



PROJECT DOCUMENT
BOSNIA AND HERZEGOVINA

Project Title: FUTURE CITIES IN BOSNIA AND HERZEGOVINA

Project (Award) Number: Award BIH10/00113217, Output 00111485

Implementing Partner: United Nations Development Programme (UNDP) in Bosnia and Herzegovina

Start Date: 1 July 2020

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LPAC Meeting date: 1 June 2020

Implementation modality: Direct Implementation Modality

Brief Description

The Programme aims to support cities in Bosnia and Herzegovina on their journey towards sustainable, inclusive and resilient cities by enhancing new capabilities and engaging all stakeholders to re-imagine future cities and collaborate towards achieving that vision.

Linkage with SDGs: 11 "Sustainable Cities and Communities"

Linkage with EU accession agenda: [European Digital Strategy](#) and [Digital Agenda for the Western Balkans](#)

Linkage with UNDP Strategic Plan: Accelerate structural transformations for sustainable development

Outcome (UNDAF/CPD): By 2019, economic, social and territorial disparities are decreased through coordinated approach by national and subnational actors.

Output ID (with gender marker): 00111485, GEN2

Total resources required (USD):	300,000
Total resources allocated (USD):	UNDP: 250,000
	Government 50,000
Unfunded (USD):	300,000

Agreed by:

Sukhrob Khoshmukhmedov,

Resident Representative a.i.,
UNDP in Bosnia and Herzegovina

Date: 1 July 2020

I. DEVELOPMENT CHALLENGE

1.1. Future cities - a global perspective

The world is urbanizing more quickly than we previously thought: widely accepted United Nations projections of 68% of the global population living in metropolitan cities by 2050 are likely under-reported. In 2018, scientists at the European Commission used thermal heat mapping to confirm that somewhere between 60-80% of humanity currently lives in urban developments¹. The implications of this require a re-examination of estimated resource allocation and consumption across all sectors.

While cities only occupy roughly 2% of the earth's land surface, they account for more than 60% of energy use, 70% greenhouse gas emissions², 70% of waste production, and 80% of global Gross Domestic Product (GDP)³. These urban engines of growth and opportunity, demand ever-more resources in an increasingly climate-insecure world. The last part of the twentieth century was marked by widespread ecosystem collapse and climate-related disasters that have displaced an estimated 24 million people since 2008. A recent World Bank report on climate migration estimates that by 2050 nearly 143 million people will be internally displaced by climate change realities⁴.

Technology continues to advance at an unprecedented rate and currently has the potential to solve these complex challenges. However, the distribution and adoption rates of technological breakthroughs are unevenly distributed and widening the opportunity gap between those who have access and those who do not.

The speed and scale of the challenges facing our cities are faster and bigger than previously estimated, and this accelerated change is outpacing our ability to respond. Policy only progresses at the pace of trust and, in response to two decades of mismanaging rapid cultural, technological, and environmental changes, the legitimacy of many governments is being called into question. These compounding factors result in increased pressure on cities' already weakened infrastructure, institutions, and resources.

1.2. Future cities in the Western Balkans

Across Europe and Central Asia internal migration from small towns to larger cities with an overall population decline, lagging economic growth, hazardous pollution levels, and widespread distrust in governments are compromising already fragile democracies.

Capital cities in the Western Balkans are experiencing tensions typically associated with this kind of urbanization: increased pressure on aging and underfunded public infrastructure, rising housing costs, emerging pockets of urban poverty, and higher demand for public services with a shrinking tax base. When compared to European equivalents, capital cities in the Western Balkans have lower overall productivity and lagging economies that are unable to harness the potential benefits usually associated with agglomeration⁵.

Though recent reforms have improved land management, lax regulatory enforcement and a decline in satisfaction with public services continues to reinforce distrust between residents and government. Current data on the age of residential building stock and public transportation is not widely available. However, it is commonly known that the lack of central heating in aging building stock and the high

¹ European Commission, 2018, Lewis Dijkstra, Aneta Florczyk, Sergio Freire, Thomas Kemper, and Martino Pesaresi, Working Paper: APPLYING THE DEGREE OF URBANISATION TO THE GLOBE: A NEW HARMONISED DEFINITION REVEALS A DIFFERENT PICTURE OF GLOBAL URBANISATION.

² IEA, 2008, World Energy Outlook.

³ UN, DESA, World Urbanization Prospects: The 2018 Revision.

⁴ World Bank, 2018, Rigaud, Kanta Kumari; de Sherbinin, Alex; Jones, Bryan; Bergmann, Jonas; Clement, Viviane; Ober, Kayly; Schewe, Jacob; Adamo, Susana; McCusker, Brent; Heuser, Silke; Midgley, Amelia. Groundswell: Preparing for Internal Climate Migration., Washington, DC.

⁵ World Bank, 2019, Western Balkans and Croatia Urbanization and Territorial Review, Washington, D.C.

cost of clean energy contribute to the unusually high air pollution. Skopje and Sarajevo regularly feature in the top ten for worst air pollution in the world, a reality which has led to wide-scale resident demonstrations protesting government inaction.

The impacts urban trends have on rural areas are largely overlooked by the smart city narrative. The average size of a city in the region is 30,000 people, which is 20,000 fewer inhabitants than required for the definition of a city commonly used by the UN, European Commission, OECD and the World Bank⁶. Aging populations, decreasing property values, poor connectivity to public services and the concentration of resources in cities, leaves lagging rural regions further behind⁷. The multiple factors of deprivation make it difficult to escape poverty and require new place-based policies that reflect current realities rather than revitalization efforts.

Despite this challenging context, the past five years have seen substantial investments in digital and transportation infrastructure, reforms in construction standards, permitting, and procurement, sweeping public sector restructuring, broad efforts to localize opportunity by increasing access to capital, public-private partnerships (P3), and targeted support of small to medium enterprises (SMEs). In line with multiple regional and state-level policy documents, like the European Union Digital Agenda for the Western Balkans, there is a push to leverage technology to increase access to opportunity, make public institutions and services more efficient and accessible, and drive inclusive growth⁸. More recently, the presence of conferences on digital transformation, circular economy, clean energy and infrastructure, and open data signal a marked increase in regional awareness and pursuit of "Smart Cities."

1.3. Cities in Bosnia and Herzegovina

There are 24 cities in Bosnia and Herzegovina, of which six have a population above 100,000⁹ and are home to 51% of the population. The remaining 49 percent of the population lives in smaller urban clusters and towns with less than 40,000 people. While the average size of cities in the country is comparatively small (75,000 people), the majority of people, economic activity, and public services are concentrated in larger cities. Urban population growth has slowed to less than 1 percent a year and the country is still split almost evenly between urban centres and rural towns while 86 percent of all cities in the country lost population over the last two decades¹⁰. This provides an especially distinct opportunity for investment and city-focused work. By necessity, it must include service delivery to nearby sub-urban clusters, or it may ignore half of the population.

For example, two cities – Sarajevo and East Sarajevo - are agglomerations of municipalities, while all other cities constitute a single local authority. These two cities were once a unified urban space. Today they are divided by the entity line and fall within two different administrative domains as separate cities. This further deepens divisions between people, limits economic mobility, and compromises equal access to public services, particularly by the population of East Sarajevo.

Most cities in Bosnia and Herzegovina have abandoned areas, non-functional public spaces, decaying public buildings, and outdated residential housing. The higher energy demand of these neglected buildings negatively impacts public budgets, sharpens financial challenges for low-income families, and ultimately increases the ecological footprint of the city. When taken together, this urban blight has a negative effect on residents' health, well-being, and quality of life.

Additionally, the physical decay of the urban landscape undermines existing tourism potential, devalues cultural and historic heritage, and reduces cities' attractiveness for business. Insufficient

⁶ European Commission <https://ghsl.jrc.ec.europa.eu/degurba.php>.

⁷ World Bank, 2019, Western Balkans and Croatia Urbanization and Territorial Review, Washington, D.C.

⁸ Reference to UNDP Regional Programme Document for Europe and the Commonwealth of Independent States (2018-2021), European Union Southeast Europe 2020, European Commission Digital Transformation Agenda for the Western Balkans, the Reform Agenda for Bosnia and Herzegovina, and others.

⁹ Sarajevo, Banja Luka, Tuzla, Zenica, Mostar and Bijeljina.

¹⁰ World Bank, 2019, "Migration and Brain Drain" Europe and Central Asia Update (Fall), Washington, D.C. Creative Commons Attribution CC BY 3.0 IGO.

green areas in cities further exasperate environmental challenges in urban areas and affect the health of the population. At the same time, cities are often surrounded by abundant natural resources - mountains, rivers, springs, plains, and valleys - which have unrealized potential for supporting the health and economic vitality of urban regions. Therefore, revitalizing public buildings and spaces, and connecting people to ecology of place can be powerful approaches to boosting community belonging and socio-economic development while reducing the CO2 emissions and energy vulnerabilities of cities.

Competencies of cities are defined by the entity principal laws on local self-governance; the Law on Territorial Organization of Republika Srpska; the laws on cities in the Federation of Bosnia and Herzegovina. Cities are local government units, which serve as functional centers aiming to meet the economic, administrative and cultural needs of the citizens. However, competencies of cities are practically identical to those of municipalities, hence the overall nature and different functions of a city has been emptied.

1.4. Rationale for the programme

Why cities, why now?

Cities are at the forefront of these converging global challenges – increased demands and dwindling supplies, climate adaptation, unprecedented technological advancement, institutional legitimacy - and are uniquely positioned in size and scale to serve as sandboxes for experimentation.

Since necessity breeds innovation, there is a shift to city administrations as primary agents of intervention, as they are often more agile than national governments and closer to the direct needs. At the city level, these complex global challenges knot together into localized systems of scale (supply chains, public service delivery, infrastructure, shared civic assets, foodsheds). To address these complexities, cities are testing new applications of real-time data, evidence-based decision making, and horizon technologies to optimize efficiency and explore "Smart City" solutions.

Technologies such as wireless sensors, A.I., automation, the Internet of Things (IoT) have demonstrated the potential to increase efficiency, productivity, and to create value. They hold great promise for sustainability and increasing the quality of life if carefully applied and governed. But they also create risks of asymmetries and disruption, even in stable democracies. In the absence of public oversight and accountability, data on individuals and communities is extensively recorded and owned by private companies, raising concerns around privacy, ethics, surveillance, data ownership, and security.

A shift in the "Smart City" narrative

Evidence suggests that the past 15 years of pursuing the "smart city" paradigm has further entrenched inequities within cities rather than equalizing the urban experience. This ever-widening gap threatens cities' very reason for being: to accelerate opportunity, possibility and innovation. City leaders are growing cautious of unforeseen externalities of "smart solutions" that reinforce existing inequalities and miss critical signals because they are not, or not yet able to be, captured by metrics¹¹. A shift in this narrative is underway and is led by some of the movement's early emissaries.

Some advocate for moving beyond the smart city paradigm because it has turned resident data into market opportunities and lost touch with cities as places of opportunity for people. "Smart" is a vision that caters to those who shape and utilize the technology being leveraged. For example, the proliferation of parking and ride-share apps have increased traffic and short-distance car use rather

¹¹ O'Neil, Cathy. 2016, Weapons of Math Destruction: How Big Data Increases Inequality and Threatens Democracy. New York: Crown.

than incentivize walking, biking, or other forms of micro-mobility, which could cut air pollution and augment the planning and programming of public space.

Whether it is a new public plaza or an e-health service platform, the “problem-solution” trend often skips over resident-driven input. It uses a “smart, one-size-fits-all” templates that result in frustrated residents, planners, and budget controllers alike. A common trend in government is to digitize paper-based services into online interfaces in the name of accessibility, and efficiency. If the target population is not technologically proficient - as is the case in some countries marked by aging populations and low birth rates - the intended benefit migrating to e-services is lost.

This pro-urban, pro-tech bias of the language used to discuss innovation and creativity also points to one of many blind spots perpetuated by an incomplete narrative and influences investment models that disproportionately advantage cities over rural communities, and leaves behind billions of rurally-located people. Furthermore, if language dictates perception, then it is little wonder why the pervasive application of Silicon Valley slang - which turns citizens into “users,” public services into “interfaces,” and interventions into “full stack portfolios” - often ignores the complex, interdependent relationships between humans, jeopardizes the health of ecological systems upon which everything else relies, and erroneously applies mechanistic models to complex living systems.

From “smart” to “sustainable” to “regenerative”

Globally, and across sectors, there is a shift away from “smart” and “sustainable” toward “regenerative.” For city administrators who work in rigid bureaucratic settings, these quickly changing priorities and buzzwords can lead to overwhelm, stagnation, or worse - simply doing the same thing by another name. However, it is crucial to understand the narratives and its implications on how business is conducted.

As the smart city narrative took hold, people became keenly aware of the need for smart interventions to be grounded by a “sustainable” ethos. Circular waste systems can now turn black water into drinking water, aquaponic farms grow food in pristine underground labs, smart transportation systems run on time and with zero emissions, and buildings have carbon sequestration machines that vacuum up air pollution. It is a compelling vision of the future but it comes with a caveat.

“Going green” has - up until recently - been a cost prohibitive and time-consuming process that is difficult to achieve if the organizational, political will, or financial capital is missing. For developing and middle-income countries, “sustainable” is a linear progression from “stable” and is seen as an end rather than a means. Although plenty of evidence demonstrates the far-reaching economic and environmental benefits of low-carbon models, for many places it remains a case of avoiding short-term pain for long-term gain. Retrofitting outdated building stock and adding solar arrays is essential. Equally important is measuring behaviour and load-usage to reduce the demand for power and consciously reassess the extractive relationship “growth” has with the global ecosystem.

Sustainable, as a goal, is focused on doing less harm and maintaining current resource capacities without compromising the future. It tends to emphasize technological solutions rather than shifting behaviour and mindsets around how the pursuit of higher-output reinforces a self-terminating financial system. It emphasizes “impact on” over “healing of” the capabilities of systems; the latter is the essence of Regenerative.

Regenerative Development is a process-oriented whole systems approach to design that has the potential benefit of leapfrogging linear development models. The term “regenerative” describes processes that restore, renew or revitalize their sources of energy and materials. Regenerative design uses whole systems thinking to create resilient and equitable systems that integrate the needs of

society with the integrity of nature. Designers use systems thinking, applied permaculture design principles, and community development processes to design human and ecological systems.

This movement toward applying regenerative frameworks to development is based on complex living systems. From agriculture and economy to organizational theory and city-planning, global corporations and governments are beginning to prioritize i) economic growth within planetary boundaries¹², ii) working with living systems to address climate change, iii) regenerating the resources upon which systems depend, and iv) designing for complexity of interaction across scales. The business case for regenerative and circular economies is strong, and the returns on investments have proven higher than average in nearly every sector.

While “regenerative” is not a new idea, its rise to media prominence in the past five years is indicative of the failure of the mechanistic and hierarchical paradigms to address the complex challenges faced by the world today. Since 1990, more than 1 billion people have been “lifted out of poverty,” however, the data on improved quality of life paints a conflicting and incomplete picture. Concurrently, there has been an immense concentration of wealth and deepening inequality that is leading to large-scale social unrest, all at the expense and near collapse of ecosystems.

For countries that are imminently developing “Smart City” strategies, the opportunity is to leverage technology for accelerated growth that leapfrogs over a decade of “trial and error by app” and experiments with regenerative models that restore and revitalize human and natural resources. Business as usual has led to the brink of ecological collapse; it will unlikely be those same systems that reverse the threat and restore balance.

There are movements to acknowledge and redress these system failures, including re-examining the limitations of Gross Domestic Product (GDP) as the base measure of growth¹³, redefining what positive growth is for a city, region, or country could be¹⁴, and restructuring and quantifying assets held “in common” for the benefit of communities, climate, and the environment.

Progressive national and international policies like the European Green Deal, EU Strategy for Plastics in the Circular Economy, 2030 Agenda and the SDGs, The New Urban Agenda, the Sendai Framework for Disaster Risk Reduction, and Canada’s commitment to transitioning to a Circular Economy, are leading the way on new economic, behavioural, and governance models that incentivize collaboration, de-risk experimentation through alternative investment models and centre the vitality of ecological systems.

1.5. Relevant experiences and trends in the area of future cities that inform the programme theory of change

“Vision is the most vital step in the policy process. If we don’t know where we want to go, it makes little difference that we make great progress. Yet vision is not only missing almost entirely from policy discussions; it is missing from our whole culture.”

- Dana Meadows, Author of “Thinking in Systems” and “Limits to Growth”

The Future Cities Initiative is grounded in policies, practices, and learnings of the UNDP and its partners over the past decade. More recently, however, UNDP in Bosnia and Herzegovina and the City of Sarajevo launched the Smart Sarajevo Initiative financed through the UNDP Country Investment Facility. Key goals of the initiative were i) broad resident participation and “community-owned city renewal”; ii) leverage technology to improve public services and urban infrastructure; and iii) catalyse SME’s, start-ups, and the private sector toward a knowledge-based city economy. Within

¹² Raworth, K., 2017, Doughnut economics: seven ways to think like a 21st-century economist. London: Random House.

¹³ Fiori, L., 2013, Gross Domestic Problem, The politics behind the world’s most powerful number. New York, Zed Books Ltd.

¹⁴ OECD, 2016, Better Life Index, oecdbetterlifeindex.org.

a year, the initiative achieved and surpassed those goals, positioning UNDP, the City of Sarajevo, and members of the City Mind Lab¹⁵ as regional leaders in inclusive innovation for the future of cities.

Successful features of Smart Sarajevo Initiative

To design a multi-year process for the future of cities across Bosnia and Herzegovina, it is important to understand what made the initiative - and other initiatives like it around the world - successful.

In summary the process:

- Increased trust between government and residents through open and transparent interactions,
- Activities were based on a resident-informed set of values and a vision for what was important to address;
- Resident engagement was distributed and multi-sectoral;
- Ideas were inspired by the unique potential of the place;
- Technology enhanced transparency; and
- The process was designed to force the function of regulatory experimentation and application of alternative finance models.

Developing new capabilities for future success

Often, when solutions are introduced without understanding the context in which they operate, they fail and the broken promises further weaken public trust. Without a vision for growth based on place-sourced potential, knowledge frameworks for policy development and implementation, and a mature regulatory environment with competencies in technological adoption, "smart solutions" run the risk of exacerbating inequity and unforeseen consequences.

For example, introducing "smart rubbish bins" to solve waste management inefficiencies will turn into expensive sidewalk monuments if the overall waste management system - from waste production to dump sites, existing infrastructure and the ownership model of service providers - is also not taken into consideration. Furthermore, a smart solution ought to be part of a portfolio of behavioural, technological, and public management interventions that are aimed toward a vision like "Circular Systems City," or "Cleantech Capital."

City-wide Vision Framework: Transitioning from a collection of pilot smart city initiative towards system-transformation that will drive governance decisions, technology investments and enable high quality of life in Bosnia and Herzegovina, requires processes that cultivate ambitious, yet tangible, visions for the future of cities and a place-sourced roadmap of activities for the Bosnia and Herzegovina of the future.

Regenerative: Development models need to go beyond "sustain" to "regenerate;" these models enable system capabilities to replenish and build resource capacity, rather than extract and exploit resources. This includes regenerative approaches to human systems - communities, corporations, governments - and ecological systems - foodsheds, watersheds, bioregions.

Systems thinking: More than smart cities, we endeavour toward intelligent systems, people, and places. For example, e-health services for home-bound populations cannot only be addressed by the health department. To be successful it must take into account digital and physical infrastructure,

¹⁵ City Mind Lab is a multi-disciplinary group of professionals, residents of each city, who are the brainpower behind implementing initiatives. They are self-organized and comprised of members representing public, private, civic, cultural, environmental, and academic areas of work and life.

access to broadband, digital abilities of its users, interface design, and how networked social structures can provide supplementary support. For cities to ask and answer these questions requires the ability of individuals within government and communities to zoom out and work across silos and systems.

Hence, “smartness” is not only just about installing digital interfaces in traditional infrastructure or streamlining city data and operations. It is also about using technology and data purposefully to make better decisions and deliver a better quality of services and life.

Knowledge, Policy, Financial, and Regulatory Frameworks: Future city strategies are functionally integrated and require multi-sector awareness, preparedness, and ability to anticipate the impact of future technological trends on current realities. This requires knowledge-sharing, partnerships with technical expertise (city-twinning for example), the adoption of lightweight technologies that can be easily tested, and a well-defined regulatory sandbox to experiment with new approaches, policies, and hacks that make adoption safer, faster, and more equitable.

1.6. Stakeholders analysis

Cities have a vital role in the affirmation and development of sustainable and inclusive urban territories. Of particular importance is the vision and commitment of city leaderships to support transformation towards future cities. City administrations also play a key role in translating bold and innovative ideas into future public services, sustainable and green economic measures, smart infrastructure and inclusive policy mechanisms. Furthermore, city councils play a very critical role in supporting enabling environment for thriving future cities. Public enterprises (cantonal, city, municipal): data inputs, expert inputs.

City Mind Labs: The City Mind Labs will serve as a general steering and consultative body behind Future City processes, each location will designate their own name for the Labs.

Citizens and community groups are also among the main stakeholders who contribute to making cities more open, sustainable and inclusive. **Civil society organisations** can also be a collective powerful voice in that process. Young people are at the heart of the efforts towards future cities in the country.

Relevant line ministries (communications, information society, local governance, spatial planning, etc.) that play a role in ensuring support to city-level activities, as well as contribute to advanced enabling policy and regulatory environment for sustainable urban development.

The **private sector** can also be a vital player in the process of transitioning towards smarter cities, particularly the IT sector, which is very strong in Bosnia and Herzegovina. Businesses from the urban economy need to have a voice in the definition of city challenges, setting the vision, principles and values of Future City programs, as well as contribute to setting the main development directions and actions from viewpoint of green and sustainable urban economy as part of the wider city ecosystem.

Academia and science (universities, research institutes): have an important role to play in the definition of city challenges, data gathering, setting the vision, principles and values of Future Cities programs, as well as contribute to defining the main development directions and actions from viewpoint of science and innovation.

Culture and arts (artists, designers, creatives): to engage in the definition of city challenges, setting the vision, principles and values of Future Cities programs, as well as contribute to setting the main development directions and actions from viewpoint of arts, creativity and urban culture.

Media is also an important stakeholder, contributing to very much needed awareness raising at the local level, encouraging citizen participation in public processes and playing an important role in advocacy for transformation towards more liveable and healthy cities and people-centred public services.

II. STRATEGY

2.1. Theory of change

How might we leverage the goal of equitable urban transformation to localize economic opportunity, increase efficiency and trust in government, and catalyse resident participation in city-shaping through regenerative, place-led development?

This program is grounded in the **place-sourced potential of Bosnia and Herzegovina and its cities**. It will look to the immense wealth of natural, cultural, and historical resources not for economic exploitation but as sources of inspiration for the equitable, regenerative, sustainable development of its people, cities, and systems.

Preparation for this near-now future calls for building regulatory sandboxes and spaces for informed experimentation over time, where innovative broad-based resident participation meets adaptive technologies for more inclusive participation in urban regeneration and long-term decision making. This blended approach to development emphasizes developing capabilities - rather than solutions - that enable stakeholders to:

- i) make sense of opportunities and challenges,
- ii) develop capabilities for systems- thinking,
- iii) shift away from “problematizing” toward “potentializing,”
- iv) identify place-sourced potential for the future of their cities,
- iii) develop multi-nodal interventions that cut across sectors, force the function of regulatory hacks, influence behaviour, and catalyse mindset shifts.

Work in this space is nascent and purposely adaptive – by its nature, it is exploratory. It seeks to build momentum for formal strategies that are emboldened by locally developed capabilities in legitimate processes that have cultivated trust, creativity, and social cohesion.

In line with similar UNDP Innovation Strategies, this signals a distinct departure from the log-frame approach traditionally employed by development agencies and endeavours to experiment with regenerative and agile design principles that more closely reflect the complex nature of the systems we aim to shift. Rather than a linear model, regenerative models work across nested scales of space, time, and relationships. As such, the program model is better understood as a dynamic network of activities, or a portfolio of cross-sectoral interventions, working to learn from each other and build resilience in the system at all levels.

2.2. Links to national and international strategies and frameworks

The overall policy and strategic framework for urban development and future cities is very limited. The country has adopted its Policy for Information Society Development 2017–2021, which relates to support to ICT, technological advancement of public and private sectors and innovation, digital literacy. Relevant is also the Interoperability Framework for Bosnia and Herzegovina, enabling standardized exchange of data among public sector bodies.

Competencies for spatial planning and development lie at the entity government levels and subsequently - at cantonal level in the Federation of Bosnia and Herzegovina and then within all local governments. Except for its existing spatial planning documentation (which is often outdated), the country does not have a specialised urban development policy and strategic framework. Of great importance is the Law on Development Planning and Management in the Federation of Bosnia and Herzegovina, particularly from viewpoint of sustainable and inclusive strategic planning at the local level.

The draft Public Administration Reform strategic framework places e-government and modernisation of public services among its priorities and once adopted will serve as a general “push factor” for cities across the country.

The strategic framework related to local governance is incomplete, with the Strategy on Local Self-Government Development in Republika Srpska as the only policy document in this domain. However, recently, the entity of Republika Srpska adopted the draft E-Government Strategy, which is the first policy document that officially places focus on the area of future (smart) cities.

The EU Digital Agenda for the Western Balkans is also a very important policy framework for future systematic efforts in the area of future cities. In line with national and international strategies, all work is guided by the Sustainable Development Goals (SDGs). The Future Cities Programme emphasizes SDG 11 - Sustainable Cities and Communities - and due to its intersectional nature will naturally address many others including, but not limited to: 3 - Good health and well-being; 6 - Clean water and sanitation; 7 - Affordable clean energy; 8 - Decent work and economic growth; 9 - Industry, Innovation, and Infrastructure; 12 - Responsible consumption and production; 13 - Climate action; 16 - Peace, justice, and strong institutions.

2.3. Goal

Building on the lessons learned and momentum generated by the Smart Sarajevo Initiative, and responding to requests for support from cities across the country, the Future Cities Programme aims to support stakeholder groups’ capabilities to unpack and address complexity and system-scale challenges and advance towards future cities which are more resilient, sustainable and inclusive.

Replicating processes in service of place-sourced city goals will:

1. Employ fair methods for resident and multi-sector participation which *will* foster a culture of inclusive innovation, transparency, trust, and legitimacy beyond the scope of the project and into policy.
2. Utilise alternative methods, technologies, experimentation, and data to gather new insight that *will* generate a broad range of unexpected solutions to interlinked systemic challenges in our cities.
3. De-risk and encourage investment with catalytic financing that *will* spur economic activity, new technologies, and knowledge-based services.
4. Center ecological systems and place-sourced potential as the starting point for developmental processes which *will* lead to previously unimagined possibilities for growth.

III. RESULTS AND PARTNERSHIPS

3.1. Programme results

The programme will have the following main outcomes:

Result 1: Cities develop inclusive and future-looking visions that chart the pathways for transformation towards future cities.

City-wide vision frameworks: cities will develop residents and stakeholder engagement models to define the place-sourced potential, co-develop a vision, and city-specific roadmaps for program development and implementation.

Developing city-labs for ongoing learning and experimentation: supporting “city innovation” labs within government that are given autonomy and limited authority to continue building a culture of regulatory experimentation, test new ideas across domains and engage unlikely allies, or stakeholder guilds, in dynamic partnerships.

The main activities include:

- Cultivate multi-sectoral buy-in in the process of inclusive future city vision-setting;
- Deepen understanding of complex challenges, future city, regenerative and sustainable urban development through sensemaking and advanced modelling;
- Connect city leaders and practitioners with regional and global future city “learning networks” and annual convenings.

Result 2: The future cities visions translate into actions that contribute to more sustainable, inclusive and resilient cities.

Designing portfolios of projects from “place-sourced potential”: extending the UNDP sensemaking and acceleration protocol to portfolios within cities, we will work with stakeholders to develop their abilities to make sense current efforts, discern patterns to create actionable intelligence, and increase the coherence of interventions in a particular area.

From “problematizing” to “potentializing”: urban transformation: developing capabilities and capacities of organizations and administrations to design projects, programs, and systems based on place-sourced potential rather than identifying problem-solution sets.

From inefficient to equitable: catalyzing institutional will and formalizing inclusive innovation: developing capabilities and capacities of human and ecological systems to be regenerative. Beyond experimentation is structured reflection, learning, and translation into evidence-based policy that formalizes new approaches.

The main activities include:

- Select street-scale experiment zone looking into innovative entry points;
- Catalyze resident-participation in city-building and urban renewal, smart city, future public services, sustainable, carbon-neutral and green urban development projects;
- Use open-innovation challenges to crowdsource ideas and support their implementation;
- Distribute small-scale investment into lightweight prototypes for new programs, policies and public services;
- Develop digital readiness and systems thinking capabilities.

3.2. Methodological approach

With the understanding that individual, community, and organizational development cannot be standardized, is non-linear, and happens through time, the program model reflects capability and capacity development through every phase and at each scale - from individual to community and larger organizations and institutions.

Experience shows that context informs the pace of adoption and adaptation. Larger cities can be administratively burdensome, siloed, and immobilized by their own inertia, however, because of their gravitational pull and agglomeration potential an intervention or project can scale virally. By contrast, smaller cities with less administrative overhead can be decisive, agile, and move quickly, though the economy of scale is different. In both cases, policy will only progress at the pace of trust.

Thus, the project timeline is relationally phased to reflect concurrent developmental processes across scales. It aims to build networks of networks for shared learning that increases individual, community, and institutional capabilities over time. It should be noted that "phases" are designed around activities that reflect a particular stage of system-level development and may not be accurately reflected in the estimated timeline below.

3.3. Geographical scope

The programme will work in the following cities of Bosnia and Herzegovina:

- Sarajevo;
- Banja Luka.

In the implementation process, other cities will be engaged, and the scope of work expanded.

3.4. Partner city capacities

To guarantee a minimum level of success in implementing of Future City processes, participating cities must be able to demonstrate the following:

- Political buy-in – city leaderships have demonstrated the political will to support innovative methods and approaches (committed financial support, MOU, dedicated staff);
- Local partnerships – ensures an ecosystem for resident engagement, buy-in, and sustainability of projects in design, testing, and implementation phases.
- Co-financing – opportunity to secure financial commitments from private sector, government, local foundations, and/or crowd-funding mechanism to match funding schemes.

3.5. Transversal themes

Gender equality

The Programme will seek to ensure that **women and men are equally included** in all its activities. It will track changes by collecting data for **sex-disaggregated indicators** where possible and relevant. Moreover, women's needs will be proactively addressed throughout the future city vision-setting processes, contributing to a gender-sensitive future city pathways. The Programme will make efforts to voice, engage and support **women political and community leaders** and raise their awareness and understanding on their role in shaping up cities of the future.

Social inclusion

The Programme will seek to enhance social inclusion in all relevant activities, paying particular attention on ensuring socially-sensitive planning and implementation of pilot transformative initiatives. From viewpoint of urban development, socially excluded groups are: the poor, single-parents, unemployed women and youth; long-term unemployed; persons with disabilities; returnees and internally displaced persons; Roma; elderly.

Disaster risk reduction and resilience to shocks and crisis

The programme will apply a disaster-risk-management lens in its work, particularly in relation to the support in the urban infrastructure and public services. Resilience and better preparedness of urban systems to deal with and adapt to natural or other shocks and crisis (including such as the recent COVID-19 pandemic), will be a cross-cutting perspective.

3.6. Strategic partnerships

In an effort to bring Future Cities Initiative into alignment with ongoing UNDP programs and regional initiatives - like the digital transformation portfolio - optimize resources and avoid duplicative efforts, we are working with UN Habitat, Climate-KIC, UK Embassy, GIZ, SIDA, UN HABITAT, USAID, the Regional Cooperation Council, the International Financing Institutions and others to build a coalition of resources, expertise, and support for a comprehensive, integrated, development approach.

3.7. Synergies with other relevant ongoing or planned interventions

The Programme will ensure close linkages with the in-going interventions implemented by UNDP in the areas of local governance, local public service delivery, energy efficiency, tourism development, climate change and community empowerment.

3.8. Risks and assumptions

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

Insufficient commitment of policymakers to city-level transformation and embracement of innovative approach and solutions: this may slow down the programme implementation and testing of innovative urban development approaches. The programme will work and support only cities with highly-motivated city leaderships.

Depopulation/migration of the population: the risk of people leaving cities can have devastating effects not only on the human capital at the local level, but also on local economies, public services and social life. To mitigate the risk to the extent possible, the Programme will focus its efforts on improving quality of services and life in cities.

Natural hazards and disease outbreaks: these remain a likely risk, including new waves of COVID-19 crises, challenging the functioning of governments, economies and society. The Project will develop basic tools and approaches to enable potential distance learning and remote implementation of activities in times of such events.

3.9. Use of existing country systems, mechanisms and frameworks

The Programme is fully embedded within the governance system – and it will directly support capacities of public institutions and structures, functions and their strategic commitments.

3.10. Sustainability and scaling up

The programme is the scaling up of a pilot effort by UNDP in the domain of future cities and at the same time is one of the strategic priorities within the UNDP new Country Programme Document 2021-2025 related to sustainable and inclusive urban development.

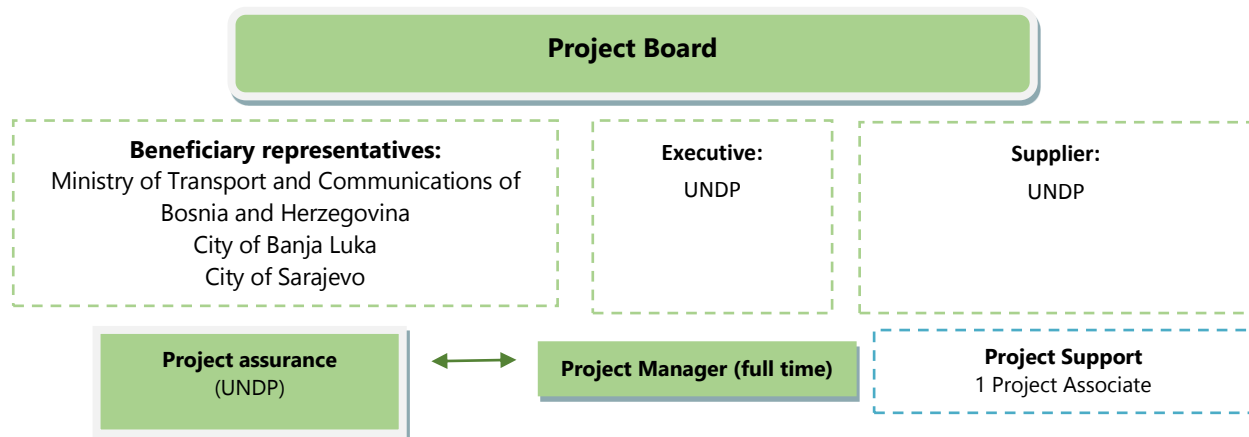
IV. PROJECT MANAGEMENT

4.1. Project management

UNDP in Bosnia and Herzegovina will assume full responsibility and accountability for the overall Project management and implementation, including, achieving of the outcomes, efficient and effective use of resources, as well as monitoring and reporting.

4.2. Project institutional and organisational structure

The Project institutional structure comprises the Project Board, the Project Assurance and the Project Manager with the Project Team, interacting in a broader Project context with partners and all interested stakeholders.



The **Project Board** will be the group responsible for making, by consensus, management decisions for the Project when guidance is required by the Project Manager, including recommendation for approval of Project plans and revisions. Based on the approved annual work plan, the Project Board supervises the overall implementation progress and authorizes any major deviation therefrom. It provides strategic guidance, as well as gives final approval to selected strategic and operational issues. The Project Board approves the selection criteria and the list of partner local governments. It ensures that required resources are committed and arbitrates on any conflicts within the Project or negotiates a solution to any problems between the Project and external bodies. The Project Board will meet at least twice per year, or as necessary when raised by the Project Manager. Members of the Project Board will be representatives of the Ministry of Communications and Transport of Bosnia and Herzegovina, the City of Banja Luka, the City of Sarajevo and UNDP.

The **Project Assurance** role supports the Project Board by carrying out objective project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager. The role of Project Assurance will be performed by the UNDP Deputy Resident Representative.

The **Programme Team** will comprise the International Project Manager and the Project Associate. The Project Manager has the authority to run the Project on behalf of UNDP. The Project Manager will have the responsibility to ensure that the Project produces the required results that can achieve the benefits defined in this document. S/he will be responsible for day-to-day management and will ensure that the Project produces the results specified, to the required corporate standards and within the constraints of time and cost. The Project will also be supported on part-time basis by **other UNDP staff**, namely the Programme Operations Support Staff and the Communications and PR staff.

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/CPD:											
By 2019, economic, social and territorial disparities are decreased through coordinated approach by national and subnational actors											
Outcome indicator as stated in the Country Programme, including baseline and targets:											
Indicator: Value of development index in targeted areas; Baseline: 2014 development index in cities; Target: Growth of development index value in targeted areas (2020)											
Applicable Output from the UNDP Strategic Plan:											
Output 3.2. Functions, financing and capacity of sub-national level institutions enabled to deliver improved basic services and respond to priorities voiced by the public SP 2017-2021 Indicator National and sub-national governments have improved capacities to plan, budget, manage and monitor basic services.											
Project title and Atlas Project Number: 00113217											
EXPECTED OUTPUT	OUTPUT INDICATORS ¹⁶	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year ...	FINAL	
Output: Cities advance capabilities to lead transformation towards future cities which are more resilient, sustainable and inclusive.	1.1. Number of cities that have in place future-city strategic frameworks developed in an inclusive manner	UNDP reports Official reports from partner cities	0	2020	2	N/A	N/A	N/A	N/A	2	Programme monitoring
	1.2. Number of innovative pilot projects successfully implemented and contributing to sustainable, inclusive and resilient urban development	UNDP reports Official reports from partner cities	4	2020	15	N/A	N/A	N/A	N/A	15	Field visits Surveys
	1.3. Number of citizens who engage in the future city activities and contribute to city sustainable transformation	UNDP programme reports	120	2020	500	N/A	N/A	N/A	N/A	500	Programme monitoring Field visits

VI. MONITORING AND EVALUATION

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners	Cost (USD)
Track results progress	Progress data against the results indicators in the result framework will be collected and analysed to assess the progress towards achieving the results.	Monthly	<ul style="list-style-type: none"> - Keep updated monitoring framework - Communicate progress or delays with key institutional partners. 	UNDP Partner cities	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Bi-monthly	<ul style="list-style-type: none"> - Keep an updated risk log - Apply early warning approaches to anticipate risks - Consider lessons learnt from relevant experiences in this domain 	UNDP	
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively shared with other interventions.	At least annually	<ul style="list-style-type: none"> - Keep a process journal capturing lessons and insights from the journey - Collect and share best practices 	UNDP	10,000
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	<ul style="list-style-type: none"> - Perform annual quality assurance on the implementation 	UNDP	
Project Review	The project's governance mechanism (Project Board) will hold regular project reviews to assess the project performance and review the Work Plan to ensure realistic budgeting.	Quarterly	<ul style="list-style-type: none"> - Annual report 	Project Board	

VII. MULTI-YEAR WORK PLAN

EXPECTED OUTPUT	ACTIVITIES	PLANNED SUB-ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
			Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount (USD)
<p>OUTPUT: Cities advance capabilities to lead transformation towards future cities which are more resilient, sustainable and inclusive.</p> <p>Gender marker: GEN2</p>	<p>Activity 1: Cities develop inclusive and future-looking visions that chart the pathways for transformation towards future cities</p>	1.1 City-wide future city frameworks					UNDP	UNDP	Contractual services – individuals	50,000
		1.2 Support future city innovative teams/labs					UNDP	UNDP	Contractual services-companies	25,000
		MONITORING					UNDP	UNDP	Travel Audio-video comm	5,000
		Sub-Total for Activity 1								
	<p>Activity 2: The future cities visions translate into actions that contribute to more sustainable, inclusive and resilient cities</p>	2.1 Innovation challenge					UNDP		Contractual services – individuals	5,000
		2.2 Implementation of portfolio of innovative projects					UNDP Cities		Contractual services-companies	176,000
		2.3 Capacity development					UNDP		Travel	10,000
		MONITORING					UNDP		Audio-video comm	5,000
		Sub-Total for Activity 2								
		Monitoring	Monitoring							10,000
	General Management Support								24,000	
	TOTAL								300,000	

VIII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Bosnia and Herzegovina and UNDP, signed on 07 December 1995. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

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

This project will be implemented by [name of entity] ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

IX. RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the

responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

- c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
- d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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

- h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

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

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

- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.

X. ANNEXES

Annex I: Project Quality Assurance Report

<https://intranet-apps.undp.org/ProjectQA/Forms/Design?fid=5576&year=2020&ou=BIH&pid=00113217&fltr=PROJECT>

Annex II: Social and Environmental Screening

Project Information

Project Information	
1. Project title	Future Cities in Bosnia and Herzegovina
2. Project number	00113217
3. Location (Global/Region/Country)	Bosnia and Herzegovina

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

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the Project mainstreams the human-rights based approach
The Project document does not explicitly elaborate on human rights it addresses nor it provides reference to the standards adhered to. However, it does provide evidence of genuine project's intention to seek to enhance social inclusion in all relevant activities, paying particular attention on ensuring socially-sensitive planning and implementation of pilot transformative initiatives. From viewpoint of urban development, socially excluded groups are the poor, single-parents, unemployed women and youth; long-term unemployed; persons with disabilities; returnees and internally displaced persons; Roma; elderly.
Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment
The Programme will seek to ensure that women and men are equally included in all its activities. It will track changes by collecting data for sex-disaggregated indicators where possible and relevant. Moreover, women's needs will be proactively addressed throughout the future city vision-setting processes, contributing to a gender-sensitive future city pathways. The Programme will make efforts to voice, engage and support women political and community leaders and raise their awareness and understanding on their role in shaping up cities of the future.
Briefly describe in the space below how the Project mainstreams environmental sustainability
The programme will apply a disaster-risk-management lens in its work, particularly in relation to the support in the urban infrastructure and public services. Resilience and better preparedness of urban systems to deal with and adapt to natural or other shocks and crisis (including such as the recent COVID-19 pandemic), will be a cross-cutting perspective.

Part B. Identifying and managing social and environmental risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any "Yes" responses). If no risks have been identified in Attachment 1 then note "No Risks Identified" and skip to Question 4 and Select "Low Risk". Questions 5 and 6 not required for Low Risk Projects.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk description	Impact and probability (1-5)	Significance (Low, Moderate, High)	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
Risk 1: There a potential risk that duty-bearers do not have the capacity to meet their obligations in the Project.	I = 2 P = 2	Low		The lack of capacity and commitment of policymakers to city-level transformation and embracement of innovative approach and solutions may slow down the programme implementation and testing of

				innovative urban development approaches. The programme will work and support only cities with highly motivated city leaderships.
Risk 2: The potential outcomes of the Project could be sensitive or vulnerable to potential impacts of climate change.	I = 2 P = 2	Low		Climate change remains a risk challenging the functioning of governments, economies and society. The Programme will ensure alternate strategies and plans are in place to enable implementation of the Programme in changed circumstances.
Risk 3: The Project result in potential to increase health risks related to COVID-19 pandemic	I=2 P=3	Low to moderate		The Programme will develop basic tools and approaches to enable potential distance learning and remote implementation of activities in times of such events.
QUESTION 4: What is the overall Project risk categorization?				
Select one (see SESP for guidance)			Comments	
Low Risk		<input checked="" type="checkbox"/>	The project is assessed as a low risk category, particularly from human rights, climate change and health aspects viewpoint.	
Moderate Risk		<input type="checkbox"/>		
High Risk		<input type="checkbox"/>		
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?				
Check all that apply			Comments	
Principle 1: Human Rights		<input checked="" type="checkbox"/>	N/A	
Principle 2: Gender Equality and Women's Empowerment		<input type="checkbox"/>	N/A	
1. Biodiversity Conservation and Natural Resource Management		<input type="checkbox"/>	N/A	
2. Climate Change Mitigation and Adaptation		<input checked="" type="checkbox"/>	N/A	
3. Community Health, Safety and Working Conditions		<input checked="" type="checkbox"/>	N/A	
4. Cultural Heritage		<input type="checkbox"/>	N/A	
5. Displacement and Resettlement		<input type="checkbox"/>	N/A	
6. Indigenous Peoples		<input type="checkbox"/>	N/A	
7. Pollution Prevention and Resource Efficiency		<input type="checkbox"/>	N/A	

Final Sign Off

Signature	Date	Description
QA Assessor		Amra Zorlak, Monitoring and Evaluation Analyst
QA Approver		Sukhrob Khoshmukhamedov, Deputy resident Representative
PAC Chair		Marina Dimova, Governance Chief Technical Specialist

SESP Attachment 1. Social and environmental risk screening checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No

2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹⁷	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	Yes
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be</i>	No

¹⁷ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

	<i>considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ¹⁸ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	Yes
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labour standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ¹⁹	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No

¹⁸ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

¹⁹ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.3	<p>Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?</p> <p><i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i></p>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	<p>Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?</p> <p><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i></p>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No



Future Cities Programme in Bosnia and Herzegovina

Local Project Appraisal Committee Consultations (May – June 2020)

Introduction

The Future Cities Initiative is grounded in policies, practices, and learnings of the UNDP and its partners over the past decade. More recently, however, UNDP in Bosnia and Herzegovina and the City of Sarajevo launched the Smart Sarajevo Initiative financed through the UNDP Country Investment Facility. Key goals of the initiative were i) broad resident participation and “community-owned city renewal”; ii) leverage technology to improve public services and urban infrastructure; and iii) catalyse SME's, start-ups, and the private sector toward a knowledge-based city economy. Within a year, the initiative achieved and surpassed those goals, positioning UNDP, the City of Sarajevo, and members of the City Mind Lab as regional leaders in inclusive innovation for the future of cities.

Project brief and general information

This program is grounded in the place-sourced potential of Bosnia and Herzegovina and its cities. It will look to the immense wealth of natural, cultural, and historical resources not for economic exploitation but as sources of inspiration for the equitable, regenerative, sustainable development of its people, cities, and systems.

Building on the lessons learned and momentum generated by the Smart Sarajevo Initiative, and responding to requests for support from cities across the country, the Future Cities Programme aims to support stakeholder groups’ capabilities to unpack and address complexity and system-scale challenges and advance towards future cities which are more resilient, sustainable and inclusive.

Replicating processes in service of place-sourced city goals will:

1. Employ fair methods for resident and multi-sector participation which will foster a culture of inclusive innovation, transparency, trust, and legitimacy beyond the scope of the project and into policy.
2. Utilise alternative methods, technologies, experimentation, and data to gather new insight that will generate a broad range of unexpected solutions to interlinked systemic challenges in our cities.
3. De-risk and encourage investment with catalytic financing that will spur economic activity, new technologies, and knowledge-based services.
4. Center ecological systems and place-sourced potential as the starting point for developmental processes which will lead to previously unimagined possibilities for growth.

The programme will work in the following cities of Bosnia and Herzegovina:

- Sarajevo;
- Banja Luka.

In the implementation process, other cities will be engaged, and the scope of work expanded.

UNDP in Bosnia and Herzegovina will assume full responsibility and accountability for the overall Project management and implementation, including, achieving of the outcomes, efficient and effective use of resources, as well as monitoring and reporting.

Consultations

Meetings with key Programme stakeholders were organized in the period May-June 2020, which were used to capture recommendations from stakeholders on the draft programme and ensure customization of the intervention. The main focuses of the programme have been agreed with the city leaders of Sarajevo and Banja Luka as the main partners in the intervention and also expressed through signing of Memoranda of Understanding (Banja Luka) and Cost-Sharing Agreement (City of Sarajevo) for implementation of the intervention. Consultation was also ensured with stakeholders from the private sector, civil society and academia, and recommendations from these have been embedded in the programme.

Minutes prepared by:

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