndrome coronavirus" (SARS-CoV-2). In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic and a public health emergency of international concern.

⁸ Source: <https://www.imf.org/en/Countries/BIH>. According to the BIH Central Bank, the estimated GDP for 2020 is at -4.6.

⁹ The World Bank Doing Business Report for 2020 ranks BIH as 90th out of 190 countries globally. The Competitive Industrial Performance Index by the UN Industrial Development Organization ranks BIH 80th on the global scale of industrial competitiveness (latest available data for 2018), <https://stat.unido.org/country/BIH.pdf>.

¹⁰ UN Women BIH, 2021. In terms of income, most companies owned by women generate up to EUR 1,000,000 (81%), while only 5% of companies generate income of more than EUR 4,000,000.

16.9%¹¹. The labour market is also characterized by low employment rates and high inactivity, particularly among women¹².

The complexity of BIH's **governance structure**, inefficiency of government institutions, and inability to achieve a political consensus undermine public policies and slow down reforms. Since the October 2018 General Elections, BIH has not established governments at all administrative levels¹³. According to the *Fragile States Index 2019*, BIH features as "elevated warning", being ranked 77th among 179 countries. **Corruption** continues to plague the country, while many challenges persist in relation to the **rule of law and human rights**. The process of reforming the public administration lacks the necessary political support to modernise administrations and provide better services to citizens and the private sector.

Besides the 2019-2022 Joint Socio-Economic Reforms, the governments in BIH designed and **adopted the 2030 Sustainable Development Goals (SDG) Framework in BIH**, the first country-wide document offering a unique opportunity and platform for a common, long-term, sustainable development agenda. In view of COVID-19, the authorities in BIH have introduced measures to strengthen the health sector's resilience and protect affected economic sectors and households. Because of a larger revenue shortfall, it is estimated that the fiscal deficit would reach 5.4% of GDP, while increased current spending, especially for transfers and social benefits, is expected to push the public debt to about 36.7% of GDP in 2020 (against 32.5% in 2019)¹⁴. These trends adversely affect different social groups, including persons without income, persons that lost their jobs, families with children, and other vulnerable groups. During the COVID-19 crisis people's vulnerability to poverty has increased considerably, exacerbating social exclusion, and widening inequalities.

BIH has been a potential candidate country for **EU accession** since 2003. The Stabilization and Association Agreement (SAA) with the EU was signed in 2008, entered into force in June 2015, and was adapted in 2017 to consider the accession of Croatia to the EU¹⁵. BIH submitted its formal application for EU membership in February 2016. In May 2019, the European Commission issued its Opinion on BIH's application for membership of the EU¹⁶. Since then, limited progress has been made to address the priorities, while as of summer 2021, BIH has been undergoing a serious political crisis which has put on hold all reform processes.

1.2. Agenda 2030 in BIH

BIH has not had an overarching development strategy since 2006 primarily due to political reasons. However, in 2015 BIH signed the global Agenda 2030 and committed to implement the 17 SDGs. In 2018, the governments (at national, entity and Brčko District levels) nominated their representatives into the SDG Roll-Out Working Group tasked to design a roadmap and the approach to domestication of the SDGs¹⁷. As a result, the **SDG Framework in BIH** was subsequently designed and adopted in early 2021¹⁸. Moreover, the BIH Council of Ministers transformed the SDG Roll-Out Working Group into the **SDG Council** which is mandated for overall coordination and monitoring on the implementation of Agenda 2030 in the country. Importantly, in 2019, BIH presented its **first Voluntary National Review (VNR)** to the High-Level Political Forum in New York.

¹¹ <https://www.statista.com/statistics/453933/unemployment-rate-in-bosnia-herzegovina/>

¹² According to ILO, only 36% women in BIH are active in the labour market, which is the lowest percentage in Southeast Europe and 21.6% of women are unemployed.

¹³ At the level of the Federation of Bosnia and Herzegovina (FBiH) and two cantons.

¹⁴ World Bank, *Subdued Recovery, Western Balkans Regular Economic Report*, Spring 2021.

¹⁵ The SAA includes provisions on cooperation in agriculture and in the veterinary and phytosanitary fields with the aim of modernizing and restructuring the agriculture and agro-industrial sector.

¹⁶ *Analytical Report accompanying the Commission's Opinion on BIH's application for membership of the EU*, Commission Staff Working Document, 2019.

¹⁷ The SDG Roll-Out Working Group is formed in the framework of the SDG Roll-Out Support and Private Sector Engagement project implemented by UNDP in cooperation with UNICEF and UNFPA, and funded by Sweden.

¹⁸ The commitment of governments to jointly work on the achievement of the Agenda 2030 through the SDG Framework in BIH was communicated in the country's first Voluntary Report (VNR) in 2019. <https://sustainabledevelopment.un.org/memberstates/bosniaherzegovina>

The SDG Framework will serve as the **common development agenda** in BIH, providing an overall vision for all government levels in the country, along with key development pathways and 2030 targets. The development pathways and corresponding accelerators and development drivers should contribute to a more prosperous society and a future where no one will be left behind and where people, prosperity, peace, partnerships, and concern for the Planet are at the heart of a better and jointly shared future. Hence, in the political reality of BIH, the SDG Framework will serve as a unique cohesive country-wide strategic document that ties together the Agenda 2030, the EU requirements and domestic development priorities. Importantly, the document addresses resilience to crises, particularly in light of new realities resulting from the COVID-19 outbreak as well as possible future shocks¹⁹.

The SDG Framework identifies **three long-term development pathways in the country**: **(i) Good Governance and Public Sector Management** to improve accountability, transparency and efficiency, with focus on policy planning and coordination, public finance management, service delivery to citizens and businesses as well as on anti-corruption and judiciary; **(ii) Smart Growth** focusing on building a competitive, vibrant and sustainable economy by fostering green growth based on decarbonization, circularity, innovation and digitalisation, and; **(iii) Society of Equal Opportunities** so as to achieve the principle of leaving no one behind, through enhancing access and quality of social protection and health care, inclusive education and job creation and employability for the socially excluded.

Considering the multi-tier governance structure of BIH, further operationalisation of the Framework is being ensured through its mainstreaming into national and sub-national development strategies. Importantly, in the new 2021-2027 planning cycle, SDG-aligned development strategies will for the first time be **linked with mid-term and annual institutional plans and budgets**, thus informing the allocation of public funds. Moreover, programme-based budgeting is expected to be introduced in 2022/2023, which is a unique opportunity to further reinforce on-system linkages between public budgets and SDGs.

The SDG Framework in BIH recognizes the fact that domestic public finances have to be effectively used for addressing the most pressing development priorities. In that context, it is important to **link the existing public financing instruments with SDG-informed strategies and policies**, planning for and measuring the contribution to reaching domesticated SDG targets. Even though public budgets will be central for achieving these targets, **public resources will however not be sufficient to cover all the needs**. Governments will need to mobilize broad-based partnerships with other actors such as the private sector, international and domestic financing institutions and employ innovative ways of financing for a greater development impact. **The private sector must be supported to act as the primary engine of growth** and thus crowding private capital into the domestic development agenda especially after the recent post-pandemic reality.

Departing from the considerations above, stakeholders in **BIH face a number of challenges that will need to be addressed both in the medium and long term** to accelerate the achievement of the domesticated sustainable development agenda. Critical gaps can be grouped as follows:

- **The governments in BIH have established or are in the process of establishing their strategic planning and implementation systems that should for the first time ensure integration of development policies, guided by the SDG Framework in BIH, into operational and financial planning.** These systems are new and require support for their future effective functioning, particularly in policy planning and coherence both at the stage of design and implementation, balancing out the three dimensions of sustainable development – economic, environmental, and social. In addition, governments at all levels in the country will face **significant challenges in monitoring of performance towards the SDG targets**. These challenges include setting effective and user-friendly monitoring approach, ideally through digitalization of systems used by statistical institutions and line

¹⁹ The working group consists of formally appointed representatives of the BIH Ministry of Foreign Affairs, the BIH Directorate for Economic Planning, the FBiH Development Planning Institute, the RS Ministry for European Integration and International Cooperation, representatives of the Government of Brčko District BIH as well as BIH and entity statistical offices.

ministries. **The SDG Council in BIH**, established with the task to coordinate, monitor, and report on the SDG achievements in the country will play an important role in ensuring coherences among these processes.

- **For cantons and local governments**, the SDGs can be seen as a **transformative agenda aiming to improve overall quality of life of citizens**. Local governments are at the forefront of citizens' demands for effective service delivery and confronted with most of development challenges and shocks, including air pollution, disasters and climate change, poverty and social exclusion, unemployment, etc. The achievement of the SDG targets set for the country will therefore need proactive local and cantonal governments that work with their communities, civil society organisations, schools, and universities. Such actions are needed not only to ensure consistency and coherence of policies within cantons and local governments towards the SDGs, but also to raise awareness among communities and citizens on how their individual or collective actions contribute to creating better and sustainable society²⁰.
- **The private sector is increasingly recognizing the need to introduce sustainable business models and products**. Introducing new practices, products and tools will not only help private companies being more environment or labour-friendly within the communities they operate in; it is essentially a requirement if they wish to be competitive on regional and global markets. Growing number of companies have started measuring the impact of their business models on environment²¹. At the same time, International Financial Institutions (IFIs) are considering how to measure environmental impact of their financial instruments both with private sector and infrastructure investment schemes. There is evidently a need for support in establishing mechanisms for measuring and reporting performance and meeting the demands of sustainability reporting, based on the Global Standards for Sustainability Reporting as designed by the Global Reporting Initiative (GRI)²². Importantly, **private sector efforts need to be closely backed by a more agile public sector that is capable and ready to facilitate the transformation process** of the business environment.
- In the context of the SDG implementation and in view of the COVID-19 recovery, the SDG Framework underlines the **potential of new and innovative business models that take into account environmental and social considerations**. The circular economy approach to economic development is a new way of creating value, prosperity and productivity, and as such it is an essential engine for achieving the 2030 Agenda with and for the private sector²³. Determining "how" and "why" different sustainability principles contribute to minimizing waste generation and maintaining the value of products and resources for as long as possible will be critical to achieving the overarching goal of the 2030 Agenda – sustainable development for all. To start addressing sustainability in doing business in a more systemic manner, companies need tailored support to reduce their carbon footprint, while delivering on new business opportunities and increasing value-added. This is closely related to an introduction of new technologies and know-how, particularly with respect to concrete business transformation opportunities and improved resource management. In addition to the SDG Framework, the authorities and other stakeholders in BIH have been engaged in policy dialogue on designing the Circular Economy Roadmap. While this represents an important milestone, **the actual transformation towards circular economy will require timely and targeted support to businesses**. Initial focus needs to be on developing

²⁰ ... 'cities must be involved and contribute to this effort. They can offer projects that meet our European goals of the green and digital transition, ... Because the city is where all the challenges are coming together', Ursula Von der Leyen, President of the European Commission, Urban Future with a Purpose' webinar, 28 January 2021.

²¹ 23 companies prepared public annexes to their annual reports as part of the SDG Business Pioneers Award 2020. In these companies, the total number of employees is 7,396 (927 newly employed in 2019/2020, out of whom 55% women), while 60% of managers are women.

²² GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

²³ The circular economy is an integral part of the sustainability agenda and can contribute to several different SDGs. It is obvious that SDG 12 Responsible consumption and production, is at the heart of the circular economy. But other goals that the circular economy can contribute to include SDG 2 End hunger (via sustainable food production), SDG 6 Clean water, SDG 7 Affordable and clean energy, SDG 13 Climate action, and SDG 15 Life on land. At sub-target level, it becomes even clearer. Some sub-targets explicitly address goals where circular principles play a role, such as efficient use of resources, redesign, and longer use of materials.

necessary circular economy analytics to inform implementation of concrete interventions, including adequate support measures targeting SMEs and introduction of circular business models.

1.3. Stakeholders' analysis

A key institutional stakeholder for the Agenda 2030 in the country is the **SDG Council** which is tasked by the BIH Council of Ministers to coordinate, monitor and report on the implementation of the SDG Framework and Agenda 2030 in the country. More specifically, the main stakeholders within the SDG Council are **the BIH Ministry of Foreign Affairs, the BIH Directorate for Economic Planning, the RS Ministry for European Integration and International Cooperation, the FBIH Development Planning Institute and the Brčko District Department for Economic Development**. The SDG Council successfully prepared and presented the country's first VNR in 2019 and coordinated the participatory development of the SDG Framework in BIH. Furthermore, the ministries of finance from state and entity levels, as well as Brčko District Directorate for Finance are also key institutional stakeholders for ensuring a coordinated approach to the targeted and accelerated financing of the SDGs. Together with the SDG Council, they are engaged in the SDG Financing Framework Working Group supported by the UN, meant to define how to implement and finance the SDG priorities in BIH, relying on the full range of public and private financing sources.

Line ministries/departments, at state, entity and Brčko District level, play a key role in the creation, budgeting and implementation of sustainable development policies. The current and emerging planning systems envisage that ministries prepare their mid-term and annual work plans based on SDG-aligned integrated and sectoral strategies and that their budgets are subsequently aligned with their work plans. The paradigm shift brought by the Agenda 2030 requires significant capacity development and change in mindset, to equip the ministries with understanding, knowledge and tools for programming for accelerated achievements of SDG targets in sectoral priority areas. This is particularly the case with respect to the principle of leaving no one behind, where there is a need for policy changes and innovative approaches to service delivery. In the area of circular economy, there is no relevant policy or regulatory framework to guide the transition process in line with the SDG Framework in BIH, as well as the country's commitments under the Paris Agreement and the Sofia Declaration (i.e., in terms of decarbonisation, transition from linear to circular economy, etc.). In addition, the role of relevant ministries to introduce new legal framework and circular economy conducive policies will be important for the implementation of circular economy principles in the country, thus contributing to the achievement of Agenda 2030.

Similarly, in the FBIH entity, **cantons** have significant competencies for sustainable development policy making, budgeting and implementation, while some of their responsibilities are also shared with the FBIH Government. However, operational capacities of most of the cantons are relatively weak and cantons often thwart progress due to lack of support or insufficient understanding of the importance of such complex development processes. Therefore, attention needs to be placed on systemic capacity development of cantons along with awareness raising among cantonal decision-makers in the broader sustainable development agenda, so as to ensure their support and decrease restraining influence on development processes.

Local governments hold a high degree of competencies in enabling access to, and improving the quality of, vital public services across a range of sectors, to include, but not limited to, health, social protection, education, water and sanitation, and road management. The chronic underinvestment across all these sectors, however, has had an adverse effect on the overall quality of life in local communities across the country. Being the government level closest to citizens, local governments are in position to make significant contribution to sustainable development relevant to local needs. To do so, local governments need to have efficient instruments and processes in place to enable better and more sustainable development policies, governance and services, ultimately contributing to improved quality of life of citizens, where particular attention is paid to leaving no one behind.

Associations of Municipalities and Cities (AMC) in both entities play an important role in various advocacy processes and country-wide best practice exchange. They have a pivotal interest in local governments' needs

being taken into account. Despite the fact that AMCs still lack solid institutional, organisational and leadership capacity that would allow them to perform their functions in the most effective manner, they have a strong supportive role, particularly with regard to advocacy for regulatory advancement in the local governance domain, dialogue between local and higher government levels, as well as in providing systemic support to local governments in improving governance.

Local social protection service providers, such as Centres for Social Welfare (CSWs), have a transformative potential for ensuring social and economic inclusion and provision of support to vulnerable population. However, social service providers in BiH are mostly underdeveloped, understaffed and hugely underfunded. Most of them face significant challenges stemming from their weak capacities and administration burdens. Social services should be modernized through consultative processes that are evidence-based and integrate service users. This needs to be coupled with targeted investments in their capacities and awareness raising on their crucial role as social development catalysts at local level.

Parliamentary commissions at all government levels, particularly those dealing with finance, play a critical role in defining strategies, financial policies and budget making and oversight processes. Currently their level of understanding of the potentials of the Agenda 2030 and SDGs is insufficient and requires awareness raising and capacity development.

Statistical institutions play an important role in collecting and providing data required for monitoring and reporting on the implementation of SDGs. In line with relevant international agreements, statistical institutions provide data to international agencies such as UN bodies, Eurostat, OECD and others. Statistical institutions have already been engaged in the creation of the SDG Framework in BiH within the specific Data/Statistics sub-group and have contributed to setting the SDG targets and indicators for BiH. However, they lack an effective and coherent monitoring approach and tools that would enable tracking of progress towards the set SDG targets.

Private sector's systemic engagement in implementing the SDGs is of crucial importance. Initial efforts to raise awareness and engage the private sector to support actively the SDGs have been made, resulting in increased interest of companies to make their business operations more sustainable through the introduction of sustainable business models, as well as monitoring and reporting on their sustainability actions. However, recent data indicate that majority of companies in BiH believe they lack financial resources, technological capacity and knowledge to integrate circularity into their business models²⁴. Accordingly, tailored support is needed to address these shortcomings, towards accelerated growth that incorporates environmental and social considerations.

Business support organizations such as business development centres, centres of excellence, trade chambers and unions, innovation hubs etc. play a significant role in supporting the business community and the private sector in building capacities and adapting to the ever-changing business environment. The business support ecosystem is an important enabler in business innovation and adoption of new sustainable business models and principles.

Civil society organisations (CSOs), academia, unions, development agencies, and public service providers are also relevant stakeholders that can contribute to reinforcing the SDG financing infrastructure. They can play a significant role through engaging in partnerships for accelerated SDG progress.

Donors and international organisations are also important players in the context of SDG financing. Having in mind the SDG Framework in BiH, donors and international organisations can help the country achieve its SDGs targets aligning their strategies and financing streams with and acting in sync with domestic institutions.

²⁴ Assessment and analysis of the state of transition to a circular economy in BiH, UNDP, 2021.

1.4. Lessons learnt from previous from previous SDG Roll-Out Project

SDG Roll-Out Support and Private Sector Engagement Project (2017-2021, financed by Sweden and implemented under the leadership of the UN Resident Coordinator's Office (UN RCO), by UNDP in cooperation with United Nations International Children's Emergency Fund (UNICEF) and United Nations Population Fund (UNFPA), played a critical role in initiating the implementation of Agenda 2030 in BIH.

The Project facilitated highly participatory design of key SDG-roll out documents, such as the first VNR of BIH as well as the SDG Framework in BIH, both prepared by the SDG WG. The VNR was presented in July 2019 at the High-Level Political Forum in New York, in a joint manner, by relevant institutions in BIH, under the leadership of the BIH Ministry of Foreign Affairs.

The process of preparation of the SDG Framework in BIH included more than 200 representatives from institutions at all government levels, civil society, private sector and academia. The entire process was led by the SDG WG that also played a critical role in conducting the consultations with a wide range of stakeholders that had the opportunity to learn and directly influence the priorities set in the document.

Engaging businesses while focusing on innovation and modernization of existing business models, along with well targeted capacity development and wide promotion of good practices, proved the interest of companies for SDGs and paved the way for establishing business models that already yielded first SDG results. This resulted in a continuously increased number of companies valuing SDG principles and subsequently applying them in their business operations. This was demonstrated through continuous increase of interest and the number of applications of companies for the SDG Business Pioneers Award in BIH.

These important results highlighted a number of "lessons learned" that extended throughout the project implementation and that should be considered in the future:

- The **participatory and consultative approach** applied by the Project, paired with awareness raising and capacity development and on-system support to localising Agenda 2030, proved to be crucial for success and domestic ownership of both process and results. This provided for an opportunity for the stakeholders to contribute to and be part of the solution, to be creative and to share and own jointly achieved results.
- **Continuous empowerment of the key stakeholders** such as the SDG WG resulted in full ownership and readiness of domestic partners to facilitate and move processes forward. Institutional partners appreciated this approach and the fact that project actions and focus were not overprescribed and finite in their scope.
- **Continuous advocacy and support to strengthening strategic planning and development management systems in the country**, which are recognised as the backbone for systemic implementation of the Agenda 2030. These vertically and horizontally aligned systems are new or emerging and thus require future support.
- **Innovation and exploration.** Hallmark characteristic of the project is that all its work has fostered the transformative actions of business towards more sustainable business practices, by applying innovation and exploration as continuous parts of the thought processes.
- **Piloting of new and innovative business models based on circular economy and decarbonisation principles** provided hands-on guidelines for business community how to successfully embark on the circular economy transformation journey. The pilots also break the myth of budgetary constraints for such transformations where the pilots show how smaller investments can have exponentially large positive impact on businesses. However, businesses still need to build specific human capital to be able to envision new ways of doing business and design transformative actions towards the circular economy.

- **Placing the focus on development agenda** is of extreme importance in a country where political issues and disagreements take up most of the public space and where issues relevant for everyday life of the citizens are side-lined.

2. STRATEGY

2.1. Theory of change

By engaging and supporting a wide range of stakeholders in BIH, primarily governments and socio-economic stakeholders and strengthening their capacities for systemic implementation of the SDG Framework in BIH, prerequisites to the attainment of the SDG targets in the country will be created.

Efforts that will be made to strengthen the ability of governance systems in the country for planning, financing and implementation of activities towards the SDGs will support connecting public and private finances with a view of fostering SDG commitments, fostering smart and green growth, while at the same time contributing to creating a society of equal opportunities. By providing relevant data and analysis, promotion of circular business models, capacity development and knowledge sharing support, the stakeholders in the country will be supported in kickstarting the transition towards circular and low-carbon economy.

Piloting SDG localisation at the cantonal and local levels, increased awareness and capacities of local stakeholders, along with support to prepare and kick off implementation of concrete projects will instigate concrete changes in the life of people and demonstrate how lower government levels can contribute to reaching the SDGs, with particular focus on ensuring that no one is left behind in the process. By empowering vulnerable population groups, as drivers of solutions in their communities, the effectiveness and needs-orientation of local governance systems will be enhanced, and human capital investments increased.

In previous years, the focus was on raising awareness of the private sector and other stakeholders on sustainable development and the SDGs. Further engagement and cooperation of the private sector and other stakeholders will accelerate domestication of SDG targets and maximize results.

2.2. Relevance of the Programme

The Programme's relevance for the country's achievement of Agenda 2030 and the SDGs stems from BIH having only recently initiated domestication of SDGs. While this process is now gaining speed, with the adoption of the SDG Framework in BIH, its mainstreaming into development strategies and the establishment of the SDG Council, institutions at various government levels require capacity support in their efforts to implement the SDGs. This may be done through: (i) strengthening the existing systems in aligning with and implementing Agenda 2030 priorities and (ii) implementing specific priorities that would contribute to development acceleration. Even though governments' actions remain central to achieving the domesticated SDG targets, considering the complexity of the Agenda 2030, a significant additional contribution is required by all actors in the society, particularly the private sector. Only with the private sector heavily engaged in SDGs and adequately supported by government policies and instruments toward affirmative SDG business enabling environment, the accelerated achievement of Agenda 2030 in BIH will be possible.

Further, the Programme is relevant for implementation of a number of strategies that have already incorporated or are in the process of incorporating the principles and priorities set within the SDG Framework at various government levels. This includes the 2030 Strategic Framework for BIH institutions (in the process of preparation), the Brčko District BIH 2021-2027 Development Strategy (adopted), the FBiH 2021-2027 Development Strategy (pending

adoption by the House of Peoples of the FBiH Parliament), 10 cantonal 2021-2027 strategies (8 adopted and 2 pending adoption) and a number of local governments' strategies and sectoral strategies.

The Programme also aims at improving the regulatory frameworks on circular economy, thus offering better policy pre-conditions for green, resilient, and low-carbon economy based on relevant EU models and standards. These efforts will be closely linked to the Circular Economy Roadmap being prepared by institutional partners in BiH. The Programme will support analysis of current trends in terms of circular economy and sustainable business practices in BiH (e.g., at the level of one industry and select number of SME), supporting governments to initiate the transition to the circular/green economy in line with the SDG Framework (specifically Smart Growth development pathway), and its aspects related to industrial strategy for a clean and circular economy; climate neutrality and zero pollution. Accordingly, the Programme is highly relevant for BiH as a signatory to the Paris Agreement, and the Sofia Declaration on the Green Agenda for the Western Balkans.

Further, the Programme is in line with the Strategy for Sweden's reform cooperation with the Western Balkans and Turkey for 2021–2027, including its following lines of action:

- Human rights, democracy, the rule of law and gender equality: By supporting the authorities at various levels in operationalizing the development accelerators and priorities from the SDG Framework in BiH, the Programme will contribute to improved governance, gender equality and social inclusion.
- Peaceful and inclusive societies: Using the SDG Framework in BiH as a platform, the Programme will promote cooperation and inclusive policy dialogue among authorities at various levels, disseminating good practices and success stories, and contributing to a joint development narrative beyond currently divisive political rhetoric.
- Environmentally and climate-resilient sustainable development and sustainable use of natural resources: At its core, the Programme will actively work on operationalization and localization of the SDG Framework in BiH as a key document that regulates sustainable development in the country.
- Inclusive economic development: When it comes to inclusive economic development, the Programme will focus on improving opportunities for productive employment, promoting sustainable growth models, towards better integration into regional and international value chains as well as creating better prospects for a gender-equal society.

Finally, the Programme will directly contribute to all strategic outcomes of the BiH - UN Sustainable Development Cooperation Framework (UNSDCF) 2021-2025 and the UNDP Country Programme Document (2021-2025).

2.3. Hierarchy of objectives

The **overall objective** of the Programme is to contribute to accelerated achievement of SDGs in BiH by supporting governance systems and private sector engagement towards green and inclusive growth. The Programme is thus expected to support the authorities in BiH in their efforts to advance their progress towards the achievement of sustainable development targets defined in the SDG Framework in BiH. The Programme is organized around two mutually reinforcing **outcomes**:

- Outcome 1: Authorities at state, entity and Brčko District BiH levels effectively work on planning, implementing, monitoring, and reporting on the SDG Framework in BiH and foster development partnerships.
- Outcome 2: Cantonal and local governments actively contribute to implementation of the SDG Framework in BiH.

Using the SDG Framework in BIH as a reference point, the Programme will support the public sector capabilities to translate the priorities into a set of long- and short-term planning and policy documents that lay-out its implementation and enable connectivity with the public budgets. Further, the Programme will support institutional partners to translate the select development accelerators into concrete action, including in the area of care economy and circular economy, while also leveraging partnership with private sector and civil society.

Having in mind the integrated nature of the SDGs, adequate institutional arrangements will be put in place, involving governments at different levels, and providing support and strengthening the newly established SDG Council to coordinate cross-ministerial and cross-governmental activities. On the other hand, the Programme will work with relevant governance structures to boost their capacities and systems towards coherent SDG-based programming, financing, implementation, monitoring and reporting. This will include piloting SDG localisation at the local and cantonal level in the country, thus strengthening vertical alignment and creating practices and results to be further scaled-up across the governance systems.

Importantly, efforts will be made to ensure a strong business case for private sector in the SDG implementation process. Through structured capacity building, awareness raising and promotion of good practices and increasing entrepreneurial spirit, the private sector actors in BIH will be sensitized and brought together around the sustainable development agenda, particularly circularity. The focus will be on the important private sector role in this context, including in terms of their green businesses and greening businesses, as well as innovation and new business models. Profit-driven nature of companies will be kept in mind, while pursuing SDG principles and values as future business opportunities that will enable companies to grow and contribute to development priorities.

An overview of outcomes, results and activities is displayed and elaborated below:



3. RESULTS, APPROACH AND PARTNERSHIPS

3.1. Description of outcomes and outputs

Outcome 1: Authorities, at state, entity and Brčko District levels, effectively work on planning, implementing, monitoring, and reporting on the SDG Framework in BIH and foster development partnerships.

Under this Outcome, the Programme will support the government, at state, entity, and Brčko District levels, in systemic policy planning and alignment of policies for future effective operationalisation of the SDG Framework, including overall coordination as well as coherent monitoring and reporting. In addition to strengthening the role of the SDG Council and enhancing the existing planning systems that should enable mainstreaming of SDGs into governments' policies, focus will be on helping the governments in programming for inclusive and sustainable development through translating selected development accelerators and drivers from the SDG Framework into concrete actions by employing innovative approaches. This will include support to relevant institutional stakeholders to better understand and embrace the principle of *Leaving No One Behind*, including through introducing the concept of care economy (defining appropriate models for BIH context, incorporating the concept into relevant sectoral strategic frameworks, and implementing models in order to demonstrate value of investment and returns in this sector). The programme will benefit from UN Women's, UNICEF and UNDP's knowledge in working on these specific topics. These activities will be accompanied by capacity development interventions across the selected development accelerators and drivers through training, policy advice, peer to peer exchange and similar. Moreover, this Outcome entails work with parliaments across the four government levels, which are seen as powerful agents of change, so as to enhance their capacities for inclusive and sustainable decision making and oversight, including ensuring that adequate financial resources are allocated to the achievement of sustainable development priorities. Under Outcome 1, the Programme will also address enhancing systems for SDGs monitoring and reporting. On the one hand, the programme will work with the statistical bodies on systemic tracking of progress while utilising statistical data to support the overall monitoring role by the SDGs Council in BIH.

Importantly, the Outcome will build on the efforts of the ongoing UN Joint Programme²⁵ that aims at identifying long-term solutions and instruments for more integrated sustainable development financing in BIH as well as **enhancing capabilities of governments for strategic re-channelling of public resources in selected sectoral priority areas for accelerated achievement of SDG commitments**. More specifically, the programme will seek to support **adjustments of existing and establishment of new innovative partnership instruments for financing sustainable development in selected priority areas** supporting implementation of development priorities at the entity level. This result may also include cooperation with IFIs for inclusive growth.

To enable wide-ranging implementation of SDGs in the country, this Outcome also focuses on **advancing private sector engagement in the implementation of Agenda 2030 and transition towards the circular economy**. Following the results achieved through the SDG Roll-Out Support and Private Sector Engagement Project, funded by Sweden and implemented by UNDP, the Programme will further expand the activities that have led to the adoption of sustainable practices and reporting principles in companies, mentoring and building human capital and increasing entrepreneurial spirit and start-ups. In the context of the SDG Framework, the Programme will invest efforts to accelerate the transition towards circular economy, including by conducting necessary assessments, as well as by deploying analytical tools and other support to inform and advance the SMEs transition towards more sustainable and circular business models.

²⁵ Implemented by UNDP, UN Women, UNICEF, ILO, WHO, and UNESCO, for the period 2020-2022.

Below is an overview of three outputs and related activities within Outcome 1.

Output 1.1. The SDG steering body and institutional partners at state, entity and Brčko District levels are equipped with knowledge, capacities and tools for synchronized and effective planning, financing, monitoring, and reporting on the implementation of the SDG Framework in BIH.

Activity 1.1.1. Support to effective functioning of the SDG Council in BIH (UNDP)

This activity will be implemented throughout the Programme implementation and is critical for systemic coordination of implementation, monitoring and reporting on the country's achievements towards the SDGs. It will include technical support mobilized across the UN system to the SDG Council in their efforts to widely promote the SDG Framework (both online and through events and workshops), including identification and elaboration of business processes within the SDG Council. This includes support in designing a model for future support functions of the SDG Council – i.e., the position and the role of the SDG Council's Secretariat as this role is currently fulfilled by the UN. Also, the SDG Council will be supported to develop a branding for the SDGs in BIH to be used for further awareness raising.

The activity will also seek to support the SDG Council in developing partnerships with a broad range of stakeholders, which includes governments at all levels (particularly cantonal and local governments) but also potential partners from the private sector, civil society, academia, youth, international organisations and partners, etc. These efforts will also entail creating a platform to enable structural participation and contribution from the socio-economic stakeholders.

Moreover, under this activity, the Programme will support the SDG Council in monitoring and reporting on the implementation of the SDG Framework. This will require establishing a monitoring and reporting coordination system with the relevant planning institutions from all government levels, statistical institutions and inputs provided from other stakeholders (civil society, private sector, etc.). This activity will also focus on supporting the SDG Council and other relevant stakeholders in preparing and presenting the country's 2023 VNR. Specific assistance will entail administrative and technical support as well as capacity development to the SDG Council, statistical offices and socio-economic stakeholders.

As SDG Council Co-chair, the UN Resident Coordinator will be engaged and support these efforts towards effective functioning of the SDG Council in BIH.

Activity 1.1.2. Strengthening governments' planning systems for effective implementation of the SDGs, monitoring and reporting (UNDP).

As defined within the SDG Framework, functional planning and development management systems at all government levels are the backbone for effective implementation of the priorities set therein. This activity therefore focuses on strengthening these systems at the state level, the entities and BD BIH for vertical and horizontal coordinating, monitoring and reporting on implementation of the SDG Framework in BIH. Coordination and communication of the planning units at these government levels will go into two directions. On the one hand, the planning units will interact with the relevant institutions at their respective government levels both horizontally and vertically, ensuring strategies and institutional workplans include policies and activities stemming from the SDG Framework. On the other hand, regular coordination and interaction will be established with the SDG Council for the purpose of systemic monitoring and reporting on the SDGs achievements in the country.

In this respect, assistance will be provided to the BIH Directorate for Economic Planning, the Strategic Planning Unit of Government Secretariat of Brčko District, the FBIH Planning Institute and the Strategic Planning Department of the RS Government in strengthening their coordinating role in SDG-based planning, budgeting and reporting cycle. The Programme will work to further strengthen vertical coherence of the system by promoting and supporting regular horizontal and vertical coordination and exchange of best practices and lessons learned. The Programme will

explore possibilities for developing an integrated information system to standardise and align mid-term and annual planning with SDGs-aligned development strategies, in cooperation with relevant planning structures.

Activity 1.1.3. Supporting governments in translating selected development accelerators into action (UNICEF, UN Women, UNDP).

The Programme will support translating of selected development accelerators into action, working with the planning systems and relevant line ministries. This will entail design and delivery of technical assistance packages, including capacity development, creation of knowledge tools as well as on-the-job support to selected government institutions (primarily at the entity/cantonal level) towards new policy tools with specific focus on social protection, care economy and circular/green economy.

The Programme will build upon the existing baseline analyses (regulatory and financial), policy and programming options, that will serve as critical inputs into participatory regulatory and/or policy processes aiming to define innovative partnerships and new models of service delivery and income generation. In view of Leave No One Behind principles, the Programme will support the operationalisation of relevant accelerators from the SDG Framework through entity social protection strategies, enabling their translating into concrete actions²⁶. Having in mind the importance of gender equality and empowerment of women for the achievement of SDGs, this activity also entails piloting of care economy models at the cantonal and/or local levels to demonstrate value of investment and returns in this sector, specifically for women and vulnerable categories.

Further, having in mind the SDG Framework, as well as the emerging Circular Economy Roadmap²⁷, the Programme will support the governments to kickstart the transition to the circular/green economy by mapping circular economy opportunities for one key industry (furniture/textile-apparel). Opportunities to transform current business models and introduce circularity will be explored, including through reducing resource consumption, waste and pollution. Further support will be provided to enable businesses to perform their circularity assessment through a deep insight based on the material flow analysis (MFA) and life cycle assessment (LCA), but also across their entire operations and in view of digitally enabled solutions which could accelerate the transition to the circular economy. A tool will be developed and piloted to enable assessing of circular economy maturity (i.e., the presence of documented activities and practices laying the foundations for introduction of circular economy), and circularity (i.e., attained circular economy-related performances) in 10 SMEs.

While recognising the importance of human capital for circular/green economy, the Programme will also assess knowledge and skill gaps for future jobs in businesses and business ecosystem targeting 10 SMEs, followed by capacity development support (e.g., on new business models, green jobs, green products, etc.).²⁸

Where feasible, this intelligence may be used to support the government to design and deploy policy support measures, also ensuring complementarities with Output 1.2. related to public financing instruments.

Activity 1.1.4. Strengthening capacities of parliaments for SDG-informed decision making and oversight (UNDP)

By adopting the SDG Framework in BIH, the governments in the country have committed to achieve the SDG targets set therein. Parliaments have an important role to play in mainstreaming the development pathways into legislative processes, policies, and budgets but their general understanding and capacities on SDGs implementation are weak. Under this activity, the Programme will support the SDG Council in organising thematic sessions on implementation

²⁶ UNICEF has ongoing partnerships with relevant line ministries and stakeholders in development of social protection strategies.

²⁷ UNDP is currently undertaking a circular economy system overview – as part of the on-going inclusive development of the Circular Economy Roadmap for BIH, which will identify strategic bottlenecks, opportunities and priority actions that can trigger system change towards circular economy in the country. The Circular Economy Roadmap is to be finalized in early 2022.

²⁸ The focus will be on top and second tier management, who will ultimately lead the business transformation efforts and devise business strategies for the future. Where feasible, the Programme will also work with the universities and other industry-specific education stakeholders to design and provide capacity development programmes to businesses and their employees (knowledge transfer, creating networks and partnerships among businesses and academia/science institutions to foster innovation).

of the SDG Framework aimed at developing capacities of the parliamentarians and strengthening the role of parliaments for SDG-informed decision making and oversight (including from the perspective of SDG Framework considerations in regulatory impact assessment of draft policies and legislation). Moreover, systemic coordination between the SDG Council and the parliaments in the country will be encouraged, particularly with relevant parliamentary bodies (thematic commissions and boards), so that these bodies are aware of specific 2030 targets and the need to ensure relevant policies and financial resources for their achievement.

Activity 1.1.5. Strengthening state and entity statistical institutions' capacities for monitoring achievements towards SDG targets (UNDP)

This activity will aim at supporting the statistical offices at the state and entity level in systemic collection of data required for monitoring of the SDG achievements. In particular, this activity will build on the structures established in the preparation of the SDG Framework in BIH (Data/Statistics sub-group as part of the SDG WG) and will aim at ensuring support from statistical offices to the SDG Council in monitoring and reporting on the progress of governments in BIH towards meeting the set SDG targets. In addition to support in fostering interaction and regular cooperation of the statistical institutions with the SDG Council, this activity will also support better modelling of data collection, presentation, and monitoring.

Output 1.2: Public financing instruments at the entity and/or cantonal level sustainably reinforce the achievement of the SDGs in selected priority areas, including through partnerships with the private sector.

The SDG Framework in BIH recognises a number of priority areas where governments do not only need to change the way they design policies but also how they finance sustainable development. Exploiting development partnerships and joining forces with a wide range of stakeholders is a pre-requisite for accelerated SDG achievements. Activities under this Output will therefore aim at identifying and piloting financing instruments that have the potential to mobilise financing from other resources, such as other government levels, the private sector, financing institutions, etc.

Activity 1.2.1. Assisting entity and/or cantonal governments to improve their financing instruments towards advancing sustainable development (UNDP).

This activity will focus on provision of technical assistance and capacity development, including design or adjustment of legal procedures for accelerated financing of priorities stemming from the SDG Framework (e.g., circular/green economy, digitalization of services/products in private sector, support to SDG localisation, etc.). Specific priority areas will be determined by building on the results of the UN Programme on SDG Financing, that will support the preparation of a financing framework for SDG implementation in BIH, including determining financing gaps as well as existing and potential instruments for financing the SDGs. The Programme may assist in improving the existing financing instruments towards their effective contribution to the domesticated SDG priorities, or in designing 1-2 new instruments, if relevant.

In deploying support for improved financing of priorities, the Programme will seek to ensure: (i) the potential of the selected instrument to mobilize resources; (ii) the potential of the selected instrument for catalytic support to accelerated SDG achievements; and (iii) the scalability of the selected instrument. Prior to launching this activity, it is of critical importance to ensure commitments from the entity and/or cantonal governments to secure regular government co-financing and long-term operation of such financing instruments. In addition, partnership from other stakeholders will be sought such as the international or domestic financing institutions or private sector.

Activity 1.2.2. Supporting entity and/or cantonal governments in deploying improved financing instruments to support implementation of priorities stemming from the SDG Framework (UNDP).

Under this activity, the Programme will support entity and/or cantonal governments in deploying improved or piloting innovative financing instruments, thus directly supporting implementation of the SDG Framework and

SDG-aligned development strategies. The support will entail provision of grants in the total amount of USD 900,000 that will be disbursed within two annual cycles. Entity/cantonal governments will be required to match the Programme contribution. Final beneficiaries (i.e., local governments, private sector) will be required to ensure 40% co-financing, on average. The Programme will seek to designate direct management responsibility of relevant entity and/or cantonal institutions for the running of the financing instruments.

Output 1.3: Advancing engagement of private sector and other stakeholders in sustainable development

This Output focuses on advancing engagement of private sector, but also of other relevant actors, in the implementation of Agenda 2030. Following the results achieved through the SDG Roll-Out Support and Private Sector Engagement Project, funded by Sweden and implemented by UNDP, the Programme will further expand the activities that have led to the adoption of sustainable practices and reporting principles in companies. Furthermore, the Programme will support social and behaviour change towards sustainable production and consumption through the promotion of circular economy principles and good practices implemented in BIH and the region.

Activity 1.3.1. Engaging private sector to promote sustainable development (UNDP)

The **SDG Business Pioneers Award in BIH** has grown into a flagship brand and an excellent private sector engagement instrument. The Programme will support the localisation of the Award, ensuring its methodology integrated in the existing country mechanisms. The Award will serve as a base for promotion of importance of sustainability reporting, GRI standards and creation of decent jobs and reduction of environmental impact in private sector.

Furthermore, the Programme will facilitate **exchange and recognition of good practices, as well as networking in the area of circular economy**, by providing a forum bringing together civil society, businesses, public administration, academia, and financial institutions. The platform will enable dialogue among stakeholders, stimulate learning and raise preparedness for technology changes towards circularity in developed markets. Opportunities will be explored to engage diaspora expertise and networks, bringing together like-minded businesses and other stakeholders around the idea of sustainability and circularity. These efforts will build on the SDG Business Pioneers network and the SDG Week, which have proven to be excellent private sector engagement instruments.

Activity 1.3.2. SDG Week and promotion of SDG localisation

The **SDG Week** is a meeting, consultation and discussion platform for promotion of the SDGs in BIH. The Programme will support annual gatherings to continue to raise awareness and engage the key audiences in discussions over new trends in SDG governance and localisation, fostering decarbonisation, innovation and smart economic growth, and ultimately contributing to creating a society of equal opportunities.

Further, a set of awareness-raising and promotion activities will be implemented with local governments, including the “SDG Award”, along with continuous promotion of results and practices from the pilot localities within various platforms, including practitioners’ networks within the two Associations of Municipalities and Cities.

Outcome 2: Cantonal and local governments actively contribute to implementation of the SDG Framework in BIH.

The targets set within the SDG Framework cannot be met by the state and entity level alone as some of them are directly related to the responsibility of cantonal and local governments. Cantons in the FBIH hold policy making competencies in a number of areas important for sustainable development (e.g., education, health, economy, social protection, etc.), while other competencies are shared with the FBIH. Having in mind this significant role of cantons as well as financial resources of cantons, this government level plays an important role in the overall acceleration of sustainable development. Local governments, on the other side, are the governance level closest to citizens and are responsible for providing basis service important for the overall quality of life of citizens.

Under this Outcome, the Programme will design and promote intervention packages to pilot grass-root localisation of the SDGs. Results to be achieved will serve as a good practice that would be further promoted and upscaled, in

close partnership with the Associations of Municipalities and Cities and the SDG Council. Importantly, operationalisation of development strategies will take place through existing strategic planning and development management systems established only recently, where governments at all levels will need support in translating the sustainable development priorities into implementable actions.

More specifically, this Outcome 2 envisages support to localization of the SDGs in up to 8 pilot local governments and up to 3 interested and motivated cantons. It entails support to programming and implementation for sustainable development based on their development strategies aligned with the SDG Framework in BIH across the priority development sectors through training, policy advice, tailor made technical support for specific interventions, peer-to-peer exchange, etc. It will also focus on systemic monitoring of achievements.

In light of the “Leave No One Behind” Principle, the Programme will deploy support to local grass-root interventions via policy design and/or small grant schemes at the local level (e.g., in the area of social protection and social development). At the cantonal level, the Programme will seek to engage governments funds towards creating specific grant schemes for targeted financial support to sustainable development priorities.

Lastly, Outcome 2 will also incorporate a set of awareness raising and promotion actions including introduction of “SDG Pioneers Award” among local and possibly cantonal governments with the objective to promote grass-root initiatives that advance progress towards the SDGs, particularly from the perspective of Leave No One Behind, actions aimed at decoupling economic growth from natural resources and similar.

This support will focus on most motivated cantons and local governments, with relevant development management functions, so as to ensure that practices and results created are sustainable and scalable. Particular attention will be paid to ensuring vertical coordination of development efforts at the cantonal and local level.

Specific outputs and activities envisaged under Outcome 2 are described below.

Output 2.1. Local governments capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 8 local governments).

Activity 2.1.1. Increasing capacities of local governments to operationalize SDGs-aligned development strategies (UNDP).

The Programme will support up to 8 pilot local governments in strengthening their capacities for sustainable development policy making, programming, budgeting and implementation across selected development accelerators. More specifically, selected local governments will receive technical assistance to translate the SDG priorities (via their development strategies) into concrete mid-term and annual work plans, along with their linkages to financial planning. Particular attention will be paid to capacity development of governments for integrated and sustainable programming and the principle of Leave No One Behind.

Activity 2.1.2. Supporting development of large-scale pipeline projects in the public sector that contribute to implementation of the SDG Framework (UNDP).

This activity will aim at supporting the partner local governments in kicking off implementation of their SDG-aligned development strategies through identification of large-scale development projects that would have catalytic impact in priority areas and in specific geographical territories. Once such projects are identified and their relevance to the SDGs and local strategic priorities is established, the partner local governments would receive technical assistance in preparation of technical documentation. In conducting this activity, the Programme will contribute to the EU efforts towards creating a single project pipeline, also identifying potential funding sources.

Activity 2.1.3. Design and implementation of Leave No One Behind grant scheme (UNDP, UNICEF).

In light of the “Leave No One Behind” principle, the Programme will design and deploy a grant scheme to support local initiatives stemming from local development strategies. Support will be provided to 8 pilot local governments to translate social priorities from SDG-aligned development strategies into concrete actions benefiting the most vulnerable social protection beneficiaries. Financial resources allocated per local government will be at ca USD 67,000. The level of co-financing will be in a range of 20-60% of the total project cost, depending on a type of initiatives/implementing partners.

Among other, social protection service providers at the local level will be supported with technical assistance to design, plan, budget and implement pilot projects contributing to social inclusion and reducing vulnerabilities of children and families while simultaneously strengthening service providers’ capacities to improve access to quality and needs-oriented social protection services. Grants will stimulate innovative partnerships among social protection service providers with private sector and civil society organizations, including social entrepreneurs aimed at improvement of existing and introduction of new social services in accordance with the needs and available resources at the local level. Expected number of beneficiaries is at least 25,000, 50% out of which are women.

Output 2.2. Cantonal capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 3 cantons).

Activity 2.2.1. Increasing capacities of cantons to operationalize SDGs-aligned development strategies through sustainable development policy making, programming, budgeting and implementation across selected development accelerators (UNDP, UNICEF).

This activity will support operationalisation of SDG-based strategies in selected cantons by technical assistance and capacity development of cantons for sustainable development policymaking, programming and subsequently budgeting and implementation.

Support will entail technical assistance and capacity development of cantonal development management units responsible for overall coordination of implementation of development strategies, as well as on selected sectoral ministries. This will include, in particular, sector ministries in the area of social protection, with the objective to support them in designing inclusive and integrated sustainable development policies specifically focusing on resources channelled to the most vulnerable families and children.

The activity will also entail capacity development of cantonal leadership (governments and assemblies) aiming to increase their understanding and capacities on their role in SDGs implementation in context of their decision-making power. This activity will not only contribute to creating a conducive environment for effective implementation of the SDGs in the specific cantons but will also help creating agents of change and advocates for Agenda 2030.

Activity 2.2.2. Supporting development of large-scale pipeline projects in the public sector that contribute to implementation of the SDG Framework (UNDP).

Similar to activity 2.1.2, this activity will aim at supporting the partner cantons in kicking off implementation of the SDGs through identification of large-scale development projects that would have catalytical impact in priority areas. Identification of projects will be followed by technical assistance to cantonal counterparts in preparation of technical documentation for the selected projects. In conducting this activity, the Programme will contribute to the EU efforts towards creating a single project pipeline, also identifying potential funding sources.

Activity 2.2.3. Grant schemes to support implementation of innovative sustainable development ideas at the cantonal level (UNDP).

Considering the policy making and implementation competencies of cantons for sustainable development, the Programme envisages supporting the partner cantons in designing and implementing specific grant scheme to advance the SDGs implementation. In addition to addressing cantonal priorities, the approach to grant scheme design and management will be based on EU practices, ensuring transparency of processes and direct relevance to priorities defined within the SDG Framework in BIH. Depending on selected priority areas, potential beneficiaries of grant support may be constituent local governments, public utility companies or private businesses. The Programme will make efforts to sustain/upscale the new approaches within cantonal administrations, as the ultimate objective is to enhance impact of cantonal development measures. The total amount envisaged for this activity is USD 240,000, which will be directed towards up to three selected cantons, provided that cantons demonstrate sufficient level of motivation for horizontal mainstreaming of the approach and readiness to match the funds provided under the Programme.

3.2. Resources required to achieve the expected results

Partnerships from the governments at different levels, as specified above, is crucial for successful attainment of the Programme results. Governments are key for future implementation of Agenda 2030 and thus their understanding, knowledge, capacities, and support is an absolute requirement for the Programme.

Partnership will also be sought with other donors, financial institutions, and private sector support networks as relevant for specific activities of the Programme.

Human resources with adequate experience and know-how are another critical resource. The UN agencies and offices in the country (UN RCO, UNDP, UNICEF and UN Women) have in the past years invested into capacity development of their staff on different aspects of the SDGs implementation, which will now serve as an important base for the Programme implementation.

At the same time, investment into capacity building of the institutional representatives in the **SDG Council** has not only increased their knowledge and understanding on the SDGs, but also created a network of SDG advocates within their respective government levels.

The UN will continue to invest in professional development of its staff, as well as its institutional partners, so as to create a backbone of knowledge for implementation of Agenda 2030 in the country.

Specific **technical knowledge** will be ensured through cooperation with interested and relevant partners from Sweden and engagement of individual thematic experts or service providers, when feasible. This includes external international and/or national expertise for the SDG financing modalities and instruments, innovative service delivery models (e.g., care economy), legal and technical assistance in the area of circular economy, etc. Specific Swedish expertise contracted through individual or institutional arrangements will be an added value.

Specific procurement will be required for projects that will be implemented primarily at the local level in the country. Procurement processes will be outsourced to partner local governments and conducted in accordance with the National Procurement Law, whenever possible.

3.3. Partnerships

Key partners of the Programme will be the governments at the state, entity and Brčko District level that have adopted the SDG Framework in BIH and expressed their commitment to jointly achieve the SDGs, in compliance with their constitutional competencies and international principles and standards of human rights. In doing this,

the governments have committed themselves to establish a functional system for long-term coordination of implementation as well as monitoring and reporting on Agenda 2030. Importantly, the governments have expressed their readiness to target funds for implementation of development priorities stemming from their SDG-based strategies and exploring new ways and instruments to finance sustainable development, including through partnerships with the private sector and other stakeholders. These governments will be invited to participate in the Programme Board.

With UNDP being the implementing agency for the Programme, the UN Resident Coordinator (with and through the UN RCO) will be engaged in the Programme, providing guidance, advisory and advocacy support and ensuring access to required expertise across the UN Agencies, Funds and Programmes. In addition, UN Women and UNICEF will be responsible for implementation of specific activities, within their mandate and considering the specific know-how that these agencies possess.

Partnership will be sought with relevant international donors and organisations not only to maximize results of the Programme but, more importantly, to encourage their long-term support to the country's sustainable development.

Specific opportunities for synergies and partnerships are identified below:

Synergies with other on-going or planned interventions:

- The Programme will closely cooperate with the **UN Joint Programme on SDG Financing (2021-2022)** that will have a design of a financing strategy for the SDG Framework as its main output. In addition, analytical work to be produced under the UN Joint Programme will provide evidence-based inputs for SDG financing interventions to be supported under the Programme, including on potentials for creating specific SDG financing instruments.
- The Programme will closely cooperate with the **Green Economic Development (GED) Project – Phase III (2021-2024)**, financed by Sweden. The GED will enable all levels of government to monitor, analyse and evaluate energy consumption, costs, emission, energy investments and savings data from public sector buildings, as well as support BIH's related energy efficiency and renewable energy targets (in accordance with the Energy Community Treaty and its obligations), by providing financial support to EE & RES infrastructure projects and contributing to enable a favourable environment for EE & RES investments in BIH. Furthermore, GED III will also implement energy efficiency measures in facilities and production processes of SMEs, which is one of the targets set by the Framework Energy Strategy with the purpose of increasing the energy efficiency and reducing final energy consumption. Where feasible, the support provided under GED for the private sector on energy efficiency measures will be linked to the circular economy initiatives under the Programme, so as to expand the outreach and impact of sustainability measures on the private sector in the country. The Programme will not support investment in building energy efficiency, to avoid overlaps with the available support through GED.
- Close cooperation will be established with the **EU-supported project on introducing programme-based budgeting (2021-2023)** in the country, particularly in terms of linking government's SDG-based policies and programmes with budgets. The EU project is likely to result in changes of budget laws which will require alignment of governments' policies and programmes with new budget structure.
- The Programme will establish synergies with EU-funded projects such as the **EU4BusinessRecovery Project (2021-2023) and EU4AGRI-Recovery Project (2021-2023)**, both supporting the agri-food sector businesses in mitigating negative impact of COVID-19 on their business operations. The focus of the interventions will be on introduction of sustainable business practices, business continuity and transition towards the circular economy so as to future-proof the businesses against possible crises.
- Synergies may be sought with the **Digital Transformation in Business Project (DigitalBIZ)** financed and implemented by UNDP, in particular when it comes to the provision of up-to-date digital solutions for

public and private sector. The digitalisation of businesses is one of the key circular economy enablers. Thus, the collaboration with DigitalBIZ would provide for sharing of good practices and experiences, in particular when it comes to new technology and digital tools aimed at improving business operations.

- Where possible, coordination will be sought with the **Municipal Environmental Governance Project (MEG)**, funded by Switzerland, Sweden and the EU, as well as with the “**Project for Improving Performance of Local Services (PIPLS) in BiH**” supported by Sweden, with shared good government priorities underpinning the agenda for transformational change in local governance in particular.
- UN Women ongoing **Project on women’s economic empowerment in BiH – rebuilding better**, funded by United Kingdom, will feed in relevant knowledge related to building growth and resilience of women-owned businesses in BiH. Previous UN Women work, as well as insights from the **UN Women Strategic Note 2021 – 2025** (in particular Impact 2, which focuses on improving government capacities to promote employment policies that enhance women’s access to decent work and promote income security, as well as women owned businesses and women entrepreneurs strengthened capacities and resilience) will inform and complement the envisaged activities of the Programme.
- Synergies will be sought with the **EU Delegation in BiH and the BiH Directorate for European Integration**, particularly with respect to the activities of supporting the design of project pipeline at the cantonal and local level. In addition, cooperation with the EU funded **Regional Programme on Local Democracy in the Western Balkans 2** will be fostered so as to explore more meaningful engagement and contribution of civil society towards implementation of sustainable development priorities.
- Synergies will be further sought with ongoing **UNICEF efforts in supporting entity-level ministries of social policy/protection to develop Social Protection Strategies**, coupled with relevant policy and advocacy efforts. Furthermore, the intervention builds upon long-term UNICEF’s experience in implementing Social Protection and Inclusion model, an integrated approach to strengthening capacities of local governments to design and implement innovative social services through evidence-based and integrated approach benefitting children from vulnerable groups and their families. With UNICEF’s support, Social Protection and Inclusion model is implemented in 34 % of local governments in BiH.
- In addition, close cooperation will be established with UNICEF’s programme funded by USAID “**Strengthening Social and Health Protection in Response to the COVID-19 pandemic in BiH**”, especially through component focused on promoting and piloting innovative social entrepreneurship schemes in target local governments in BiH. Given their complementarity with planned SDG-aligned social protection grants for innovative projects under this intervention, good practice will be exchanged and horizontal synergizing among target local governments sought.

3.4. Integrity and anti-corruption

Integrity and anti-corruption aspects will be embedded in all Programme activities, particularly those related to allocation of financing to partners. A thorough monitoring system will be in place, including capacity and risk assessments, as well as spot checks in case of partner engagement on the implementation of programmatic activities. Any outsourcing of services will be based on the relevant procurement policies and procedures. All UNDP personnel are required to take mandatory training on fraud and corruption awareness and prevention. Standards and codes of conduct have been established for staff members and non-staff personnel. In addition, contracts issued to non-staff personnel and vendors stipulate requirements with respect to their actions in the context of their contractual relationship with UNDP. The Programme will follow pattern to “always prevent, never accept, always inform and always act” in relation to integrity risks²⁹.

²⁹ <https://cdn.sida.se/publications/files/sida61479en-sidas-anti-corruption-work.pdf>

3.5. Risks and assumptions

The main risks affiliated with the Programme implementation are identified in the risk assessment log, together with probability of occurring, types of effects on the Programme, as well as adequate mitigation measures. Overall, the risk level for this Programme is assessed as **medium**, attributed mainly to political factors. The main risks (medium and higher probability) and identified mitigation measures are summarised below.

Complex governance structure: The complex, multi-tier governance structure in BIH may pose difficulties in overall coordination and systemic implementation, monitoring and reporting on the SDG Framework. To mitigate the risk, the Programme will seek to mobilise interest and motivation among all government stakeholders and political leaders from the outset. Stronger Programme focus will be placed on formalising and legitimising all frameworks, processes, and procedures, so they are less exposed to political influence in the long-term.

Political instability in the country and at specific government levels: As seen in the recent period, political instability can affect speed of reforms and decision-making processes at various government levels. This risk will be particularly relevant in light of the 2022 General Elections, deteriorated political situation and potential political challenges in setting new governments. The Programme will apply adequate mitigation measures, such as signing agreements with institutional partners, thus formalising their commitment and contribution. The Programme will also reserve the right to remove and replace cantons and local governments with uncooperative leaderships. However, to avoid such outcome, the Programme will seek to pro-actively engage political leaders through awareness-raising, direct capacity development in the subject matter and exposure to best practices.

Legislative inertia: An integral part of the Programme are proposals for legislative changes in creative conducive framework for circular economy as well as institutionalising new models and service, including on SDG financing. Recognising that legal reforms are time-consuming and exposed to political risk, the Programme will liaise closely with relevant partner ministries and policymakers to ensure that the needs and justification of the proposed regulatory documents are fully understood and politically supported. A targeted action aiming to increase capacity and awareness among senior policymakers and elected officials will also be among the Programme measures to mitigate this risk.

Lack of awareness and interest of private sector and other non-governmental stakeholders to engage in Programme implementation: The Programme will seek to engage with interested and committed private sector partners. It will build on the existing interventions and continuously promote the importance of private sector engagement and contribution, emphasizing the benefits of their involvement in sustainable development financing, which has proven to be a right approach in working with private sector in the past.

Businesses fail to recognize the benefits of green and circular practices to advance business operations: The assistance to private sector will be designed and implemented to support and reinforce the adoption of green and circular business models. The Programme will also invest in strengthening of business development services capacities, which should contribute to these efforts via improved quality, type, and effectiveness of advice.

Main assumptions stem from the formal commitment of the governments in BIH to contribute to attainment of Agenda 2030 and implement domesticated actions defined within the SDG Framework in BIH and governments' strategic documents. Importantly, in their overall commitment to implement the SDGs, the governments have expressed their determination to improve policy making, planning, and budgeting as well as the overall coordination and partnerships for development.

The detailed risk analysis is enclosed as Annex 10.3.

3.6. Stakeholder engagement

Considering the complex administrative structure of the country as well as the integrated nature of SDGs and the Programme itself, a wide range of stakeholders and beneficiaries will be engaged in its implementation.

A specific beneficiary of the Programme is the newly established SDG Council to coordinate, guide and oversee implementation of the SDG Framework in BiH. The SDG Council will benefit from the Programme support in promotion of the SDG Framework and the role of the SDG Council. This support will be paired with capacity development and technical assistance to the SDG Council in performing its overall role defined within the relevant decision of the BiH Council of Ministers on establishing the SDG Council as well as within the SDG Framework.

In addition, the Programme will benefit targeted private sector actors and business support organisations to adapt and transform their business operations towards more sustainable and circular economy, thus directly contributing to the implementation of the SDG Framework.

Other beneficiaries of the Programme include:

- Institutions at the state and entity level as well as in Brčko District responsible for coordination of strategic planning and implementation of development strategies:
 - the BiH Directorate for Economic Planning
 - the Strategic Planning Unit of the Brčko District Government
 - the FBiH Development Programming Institute
 - the Strategic Planning Department of the RS Government General Secretariat
- Up to 3 cantons and up to 8 local governments (and relevant service providers at local level)
- Relevant line ministries, particularly:
 - the BiH Ministry of Trade and Economic Relations
 - the FBiH and RS Ministries of Finance
 - the RS Ministry of Economy and Entrepreneurship
 - the FBiH Ministry of Development, Entrepreneurship and Crafts
 - the FBiH Ministry of Labour and Social Policy
 - the RS Ministry of Health and Social Welfare
 - relevant cantonal ministries of social policy
- Statistical institutions at the state and entity level
- Entity and Cantonal Associations of Social Workers
- Associations of Municipalities and Cities
- Academia
- Chambers of commerce

The final beneficiaries of the Programme are citizens - children, adolescents and families, including the most vulnerable, from socio-economically deprived backgrounds, exposed to poverty, disability and rural/urban divides lack access to adequate support systems and participatory models to take part in design and implementation of development programmes.

3.7. Communications and knowledge

One of the first products that will need to be designed by the Programme is a **comprehensive communications strategy**. With the SDG Framework in BIH adopted, adequate level of understanding about SDGs among the public sector institutions, private sector and other stakeholders will be paramount to secure buy-in and commitment to SDGs implementation. The SDG Council will be capacitated to sensitize institutions about the SDGs, using knowledge products stemming from the roll-out process. The **communications and visibility strategy** will be developed in consultation with the RC Office in BIH, ensuring it is informed by and integrated with broader UN communications efforts on SDGs in BIH. As part of this process, adequate branding of the Programme will be agreed, reflecting the role of the donor and the UN.

The Programme will ensure that all knowledge and tools are transferred to relevant partners (SDG Council, Foreign Trade Chamber of BIH, Associations of Cities and Municipalities and relevant practitioners' networks, etc.) as well as other interested local stakeholders. In particular, all training and reference material created under the auspices of the Programme will be shared with entity training institutions in the FBiH and the RS, which would allow for further replication of the training in other local governments in the county. In addition, UNDP will create and maintain a repository of detailed intervention data, capturing in a systemic manner comprehensive information on all beneficiaries, results and impact, geographic areas of the interventions, key partners and financial investment.

To strengthen the capacity development activities for circular economy, the Programme will establish a network of change-makers in BIH through the community of sustainable and circular businesses. One of the main objectives of the network will be to foster knowledge exchange and share good practices among various stakeholders in BIH.

Furthermore, the Programme will develop various business case studies to enable evidence-based presentation of benefits and opportunities for circular economy adoption in businesses. Where feasible, the Programme will focus the case studies on domestic examples to demonstrate the application of the circular principles in BIH context.

3.8. Ownership, sustainability and scaling up

The SDG Council has played a key role in moving forward the process of preparation and adoption of the SDG Framework in BIH. Following the formalisation of its role by the BIH Council of Ministers in 2021, this body demonstrated full commitment and undertook a lead role in coordinating implementation, monitoring and reporting on the achievements related to Agenda 2030 in the country. The capacity building investments into the SDG Council have contributed to strengthening their role in promoting integration of the SDGs into policies at all government levels, including localisation. On the other hand, the SDG Framework in BIH will be implemented through the existing strategic planning and development management systems in the country, which are legally regulated and possessing basic capacities. This is a commitment made within the first VNR presented by BIH authorities in 2019 and the SDG Framework in BIH.

In addition to systemic anchoring of the SDGs within the domestic institutions, sustainability of the Programme results will be ensured through further capacity building of responsible government institutions and through the embedding of Programme deliverables with responsible institutional stakeholders whenever possible. This includes cooperation with Civil Service Agencies and the two Associations of Municipalities and Cities to which the training programmes that will be designed and piloted within the Programme will be anchored for further replication, as relevant. In addition, good practices, and results to be achieved in SDG implementation at the local and cantonal level will be promoted through and sustained with the development management practitioners' networks established within the two associations and further upscaled within the practitioners' network

established at the cantonal/entity level. These networks will therefore be used to promote application of good practices within other territories across the country.

In piloting financing instruments and grant schemes for the SDG implementation with government institutions (entity and cantonal level), the Programme will seek to institutionalise and scale up new instruments and approaches within the respective government institutions. These efforts may include support to institutional partners in adjusting their legal and operational frameworks to embrace such new approaches for better targeted and more transparent allocation of public resources.

The Programme will improve the private sector capacities by providing technical assistance and support measures to foster the adoption of sustainable business practices. The Programme will also seek the adoption of best practices piloted through its interventions by relevant institutional partners to enable their integration in public policies. Where feasible, the Programme will also engage in combining public funds with the Programme's budget to expand its outreach.

3.9. Programme budget

The total budget of the Programme amounts to USD 5,154,904.36, where the financial contribution by Sweden amounts to USD 4,529,038.44. UNDP will ensure co-financing equal to USD 583,865.91, while the contribution from UNICEF will be USD 42,000.00.

Within the activities aimed to boost implementation of sustainable development priorities, partner governments (i.e., local governments, cantons, entities) will be expected to provide their co-financing. Where relevant, co-financing will be also expected from final beneficiaries (i.e., private sector).

The Programme budget is enclosed as Annex 10.2.

4. PROGRAMME MANAGEMENT

4.1. Cost efficiency and effectiveness

Under the Programme, several measures will be deployed 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 application of UNDP's standards and procedures will ensure quality and consistency of the process. In its efforts to benefit from knowledge and experience from three UN agencies, namely UNICEF, UNDP and UN Women, **economies of scale will be realized under the Programme, thus increasing the cost-effectiveness of the investment.** This will also be done by combining or closely associating, where possible, financial resources with the implementation of other on-going interventions in target localities, or public funds of higher government levels, private sector or other stakeholders. This will require constant communication between UNDP and its partners, as well as with other initiatives in the field.

Further, a portfolio approach (focusing on outcomes, not inputs or outputs; prioritizing high impact projects; diversifying avenues; and balancing engagement as an iterative process) will be adopted to improve cost-effectiveness, also by ensuring close coordination among activities supported by various institutional partners and donors, as well as by leveraging activities and partnerships with other initiatives/projects.

Where relevant, training and capacity development assistance will be delivered by **clustering partner local and cantonal governments**, so as to ensure economy of scale. The Programme will seek to utilize in-kind contribution from partners in the form of hosting venue, hospitality and transport costs for events and training.

4.2. Programme management

The Programme will work throughout BIH and with the authorities at state, entity and Brčko District BIH levels, as well as eight (8) local governments and three (3) cantons in the FBiH. It will be implemented by UNDP in partnership with UNICEF and UN Women.

The Programme team will be based in the main UNDP office in Sarajevo, while also relying on UNDP's field presence (in particular Banja Luka and Mostar offices), to ensure proximity to institutional partners and target localities.

5. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Programme will be implemented by UNDP in BIH applying the principles of joint work among UN agencies. As co-chair of the SDG Council, and to facilitate effective implementation of the objectives of this Programme, the UN Resident Coordinator (with and through the UN RCO) will be engaged in the Programme by providing guidance, advisory and advocacy support and ensuring access to required expertise across the UN Agencies, Funds and Programmes. UNDP will assume full responsibility and accountability for the overall management of the Programme including achieving of the outputs and outcomes, the efficient and effective use of resources, as well as implementation monitoring. UN Women and UNICEF will be responsible for implementation of specific activities, considering the mandate and specific know-how that these agencies possess, as defined in the Programme Document, through specific agreements that will be signed by these agencies with UNDP.

The Direct Implementation Modality (DIM) will be applied, premised on the fact that institutional and administrative capacities within national stakeholders are still not 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.

The Programme structures will include the **Programme Board**, as the main steering mechanism, and the **Programme Team**.

The **Programme Board** will be the decision-making authority for the Programme, responsible for the Programme's management oversight. It will review and endorse annual work plans, supervise and monitor the progress of implementation, and authorize any major deviation therefrom. It will provide strategic guidance, as well as give final approval to selected strategic and operational issues. The Programme Board will meet semi-annually, and more frequently as necessary upon request by the Programme Manager or Board members. The Programme Board will be co-chaired by the UN Resident Coordinator and the representative of the BiH Council of Ministers in the Programme Board. Members of the Programme Board will be formally appointed representatives of the BiH Council of Ministers and the FBiH, RS and Brčko District BiH governments; representatives of the UN RCO, UNDP, UN Women and UNICEF; while the representative of the Embassy of Sweden will participate in the work of the Board in an observer capacity. The Programme Team will serve as the secretariat to the Programme Board, responsible for sending out invitation for Programme Board meetings, preparing meeting agenda and materials, as well as meeting minutes.

The **Programme Assurance** role will support the Programme Board by carrying out objective project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Independent of the Programme Manager, the role of Programme Assurance will be performed by the UNDP Good Governance Sector Leader and Associate, with support of the UNDP Sustainable Growth Sector Leader.

The Programme will be implemented by a team led by the Programme Manager and supported by a Programme Associate and a Programme Assistant. The **Programme Manager** has the authority to manage the programme on a day-to-day basis on behalf of the UNDP BiH. The Programme Manager will have the responsibility to ensure that the programme produces the required results that are capable of achieving the benefits defined in this document. S/he will be responsible for day-to-day management and will ensure that the Programme produces the results specified, to the required corporate standards and within the constraints of time and cost.

When it comes to the broader SDG governance work (Outcome 1), the Programme Team will include: a Coordinator, an SDG Financing Officer; a part-time Policy/Legal Officer; a Circular Economy Officer and a Private Sector Engagement Assistant. The work of UN Women will be implemented by a Coordinator and a part time Project Assistant.

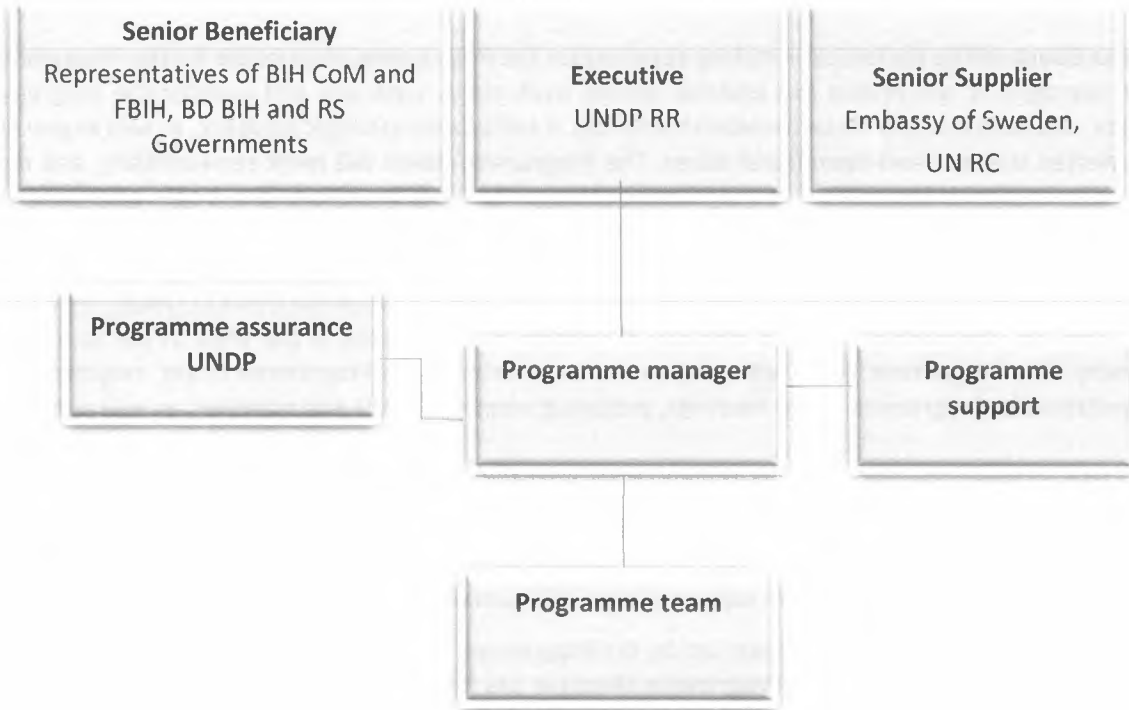
Two Development Specialists (one of whom engaged part-time) will support the Programme implementation at the cantonal and local level (Outcome 2). The team will also include Field Project Officer and Field Project Assistant who will support the implementation of relevant activities by UNICEF.

In addition, a part time Communications Associate will be engaged.

It is foreseen that the Programme will deploy both national and/or international expertise in various fields as the need arises. In addition, external service providers will be engaged following a competitive process to deliver technical assistance, training, or other types of specific services (such as legal analysis, financing instruments, etc.).

The Programme will be managed from Sarajevo. However, UNDP's regional offices in the country (Banja Luka, Mostar) may be required to support better coordination and cooperation with relevant authorities and partners in the field.

Programme Board (Governance Mechanism)



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6. RESULTS FRAMEWORK

	Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions and risks
Overall objective / Impact:	To contribute to accelerated achievements of SDGs in BIH by supporting governance systems and private sector engagement towards green and inclusive growth.	TBC				
Specific objective(s) / Outcome(s):	1. Authorities at state, entity and Brčko District levels effectively work on planning, implementing, monitoring, and reporting on the SDG Framework in BIH and foster development partnerships.	<p>Frequency of reporting on SDG progress to the BIH Council of Ministers, BD BIH and entity governments.</p> <p>Frequency of voluntary reporting to the UN on SDG progress.</p> <p>#governments' planning documents reflecting the SDG Framework in BIH.</p> <p># businesses implementing sustainable development business models and/or reporting on their sustainability impact (GRI standards)</p>	<p>0 (2021)</p> <p>1 (2019)</p> <p>1 (Brčko District BIH, 2021)</p> <p>1 (2021)</p>	<p>4 reports annually</p> <p>2 (2023)</p> <p>4 (2024)</p> <p>10 (30% women owned, 2024)</p>	<p>Formal governments' decisions / minutes from governments' sessions</p> <p>High Level Political Forum website</p> <p>Formal Parliamentary Decisions</p> <p>UN Global Compact Data Base, corporate reports</p> <p>Programme report, Monitoring reports</p>	<p>Commitment of governments to implement the SDG Framework</p> <p>Effective coordination among governments and institutions at all levels (horizontal and vertical)</p> <p>Stable political</p>

	<p>2. Cantonal and local governments actively contribute to implementation of the SDG Framework in BiH.</p>	<p>Level of implementation of SDG-based development strategies.</p> <p># beneficiaries (gender desegregated) benefiting from improved services at the local level.</p> <p>Amount of governments' co-financing allocated through public schemes for SDG implementation supported under the Programme</p>	<p>TBD upon selection of LGs and cantons (2021)</p> <p>0 (2021)</p> <p>USD 0 (2021)</p>	<p>TBD upon selection of LGs and cantons</p> <p>25,000 (50% women, 2024)</p> <p>USD 2 Mio (2024)</p>	<p>Governments' report</p> <p>Programme report</p> <p>Monitoring reports</p>	<p>situation in the country and at specific government levels, particularly in light of the 2022 General Elections</p> <p>No major environmental or health crises</p>
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Results/Outputs	<p>1.1. SDG steering body and planning systems at all government levels are equipped with knowledge, capacities and tools for synchronized and effective planning, financing, monitoring and reporting on the implementation of the SDG Framework in BIH.</p>	<p>Level of functionality of the SDG Council in BIH³⁰</p> <p>#mid-term and annual institutional work plan and annual reports reflecting the priorities from SDG-aligned strategies timely prepared.</p> <p>Statistical systems ensure regular data on domesticated SDG targets (gender desegregated).</p> <p>Social protection accelerators from the SDG Framework in BIH mainstreamed into entity social protection strategies.</p> <p># LGs with functional care economy models piloted</p> <p>% of allocation of budgets for equitable quality public care services</p> <p># circular products/services created</p> <p># individuals with new skills and knowledge on circular economy and sustainable business practices</p>	<p>Partially (2021)</p> <p>0</p> <p>Partially (2021)</p> <p>No (2021)</p> <p>0 (2021)</p> <p>N/A (2021)</p> <p>0 (2021)</p> <p>0 (2021)</p>	<p>Fully (2024)</p> <p>4 mid-term plans, 4 annual plans, 4 annual development reports (annually, 2024)</p> <p>Fully (transparent and publicly available data)</p> <p>Yes (2023)</p> <p>At least 3 LGs (2024)</p> <p>3% of LGs budget (2024)</p> <p>5 (2024)</p> <p>20 (at least 30% women 2024)</p>	<ul style="list-style-type: none"> - Meeting minutes - Formal governments' decision and reports - Web based data system - Entity-level Social Protection Strategies - Media and programme reports - Local governments' budgets - Programme reports, - Monitoring reports 	
	<p>1.2: Public financing instruments at the entity and/or cantonal level sustainably reinforce the achievement of the SDGs in selected priority areas, including through partnerships with the private sector.</p>	<p># financing instruments for accelerating sustainable development achievements</p>	<p>0 (2021)</p>	<p>2</p>	<ul style="list-style-type: none"> - Governments' decisions - Programme reports 	

³⁰ Functionality is defined by existence of the operational framework of the SDG Council (TOR, annual workplans), regular sessions (at least 4 per year) and consultation/promotion events (at least 4 per year).

	1.3: Advancing engagement of private sector and other stakeholders in sustainable development	# applications from private companies for SDG Business Pioneers Award 70 (2021)	100 (2024)	- Programme report, - Monitoring reports	
		# local governments participating in SDG Award 30 (2021)	60 (2024)		
		# active participants in the SDG Week 70 (2021)	150 (2024)		
	2.1. Local governments capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 8 local governments).	#Mid-term and annual institutional work plans and annual reports reflecting the priorities from SDG-aligned strategies timely prepared. 0 (2021)	8 mid-term plans, 8 annual plans, 8 annual development reports (annually, 2024)	- Governments' decisions and reports - Programme reports	-
		# beneficiaries of Quick Impact Fund 0 (2021)	25,000 (2024)		
		# beneficiaries of social protection interventions 0 (2021)	8 (2024)		
	2.2. Cantonal capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 3 cantons).	#Mid-term and annual institutional work plans and annual reports reflecting the priorities from SDG-aligned strategies timely prepared. 0 (2021)	3 mid-term plans, 3 annual plans, 3 annual development reports (annually, 2024)	- Formal governments' decision and reports - Programme reports	
		# finance schemes targeting sustainable development priorities at the cantonal level. 0 (2021)	3 (2024)		

Results framework in UNDP format – Annex 10.1.

7. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring plan

Monitoring activity	Purpose	Frequency	Expected action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators will be collected and analysed to assess the progress of the Programme in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by Programme management.		
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.	Bi-annually	Risks are identified by Programme management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
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 Programme.	At least annually	Relevant lessons are captured by the Programme team and used to inform management decisions.		
Annual quality assurance	The quality of the Programme will be assessed against UNDP's quality standards to identify its strengths and weaknesses and to inform management decision making to improve the Programme.	Annually	Areas of strength and weakness will be reviewed by Programme management and used to inform decisions to improve performance.		
Review and make course corrections	Internal review of data and evidence from all monitoring actions to inform decision making. Appropriate and credible data and documents will be collected and properly maintained as evidence for monitoring and reporting.	At least annually	Performance data, risks, lessons and quality will be discussed by the Programme Board and used to make course corrections.		
Programme report	A progress report will be presented to the Programme Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the programme (final report)			
Programme review (Programme Board)	The Programme's governance mechanism (i.e., Programme Board) will hold regular reviews to assess the performance of the Programme and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the Programme. In the final implementation year, the Programme Board shall hold an end-	Annually	Any quality concerns or slower than expected progress should be discussed by the Programme Board		

	of Programme review to capture lessons learned and discuss opportunities for scaling up and to socialize programme t results and lessons learned with relevant audiences.		and management actions agreed to address the issues identified.		
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Evaluation Plan³¹

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Programme evaluation	Governments			September 2024	SDG Council, partner line ministries, partner local governments and cantons, private sector	USD 18,000 Sweden

³¹ Optional, if needed

8. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Budget Description	Amount
Achievement of SDGs in BIH accelerated by supporting governance systems and private sector engagement towards green and inclusive growth	1.1: The SDG steering body and planning systems at all government levels are equipped with knowledge, capacities and tools for synchronized and effective planning, financing, monitoring, and reporting on the implementation of the SDG Framework in BIH	541,775.00	527,560.00	353,240.00	UNDP, UN Women, UNICEF	Sweden, UNDP, UNICEF	ICs/service providers; training/worksh ops, grant scheme; travel; events; salaries.	1,422,575.00
	1.2: Public financing instruments at the entity and/or cantonal level sustainably reinforce the achievement of the SDG in selected priority areas, including through partnerships with the private sector	478,400.00	203,400.00	353,400.00	UNDP	Sweden, UNDP	ICs/service providers; training/worksh ops; financing instruments; travel; events; salaries.	1,035,200.00
	1.3: Advancing private sector engagement in sustainable development and enabling environment for transition to circular economy.	101,066.67	56,066.67	56,066.67	UNDP	Sweden, UNDP	ICs/service providers; training/worksh ops; financing instruments; travel; events; salaries.	213,200

	2.1: Local governments capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 8 local governments)	541,009.73	292,122.30	290,722.30	UNDP, UNICEF	Sweden, UNDP	ICs/service providers; training/worksh ops, grant scheme; travel; events; salaries.	1,123,854.34
	2.2: Cantonal capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 3 cantons)	174,880.00	125,020.00	122,740.00	UNDP, UNICEF	Sweden, UNDP	ICs/service providers; training/worksh ops, grant scheme.	422,640.00
	Project Management and Operating Costs (including evaluation)	192,925.51	195,512.59	213,512.59	UNDP, UN Women	Sweden, UNDP, UN Women	Salaries; ICs; quality assurance; furniture; communication s and visibility; travel; operations costs; translation; travel.	601,950.69
	General Management Support	152,274.80	91,604.77	91,604.77		Sweden		335,484.33
TOTAL								5,154,904.36

9. LEGAL CONTEXT AND RISK MANAGEMENT

9.1. Legal context

This Programme Document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of BIH and UNDP, signed on 07 December 1995. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

The BIH and UN Sustainable Development Cooperation Framework (UNSDCF) for the period 2021-2025 (signed by the Council of Ministers of BIH and UN on 20 May 2021, as well as the current UNDP Country Programme Document 2021-2025 represent the basis for the activities of UNDP in the country.

This Programme will be implemented by UNDP (“Implementing Partner”) in accordance with Financial Regulations and Rules of UNDP.

9.2. Risk management

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS).

2. UNDP, as the Implementing Partner, will undertake all reasonable efforts to ensure that none of the Programme funds [UNDP funds received pursuant to the Programme Document] are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via:

http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. In the implementation of the activities under this Programme Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

6. All signatories to the Programme Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Programme Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

- i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Programme Document.

c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:

- (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
- (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;

(iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

(v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

k. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project

Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.

10. ANNEXES

10.1. Results and resource framework (UNDP standards)

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: Outcome 4. By 2025, people contribute to, and benefit from more accountable and transparent governance systems that deliver quality public services and ensure rule of law.									
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Indicator 4.1: Percentage of local governments and cantons with SDG-centred and gender-sensitive development strategies and implementation plans as part of a coherent development planning and management system. Baseline (2019): local governments – 0%; cantons: 0%. Target (2025): local governments – 60%; cantons: 80%.									
Applicable Output(s) from the UNDP Strategic Plan: Output 2.1 Collaboration between authorities and societal actors is supported for the design of evidence-based and gender-sensitive policy and regulatory frameworks that enable reforms and system change									
Project title and Atlas Project Number: Translating the SDG Framework in BIH into sustainable and inclusive growth (Award ID: BIH10/00128890, Output ID: 00122734)									
EXPECTED OUTPUT	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL	
Achievement of SDGs in BIH accelerated by supporting governance systems and private sector engagement towards green and inclusive growth	Frequency of reporting on SDG progress to the BIH Council of Ministers, BD BIH and entity governments	Formal governments' decisions / minutes from governments' sessions	0	2021	4	4	4	12	Regular updates by institutional partners Government commitment to implement the SDG Framework
	Frequency of voluntary reporting to the UN on SDG progress	High Level Political Forum website	1	2019		2		2	
	# governments' planning documents reflecting the SDG Framework in BIH	Formal Parliamentary Decisions	1 (Brčko District BIH)	2021	2	4		4	Effective coordination among governments and institutions at all levels (horizontal and vertical) Stable political situation in the country and at specific government
	Level of implementation of SDG-based development strategies	Governments' reports; Programme reports; Monitoring reports	TBD upon selection of LGs and cantons	2021	TBD upon selection of LGs and cantons	TBD upon selection of LGs and cantons	TBD upon selection of LGs and cantons	TBD upon selection of LGs and cantons	
	# beneficiaries (gender desegregated) benefiting from improved services at the local level		0	2021			25,000 (50% women)	25,000 (50% women)	

	Amount of governments' co-financing allocated through public schemes for SDG implementation supported under the Programme		USD 0	2021			USD 2 Million	USD 2 Million	levels, particularly in light of the 2022 General Elections
	# businesses implementing sustainable development business models and/or reporting on their sustainability impact (GRI standards)	UN Global Compact Data Base; corporate reports	1	2021			10 (30% women-owned)	10 (30% women-owned)	No major environmental or health crises

A

10.2. Budget

Programme budget is attached to this document.

10.3. Risk analysis

The main risks related to the Programme implementation are described below, together with types of effects on the Project and anticipated mitigation measures.

Risk	Probability	Type / Impact	Programme response
Deterioration of political stability in the country and at specific government levels, also taking into account 2022 General Elections.	Medium	Political / Medium	The Programme will apply adequate mitigation measures, such as signing agreements with institutional partners, thus formalising their commitment and contribution. The Programme will also reserve the right to remove and replace cantons and local governments with uncooperative leaderships.
Complex, multi-tier governance structure BIH may pose difficulties in aligning SDGs with policies and budgets.	Medium	Political / Medium	The Programme will seek to mobilise interest and motivation among all government stakeholders. There will be a clear message from the Programme that governments' involvement will be discontinued if relevant engagement and support is not ensured.
Partners fail to ensure financial sources for co-funding sustainable development priorities.	Low	Financial / High	Investments by higher government levels for sustainable development in various sectors have been reduced due to the COVID-19 crisis. Nevertheless, relevant development measures and priorities are outlined in the newly prepared SDG-aligned development strategies, therefore it is expected that some financial resources will be in place. The Programme will seek commitment and engagement of relevant authorities from the outset, insisting on early transfer of funds.

Risk	Probability	Type / Impact	Programme response
Lack of awareness and interest of private sector and other non-governmental stakeholders to engage in Programme implementation.	Medium	Financial / Medium	The Programme will engage with interested and committed private sector partners. The Programme will build on the existing interventions and continuously promote the importance of private sector engagement and contribution, emphasizing the benefits of their involvement in sustainable development financing.
Force Majeure (e.g. natural hazards and disease outbreaks conditions) impacts Project activities	Medium	Environment / Medium (delays)	The Programme will have a flexible approach, including reprogramming of activities to respond to emerging needs/time frame. The Programme will apply online mode of work if in person capacity development interventions are not possible.
Businesses fail to recognize the benefits of green and circular practices to advance business operations	Low	Operational / Low	The assistance to private sector will be designed and implemented to support and reinforce the adoption of green and circular business models. The Programme will also invest in strengthening of business development services capacities, which should contribute to these efforts via improved quality, type and effectiveness of advice. Regular monitoring of recipients of financial support will secure implementation in line with required greening principles, revealing at the same time, potential areas for support for throughout the implementation period.
Insufficient number of businesses / other stakeholders targeted by support measures requirements for financing / having adequate absorption capacities	Low	Operational / Medium	Design of the support measures/financing mechanisms will be informed by the analytical work, including considerations on key stakeholders' absorption capacities and sector-specific needs. This will help determine funding priorities and criteria for eligible applicants. In addition, open days and informative sessions on the application procedures and requirements will be organised to provide additional support to potential applicants as well as to support organizations.

Risk	Probability	Type / Impact	Programme response
Legislative inertia	Medium	Operational / Medium	An integral part of the Programme are proposals for legislative changes in creative conducive framework for circular economy as well as institutionalising new models and service, including on SDG financing. Recognising that legal reforms are time-consuming and exposed to political risk, the Programme will liaise closely with relevant partner ministries and policy-makers to ensure that the needs and justification of the proposed regulatory documents are fully understood and politically supported. A targeted action aiming to increase capacity and awareness among senior
Decrease of USD exchange rate against SEK/BAM	Low	Financial / High	The Programme will apply pro-active early warning and financial planning and management system.

10.4. Social and environmental screening

Project Information

Project Information	
1. Project title	Translating the SDG Framework in Bosnia and Herzegovina into sustainable and inclusive growth
2. Project number	Award 00128890/Output 00122734
3. Location	Bosnia and Herzegovina

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

QUESTION 1: How Does the Project Integrate the Overarching Principles to Strengthen Social and Environmental Sustainability?
<i>Briefly describe in the space below how the Project mainstreams the human-rights based approach</i>
<p>The Programme will seek to enhance social inclusion in all stages of the implementation, thus contributing to the creation of equal opportunities when it comes to implementation of SDGs and contribution to the overall quality of life for citizens, including application of human rights. SDGs are very broadly planned and <i>Leaving No One Behind</i> is the one of the main principles.</p> <p>In addition, the Programme implement one specific “Leave No One Behind” activity, designing and deploying a grant scheme to support local initiatives stemming from local development strategies. Among other, social protection service providers at the local level will be supported with technical assistance to design, plan, budget and implement pilot projects contributing to social inclusion and reducing vulnerabilities of children and families while simultaneously strengthening service providers’ capacities to improve access to quality and needs-oriented social protection services. Out of Expected number of beneficiaries, 50% will be women.</p>
<i>Briefly describe in the space below how the Project is likely to improve gender equality and women’s empowerment</i>
<p>The Programme recognizes that long-term, sustainable development will only be possible when women and men enjoy equal opportunity to rise to their potential, specifically focusing on empowering women by strengthening their entrepreneurship opportunities and skills as well as exploring new possibilities for service delivery through care economy. Moreover, the notion of gender equality has been considered in the process of Project design, as well as mainstreamed within its activities. The monitoring framework is gender-sensitive and envisages sex-disaggregated data collection for all relevant indicators. The Project will use gender-sensitive criteria to encourage local governments to address infrastructure projects which focus on addressing issues pertinent to women. As part of the overall financial management overhaul, the Project will recommend to governments to internalize elements of gender sensitive budgeting across both planning and implementation processes. Gender equality will be considered in the preparation and delivery of capacity building and awareness-raising events throughout the Project to ensure representation. UN Women are one of the implementing partners and specific activities related to strengthening women role will be implemented.</p>
<i>Briefly describe in the space below how the Project mainstreams environmental sustainability</i>

The Programme will directly support the adoption of sustainable practices and reporting principles in the private sector and help them accelerate the transition towards circular economy. To that end, the Programme will seek to identify crucial inefficiencies in regulatory frameworks that prevent or delay application of sustainable economic models and support regulatory actions, towards alignment with the EU Acquis and the Green Agenda for the Western Balkans. These efforts will be informed by the Circular Economy Roadmap as well as the Circular Economy Systems Map, both currently under development.

Briefly describe in the space below how the project strengthens accountability to stakeholders

By establishing a system for strategic management of the public assets portfolio and by building the necessary staff skills to manage this system, local governments will increase the level of transparency and accountability in managing publicly owned goods, generating additional revenues and improving service delivery. UNDP in BIH will assume full responsibility and accountability for the overall management of the Project, including achieving of the outputs and outcome, the efficient and effective use of resources, as well as implementation monitoring. The Project structures will include the Programme Board as a main steering mechanism and the decision-making authority, responsible for the Project management oversight. The Programme Board will review and endorse annual work plans, supervise the implementation progress and authorize any major deviation therefrom. Members of the Programme Board will be senior representatives of the local and cantonal governments and UNDP. UNDP will notify its major stakeholders on available compliance mechanisms to ensure individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

Part B. Identifying and managing social and environmental risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>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.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			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)?
<i>Risk description</i>	<i>Impact and probability (1-5)</i>	<i>Significance (Low, Moderate, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
Risk 1: There a potential risk that duty-bearers do not have the capacity to meet their obligations in the Programme.	I = 2 P = 2	Low		The Programme has horizontally integrated technical assistance and capacity development interventions so as to equip the duty-bearers with knowledge, capacities and tools required for successful meeting of Programme objectives.
#	QUESTION 4: What is the overall Project risk categorization?			

	Select one (see SESP for guidance)		Comments
	<i>Low Risk</i>	<input checked="" type="checkbox"/>	The project is assessed as a low risk category, particularly from human rights, climate change and health aspects viewpoint.
	<i>Moderate Risk</i>	<input type="checkbox"/>	
	<i>High Risk</i>	<input type="checkbox"/>	
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?			
Check all that apply			Comments
<i>Principle 1: Human Rights</i>	<input checked="" type="checkbox"/>	N/A	
<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input type="checkbox"/>	N/A	
<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>	N/A	
<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>	N/A	
<i>3. Community Health, Safety and Working Conditions</i>	<input checked="" type="checkbox"/>	N/A	
<i>4. Cultural Heritage</i>	<input type="checkbox"/>	N/A	
<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>	N/A	
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>	N/A	
<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>	N/A	

Final Sign Off

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		Amra Zorlak, Monitoring and Evaluation Analyst
QA Approver		Stephen Kinloch Pichat, Deputy Resident Representative
PAC Chair		Adela Pozder-Cengic, Sector Leader, Chair of the LPAC

SESP Attachment 1. Social and environmental risk screening checklist

Checklist Potential Social and Environmental Risks		
Principles 1: Human Rights		(Yes/No)
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? ³²	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?	No
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
Principle 2: Gender Equality and Women’s Empowerment		
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
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		

³² Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	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
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ³³ 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)?	No

³³ In regard to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

<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>		
Standard 3: Community Health, Safety and Working Conditions		
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 labour 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
Standard 4: Cultural Heritage		
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
Standard 5: Displacement and Resettlement		
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? ³⁴	No

³⁴ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

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
Standard 6: Indigenous Peoples		
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
Standard 7: Pollution Prevention and Resource Efficiency		
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

10.5. Programme Board Terms of Reference (draft)

1. INTRODUCTION

“Translating the SDG Framework in Bosnia and Herzegovina into sustainable and inclusive growth” aims to supporting the authorities in Bosnia and Herzegovina in their efforts to advance progress towards the SDGs as per targets defined in the SDG Framework. The Programme will be implemented by UNDP in BIH applying the principles of joint work among UN agencies. The Programme is co-financed by Sweden.

2. ROLE OF THE PROGRAMME BOARD

The Programme Board will act as the main decision-making authority, responsible for the oversight of the overall Programme implementation. The Programme Board will provide strategic guidance, as well as give final approval to selected strategic and operational issues.

3. SPECIFIC FUNCTIONS OF THE PROGRAMME BOARD

Stemming from the overall role, specific functions of the Programme Board entail:

- **Planning, monitoring and reporting**
 - To approve the Programme’s annual work plans and the annual budgets as well as any adjustments required to achieve the desired results in line with the implementation guidelines, when applicable.
 - To review/approve the annual report of the Programme, to make observations and take strategic decisions.
 - To provide technical and substantive advice on the expected results and the activities laid out in the Work Plan.
 - To propose corrective actions for the implementation of the Programme when it becomes apparent that there have been deviations from the Work Plans and to make recommendations on how to improve the implementation of the Programme.

- **Advocacy and communications**
 - Support the Programme Team in conducting advocacy actions towards addressing implementation issues which are of importance for achieving the programme’s outputs and outcomes.
 - Support communication of Programme activities and results, including overall Programme messaging.
 - Ensure that the Programme has identified key stakeholders and adequately included them in the programme. Explore and recommend partnerships with institutions, private sector, media, academia, etc.

- **Coordination and participation**
 - To promote synergies between the Programme and related projects and/or programmes, funded by authorities in Bosnia and Herzegovina or other development partners.
 - To facilitate collaboration between UNDP and authorities in BIH for the Programme implementation.
 - To make sure that the participatory consulting processes with the main stakeholders in the country take place, so as to ensure ownership, enable synergies and avoid any duplication or overlapping between the Programme and other initiatives, thus reducing transaction costs.

The Programme Manager is tasked to coordinate the Programme, including annual planning, implementation and reporting, in close cooperation with Programme Team. The Programme Manager will report to the Programme Board.

4. COMPOSITION OF THE PROGRAMME BOARD

The Programme Board is composed of the following members who have decision-making abilities:

- The UN Resident Coordinator or his/her delegate in the role of Co-Chair.
- A representative of the SDG Council in Bosnia and Herzegovina (one member from each institution from the SDG Council):
 - Ministry of Foreign Affairs of Bosnia and Herzegovina

- Directorate for Economic Planning of Bosnia and Herzegovina
- Government of Brčko District of Bosnia and Herzegovina
- Development Programming Institute of the Federation of Bosnia and Herzegovina
- Ministry for European Integration and International Cooperation of Republika Srpska.
- Participating UN Agency Representatives (UNICEF, UN Women) or their delegates.

5. FUNCTIONING OF THE PROGRAMME BOARD OF THE PROGRAMME

- The Programme Board of the Programme will meet semi-annually or as per ad hoc needs, when necessary or upon recommendation by the Programme Manager. Meetings of the Programme Board can take place in person or through online channels.
- The Programme Board meetings will be chaired by the UN Resident Coordinator and co-chaired by a designated representative of the SDG Council.
- UNDP as a Convening Agency will serve as the secretariat to the Programme Board. More specifically, the Programme Manager from UNDP/Convening Agency is tasked to coordinate the Programme, including annual planning, implementation and reporting, in close cooperation with the Programme Team members. The Programme Manager will report to the Programme Board. Moreover, the Programme Manager will be responsible for sending out invitation for meetings, preparing meeting agenda and materials, as well as meeting minutes.
- Programme Board members will designate their substitutes who will participate in meetings when designated members are unable to attend.
- Programme Board members or their designated substitutes have a full voting right.
- The Programme Board members can make decisions if more than a half of members are present in the meeting.
- Programme Board decisions are made by consensus of members present in the meeting.

Budget Item	Unit	Donor	No. of units	Unit cost	Total (USD)	Sweden Financing	Co-financing	Y1		Y2		Y3	
								Sweden Financing	Co-financing	Sweden Financing	Co-financing	Sweden Financing	Co-financing
Outcome 1: Authorities at state, entity and Brčko District levels effectively work on planning, implementing, monitoring, and reporting on the SDG Framework in BiH					2,670,975.00	2,440,152.82	230,822.18	1,059,634.27	61,607.39	697,419.27	89,607.39	683,099.27	79,607.39
Output 1.1: The SDG steering body and institutional partners at state, entity and Brčko District levels are equipped with knowledge, capacities and tools for synchronized and effective planning, financing, monitoring, and reporting on the implementation of the SDG Framework in BiH.					1,422,575.00	1,269,775.00	152,800.00	506,175.00	35,600.00	463,960.00	63,600.00	299,640.00	53,600.00
Technical assistance to establish an effective SDGs steering body in BiH - consultancy (UNDP)	Day	Sweden	96	500.00	48,000.00	48,000.00	-	30,000.00	-	30,000.00	0.00	9,000.00	-
Technical assistance to establish an effective SDGs steering body in BiH - workshops and trainings (UNDP)	Event	Sweden	6	2,000.00	12,000.00	12,000.00	-	6,000.00	-	3,000.00	0.00	3,000.00	-
Technical assistance to strengthen the governments' planning systems for effective implementation of the SDGs, monitoring and reporting - consultancy (UNDP)	Day	Sweden	56	500.00	28,000.00	28,000.00	-	16,000.00	-	6,000.00	0.00	6,000.00	-
Technical assistance to strengthen the governments' planning systems for effective implementation of the SDGs, monitoring and reporting - workshops and trainings (UNDP)	Event	Sweden	36	2,000.00	72,000.00	72,000.00	-	60,000.00	-	6,000.00	0.00	6,000.00	-
Technical assistance and training to strengthen the role of parliamentary commissions at state, entity and Brčko District levels (UNDP)	Training	Sweden	4	5,000.00	20,000.00	20,000.00	-	10,000.00	-	5,000.00	0.00	5,000.00	-
Technical assistance to enhance the existing statistical systems for coordinated reporting on the country's SDG targets (UNDP)	Lumpsum	Sweden	1	60,000.00	60,000.00	60,000.00	-	40,000.00	-	10,000.00	0.00	10,000.00	-
Training for knowledge sharing and exchange (UNDP)	Training	Sweden	34	960.00	32,640.00	32,640.00	-	15,000.00	-	7,500.00	0.00	7,500.00	-
Policy Planning Officer: NPSA B (UNDP)	Lumpsum	Sweden	1	40,000.00	40,000.00	40,000.00	-	20,000.00	-	10,000.00	0.00	10,000.00	-
Support to preparation and submission of BiH VNR 2023 and other reports (UNDP)	Days	Sweden	90.00	324.00	29,160.00	29,160.00	-	5,400.00	-	12,960.00	0.00	10,800.00	-
Technical assistance to strengthen the governments' knowledge and capacities for designing and implementing care economy policies (UN Women) - consultancy	Event	Sweden	10	2,160.00	21,600.00	21,600.00	-	5,000.00	-	16,600.00	0.00	-	-
Capacity development for designing care economy policies (UN Women), workshops/trainings	Service	Sweden	3	81,000.00	243,000.00	243,000.00	-	-	-	162,000.00	0.00	81,000.00	-
Care economy models (UN Women), services	Month	Sweden	33	3,240.00	106,920.00	106,920.00	-	29,160.00	-	38,880.00	0.00	38,880.00	-
SDG Coordinator (100%) - UN Women	Month	Sweden	33	1,215.00	40,095.00	40,095.00	-	10,935.00	-	14,580.00	0.00	14,580.00	-
Project Assistant (50%) - UN Women	Lump sum	Sweden	1	62,400.00	62,400.00	62,400.00	30,000.00	10,800.00	20,000.00	21,600.00	10,000.00	-	-
Support to operationalising social protection accelerators through entity social protection strategies (UNICEF) - consultancy	Event	Sweden	12	2,690.00	24,960.00	24,960.00	12,000.00	-	-	12,960.00	-	-	-
Support to operationalising social protection accelerators through entity social protection strategies (UNICEF) - workshops	Day	Sweden	120	500.00	60,000.00	60,000.00	-	60,000.00	-	-	-	-	-
Mapping circular economy opportunities for one key industry, incl skills gaps (furniture/textile-apparel) - consultancy (UNDP)	Lumpsum	Sweden	1	120,000.00	120,000.00	120,000.00	-	90,000.00	-	30,000.00	-	-	-
Supporting governments' capacities for accelerating SME transition towards circular economy - sustainable production and consumption / circular economy assessment tool for SMEs	Lumpsum	Sweden	1	100,000.00	100,000.00	0.00	100,000.00	-	-	-	50,000.00	-	50,000.00
Supporting governments to pilot circular economy support for SMEs (UNDP)	Month	Sweden	34	2,700.00	91,800.00	91,800.00	-	30,600.00	-	30,600.00	0.00	30,600.00	-
Circular Economy Officer: NPSA B (UNDP)	Month	Sweden/UNDP	36	3,300.00	118,800.00	-	-	39,600.00	-	39,600.00	0.00	39,600.00	-
Programme Assistant: NPSA S (UNDP)	Month	Sweden/UNDP	36	1,700.00	61,200.00	50,400.00	10,800.00	16,800.00	3,600.00	16,800.00	3,600.00	16,800.00	3,600.00
Output 1.2: Public financing instruments at the entity and/or cantonal level sustainably reinforce the achievement of the SDGs in selected priority areas, including through partnerships with the private sector.					1,035,200.00	957,177.82	78,022.18	452,392.61	26,007.39	177,392.61	26,007.39	327,392.61	26,007.39
Technical assistance to entity governments in establishing new or reinforcing existing financing instruments towards enhanced sustainable development financing (UNDP)	Day	Sweden	40	500.00	20,000.00	20,000.00	-	10,000.00	-	5,000.00	0.00	5,000.00	0.00
Grant support, piloting sustainable development financing instruments (UNDP)	Lumpsum	Sweden	1	900,000.00	900,000.00	900,000.00	-	430,000.00	-	160,000.00	0.00	310,000.00	0.00
Financial Capacity Development Officer, NPSA B (UNDP)	Month	Sweden/UNDP	36	3,200.00	115,200.00	37,177.82	78,022.18	12,392.61	26,007.39	12,392.61	26,007.39	12,392.61	26,007.39
Output 1.3: Advancing private sector engagement in sustainable development and enabling environment for transition to circular economy.					213,200.00	213,200.00	-	101,066.67	-	56,066.67	-	56,066.67	-
Awareness raising on SDGs, including in terms of private sector engagement and circular economy (e.g. SDG week, SDG Business Award, video material, publications, events) (UNDP)	Lumpsum	Sweden	1	135,000.00	135,000.00	135,000.00	-	75,000.00	-	30,000.00	-	30,000.00	-
Private Sector Engagement Associate: NPSA 7 (UNDP)	Month	Sweden	34	2,300.00	78,200.00	-	-	26,066.67	-	26,066.67	0.00	26,066.67	-
Outcome 2: Cantons and local governments effectively contribute to implementation of the SDG Framework in BiH.					1,548,814.34	1,416,494.34	200,000.00	715,889.74	0.00	312,442.30	100,000.00	313,462.30	100,000.00
Output 2.1: Local governments capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 8 local governments).					1,123,854.34	1,023,854.34	100,000.00	541,069.73	0.00	242,122.30	50,000.00	240,722.30	50,000.00
Technical assistance to increase capacities of local governments to operationalize SDGs-aligned development strategies - consultancy (UNDP)	Day	Sweden	64	500.00	32,000.00	32,000.00	-	22,000.00	-	5,000.00	-	5,000.00	0.00
Technical assistance to increase capacities of local governments to operationalize SDGs-aligned development strategies - workshops and trainings (UNDP)	Event	Sweden	48	1,000.00	48,000.00	48,000.00	-	30,000.00	-	9,000.00	-	9,000.00	0.00
Technical assistance to develop large-scale pipeline projects in the public sector (UNDP)	Lumpsum	Sweden	1	75,000.00	75,000.00	75,000.00	-	45,000.00	-	15,000.00	-	15,000.00	0.00
Technical assistance for implementation of social protection priorities/Project Officer (UNICEF)	Month	Sweden	36	3,240.00	116,640.00	116,640.00	-	38,880.00	-	38,880.00	0.00	38,880.00	0.00
Project Assistant (UNICEF)	Month	Sweden	33	1,104.19	36,438.34	36,438.34	-	9,937.73	-	13,250.30	-	13,250.30	0.00
Meetings and workshops (UNICEF)	Meeting/event	Sweden	15	3,240.00	48,600.00	48,600.00	-	30,000.00	-	10,000.00	-	8,600.00	0.00
Travel (UNICEF)	Month	Sweden	36	2,160.00	7,776.00	7,776.00	-	2,592.00	-	2,592.00	-	2,592.00	0.00
Grant scheme "Leave no one behind" (UNDP/UNICEF)	Project	Sweden	8	32,400.00	259,200.00	259,200.00	-	159,200.00	-	50,000.00	-	50,000.00	0.00
Project Officer: NPSA B (100 %) (UNDP)	Project	Sweden/UNDP	8	35,000.00	280,000.00	180,000.00	100,000.00	90,000.00	-	45,000.00	50,000.00	45,000.00	50,000.00
Further awareness raising among various groups of stakeholders (incl video materials, publications, SDG Award etc.) (UNDP)	Month	Sweden	36	3,200.00	115,200.00	115,200.00	-	38,400.00	-	38,400.00	-	38,400.00	0.00
Output 2.2: Cantonal capabilities to plan, finance, implement, monitor and report on their SDG achievements enhanced (up to 3 cantons).	Lumpsum	Sweden	1	105,000.00	105,000.00	105,000.00	-	75,000.00	-	15,000.00	-	15,000.00	0.00
Technical assistance to increase capacities of cantons to operationalize SDGs-aligned development strategies - consultancy (UNDP)	Day	Sweden	114	500.00	57,000.00	57,000.00	-	35,000.00	-	11,000.00	-	11,000.00	0.00
Technical assistance to increase capacities of cantons to operationalize SDGs-aligned development strategies - workshops and trainings (UNDP)	Event	Sweden	18	1,000.00	18,000.00	18,000.00	-	9,000.00	-	5,640.00	-	3,360.00	0.00
Technical assistance to develop large-scale pipeline projects in the public sector (UNDP)	Lumpsum	Sweden	1	75,000.00	75,000.00	75,000.00	-	50,000.00	-	12,500.00	-	12,500.00	0.00
Grant scheme (3 cantons, 80% per canton). (UNDP)	Project	Sweden	3	80,000.00	240,000.00	140,000.00	100,000.00	70,000.00	-	35,000.00	50,000.00	35,000.00	50,000.00
Project Officer: NPSA B (30%)	Month	Sweden	34	960.00	32,640.00	32,640.00	-	10,880.00	0.00	10,880.00	0.00	10,880.00	0.00
Project Manager: NPSA B (Operationality 40%)					601,950.69	406,906.96	195,043.73	127,010.93	65,014.58	130,498.01	65,014.58	146,498.01	65,014.58
Programme Manager NOB (UNDP)	Month	Sweden/UNDP	36	6,460.00	232,600.00	100,960.08	131,599.92	33,653.36	43,866.64	33,653.36	43,866.64	33,653.36	43,866.64
Programme Associate: NPSA B (UNDP)	Month	Sweden/UNDP	36	2,721.41	97,970.69	77,414.19	20,556.50	25,804.73	6,852.17	25,804.73	6,852.17	25,804.73	6,852.17
Quality Assurance (UNDP)	Month	Sweden/UNDP	36	1,402.78	50,500.00	32,513.68	17,986.32	10,837.89	5,995.44	10,837.89	5,995.44	10,837.89	5,995.44
Communication Associate: NPSA B (40%) (UNDP)	Month	Sweden/UNDP	36	1,120.00	40,320.00	35,781.72	4,538.28	11,927.24	1,512.76	11,927.24	1,512.76	11,927.24	1,512.76
Operations costs (rent of office, IT equipment, etc.)	Month	Sweden/UNDP	36	3,800.00	136,800.00	116,437.30	20,362.70	38,812.43	6,787.57	38,812.43	6,787.57	38,812.43	6,787.57
Visibility	Lumpsum	Sweden	1	10,000.00	10,000.00	10,000.00	-	2,275.28	-	3,862.36	-	3,862.36	-
Translation	Lumpsum	Sweden	1	5,000.00	5,000.00	5,000.00	-	1,000.00	-	2,000.00	-	2,000.00	-
Travel	Month	Sweden	36	300.00	10,800.00	10,800.00	-	3,600.00	-	3,600.00	-	3,600.00	-
Final Programme evaluation	Per diem	Sweden	30	600.00	18,000.00	18,000.00	-	0.00	-	0.00	-	18,000.00	-
Total					4,810,420.03	4,193,554.11	625,865.91	1,903,434.93	126,621.97	1,145,059.59	254,621.97	1,145,059.59	244,621.97
GMS Sweden 0%					335,484.33	335,484.33	152,274.79	152,274.79	0.00	91,604.77	0.00	91,604.77	0.00
Total					5,154,904.36	4,529,038.44	625,865.91	2,055,709.73	126,621.97	1,236,664.36	254,621.97	1,236,664.36	244,621.97

	Sweden	%	Co-fin	%
UNDP	3,497,865.96	77.23%	583,865.91	93.29%
UN Women	476,037.00	10.51%	0.00%	0.00%
UNICEF	555,135.48	12.26%	42,000.00	6.71%
TOTAL	4,529,038.44	100.00%	625,865.91	100.00%

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