



COVER PAGE

Support to BiH Social Inclusion Policy Development

Country: Bosnia and Herzegovina

UNDAF Outcome(s)/Indicator(s): Achieving the MDGs and reducing human poverty

Expected Outcome(s)/Indicator (s): Increased government & non-governmental capacity to strategize, analyze, advocate sustainable development and equitable growth

Expected Output(s) Strengthened capacity of the BiH government to a) formulate, implement and monitor programmes with a social inclusion perspective; b) to produce quality reports on economic and social policy issues; and c) to develop appropriate strategic plans

Implementing agency: UNDP BiH
 Partners: Ministry of Human Rights and Refugees; Directorate for Economic Planning; Agencies for statistics; research institutes and universities

UNDP has a large presence in BiH and a diversified programme of interventions that has been built up over a number of years. Poverty reduction, equity and human security serve as unifying themes of the agency's work. Its activities are increasingly being recast in terms of securing social inclusion, with the objective of marrying the UN's human development and rights-based agenda to that of the European Union. The Country Office has instituted a major overhaul to ensure that programmed activities are more effectively targeted on needs and more strategic in character. Forward planning indicates that demands of this nature will increase in the coming years and that greater organizational value can be secured through the provision of an enhanced policy and programme development function. A commitment has therefore been made to establish a Social Inclusion Policy Unit focusing on social inclusion to coordinate and lead the major conceptual work in this area. The unit will support the Directorate for Economic Planning and the Ministry of Human Rights and Refugees in social inclusion policy development (e.g. the Social Inclusion Strategy, Social Housing policy, Annex 7 revision). In addition, the unit will provide sound statistical information and research on exclusion in BiH to validate project planning, implementation and targeting. The unit will have three main area functions. 1) The unit will support strategic social policy development and reform; 2) the unit will support national capacities to collect and disseminate social statistics; and 3) the unit will provide conceptual and strategic backstopping to (new) programmes, analytical inputs to policy papers, project documents, etc., knowledge management, and develop cutting edge research on social exclusion.

Programme Period: 2007-2009
 Programme Component: Achieving the MDGs and reducing human poverty (sl.1.1&1.2)
 Project Title: **Support to BiH Social Inclusion Policy Development**
 Project ID: BiH10/00057975
 Project Duration: 2 years
 Management Arrangement: UNDP Implementation

Total Budget **USD 954,456.00**
 Allocated resources
 • Government _____
 • Regular _____
 • Other:
 o **UNDP**
 o Donnor _____
 In kind contribution _____
 Unfunded budget: _____

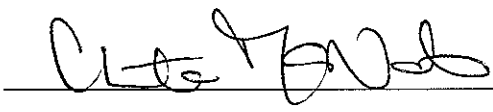
Agreed by the UNDP  Date 21/8/09

TABLE OF CONTENT

Part I Situation Analysis	3
Part II Strategy	5
Part III Management Arrangements	10
Part IV Monitoring and Evaluation	10
Part V Legal Context	12
Annex	

Part I: Situation Analysis

Although economic growth continues at around 5% per annum, inequality in Bosnia and Herzegovina (BiH) is increasing. As a result, the pace of poverty reduction has slowed, meaning that the poorest and most marginalised segments of the population remain sidelined and socially excluded. In general terms, being 'excluded' is understood as being left outside the mainstream and denied access to the social, economic and political rights afforded to others. Social inclusion originates within the European tradition of thought and can be traced to a commitment to social solidarity reflected in various European social models. Although these models vary, they nevertheless underscore the importance of solidarity, community and equity. *Social inclusion draws not only on economic and social rights but is related to all entitlements relevant for enlarging the choices of individuals to live a decent and meaningful life.*

Enlarging choices is the central focus of the *HD approach*, which places human beings' freedom – and more precisely the freedom or 'capability' – to make positive choices at its core. The human development concept is thus based upon the magnificence of the human potential against the restricted reality of life. Lack of education, poor healthcare, inadequate economic possibilities, violation of political freedom, and the neglect of citizens' rights, can generally restrict human beings' freedom.

A HRBA to development complements human development by analyzing and addressing various forms of inequality and exclusion in political, economic or social terms using a human rights framework. Apart from identifying and naming violations and non-fulfilment of human rights, it seeks prevention, by building up the capacities of rights-holders to understand and claim their rights, as well as the capacities of duty-bearers at all layers of government to respect, protect and fulfil human rights. In this way, it introduces accountability of relevant actors who have duties to facilitate and foster development.

A social inclusion perspective shares with the HRBA a common concern with *equity, non-discrimination and the importance of participation* that should be inclusive. In this respect, a social exclusion perspective is concerned with governance and citizenship rights, with the institutional dimension of exclusion and with the organizations, institutions and processes that exclude. The mainstreaming of human development, human rights and gender in development programming is a way of tackling certain forms of social exclusion and strengthening inclusion policies.

A social inclusion approach implies addressing need or alienation wherever it exists. Social inclusion reaches beyond the enforcement of rights in legal terms by tackling material deprivation, stigmatization and social separation and hence the approach seeks to understand this complex social phenomenon in terms of causes as well as outcomes. It also has an operational bias, devising workable policy responses, effectively recognizing that the State has a 'duty of care' to include and involve all members of society in political, economic and social processes.

The Millennium Development Goals are important milestones for the realization of economic and social rights. Social inclusion can help sharpen the strategies for achieving these Goals by addressing the discrimination, exclusion, powerlessness and accountability failures that lie at the root of poverty and other development problems.

Social Exclusion in BiH

UNDP has a large presence in BiH and a diversified programme of interventions that has been built up over a number of years. Poverty reduction, equity and human security serve as unifying themes of the agency's work. Its activities are increasingly being recast in terms of securing social inclusion, with the objective of marrying the UN's human development and rights-based agenda to that of the European Union.

Social exclusion in BiH is driven by a complex web of institutional barriers for certain individuals or groups coupled with a lack of opportunity to overcome these barriers. It is a process whereby certain individuals or groups are being driven to the edge of society, prevented from living a decent life and participating fully in society because of ethnicity, age or gender differences, disability, financial shortcomings, lack of formal employment and opportunities, and lack of education. These factors work to distance many from access to health and social services, weakening social and community networks and activities. In turn, those groups have little or no access to power and decision making and are unable to exercise any control over decisions that affect their daily lives.

For this reason, strengthening social inclusion should be one of the basic strategic priorities for BiH's development and economic policies. Within this context, it is important to maintain the agreed commitment of the revised MTDS BiH (2004-2007) to create a social inclusion strategy. The social inclusion framework lies at the heart of EU social policy making. Moreover, as accession approaches BiH will have to develop its own machinery for tackling these issues.

Several types of reforms are also required as part of the practical process of integration with the EU, which began in earnest with the negotiations of a Stabilization and Association Agreement. They require a comprehensive adjustment of policy, overall institutional framework and the legal system, with the aim of attaining European standards across the board. The European Union's joint strategy to combat social exclusion places emphasis on member states' and candidate countries' progress in analysing exclusion and implementing policy responses. This will require BiH, through

United Nations Development Programme

the EU's Open Method of Coordination (OMC), to develop its own approach to poverty and exclusion, and set it out in a Joint Inclusion Memorandum, to be followed up by a National Action Plan, the main channels through which member states realise the jointly-agreed objectives. The monitoring tool of the OMC is the Laeken Indicators on Social Inclusion, adopted by the Laeken European Council in 2001.

Common understanding of Social Inclusion in UNDP BiH

UNDP BiH recognizes the importance of social inclusion as a concept for development interventions. The BiH context shows that social exclusion is a mainstream issue (50% of the population is excluded in some form) that requires particular attention. Therefore, UNDP BiH streamlines its programmes towards a *common understanding* of social inclusion:

Definition: Social inclusion is a process of integrating the deprived and excluded into mainstream society.

Scope: The scope of social inclusion comprises not only the realization of social, political and economic rights but entitlements relevant for enlarging opportunities of individuals; Social inclusion has to respond to multiple deprivations, such as gender, age, ethnicity or disability, etc.

Principles:

- a. *Equity:* Social inclusion defines the values of a society by recognizing the "duty to care" of the government to provide all necessary means for every person to be part of the mainstream society with equal social, economic and/or political opportunities;
- b. *Non-discrimination:* Social inclusion addresses results of intentional (systematic discrimination) or unintentional (failure to recognize differential impact on different groups or people) policies;
- c. *Accountability:* A social inclusion perspective gives attention not only to the excluded but also to the excluders. In this way, governments are accountable for setting adequate legislative, administrative and budgetary measures to put in place a system which prevents social exclusion.

Process:

- a. *Capacity building:* Social inclusion responds to institutional inefficiencies in providing equal access to social, economic and/or political opportunities for every person;
- b. *Participation:* Social inclusion can only be effective when the excluded have the means to participate in the decision-making processes ("Nothing for us, without us") Volunteerism promotion helps to reach and include the poor and vulnerable groups and individuals. In this way, participation and the involvement of vulnerable groups in development projects contributes to social inclusion.

Social Inclusion Strategy for BiH

Since the MTDS comes to the end of its multi annual implementation process in 2007, the Directorate has the task to prepare a new Development Strategy for BiH and a Social Inclusion Strategy during 2007 to come into force in 2008. The proposed strategies will cover the period 2008-2013. The Social Inclusion Strategy (SIS) is of key importance to the country in order to advance development towards EU accession and values. That is, the most efficient allocation of investments according to specific needs, principles of equity, equality, geographic balance and so on. Therefore, the support of its preparation is an important method to assist the government in achieving priority goals.

There are explicit government needs in the preparation of the SIS that are basically grounded in the DEP's weak capacity to elaborate two large strategies at the same time. Gaps thus exist in relation to many of the major activities that need to be carried out during the elaboration stage and further Municipal, CSO and Working Group meetings processes. Major efforts that need to be supported are for example managing and coordinating specific tasks, as well as providing technical inputs to debate and documentation, and in coordinating efforts among the three Governments. DEP explicitly argues that a major risk would be that the International Community is unable to support this process.

The key needs for the elaboration of the SIS are:

1. Support to the assessment of social exclusion and respective needs of citizens and prioritisation at all levels (due to lack of disaggregated data, especially for excluded groups and at local level, the depth and magnitude of social exclusion in BiH are not known and prioritisation of policies is difficult to justify);
2. Support the participatory process (local consultations and promotions);
3. Technical assistance in the elaboration of the strategy and action plan(s) (e.g. experts, studies);

As a global development network, with a mandate to support the development processes in the country, UNDP has already created a strong network of partners in BiH and gained expertise at the local, regional, national and international levels. There are a number of UNDP projects working directly in Local Government Units, with NGOs, business leaders, and experts at all levels.

United Nations Development Programme

UNDP has been particularly instrumental in building municipal capacities in BiH to plan local development strategies, which are based on an assessment of needs and demands and with the wide participation of relevant public and private stakeholders. This has equipped municipalities with capacities to deliver better municipal policies and multi-sectoral plans which, in addition to local economic development, focus on social sectors, target socially excluded groups, and ensure more equitable local development for all. Through this, UNDP has developed a standard methodology for planning exercises that can be easily used for the SIS planning process as well as the local level implementation.

UNDP and DEP have already engaged in a fruitful partnership on social inclusion during the preparation of the NHDR on Social Inclusion in BiH (launched on 28 March 2007) and the Social Inclusion Conference held on November 28-29, 2006 and the work on the SIS would deepen this partnership.

In 2006, the UNDP and the BiH Ministry for Human Rights and Returnees (MHRR) signed a five year partnership agreement defining areas of cooperation which includes housing policy, coordination of return and reintegration and sustainable local development.

The more detailed UNDP's initiative with regard to the development of Social Inclusion Strategy is given in the annex.

Part II: Strategy

The Social Inclusion Strategy will be a nationally owned medium-term comprehensive plan, which outlines the country's strategy for socially inclusive development and its priorities and programmes for promoting socio-economic cohesion in the country. More specifically, the goal of the document is to identify the highest priorities of the country in terms of socially inclusive development for the medium term. It should present the national consensus on social inclusion development priorities for the country and should be prepared through a participative, inclusive and bottom-up process. The process will be led by DEP with the support of a project steering committee consisting of representatives of relevant Government Institutions.

UNDP acknowledges the nationally driven process of the SIS of BiH and offers to support the preparation of the SIS through facilitation of the overall process and communication among the stakeholders, especially at the local level. Further, UNDP will provide technical expertise in identifying priorities, collecting and analysing existing data from the country and local level and bringing to light best practices from other countries.

Advisory support and technical assistance will be provided through the Social Inclusion Policy Unit which has three main area functions: 1) providing strategic support to social policy development and reform (Social Inclusion Strategy, Social Housing and Annex 7 revision); 2) strengthening national capacities to collect and disseminate social statistics; and 3) providing conceptual and strategic backstopping of (new) programmes, analytical inputs to policy papers, project documents, etc., knowledge management, and develop cutting edge research on social inclusion/exclusion.

Within the Social Inclusion portfolio:

1. The tasks of the Social Inclusion Policy Unit in the area of *social policy development and reform* are:

- Support to the preparation of the Social Inclusion Strategy through advisory technical assistance, local experts, data collection and consultation roundtables;
- Monitoring System for the SIS to support inter-ministerial coordination using a joint database and strategy, monitoring the MDGs;
- Pension and social protection system study to analyze the existing gaps in the social protection system and assess quality and coverage of social services and pensions;
- Advisory support to development of new strategic initiatives including those related to Social Housing and forthcoming revision of Annex 7;
- Social policy evaluation (Monitoring Tools) to support a methodology design for policy design and impact evaluation to gauge the impacts of all new social legislation and programmes (Poverty and Social Impact Analysis (PSIA) and ex-ante impact assessments of legislation); gender impact assessments;
- Capacity building in social policy research.

2. The tasks of the Social Inclusion Policy Unit in the area of *social statistics* are capacity building of national statistical offices in the production and dissemination of social statistics (with focus on disaggregated statistics) as well as capacity building of data users:

- Census preparatory work;
- Labour force survey (LFS) and follow up training with policy makers on how to use LFS for social inclusion monitoring;
- Gender statistics (as part of the regional project): mainstream gender issues into the LFS and to develop respective gender mainstreaming indicators for MTDS implementation and social inclusion monitoring

United Nations Development Programme

- Survey on Social Inclusion as needed for the Social Inclusion Strategy;
- Training of data users;
- Early Warning System (EWS) data on the website for regular monitoring of perceptions on social inclusion in BiH.

3. Under the Deputy Resident Representative, the Social Inclusion Policy Unit will provide tasks in the area of *programme development and positioning*, as well as provide services to project staff in the area of *KM, research and conceptual backstopping*:

A. Programme level:

- Act as a backstopping unit for new projects and programmes to align them with a consistent view on and linkages to social inclusion and statistical information on social exclusion in BiH;
- Positioning work and resource mobilisation;
- Provide analytical inputs to policy papers to reflect and align them with a social inclusion perspective (quality assurance);
- Support the DRR in programme M&E activities.

B. Project level:

- Based on requests from project staff, the Social Inclusion Policy Unit will provide methodological and conceptual advice, carry out necessary background research and provide projects with necessary statistics;
- Knowledge management and M&E for projects:
 - Codifying knowledge: through seconded project staff, the unit can facilitate regular KM product development (i.e. "lessons learnt notes", "how to guides" while the unit will provide conceptual guidance);
 - Sharing knowledge: staff will ensure that on a regular basis knowledge produced by projects will be shared with regional and global networks; staff will also actively contribute and be informed about latest developments at the regional and global network discussions and CoP events;
 - Managing knowledge: the staff will actively work towards aligning projects to latest development priorities and provide necessary information and knowledge to project staff;
 - M&E: The unit will provide support to project document development, (i.e. RBM: indicators, baselines, targets and monitoring arrangements); the unit will also provide support to project and programme evaluation activities.
- In-house trainings on social inclusion and economic issues (particularly for project staff).

C. Advocacy and research level:

- Social policy research on the extent and determinants of social exclusion and by partnering with social policy institutes or universities;
- Capacity building in social research skills of local universities through call of papers on social inclusion topics;
- Network and newsletter on social inclusion;
- Quarterly survey questions on social inclusion in EWS;
- Advocacy initiatives on social inclusion and non-discrimination.

The Social Inclusion Policy Unit will be established with a core of three team members: the Head of Unit - Senior Social Policy Advisor; an Economic Policy Analyst (Junior Professional Officer (JPO)); and a National Social Inclusion Specialist. The Senior Social Policy Advisor will primarily focus on social inclusion and poverty reduction policy issues, while the Economic Policy Analyst will have direct responsibility for economic issues. The National Social Inclusion Specialist will provide a supporting role but also have direct responsibility for knowledge management (KM), project support, and training.

The Social Inclusion Policy Unit will assist the Country Office in the smooth implementation of programme activities as well as enable thorough and planned use of programme development resources DSS and DAS for research and formulation of new projects, further development of the current Country Programme Document as well as facilitation of the preparations for the next programming cycle 2009-2012. Therefore, UNDP can more adequately use highly specialized technical expertise to projects that are providing multi-sectoral and multi-dimensional support to the BiH Government (social policy, social statistics, local governance, etc.). Priority will be given to support efforts that are required for improved monitoring and evaluation of UNDP's initiatives and, to the extent possible, to measuring their impact. The Social Inclusion Policy Unit will also be able to respond to the requests of the Government for policy level advice, beyond the scope of the current ongoing UNDP projects.

United Nations Development Programme

PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework:

Increased government & non-governmental capacity to strategize, analyze, advocate sustainable development and equitable growth

Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets.

Applicable MYFF Service Line: 1.1. MDG country reporting and poverty monitoring; 1.2. Pro-poor policy reform to achieve MDG targets

Partnership Strategy: Directorate for Economic Planning, MHRR, Agencies for Statistics BiH BHAS; local research institutes and universities

Project title and ID (ATLAS Award ID):

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p>1. Strengthened capacity of the BiH government to a) formulate, implement and monitor programmes with a social inclusion perspective; b) to produce quality reports on economic and social policy issues; and c) to develop appropriate strategic plans</p> <p><u>Baseline:</u> BiH government has weak capacities and global knowledge of social inclusion programming</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> • Number of BiH policies supported and aligned to social inclusion perspective • Number of reports quality edited • Number of trainings conducted/staff trained (m/f)/projects supported • % in knowledge gained (pre/post tests) • Number of knowledge products on social inclusion programming developed and used in regional/global networks • Customer satisfaction (client feedback forms/DEP, MHRR, project managers) 	<p>Support provided to the development of a) Social Inclusion Strategy, b) Social Housing and c) Annex 7 revision</p> <p>At least 2 reports quality checked</p> <p>At least 2 trainings conducted/project supported</p> <p>At least 1 knowledge product on social inclusion developed</p>	<p>1.1 Support to social inclusion policy development and projects, research and knowledge/learning management</p> <p>1.2 Unit Human Resources</p> <p>1.3 Implementation support</p>	<p>UNDP BiH (Head of Unit, Economic Policy Analyst, National Specialist)</p>	<p>International/Local Consultants Contractual services - companies Travel Audio Visual&Printing Production Sundries</p> <p>Personnel (head of unit, Economic analyst, national specialist) Equipment and furniture Premises Communication Stationery Sundries</p> <p>Contractual services - individual</p>

United Nations Development Programme

Annual Work Plan Budget Sheet

The Social Inclusion Policy Unit is budgeted for two years.
Year 2007

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET			
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount \$	
1. Strengthened capacity of the BiH government to a) formulate, implement and monitor programmes with a social inclusion perspective; b) to produce quality reports on economic and social policy issues; and c) to develop appropriate strategic plans	1.1 Support to policy development and projects, research and knowledge/learning management	x	x	x	x	UNDP BIH	11888	71200-International Consultants 71300-Local Consultants 72100- Contractual Services-Co 71600- Travel 74200- Audio Visual/Print Prod Costs 74500- Miscellaneous Expenses	\$20,000 \$10,000 \$80,000 \$35,000 \$10,000 \$1,000	
							04400	71200 -International Consultants 71300- Local Consultants 71600- Travel	\$5,000 \$4,000 \$3,285	
							11999	71200-International Consultants 71300- Local Consultants 71600- Travel	\$5,000 \$10,000 \$3,960	
							11888	71100-ALD Employee Costs 71400-Contractual Services - Individ 72800-Information Technology Equipmt 72200-Equipment and Furniture 73100-Rental & Maintenance-Premises 72400-Communic & Audio Visual Equip 72500-Supplies 74500-Miscellaneous Expenses	\$142,427 \$40,400 \$2,500 \$2,000 \$18,000 \$1,600 \$1,000 \$1,000	
							11888	71400- Contractual Services - Individ	\$100,000	
	1.2 Unit Human Resources	1.2 Implementation support	x	x	x	x	UNDP BIH	11888	71400- Contractual Services - Individ	\$496,172
TOTAL										

United Nations Development Programme

Annual Work Plan Budget Sheet

Year 2008

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES				TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
	Q1	Q2	Q3	Q4	Source of Funds	Budget Description	Amount \$					
1. Strengthened capacity of the BiH government to a) formulate, implement and monitor programmes with a social inclusion perspective; b) to produce quality reports on economic and social policy issues; and c) to develop appropriate strategic plans	x	x	x	x	UNDP BiH	11888	71200-International Consultants 71300-Local Consultants 72100- Contractual Services-Co 71600- Travel 74200- Audio Visual/Print Prod Costs 74500- Miscellaneous Expenses	\$20,000 \$10,000 \$27,000 \$35,000 \$10,000 \$1,000				
						04400	71200-International Consultants 71300- Local Consultants 71600- Travel	\$20,000 \$20,000 \$12,325				
						11999	71200-International Consultants 71300-Local Consultants 71600- Travel	\$5,000 \$10,000 \$3,959				
1.2 Unit Human Resources	x	x	x	x	UNDP BiH	11888	71100-ALD Employee Costs 71400-Contractual Services - Individ 73100-Rental & Maintenance-Premises 72400-Communic & Audio Visual Equip 72500-Supplies 74500-Miscellaneous Expenses	\$122,000 \$40,400 \$18,000 \$1,600 \$1,000 \$1,000				
1.3 Implementation support	x	x	x	x	UNDP BiH	11888	71400- Contractual Services - Individ	\$100,000				
TOTAL									\$458,284			

United Nations Development Programme

Part III: Management Arrangements

In line with standing practice in BiH, the Research and Development Unit for Social Inclusion Programming Project will be undertaken as a directly managed UNDP Project, a modality, referred to as Direct Implementation (DEX).

The Social Inclusion Policy Unit will be established with a core of 3 team members (Head of Unit - social policy advisor, economic analyst, local economist or social policy analyst). Further, selected project staff will allocate time to work for the unit (time secondment). This will be mainly in the area of knowledge management and research. Further, the unit can be supported by UNVs and interns. The head of unit has the supervisory role for the unit staff and respective seconded project staff. The head of unit reports to the DRR as regards to strategic country office backstopping and project support and s/he reports to the senior portfolio manager as regards to social policy and statistical capacity building activities.

The roles and responsibilities for the implementation of the project will be in line with the newly issued UNDP Results Management User Guide which defines the minimum requirements for ensuring proper accountability for programmed activities and use of resources.

Social Inclusion Policy Unit Project Board

The Unit Project Board will be made up of the DRR, Senior Portfolio Manager and designated project managers. The Project Board will be directly responsible for insuring that the project is implemented as planned and for making all major management decisions for creating a consensus on issues requiring design changes. It will be consulted when the Project Manager requires guidance. The Project Board contains three roles:

1. An Executive: The DRR will represent the project ownership to chair the group.
2. Senior Supplier: The Senior Portfolio Manager will represent the interests of the parties concerned which provide funding and/or technical expertise to the project.
3. Senior Beneficiary: DEP, MHRR and designated Project Managers (SRRP, UDRRP, RMAP, SUTRA) will represent the interests of the beneficiaries and will ensure the realization of project results from the perspective of project beneficiaries.

Project Assurance

Project Assurance is the responsibility of each Project Board member. The Project Assurance role will support the unit Project Board by carrying out objective and independent programme oversight and monitoring activities. A designated project manager from the Project Board will hold the Project Assurance function.

Project Management

The Project Manager/Head of Unit will manage the project on a day-to-day basis on behalf of UNDP BiH. His/her primary responsibility will be to ensure that the project achieves results that are capable of delivering the objectives defined in this document. A Project Support function will provide administrative and operational support to management and the project teams.

Part IV: Monitoring and Evaluation

UNDP globally has introduced results-based management as its corporate approach through which performance is related back to development goals and outcomes, and systematically measured and improved. In this sense, monitoring and evaluation plays a key factor in helping to improve operational performance. Monitoring and evaluation will be performed using results-based quantitative and qualitatively indicators as outlined in the programme's Annual Work Plan Monitoring Tool.

In addition, since the project is closely related to the Country Office Programme and annual activities envisaged in the AWP, the monitoring of the project activities will be done through regular reviews of the Country Office programme structure, budgets, delivery, resources mobilisation as well as through the analysis of the Country Office Units current workload and needs.

United Nations Development Programme

The Annual Work Plan (AWP) Monitoring Tool
 CP Component Achieving the MDGs and reducing human poverty (SL.1.1. and 1.2) Executing Entity UNDP BiH

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs	EXPENDITURES List actual expenditures against activities completed	RESULTS OF ACTIVITIES For each activity, state the results of the activity	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: -Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerged -Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues
OUTPUT 1: Strengthened capacity of the BiH government to a) formulate, implement and monitor programmes with a social inclusion perspective; b) to produce quality reports on economic and social policy issues; and c) to develop appropriate strategic plans				
INDICATOR 1.1 WITH TARGET FOR THE YEAR: Policy support provided to the Social Inclusion Strategy, Social Housing and Annex 7 revision Number of policies supported and aligned to social inclusion perspective				
INDICATOR 1.2 WITH TARGET FOR THE YEAR: At least 2 reports quality checked Number of reports quality edited				
INDICATOR 1.3 WITH TARGET FOR THE YEAR: At least 2 trainings conducted/project supported Number of trainings conducted/projects supported				
INDICATOR 1.4 WITH TARGET FOR THE YEAR: At least 1 knowledge product on social inclusion developed Number of knowledge products developed				

Part V: Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference, constitute together a Project Document as referred to in the Article 1 of the Standard Basic Assistance Agreement between BiH authorities and the UNDP, signed by the parties on 07 December 1995.

The project is not set out in the current CPAP (2005-2008). However, the CPAP is under revision and the new project will be included in the updated version.

The following types of revisions may be made to this document with the signature of the UNDP Resident Representative only, provided s/he is assured that the other signatories of the project document have no objections to the proposed changes:

- Revisions in, or addition of, any of the annexes of the project document
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and
- Mandatory annual revisions that re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

This project document has been originally prepared in the English language and will be translated into the BHS languages. The English version will be given preference during any future interpretation.

ANNEX I

Support to the Preparation of the BiH Social Inclusion Strategy (SIS)

<u>Proposed Starting Date:</u>	1 July 2007
<u>Duration:</u>	31 May 2008
<u>Sector:</u>	Governance Policy (Social Inclusion)
<u>Implementing Partner:</u>	UNDP Direct Implementation
<u>Budget:</u>	USD 252,150

Part I. Situation Analysis and Background

The Bosnia and Herzegovina (BiH) Poverty Reduction Strategy Paper (PRSP) was prepared in 2002/3. From March 2004, the PRSP became the BiH Medium Term Development Strategy (MTDS) 2004-2007. The EPPU Policy Implementation and Monitoring Office (PIMO) was established by the Council of Ministers (CoM) in May 2004 to monitor the MTDS and later that year, the EPPU Economic Policy Research Office (EPRO) was created. In October 2006 the EPPU was transformed into a legal institution within the state CoM office, and renamed the Directorate of Economic Planning (DEP). The Directorate has the remit to prepare BiH Development and Social Inclusion Strategies.

The MTDS was revised in 2006 to take account of the institutional and other changes that have taken place in BiH since 2004, and the revised MTDS was published in September 2006. It included an explicit commitment to prepare a next Development Strategy for BiH in 2007, taking full account of agreement on BiH movement towards the EU. With movement toward Europe there is agreement that the next generation of Strategies should reflect the EU approach that the Development Strategy for the State is underpinned by a distinct Social Inclusion Strategy.

The MTDS comes to the end of its multi annual implementation process in 2007. The Directorate has the task to prepare a new Development Strategy for BiH and a Social Inclusion Strategy during 2007, to come into force in 2008. The proposed strategies will cover the period 2008-2013. It is anticipated that this will precede the development of an EU style National Development Plan and Social Inclusion Action Plan at a future time.

Lessons learnt and new directions

The experience from the MTDS showed that there are still many challenges for BiH to become a modernised European state. Apart from agreement on improved prioritisation there was also a common agreement that additional efforts have to be made to better integrate local government levels and broaden the stakeholder community engagement in the policy cycle implementation (i.e. Civil Society Organisations-CSOs, social partners, business community, and the media).

Whilst broad progress is thus still required for BiH to meet European standards, there is now an opportunity to introduce greater prioritisation into government's efforts, to try to focus and speed up some activities and make adjustments in the allocation of the resources available to government. The process also provides a clear opportunity to restate in explicit terms actions required to reduce poverty and increase social inclusion and cohesion, both requirements of the new EU IPA.

The MTDS was a socio economic strategy, but critically, in the light of the now emerging SAA process, and consensus on the road to EU membership, there is a strategic opportunity to bring together the single overarching consensus issue on the agenda for BiH, progress to the EU, with the process to redesign strategic priorities, policy making and budget planning, and fully articulate a new vision for BiH, emerging ownership - and to take common responsibility for the future strategies, as a signal both internally and to international partners.

Objectives of SIS

Since the SIS is a nationally owned strategic framework for development that will directly affect and lead the development of the country in the medium-term, it is crucial that the priorities and measures identified correspond with the major development needs, ensure sectoral and geographic balance and avoid development lag in certain sectors relative to others.

The NHDR on Social Inclusion, prepared by a team of renowned domestic experts and coordinated by the UNDP, will provide an important conceptual basis and offer key principles for future reforms needed to promote social inclusion.

The new BiH Social Inclusion Strategy 2008-2013, with its action plan (SIS) will provide government with an opportunity to:

- analyse and evaluate recent progress and emerging consensus to citizens and define objectives and results expected for next programming period
- restate its commitment to key policies that need special attention and build strong partnerships with broaden stakeholder community at all levels to meet those objectives
- identify key policies and investment priorities at the budget margin and identify all other relevant resources which to be used on this purpose (human, financial, institutional, natural, technological...)
- to better harmonise targeted priorities with public expenditures at all levels
- better meet increased demands for strategic priorities related to the SAA and the road to EU accession
- record a consensus among the state and entity governments;
- to define the needs for further institutional set up and capacity building to improve implementation capacity and M&E capacity at all levels of BiH governments
- to focus donor and new EU funding including the EU Instruments of Pre-accession (IPA) funds.

The Process of Preparation of the SIS

The elaboration of the SIS has been planned on the basis of a comprehensive 12 to 18 month process (first phase) starting from resourcing and ongoing political endorsement, to a wide consultation process with all interested agencies. The second phase aims to facilitate Local Action Plans as a first step towards successful implementation of the strategic document. The major milestones of the SIS elaboration based on DEP plans are the following:

1. Drafting of all necessary background analytical studies: To provide professional background for evidence based policy design and decision making process it is necessary to provide serial of new or upgraded versions of existing socio-economic analytical studies including benchmark studies positioning BIH development resources and existing policies in EU (global) environment. Apart of internal DEP resources, external local and international expertise will be needed.
2. Visioning Whole BIH Conference: A common conference will be organised to present the results and recommendations coming out of analytical studies and participants will be encouraged to commonly develop a frame of future vision of BIH.
3. Designing First Draft: Working groups together with selected expert groups will have about three months to produce their first drafts. 'Sector' meetings between the state and entity level working groups for the sector, will be encouraged to meet several times, to share experience at entity level and make sure that there is full agreement on issues. Local experts will be recruited as required, to support the working groups. The groups will be provided with guidance by DEP in the form of a request to ensure some consistency in the information provided.
4. Public Discussion: The procedures for public discussion will be similar to those adopted for the MTDS and will include public debates at central level and at canton and municipality level. Already established social governance bodies (SPAGs and SPUGs) will represent key bodies for an organised approach. Through them and through WGs many civil society groups, as well as social partners will be involved in the preparation of the strategies. An E-social forum which to be established by that time within DEP, will represent an additional tool to open new participation channels for broadening society. The public discussion will include some media work with invitations to the general public to submit comments.
5. Government Discussion: The State and entity/BD as well as cantonal and local governments will be involved throughout the process, through routine collaboration with DEP and WG members and through discussions on SPAGs and SPUGs. The Coordination Board will be established to approve the overall message presented in the first draft. The CoM at both state and entity levels, will approve the final draft, at which point it will become a final report. This final report will be presented to the parliaments, but no official parliamentary approval will be required. The Academic Council will provide independent comments on drafts, designed specifically to help the government review the drafts documents.
6. Public discussions: Second round of discussions on the first draft of the document, seeking for local views on proposed strategy and discussing its possible implications and acceptance for different groups of stakeholder communities as well as for animating local level stakeholders to start preparing local action plans.
7. Final draft of the strategy and action plan will be elaborated by DEP in cooperation with WGs and external experts.
8. Independent ex-ante evaluation and Coordination Government body of final draft ensured.
9. Final document will be produced, translated into three local languages and submitted to adoption process at all GO- BIH levels. Parliamentary discussion at all relevant levels Publicity Designing of Local implementation plans.
10. Final All-BIH conference will be organized to promote key objectives and tasks in front of BIH stakeholder community to step further towards a socially inclusive society.

Rationale of Involvement

The Social Inclusion Strategy (SIS) is of key importance to the country in order to advance development towards EU accession and values. That is, the most efficient allocation of investments according to specific needs, principles of equity, equality, geographic balance and so on. Therefore, the support of its preparation is an important method to assist the government in achieving priority goals.

There are explicit government needs in the preparation of the SIS that are basically grounded in the DEP's weak capacity to elaborate two large strategies at the same time. Gaps thus exist in relation to many of the major activities that need to be carried out during the elaboration stage and further Municipal, CSO and Working Group meetings processes. Major efforts that need to be supported are for example managing and coordinating specific tasks, as well as providing technical inputs to debate and documentation, and in coordinating efforts among the three Governments. DEP explicitly argues that a major risk would be that the International Community is unable to support this process.

The **key needs** for the elaboration of the SIS are:

1. **Support to the assessment of social exclusion and respective needs of citizens and prioritisation at all levels** (due to lack of disaggregated data, especially for excluded groups and at local level, the depth and magnitude of social exclusion in BIH are not known and prioritisation of policies is difficult to justify);
2. **Support the participatory process** (local consultations and promotions);
3. **Technical assistance in the elaboration of the strategy and action plan(s)** (e.g. experts, studies);

As a global development network, with a mandate to support the development processes in the country, UNDP has already created a strong network of partners in BiH and gained expertise at the local, regional, national and international levels. There are a number of UNDP projects working directly in Local Government Units, with NGOs, business leaders, and experts at all levels.

UNDP has been particularly instrumental in building municipal capacities in BiH to plan local development strategies, which are based on an assessment of needs and demands and with the wide participation of relevant public and private stakeholders. This has equipped municipalities with capacities to deliver better municipal policies and multi-sectoral plans which, in addition to local economic development, focus on social sectors, target socially excluded groups, and ensure more equitable local development for all. Through this, UNDP has developed a standard methodology for planning exercises that can be easily used for the SIS planning process as well as the local action plan development (phase 2).

UNDP and DEP have already engaged in a fruitful partnership on social inclusion during the preparation of the NHDR on Social Inclusion in BiH (launched on 28 March 2007) and the Social Inclusion Conference held on November 28-29, 2006 and the work on the SIS would deepen this partnership.

Part II: Strategy

The Social Inclusion Strategy will be a nationally owned medium-term comprehensive plan, which outlines the country's strategy for socially inclusive development and its priorities and programmes for promoting socio-economic cohesion in the country. More specifically, the goal of the document is to identify the highest priorities of the country in terms of socially inclusive development for the medium term. It should present the national consensus on social inclusion development priorities for the country and should be prepared through a participative, inclusive and bottom-up process. The process will be led by DEP with the support of a project steering committee consisting of representatives of relevant Government Institutions.

UNDP acknowledges the nationally driven process of the SIS of BiH and offers to support the preparation of the SIS through facilitation of the overall process and communication among the stakeholders, especially at the local level. Further, UNDP can provide technical expertise in identifying priorities, collecting and analysing existing data from the country and local level and bringing to light best practices from other countries. UNDP can also assist the publishing and promotion of the final document.

Ideally, the process of preparation of SIS would enable all relevant participants from various groups (NGOs, Businesses, government, citizens, vulnerable groups, etc.) as well as at various levels (local, regional and national) to provide inputs in the determination of the development priorities and measures. However, given the limited timeframe for preparation of SIS, a full-fledged inclusive approach cannot be guaranteed. Therefore, the best approach will be a flexible process based on use of already established groups and networks, ensuring as much participation and inclusiveness as possible.

UNDP plans to solicit inputs from the existing networks established through its programmes (e.g. RMAP and SUTRA) and partners following two dimensions of inclusiveness: **bottom up** and **participative approach** in identification of SIS priorities and measures.

- **“Bottom up” approach** – Development needs and issues should be identified and addressed at all levels- local, regional and national - so that the development needs have a way to get from the citizen to get to the national policy level and the other way round.

With its numerous initiatives at the local and regional level, UNDP has an already established channel for collecting information from relevant stakeholders at all levels. Therefore, the project network will ensure the bottom-up principle is followed by providing inputs from UNDP project staff, as well as the existing networks of UNDP partners at all levels which will be utilized for input and feedback in the preparation of the SIS.

- **Participative process** – involvement of all relevant stakeholders in the process. The SIS should be based on inputs and active participation of any interested citizen, local and central governments along with all their respective units, civil society, the private sector, national and international experts and other development partners. The participatory nature of the preparation and implementation of such national strategies is a precondition for their true public ownership, while it is also held in high consideration by such agencies as the World Bank, the European Union and UNDP. The participatory process of drafting strategic national documents and overseeing their implementation is an extremely important exercise in participatory democracy and in the transition from a political culture of conflict to one of consensus-seeking.

In the context, the UNDP will utilize its contacts with relevant development partners (local and national governments, CSOs, business leaders, experts, and other relevant stakeholders) and provide fora for discussion to ensure as much inclusiveness and participation in the preparation of the SIS as is possible.

UNDP's support to the process

UNDP's can support the SIS process through a variety of services that will ensure a successful, inclusive and participative preparation of the SIS as a national development platform.

Component 1: Facilitate the process of assessment of social exclusion and respective needs of citizens and prioritisation at the local, regional and national level through the established UNDP network

This cluster of activities will include:

- Support to the development of the methodology (definition of social inclusion framework, indicator framework for monitoring, sectoral framework) based on UNDP's regional and global experience (i.e. Poland's Social Exclusion Indicators; Croatia's Social Exclusion Assessment methodology)
 - Provision of background analyses (NHDR, pension and social protection policy paper, Vision of the Future for BiH survey results analysis);
 - Providing inventory of existing sub-strategies, plans, data and other relevant documents from all stakeholders through UNDP projects' networks (i.e. RMAP's municipality assessment framework, indicator checklist and focus group methodology);
 - Providing standardised inputs from local level to national level through UNDP projects and existing networks of UNDP partners based on a "Request for Contributions from municipalities";
- Depending on the agreed methodology for the SIS:
- On demand qualitative assessment of social exclusion and barriers to inclusion for target groups in different parts of the country using a Focus Group approach (based on tested UNDP pilot);
 - On demand support to quantitative data collection exercises (i.e. Quality of Life Survey)

Component 2: Ensuring involvement and participation of all relevant stakeholders

The cluster of activities will include

- Supporting the DEP-related Working Groups to ensure better coordination between ministries;
- Co-organisation of the Visioning Conference and organising additional side events in form of a Social Inclusion Day;
- Supporting the consultation roundtables of the first draft at local level involving existing local structures i.e. SPUGs and SPAGs (municipalities, business sector, CSOs);
- Co-organisation of the final All BiH Conference.

Component 3: Support with drafting of SIS and promotion

- Support in finding, selecting and supporting national and international experts to be involved in the drafting of the SIS and the ex-ante evaluation;
- On demand support to the creation of a DevInfo-based monitoring system for the SIS and future EU-related policies (JIM).
- Support in promotional activities (launch, promotional materials, website, TV debates, etc.).

Implementation

The second phase of SIS process is foreseen as the development of a Social Inclusion Action plan that would include targeting the local level. UNDP will support this phase of implementation of the SIS within its local development planning initiatives that assist local authorities on an integrated and inclusive approach to local policy planning and project implementation. This can offer a strategic entry point to anchor a social inclusion perspective at the local level.

Beneficiaries

The main beneficiaries of the development of SIS will be the citizens of BiH, as this document should improve the quality of their lives through an accelerated and country-owned development process. In addition, all the relevant stakeholders involved in the process (local and national governments, CSOs, experts, business representatives, etc.) will benefit from increased capacity to participate in and lead participative processes of creation of strategic documents, knowledge necessary for accession in EU and access to EU funds.

Partnerships

UNDP and DEP have already engaged in a fruitful partnership during the preparation of the NHDR and the Social Inclusion Conference held on November 28-29, 2006. UNDP has an extensive partnership network with local actors through its programmes, such as municipalities, LAGs, CSOs and business community. Finally, through its long standing work on statistical capacity building, UNDP has for the last years engaged in partnerships with the State Statistical Office as well as the Entity Statistical Offices.

Part III. Management Arrangements

UNDP BiH (National Social Inclusion Specialist) will implement these activities in close cooperation with DEP who is the leading actor in the Social Inclusion Strategy elaboration process. These actors will establish a formal steering group (project board). Given that the activities will depend on the exact demand arising from the process, the UNDP support will be tailored towards these needs throughout the project.

Part IV. Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA between the Government of Bosnia and Herzegovina and UNDP, signed on 07 December 1995 and all CPAP provisions apply to this document.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided s/he is assured that the other signatories of the project document have no objections to the proposed changes:

- (a) Revisions in, or addition of, any of the annexes of the project document;
- (b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and
- (c) Mandatory annual revisions which re-phase the delivery of agreed project activities and inputs or increased expert expenditures or other costs due to inflation or take into account agency expenditure flexibility.

Part V. Budget

Initial project budget and timetable is given below:

