



*Bosnia and  
Herzegovina*

# **Country Programme Action Plan**

*agreed* by the Government of Bosnia and  
Herzegovina and UNDP

2010- 2014

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## Abbreviations

ASSC	Areas of Special State Concern
AWP	Annual Work Plan
CAS	World Bank Country Assistance Strategy
CEE	Central and Eastern Europe
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CSOs	Civil Society Organizations
CSR	Corporate social responsibility
EC	European Commission
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEF	Global Environment Facility
HIV-AIDS	Human immune deficiency virus- Acquired immune deficiency syndrome
ICT	Information and Communication Technology
IEA	International Environment Agreement
MDGs	Millennium Development Goals
MDGR	Millennium Development Goals Progress Report
MFIs	Micro-Finance Institutions
MIS	Management Information System
NGO	Non-governmental organization
NMDG	Nationalized Millennium Development Goal
OSCE	Organization for Security and Cooperation in Europe
PAL	World Bank Programme Adjustment Loan
ROP	EC-funded Regional Operations Plans
SALW	Small arms and light weapons
SBAA	Standard Basic Assistance Agreement of UNDP
SME	Small and Medium Enterprises
UNDP	United Nations Development Programme
UNDP BCPR	UNDP Bureau for Crisis Prevention and Recovery
UNDP RBEC	UNDP Regional Bureau for Europe and the CIS
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNODC	United Nations Office for Drug Control
UNV	United Nations Volunteers
WHO	World Health Organization

## **The Framework**

The Government of Bosnia and Herzegovina (BiH) and the United Nations Development Programme (UNDP) are in mutual agreement regarding the content of this document and their responsibilities in the implementation of the country programme.

Furthering their mutual agreement and cooperation for the realization of the Millennium Development Goals (MDGs), and the United Nations Conventions and Summits to which the Government and UNDP are committed<sup>1</sup>,

And building upon the experience gained and progress made during the implementation of the previous Country Programme, from 2005 to 2009,

And entering into a new period of cooperation, from 1st January 2010 to 31<sup>st</sup> December 2014,

The parties declare that these responsibilities, which are further specified in this Country Programme Action Plan (CPAP), will be fulfilled in a spirit of friendly cooperation and have agreed as follows:

### **Part I: Basis of Relationship**

- 1.1 WHEREAS the Government of Bosnia and Herzegovina (hereinafter referred to as 'the Government') and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into a Standard Basic Assistance Agreement (SBAA) to govern UNDP's assistance to the country, which was signed by both parties on 7<sup>th</sup> of December 1995.
- 1.2 In light of this decision this CPAP together with the Annual Work Plans (AWPs) (which shall form part of this CPAP, and are incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA.

### **Part II: Situational Analysis**

2.1. The effects of the 1992 – 1995 war are still felt in BiH and many development challenges are related to the recent past. However, steady progress is being made, and there is a shared common vision of a future in the European Union (EU) that generates the necessary momentum for political, economic and social reforms contributing to building consensus on important policy issues across ethnic lines and political divides. The vision for joining EU represents tremendous opportunity, but also a challenge for the country, particularly due to the country's low socio-economic standing and capacity constraints. BiH signed the Partnership for Peace agreement with NATO in 2006 and the EU Stabilisation and Association Agreement (SAA) in June 2008.

2.2. BiH's current constitution is characterized by a high level of asymmetry. BiH is a state of three constituent people (Bosniaks, Croats, Serbs) residing in two entities – the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS), with one district, Brčko, under international

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<sup>1</sup> Key international conventions include: The International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights, The Convention on the Elimination of all forms of Discrimination against Women, and The Convention on the Rights of the Child, the United Nations Framework Convention on Climate Change (UNFCCC). Conferences include: The Millennium Summit, The World Food Summit, A World Fit for Children, the World Summit for Sustainable Development, the International Conference on Population and Development.

administration. While the RS has a centralised government, the FBiH is highly decentralised, with 10 Cantonal governments. The administrative structures are thus cumbersome: 14 governance units, five levels of administration, and over 150 Ministries and 143 Municipalities.

2.3. Macroeconomic stability has been achieved with low inflation and GDP growth averaging 6% per year since 2000. However, the unemployment rate remains high at 23.4%<sup>2</sup>. Youth unemployment rates are high, as is female unemployment: 26.8% compared to 21.4% for men. With the global economic down-turn, performance is likely to weaken with a significant slowdown in growth expected; stagnating or even falling government revenues; and lower private investment rates. In this situation it will be difficult for the Government to tackle poverty reduction and the key issue of employment.

2.4. The state-level economic reform strategy has been the Mid-term Development Strategy of BiH (MTDS: 2004 – 2007) which defined the socio-economic development goals as sustainable and balanced economic development, poverty reduction and acceleration of European integration. New planning processes for 2008-2013 were started in late 2007 and two strategies are being finalized: the Country Development Strategy (CDS) and the Social Inclusion Strategy (SIS). A serious planning challenge is the dearth of reliable statistical information given that the most recent census was before the war, in 1991. A new census is envisaged for 2011.

2.5. Although in aggregate human development terms BiH is progressing well, social exclusion and poverty are pressing problems, with increasing inequalities of income, education and health outcomes. 2007 data suggests a poverty rate of 18.6%, with 22.9% at risk of poverty. The National Human Development Report 2007 suggests that over 50% of the population is socially excluded. Among the most vulnerable are the elderly, persons with disabilities, displaced persons, Roma, families with two or more children, unemployed and low-skilled youth. Women are at particular risk in all categories. The quality of education and health services needs improvement and the key MTDS goals of benefit to the most vulnerable are only partially fulfilled.

2.6. BiH has a natural resource base that is rich and extensive. As such, it holds great potential as one of the drivers of economic growth. Furthermore, the environment is not mentioned in the Constitution and the state level mandate for environmental protection and management is limited. Instead, the regulation of environmental issues takes place at Entity level. There is some local level work in the form of Local Environmental Action Plans but there is limited funding for their implementation. While the Inter-entity Steering Committee for the Environment is a reasonably effective coordination body, the governments are making slow progress to meet the obligations of global environmental conventions on climate change and biodiversity. The Initial National Communication of Climate Change has however been finalized in 2009 for submission to the Government.

2.7. Post-conflict issues continue to pose problems, and in particular, the problems regarding mines, weapons and ammunition. 3.4% of BiH is contaminated with mines but casualty rates (both death and injury) in BiH have been steadily declining. Ownership of small arms and light weapons (SALW) and ammunition is estimated as 19% of the population and 16%, around 495,000 households, possess them illegally. Although considerable progress has been made regarding the destruction of weapons and ammunition, the high levels in civilian and military possession as well as BiH's large military stock of surplus ammunition continue to pose a threat. Another key human security challenge is the government's capacity to reduce the risk of natural disasters. BiH remains vulnerable to a number of natural hazards, including droughts, floods, and fires and the potential negative impact of climate change. However, there is not as yet a coordinated disaster management and risk reduction capacity at the state level and work to meet challenges, such as avian influenza and natural disasters, is still in its early stages.

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<sup>2</sup> The Agency for Statistics of Bosnia and Herzegovina (BHAS), the Federal Institute of Statistics, the Republic Institute of Statistics of the Republic of Srpska, 2007, *Labour Force Survey*.

2.8. Gender-based inequality in BiH is pronounced in political and labour force participation. Only 9% of government positions are held by women, they constitute only 36% of the labour force (among the lowest in the region) and face a higher unemployment rate than men. The UNDP Gender Development Index (GDI) for 2004 was 0.801 with BiH ranked only 9th out of 11 countries in the region. Gender-based violence is of serious concern.

2.9. HIV/AIDS has limited impact so far in BiH with only 33 reported cases of people living with HIV/AIDS currently on antiretroviral therapy, but TB is a serious health threat with 51 sufferers per 100,000 people. Groups particularly vulnerable to the disease include those living in poverty, ethnic minorities and Roma, prisoners and displaced persons. Women are at particular risk in all categories. Although there is a low prevalence of HIV/AIDS in BiH, there is close attention to the issue to prevent an increase of infections.

2.10. BiH is a party to many international treaties related to human rights which are included in Annex I to the Constitution. The European Convention for the Protection of Human Rights and Fundamental Freedoms applies directly in BiH and overrides all other law. Related implementation programmes include the Gender Action Plan, the National Mine Action Strategy, and the National Strategy for Roma. Generally, the translation of conventions into laws and policies, as well as the creation of relevant institutions, has not occurred. Achieving the human rights ideals of the Millennium Declaration requires more time and attention by government.

2.11. In terms of the MDGs, BiH has largely achieved MDG 1 (eradication of extreme poverty and hunger) through a number of programmes including social inclusion programming, and is considered likely to achieve MDGs 4 (reduce child mortality), 5 (improve maternal health), 6 (combat HIV/AIDS, malaria and TB) and some targets in MDG 7 (environmental sustainability) and 8 (global partnerships). If policy changes are made, BiH should also be able to achieve Goal 2 (universal primary education) but a major challenge will be achieving MDG 3 (Gender Equality and Women's Empowerment).

### **Part III: Past Cooperation and Lessons Learned**

3.1. The 2005 to 2009 Country Programme Action Plan has been implemented in the five Development Practice areas: Poverty Reduction, Democratic Governance, Energy and Environment, Crisis Prevention and Recovery, and HIV/AIDS and is aligned with the key national development document: the Midterm Development Strategy (MTDS). The programme has focused on capacity development at the State, Entity and local levels. In this, UNDP has established itself as a trusted development partner, and considerable potential remains for continued UNDP support to the achievement of national development priorities.

3.2. Poverty reduction, social inclusion and achievement of the MDGs have been the over-arching goal of the programme. In support of poverty reduction, UNDP BiH has promoted Social Inclusion as a social good, in congruence with the EU agenda and its pre-accession framework UNDP has supported the Government's work on a social inclusion strategy drawing on analytic work (National HDR 2007 on Social Inclusion) and on lessons from area-based development programmes, returnee reintegration projects and initiatives in private sector development. These projects include the Srebrenica Region Recovery and the Upper Drina Development programmes which were positively evaluated in 2008 by the Netherlands Government, the principle donor. Three of the key lessons learnt from ABD programming include the need to ensure micro-macro linkages; to implement project activities with returnees (the major vulnerable group) and the need to steer away from micro-crediting. The Support to Sustainable Return Programme which helped 1400 families with new homes, became the model for the recently initiated return programme in Kosovo. Private sector development started with the regional Growing Sustainable Business (GSB) project and then integrated its' activities into poverty reduction projects.

3.3. In its returnee reintegration projects UNDP has recognized the importance of ownership in the receiving communities, as a key to making the returns process sustainable. UNDP has made special efforts to broaden its interventions to include local communities who are not displaced, but have experienced vulnerability in terms of access to social and public services, unemployment and infrastructure. Hence, UNDP's support to the returns process has been focused around three pillars: housing of returnees; rehabilitation of infrastructure and services; and enabling returnees to establish a sustainable livelihood. In terms of local development and support to sustainable livelihoods, UNDP has recognized the challenges of generating economic activity in a fragmented, post-conflict setting. Therefore, UNDP has undertaken a new approach in the past two years, involving the provision of technical assistance to enterprises based on detailed assessments of local potential, business constraints and the available resources. The GSB approach has proven especially valuable in this regard, especially when integrated with the field-level programmes.

3.4. UNDP initiatives in the area of democratic governance have included public administration reform, local inclusive planning and support to the State and Entity Gender Equality Institutions. UNDP supported the establishment of the Civil Service Agency in the Federation of BiH, which has developed sufficient capacities to fully respond to the training needs in the Federation without external support. A rights-based methodology was applied to local strategic planning at municipality level and the inclusion of civil society in local planning was piloted. This was the basis for a new generation of local democracy projects agreed by Government with bilateral donors and UNDP. Rebuilding communities has included support to coping with the past and the transitional justice project has built coalitions between government and civil society to tackle reconciliation. At the same time UNDP has supported capacity development of the War Crimes Chambers.

3.5. In the same area, the importance of local ownership has and will continue to underpin successful UNDP interventions. While the current legal, institutional and administrative frameworks have successfully consolidated peaceful coexistence and the statehood of BiH, further progress depends on achieving higher standards of governance effectiveness. In terms of providing support to the governance structures, the main problems which need to be overcome are the weak centre of government, inflated administrative costs, and overlapping accountabilities between units and levels of government, and a lack of coordination. These problems negatively impact on policy making, public finance and human resources management, and ultimately, result in inadequate service delivery. In addition, political participation is one of the areas in which gender discrimination in BiH is most obvious with extremely low levels of women holding political power. Since 2001, UNDP provided support to strengthening democratic governance in BiH through support to the 1) development and implementation of the BiH Public Administration Reform Strategy and Action Plan; support to 2) local participatory planning and capacities of the municipal and other local level authorities; the support to 3) the donor coordination; and the support to 4) transitional and access to justice capacities. The key results of UNDP initiatives to date show that a coordinated response to issues of democratic governance, engagement of all levels of government, the formal and informal justice mechanisms, and the private sector in specific localities, increases the impact of the governance programme. The role of the international community, which has been key in the post-conflict period in setting the country firmly on the path of EU accession, is bound to decrease over the medium term as it makes way for full ownership by local stakeholders of all governance processes

3.6. UNDP activities in the area of energy and environment have included tackling local environmental hotspots and the conservation of unique biospheres, and integrating environmental mitigation measures into local development projects. There has been progress in supporting the authorities responsible for compliance with the climate change and biodiversity conventions, and experience has been gained in managing the complex BiH institutional set-up for environmental management. UNDP has recognized the constraints presented by limited capacities in the area of energy and environment at all levels and the need to focus future

programming initiatives on developing national and local capacities and ownership. Based on experience from the previous programmatic period, the main lessons learned are the following: 1) relevant governmental bodies at both state and entity levels could not fully take ownership of the projects ; 2) communication and coordination among international and national institutions in the field of energy and environment is rather weak and unstructured; 3) absorption capacity from municipality to state level in the area of energy and environment are below the levels necessary for the EU accession process, mainly due to weak human and financial capacities ; 4) the unclear division of responsibilities between different levels of government seriously slows down progress in this sector.

3.7. In the area of crisis prevention and recovery, UNDP has supported the achievement of a number of measurable improvements to human security. In the area of de-mining and reductions in small arms and light weapons (SALW), UNDP has supported the clearance of mines from over 2 million square metres of land, and the destruction of 9500 pieces of SALW and 5,000 tons of ammunition. Since 1996, UNDP supported the establishment of the BiH Mine Action Center (BiH MAC), which has since assumed all responsibility – political, technical and managerial - for demining activities. UNDP has been involved in the mainstreaming of gender equality into the documents and activities of the BiH Mine Action Center and supported the coordination between two Governmental institutions, the BiH Gender Equality Agency and BiH MAC. Dealing with another important legacy of the war, in the last few years UNDP has focused on the issues of transitional justice and the handling of war crimes. Among the concrete results, UNDP has supported the establishment of the War Crimes Chamber, through a combination of capacity development, provision of office infrastructure and an information campaign. UNDP also undertook a facilitator role to engage with civil society organizations involved in the reconciliation process, in order to build a common approach to dealing with the past that would be acceptable to all the ethnic groups. In the area of disaster management, a significant achievement has been made towards the development of a Law and the Methodology for Risk Assessment in BiH, with noted coordination and strong local ownership of the sector.

3.8. The main lessons learned in the area of crisis prevention and recovery include the importance of political commitment to push forward the relevant reforms in the defense and security sector, including the community-based response to mine action, SALW and armed violence. Similarly, government ownership and involvement in the transitional justice processes remains a necessary prerequisite for successful implementation of any initiative. Furthermore, continued education of different civil society actors about transitional justice issues remains necessary while a good relationship between the government and the civil society sector is a crucial factor in ensuring success in this area. The weak strategies on disaster risk management and the lack of sex disaggregated data and gender analysis have, however, proven an obstacle for the development of coordinated, needs-based protection, prevention and response mechanisms for disaster management.

3.9. Since 2007 UNDP BiH is the BiH Principal Recipient of grants from the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM) and works intensively with capacity building of government institutions and 9 NGOs. The delivery on the grants has been highly rated by the Global Fund, for both the HIV/AIDS and tuberculosis components. The project has set up 3 clinics, 12 voluntary counseling and testing centres, 13 youth friendly health services, and 5 methadone treatment centres. Continuous partnership building takes place at entity level between government and civil society institutions. The main lesson pertains to the constraints presented by the low levels of knowledge for monitoring activities, which is to some extent, slowing down the capacity development activities in this area.

3.10. The high delivery rates of the UNDP CO are a good indication of the efficient country programme operation in BiH. UNDP-Donor partnership is significant in the context of declining aid flows to BiH. Key partners apart from the Government are the EC, Japan, Netherlands, Canada, Sweden, Switzerland, Spain, the Global Environment Fund and the Global Fund to Fight Aids, TB

and Malaria. There is close cooperation and joint programming with other UN agencies with four MDG Achievement Fund projects awarded to BiH.

3.11. The 2008 Assessment of Development Results main recommendations include increasing government ownership through national implementation. A good example of how this lesson is already being applied is the work done on donor coordination which has been instrumental in the establishment of the Ministry of Finance's Sector for the Coordination of International Aid. Other recommendations included linking lessons learnt at field level to higher level policy activities, increasingly working with civil society, focusing on a number of well defined substantive areas. These recommendations are reflected in the proposed programme.

#### **Part IV: Proposed Programme**

4.1. The proposed programme results are aligned with the UNDP strategic plan, the agreed UNDAF results framework and with the priority areas identified by the government for the Country Development Strategy and Social Inclusion Strategy (Strengthened macroeconomic stability; Sustainable development; Competitiveness; Employment; EU integration; and Social inclusion). UNDP will support the Government's EU accession process and within the accession framework will focus on areas of UNDP comparative advantage, emphasizing capacity development, private sector development through an inclusive markets approach, gender equality, sustainable development and the human rights based approach to development. The current CPAP is a result of an extensive consultative process with relevant government counterparts, civil society and other partners.

4.2. The proposed programme is divided into four major programmatic areas: Democratic Governance, Social Inclusion, Environment and Energy, and Human Security and Justice, reflecting the four outcome areas of the UNDAF 2010-2014.

##### *Democratic Governance*

4.3. In the area of Democratic Governance, UNDP will work to strengthen the capacities of the State and Entity governments and parliaments, with a focus on public sector reform (strategic planning, human resources management and e-governance); local governance; and institutional capacity development. eGovernance work will be stronger undertaken at BiH level and will continue good work at regional level together with the Regional Cooperation Council (RCC). The programme builds on its proven strengths and past successful programmes, adding more emphasis on integrated approaches that aim at leveraging systemic change while delivering tangible benefits to stakeholders. New programming areas being considered are closely linked to the existing ones, mutually reinforcing and similarly aimed at supporting systemic change. UNDP through its initiatives will support BiH governments at all levels to modernize public sector practices through public sector reform and bases policies on sound quantitative and qualitative analysis with full participation of relevant national stakeholders, including CSOs and academia. UNDP CO BiH in all the DG Cluster areas will support the BiH governments to align strategies, policies and legislation with the Acquis and political requirements for EU accession.

4.5. More specifically, proposed initiatives under the first outcome concentrate on the public sector reform focusing support on the PAR Strategy implementation, and in the area of civil service reform the focus will be on human resource management and the development of professional standards, incentives and performance management. Activities in strategic planning and policy development will support evidence-based policy making and policy coordination. eGovernance initiatives will support the promotion and implementation of government-wide

standards and the enhancement of public service delivery. At the local level, UNDP will support local governance capacities through assistance to participatory planning, the development of standards for public services, benchmarking of local government performance, and inter-municipal cooperation. In addition, programme activities are envisaged that will place emphasis on corruption prevention, such as strengthening public sector ethics and integrity, administrative simplification, public transparency and accountability mechanisms, and institutional capacity development for anti-corruption bodies. The focus of UNDP activities in providing capacity development support to institutions on the State, Entity and local level will be the development of technical and human resources capacities of relevant institutions, as well as providing expert support to ongoing processes, primarily programme-based budgeting and policy making. Programming in the area of democratic governance will include a special partnership with the Social Inclusion area to support civic participation and citizens' voices in policy processes and in monitoring of service delivery. Gender equality will be mainstreamed through the programming activities, based on the CEDAW Recommendations for BiH and the BiH Gender Action Plan.

4.7. The CO Democratic Governance Cluster will establish a programmatic link with the Social Inclusion, Energy and Environment and Human Security Clusters, contributing to work on governance aspects of inclusive social policies, civic participation, community based human security, access to justice, promotion of sustainable local development and creation of green jobs through private sector efforts and responsible corporate governance, and development of relevant sector institutional capacities and linkages.

### *Social Inclusion*

4.6. Social Inclusion remains a pressing problem marked by a series of social fractures and a general decrease in equalities of income, educational and health outcomes. According to the NHDR 2007 more than 50% of the population is socially excluded in some way. Furthermore 22% of the populace experiences some form of extreme exclusion are 47% are at risk of long term social exclusion. Thus, the envisaged projects within the Social Inclusion Cluster will support the government on state and entity levels in developing and implementing policies and practices to ensure inclusive and quality social services, housing and social protection, and employment services. At the same time initiatives within Cluster will aim to align MDG achievement with the EU accession agenda. Specific activities will focus on social inclusion analysis, social statistics and support to census, capacity development for evidence- and rights-based policies at the Directorate for Economic Planning (DEP), as well as local level activities in the area of inter-cultural understanding as a basis for development. Capacity development activities will focus on the Statistical Agencies, the DEP, the Ministry of Finance and Treasury and the Ministry of Civil Affairs. Poverty reduction is kept in focus through the Area-based Development projects including tackling unemployment with strong partnerships with the private sector. The design and implementation of projects will be done together with vulnerable groups including women, returnees, the unemployed as well as civil society, private sector, national stakeholders and donors. Gender equality will be mainstreamed through the programming activities, based on the CEDAW Recommendations for BiH and the BiH Gender Action Plan.

4.7. Proposed programming in the area of social inclusion will support a development outcome geared towards empowerment of the governments on state, entity and municipality level to develop, coordinate, monitor and report on policies as well as to provide access to services for socially excluded and vulnerable groups, including rural poor, that are inclusive, evidence- and rights-based. Thus, the outcome will also contribute to fostering inclusive social and economic development, with a contribution from the private sector.

In this regard, UNDP cooperation will support the achievement of four main outputs: first, the development and implementation of laws and strategies geared towards social inclusion, including social inclusion strategies; and, the delivery by government of efficient, needs-based social services at the local level with CSO support.

Secondly, the social inclusion programme will support improved intercultural understanding at the local level as a basis for local and national development, and support the development of the tourism and cultural industries. To achieve this, UNDP will provide assistance to municipalities and CSOs to adopt and implement municipal policy and action plan documents in support of sustainable local economic development and poverty reduction.

4.8. The third output of the programme is the empowerment of local authorities, with civil society and the private sector to plan and implement inclusive social policies at local level including support to youth employment. This will mainly be attained through the development of innovative employment and social programmes and area-based interventions. Initiatives to be undertaken include the creation of value-chains for employment generation, growing inclusive markets initiatives and working on youth skills-building and vocational training. As an output, partnerships will be created between the private sector and local authorities to provide a framework for economic development components and youth employment opportunities. The activities are in harmony with those of the World Bank which plans to roll out in 2010 a stimulus project for the SME sector to foster an expansion therein. The impact of UNDP's activities will thereby be directly bolstered through increased vibrancy within the sector.

Finally, the social inclusion programme will support national institutions in developing enhanced evidence based policies by collecting information and statistics related to socially vulnerable categories.

4.9 The outputs will jointly contribute to the development of inclusive markets - the competitive markets that extend choices and opportunities to the poor. They will be realized by offering policy advice and capacity building support to local government on all levels. Support will also be extended to other sectors such as rural development, agriculture, income generation, civil society and private sector development. Concrete activities will include but will not be limited to promotion of investment in human capital and vocational training, enhancement of access to markets by micro producers and SMEs as well as the upgrade of the current system of economic promotion, strengthening of cooperation among producers, local authorities and the state regularity institutions, building new economic value-chains, promotion of public private partnerships and support to good governance.

4.10 The Social Inclusion Cluster will establish synergy with other clusters such as Energy and Environment in order to underpin local development and use common resources to create sustainable jobs, particularly in regard to the activities geared towards rural development and agriculture. Possible joint actions are also foreseen in cooperation with the Human Security Cluster regarding disaster risk reduction and demining.

#### *Energy and Environment*

4.11. The programme envisaged for the Energy and Environment Cluster aims to strengthen BiH's environmental management mechanisms in order to meet the requirements of the multilateral environmental agreements as well as of the EU accession process; and, at the same time, to support the development of capacities at all levels for both sustainable use of resources and sustainable development. The proposed projects will support Government compliance with international conventions and EU regulations in: Air quality management; Integrated water resource management; Protection, use and management of land resources; Forest and waste management; Biodiversity, geo diversity and protection of natural heritage; legal and institutional environmental management framework. Special attention will be paid to integrating climate change issues in the above mentioned areas, including supporting the establishment of the institutional and legislative framework (clearly defined procedures that would enable the proper functioning of the Designated National Authority – DNA including methodology, criteria and deadlines for the evaluation and approval of potential Clean Development Mechanisms – CDM),

technical assistance to national communications to UNFCCC, supporting participation of BiH in international negotiations, and in the development and implementation of National Climate Change Plans. There will also be continued work at sub-regional level focusing on conservation of bio-diversity and eradication of environmental hot-spots. The portfolio of GEF project will be expanded in all GEF focal areas. Synergies will be sought with other sectors, such as agriculture and forestry, where strong links exist in terms of climate change adaptation and mitigation measures, persistent organic pollutants, renewable sources of energy and similar. Work at the local level will include the development and implementation of Local Environment Action Plans, as well as support to local level climate change action through support to the development of local climate change action plans and the implementation of projects aimed at reducing GHG emissions, increasing usage of renewable sources of energy, improving capacities for energy audits, increasing energy efficiency of public buildings, individual homes, industry, transport and district heating systems. Gender issues will be mainstreamed through the programming activities. Recent progress with working with Entity authorities on climate change and biodiversity, and the experiences gained in managing the complex BiH management set-up for environment will provide a solid basis for the proposed work.

4.12. The programme will make a number of strategic contributions to the achievement of MDG7 (Environment) and MDG8 Partnership for development). The programme outcome Strengthened national capacities to integrate environmental and energy concerns into development plans at all levels and systems for effective implementation of the sectoral priorities and related specific activities will support state and entity authorities in mainstreaming the environmental governance methodology into the relevant strategic planning processes, through a participatory process involving all key stakeholders. This will include support to analysis and improvement of the existing legal and institutional frameworks for environmental governance; provision of technical knowledge and skills for the formulation of reliable environmental indicators to inform policy development; support to mainstreaming of environmental governance for strategic planning processes; and provision of technical assistance for establishment of permanent and effective environmental funding mechanisms.

Also, it will focus on assisting the government, public and the private sector to increase their knowledge and technical capacities in the area of climate change mitigation and adaptation measures, water resource management, and preservation of biological and landscape diversity. Initiatives will also be developed to support the institutional capacity of the Government to respond to specific international obligations, including multilateral environmental agreements.

Additionally, in partnership with the state and entity authorities, aim is to strengthen the formulation and implementation mechanisms for the Environmental Action Plans through a participatory approach involving the lower level authorities (cantons and municipalities), public and private service providers and the civil society. It is envisaged that specific initiatives will contribute to the improved knowledge of the local government and public service providers for the provision of environmentally compliant energy, water and sanitation services.

4.13. The Energy and Environment Cluster will establish a programmatic link with the Democratic Governance Cluster and with the Social Inclusion Cluster to promote sustainable local development and creation of a 'green economy' (energy efficiency, renewable energy sources and biological and landscape diversity conservation) through private sector efforts and responsible corporate governance. Common actions will be taken together with the Human Security Cluster on natural disasters risk reduction through the introduction of sustainable natural resource management.

Capacity development of all stakeholders will be a cross-cutting objective. The overall approach to deliver this is a 'learning by doing' approach, which will improve the level of capacities for energy and environment project prioritization and development. In addition to standard capacity development tools (trainings, lectures, study tours, etc.) this approach will use participatory

planning, project development, implementation and monitoring processes. Particular attention will be paid to the role of women in environmental management and climate change mitigation activities, recognizing their roles in domestic, work and political domains

### *Human security and Justice*

4.14. Priorities within the Human Security and Justice Cluster will be aligned with the priorities outlined in the UNDAF, with a focus on crisis and conflict prevention, recovery and confidence building measures through higher level policy advocacy. The projects will build on past experiences and lessons learned in areas such as, Small Arms Control, Mine Action, Disaster Risk Reduction, Transitional Justice and Access to Justice. The Human Security programme furthermore builds on UNDP's global expertise in the area of crisis prevention and recovery. The programme represents a 'next generation' of programming that focuses on community based initiatives building local resilience and capacities, combined with evidence based research that aims to inform national policy processes and coordination efforts.

The programme will make particular efforts to ensure that the initiatives are need-based, closely integrated with other development interventions and government reforms. Special attention will be given to support to sustainable livelihoods of vulnerable groups, IDPs, returnees and women's empowerment as related to human security, and within the framework of the UNDP Eight Point Agenda on women's empowerment and gender equality in crisis prevention and recovery. The planned initiatives will include technical assistance for reduction of Small arms and light weapons SALW, ammunition destruction and capacity development for demining. Gender will be addressed throughout the programme, including joint efforts with UNFPA to support the implementation of the State, Federation and RS Strategies on Domestic Violence, as well as the CEDAW Recommendations for BiH 2006, and the UN SC Resolution 1325. Institution building for crisis management and disaster response will be reinforced by working sub-regionally with the Regional Cooperation Council (RCC), and will include cross-border response and compliance with EU standards including support to the establishment of a national coordination body and a national strategy for disaster risk management. Programming in the area of HIV/AIDS will continue to focus on implementation of the GFATM grants, and capacity development of the health sector and the civil society in the context of their future role as the Principal Recipient during the second phase of the programme.

4.15. The Human Security and Justice projects will contribute to two outcomes. Under the first outcome, the envisaged activities will support equal access to justice and the protection and promotion of human rights and gender equality values, including the development of institutional mechanisms for dealing with the past. In particular, UNDP will continue to provide assistance to the Government and the judicial institutions to prosecute and try war crimes, and to operationalize the transitional justice mechanisms, including the development of the Transitional Justice Strategy. UNDP will also support creation of the victims/witness support mechanism(s) in BiH. Specific initiatives will entail strong civil society engagement and outreach to BiH society. Capacity development activities will entail provision of capacity development strategies, development of needs assessments, provision of technical expertise, and development and provision of training modules to courts and prosecutors' offices.

Justice and human rights projects will be continued with increased focus on lower level courts, legal empowerment of the poor and human rights institutions. UNDP will also work with the relevant government institutions and civil society to develop the legal frameworks for improved access to justice (including free legal aid) and observance of human rights, rights including gender equality values with particular attention to addressing the information gap between judicial institutions and the communities they serve. These initiatives will support the implementation of the Justice Sector Reform Strategy (JSRS) for BiH. The capacities of both claim holders and duty bearers will be addressed. Improving accountability of the institutions (as duty bearers) in the field of juvenile delinquency is one of the objectives.

With respect to meeting the requirements for EU accession and embarking on different resources as appropriate UNDP corporate resources could be deployed to support the CO in responding to specific needs including access to justice, promotion of the right of persons with disabilities, international legal assistance, legal assistance and the implementation of BiH Gender Action Plan.

4.16. Under the second outcome, the proposed initiatives will support the establishment of regulatory frameworks to crisis and conflict prevention initiatives particularly to mitigate risk and respond to disasters, including outbreaks of communicable diseases especially HIV/AIDS and Tuberculosis, improved management of Small Arms and Light Weapons, mine action, armed violence and crime prevention and integrated border management. UNDP will focus on strengthening the capacities of national disaster risk reduction structures in BiH regarding a national strategy for disaster risk management, risk assessments and plan, establishment of local coordination mechanisms, observatory and integrated community disaster risk reduction programmes. Capacity development interventions will include provision of technical expertise, policy guidance and equipment, as well as provision of the relevant training modules. Specific initiatives will also provide support to regional cooperation and coordination in the area of disaster risk reduction, climate risk management as well as to mainstreaming of disaster risk reduction into development plans. UNDP will work in partnership with the ongoing community initiatives within the Environment and Energy Cluster to support strengthening of community resilience. Focusing on defense and security reform and Euro Atlantic integration processes, UNDP activities will support the implementation of the relevant national laws on arms reduction, strengthening of law enforcement capacities and confidence building through support to the improved provision of social services to socially-excluded and at-risk of violence groups in particularly marginalized youth and demobilized soldiers. An important part of this strategy will be to facilitate local, accountable bodies to enhance violence prevention in a partnership between the public, the police and local authorities. UNDP will support the development and implementation of relevant state and entity laws and regulatory frameworks on arms reduction strengthen law enforcement capacities and support confidence building in general. The specific activities will include, *inter alia*, assistance to lobbying activities, policy development, community policing, victims' support, and a weapons collection campaign. Capacity development activities will include provision of technical support, policy advocacy, equipment and training activities. In the area of disarmament and demobilization, UNDP will develop and conduct a detailed needs assessment targeting demobilized soldiers and their families, in order to support the development of a comprehensive project for reintegration of demobilized soldiers. This will be closely linked to the above mentioned efforts to enhance community security and will provide a natural linkage for joint programming with local level poverty reduction initiatives and/or work with the reintegration of IDP's which are implemented within Social Inclusion Cluster. UNDP's continued support to the mine action structures will focus on strengthening their capacities for public procurement and access to international funding mechanisms, through provision of demining services, knowledge sharing and technical expertise. UNDP programming will contribute to adoption of regulatory and institutional frameworks to meet the requirement of international standards and the EU accession process regarding integrated state borders management. UNDP's support will focus on capacity development activities for integrated border management, including support for needs assessment, policy advocacy and technical assistance

As already indicated, UNDP will continue to work with the national counterparts and key stakeholders to strengthen their capacities in the area of HIV/AIDS and Tuberculosis, and especially as related to their future role as the Principal Recipient of GFATM grants.

#### *Indicative Summary Budget*

The indicative budget for the entire programme 2010- 2014 is US\$ 100 million, i.e. US\$ 20 million per year over the period of five years.

## **Part V: Partnership Strategy**

UNDP recognizes the importance of partnerships and cooperation for successful implementation of any development initiatives. As such, UNDP is committed to building relationships with a wide range of partners and stakeholders, including all levels of the Government, UN agencies, funds and programmes, bilateral donors, civil society, regional organizations, and the private sector, among others<sup>3</sup>.

5.2. UNDP will continue to systematize its cooperation with all levels of government. In anticipation of further improvement in the capacities of government, which is a prerequisite for the EU accession process, UNDP BiH will prepare for a gradual transition from the current Direct Implementation modality to National Implementation. UNDP will provide technical assistance to the ministries in preparation of EC funded initiatives under the Instrument for Pre-accession funds (IPA) and subsequently the EU structural funds. UNDP will also seek to provide support to simplifying government procedures related to programme implementation.

5.3. At the same time UNDP will seek to maintain and strengthen relationship with the EC in all the four focus areas in order to improve synergies, and maximize the overall development impact. In the domain of employment generation and economic development UNDP will coordinate its activities with other relevant multilateral organizations, particularly the World Bank and IMF.

5.4. In supporting the implementation of the Paris Declaration, UNDP developed an annual Donor Mapping Exercise and initiated Donor Coordination Forum. The activities were transferred to the Ministry of Finance and Treasury in 2009, with continued support from UNDP and support will be provided as necessary in the future.

5.5. Following a major enhancement of joint programming in 2008 and 2009 in particular due to funding awarded to BiH by the Spanish MDG Achievement Fund, UNDP, UNICEF, UNESCO, IOM, UNV and UNFPA will jointly implement programmes in the fields of Energy and Environment, Culture and Development, and Youth, Migration and Employment. At the same time UN agencies have committed to achieving development goals as specified and agreed with the Government in the 2010- 2014 UNDAF that was signed with the Government on March 31<sup>st</sup> 2009 and with which this CPAP is fully aligned.

## **Part VI: Programme Management**

6.1. The programme will be nationally executed. In addition, implementation will commence inclusive of ongoing projects under direct implementation, which have been previously approved (under CPAP 2005-2009). UNDP may select direct implementation, if necessary, on a case by case basis for new projects being initiated under the current CPAP. In such cases, UNDP will follow the standard UNDP approval procedures for direct implementation. Thus, the implementation at National, sub-national and local levels will be carried out using varied mix of partners including national bodies, local and central authorities, NGOs and business entities and UNDP itself. Management of the programme cycle, including the development and monitoring of annual work plans, key surveys, studies and evaluations will involve stakeholders from government and civil society.

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<sup>3</sup> Full list of partners is available in the Results and Resources Framework.

6.2 The Annual Work Plans (AWPs) describe the specific results to be achieved and will form the basic agreement between UNDP and each executing partner on the use of resources. The reference to "Implementing Partner(s)" shall mean "Executing Agency(ies)" as used in the SBAA.

6.3 A range of specific programme management mechanisms are anticipated. UNDP Bosnia and Herzegovina is a practitioner of the PRINCE2 project management methodology, a widely used international certification fully in line with management practices under the UN simplification and harmonization process. A National Programme Outcome Board will be established with the National counterpart and will convene twice annually in January-February and June-July to set targets and review progress respectively. Project-level interventions will benefit from oversight provided by Project Boards with the same frequency of reviews and other quality control mechanisms, involving the participation of Government partners, business and civil society representatives, and donors.

6.4 In programme design and implementation, UNDP works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments. To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWP to implement programmatic initiatives. However, as necessary and appropriate, project documents would be prepared using, inter alia, the relevant text from the CPAP, and AWP. UNDP will sign the project documents with partners in accordance with corporate practices and local requirements. In line with the UNDG Joint Programming Guidance Note, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence, increase complementarity and eliminate duplication.

6.5 Atlas Enterprise Resource Planning (ERP) contributes to timely, efficient delivery of activities and effective, transparent financial monitoring to manage projects and the UNDP programme as well as joint activities.

6.6 All cash transfers to an Implementing Partner are based on the AWP's agreed between the Implementing Partner and UNDP.

6.7 Cash transfers for activities detailed in AWP can be made by UNDP using the following modalities:

1. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners.
2. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.
3. Cash transferred directly to the Implementing Partner:
  - (a) Prior to the start of activities (direct cash transfer), or
  - (b) After activities have been completed (reimbursement);

6.8 Direct payments by UNDP will not require a separate request or authorization of the government, which is agreed to in this CPAP document and will remain valid throughout its period. Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.

6.9 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.

6.10 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which the Implementing Partner shall participate.

6.11 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

6.12. Significant resources have already been mobilized for the first 2 -3 years of programme implementation. Further resources will be mobilized on the basis of the programme's relevance, with emphasis on activities in support of MDG achievement, the EU accession agenda, compliance with international treaties and conventions, and cross-border activities. In this regard, the core resources for the new country programme will be used to leverage further mobilization of non-core resources in the form of cost-sharing, trust funds, or government contributions.

6.13 The Joint Programmes will be aligned with the UNDAF results matrix to ensure synergy between UN agencies. At least four multi-agency MDG-Achievement Fund projects will be in the implementation phase, along with the One UN Communications Strategy, contributing, to advocacy work on human rights, good governance and gender equality. Improved mechanisms for joint programme monitoring & evaluation will also be prioritized.

## **Part VII: Monitoring and Evaluation**

7.1. Monitoring and evaluation of the programme will be guided by the UNDAF results matrix to which this country programme is aligned. This will be challenging due to the data deficit the country suffers, best illustrated by the lack of a census since 1991. Projects will pay particular attention to establishing baseline data and UNDP will continue to support the statistical agencies. The Resident Coordinator's office has established an M&E Unit for joint UN programmes and this Unit will also provide M&E support to individual agencies. The participatory mechanisms that have been used for preparation of this CPAP will be utilized for setting up of the Outcome Boards.

7.2 The Implementing Partners and UNDP shall jointly conduct annual planning and review meetings for all programme components, usually in the last quarter of each year. The exercise will revisit the annual and CPAP results and resources framework and prepare for the following year's AWP. Other UN agencies and representatives of multilateral and bilateral donors as well as civil society organizations may be invited to participate in these meetings as appropriate. A comprehensive mid-term outcome evaluation will be held jointly by the Government and UNDP in 2012.

## **Part VIII: Commitments of UNDP**

8.1 UNDP will ensure coherence between the National Development Strategy, CPAP/AWP, UNDAF and MDGFs. Through annual reviews and periodic progress reporting and evaluations responsibilities between UNDP, the Government and implementing partners will be emphasized.

8.2. In case of direct cash transfer or reimbursement, UNDP shall notify the Implementing Partner of the amount approved by UNDP and shall disburse funds to the Implementing Partner within 30 days of approval of the request.

8.3 In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partners, UNDP shall proceed with the payment within 30 days of approval of invoice. This modality will prevail in the majority of assistance provided.

8.4 UNDP shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.

8.5 Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN agencies.

### **Part IX: Commitments of the Government**

9.1 The Government will honor its commitments in accordance with the provisions of the Standard Basic Assistance Agreement (SBAA) referred to above. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP's property, funds, assets, programmes and to its officials and experts. In addition the Government will accord to UNDP and its officials and to other persons performing services on behalf of UNDP, the privileges, immunities and facilities as set out in the SBAA.

9.2 Where there is government cost-sharing, the following clauses apply:

- I. The Government and UNDP will agree on a schedule of payments and share bank account details.
- II. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the CPAP may be reduced, suspended or terminated by UNDP.
- III. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of CPAP delivery.
- IV. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
- V. All financial accounts and statements shall be expressed in United States dollars.

- VI. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
- VII. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [vi] above is not forthcoming from the Government or other sources, the assistance to be provided to the CPAP under this Agreement may be reduced, suspended or terminated by UNDP.
- VIII. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.
- IX. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery by UNDP for two distinct cost categories related to the provision of support services, namely:
  - a. *Indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services.*
  - b. Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity or implementing partner. As long as they are unequivocally linked to the specific programme/project, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project/programme according to standard service rates.
- X. The aggregate of the amounts budgeted for the CPAP, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the CPAP under this agreement.
- XI. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
- XII. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP

9.3 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organize periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners groups to facilitate the participation of donors, civil society, private sector and UN agencies. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.

## **Part X: Other Provisions**

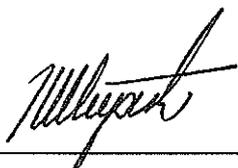
10.1 This CPAP enters into force on the date signed by both Parties and in the case the CPAP is signed on different dates, then it shall enter into force on the date of the later signature. The CPAP shall continue in force for a period of five years.

10.2 This CPAP supersedes the CPAP signed between the Government of Bosnia and Herzegovina and UNDP covering the period 2005-2009 and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on \_\_\_\_\_ in Sarajevo.

For the Government of  
Bosnia and Herzegovina

Signature: \_\_\_\_\_



For the United Nations Development  
Programme

Signature: \_\_\_\_\_



Name: Mr. Nikola Špirić

Name: Mr. Yuri Afanasiev

Title: Chairman of the Council of Ministers  
of Bosnia and Herzegovina

Title: UNDP Resident Representative