



International
Labour
Organization

► Evaluation Office



i-eval Discovery



INTERNAL MIDTERM CLUSTER EVALUATION OF THE PROJECTS COVID-19 INVESTMENT RESPONSE – EU4BUSINESS RECOVERY AND EU SUPPORT TO LOCAL EMPLOYMENT PARTNERSHIPS – PHASE II

- o ILO TC/SYMBOL: BIH/20/01/EUR;
BIH/20/02/EUR
- o Type of Evaluation: Mid-term internal cluster evaluation
- o Country(ies) : Bosnia and Herzegovina
- o Date of the evaluation: 1 November - 20 December 2022
- o Name of consultant(s): Natasha Mechkaroska Simjanoska
- o ILO Administrative Office: ILO DWT/CO Budapest
- o ILO Technical Backstopping Office: ILO DWT/CO Budapest
- o Other agencies involved in joint evaluation: N/A
- o Date project ends: 30 June 2023;
31 December 2023
- o Donor: country and budget US\$ Delegation of the European Union
US\$ 3,931,979.60 (total US\$ 3,931,979.60);
US\$ 4,388,709.67 (total US\$ 4,907,153.54)
- o Evaluation Manager: Lejla Tanovic, ILO National Coordinator

Key Words: employment; entrepreneurship; SIYB; SCORE; local employment partnership; textile sector

This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office

EVALUATION REPORT
Internal Midterm Cluster Evaluation of the Projects

COVID-19 INVESTMENT RESPONSE – EU4BUSINESS RECOVERY

and

EU SUPPORT TO LOCAL EMPLOYMENT PARTNERSHIPS – PHASE II

Table of Contents

LIST OF ACRONYMS	4
EXECUTIVE SUMMARY	5
1. INTRODUCTION	12
2. BACKGROUND AND CONTEXT	13
3. EVALUATION BACKGROUND	16
4. FINDINGS	19
4.1. Relevance	19
4.2. Validity of design	21
4.3. Adaptation during implementation	22
4.4. Effectiveness and progress	22
4.5. Efficiency and management arrangements	25
4.6. Orientation to impact and sustainability	26
4.7. Gender equality	27
6. LESSONS LEARNED AND EMERGING GOOD PRACTICES	30
7. RECOMMENDATIONS	33
ANNEX 1 STATUS OF LEP PERFORMANCE UNDER EU4BR AND LEP II AS OF 30 NOVEMBER 2022	35
ANNEX 2 LIST OF INTERVIEWS	36
ANNEX 3 LIST OF REVIEWED DOCUMENTS	38
ANNEX 4 TERMS OF REFERENCE FOR THE INTERNAL EVALUATOR	39
ANNEX 5 LESSON LEARNED	54
ANNEX 6 EMERGING GOOD PRACTICE	55
ANNEX 7 ALL RELEVANT ILO EVALUATION GUIDELINES AND STANDARD TEMPLATES	56

Acknowledgement

I would like to thank the project teams, ILO colleagues, Ms Amra Seleskovic and Ms Katarina Crnjanski-Vlajcic, and interviewed stakeholders for dedicating their time to share information concerning the project implementation and progress. A special thanks to Ms Lejla Tanovic for the support, and Ms Mirela Kadribasic and Ms Melisa Osmic, for making all the meeting arrangements.

LIST OF ACRONYMS

BiH	Bosnia and Hercegovina
EO	Employers' Organization
EU	European Union
EU4BR	European Union for Business Recovery
FBiH	Federation of Bosnia and Hercegovina
ILO	International Labour Organization
IPA	Instrument for Pre-Accession Assistance
MTIE	Mid-Term Internal Evaluation
LEP	Local Employment Partnerships
PES	Public Employment Service
PSC	Project Steering Committee
RS	Republika Srpska
SCC	Sector-specific Coordination Committee
SCORE	Sustaining Competitive and Responsible Enterprises
SIYB	Start and Improve Your Business
ToR	Terms of Reference
ToT	Training of Trainers
TU	Trade Union

EXECUTIVE SUMMARY

BACKGROUND AND CONTEXT

Despite some positive developments in the labour market in Bosnia and Herzegovina (BiH), most of the structural challenges remain. The country faces low labour force participation (51.2 per cent) and high rates of unemployment (12.7 per cent), in particular among women (41.1 per cent and 15.4 per cent, respectively) and youth.¹ The 2019 annual Opinion on Bosnia and Herzegovina's EU membership application states that special attention should be given to the problem of the skills mismatch, stemming from the low quality of education and its insufficient orientation towards labour market needs. The share of undeclared work is at high 19.9 per cent. Bosnia and Herzegovina has not adopted a National Employment Strategy, therefore there are different actors assisting the county in its efforts to tackle employment and labour market challenges, in a, sometimes, disbursed manner.

This situation worsened with the outbreak of the COVID-19 pandemic. Like in many other countries, authorities in Bosnia and Herzegovina faced unprecedented events unfolding domestically, regionally and globally. Many companies were hard hit by the containment measures, as well as by the disruptions in the supply chains, which led to business closure and job losses.

The employment has not fully recovered to pre-crisis levels given the ensuing economic crisis and the effects of the war in Ukraine. Hence, the two projects, subject to the cluster evaluation, are intended to treat the scars left by the crises and tackle some longer-standing challenges faced by the labour market in Bosnia and Herzegovina. The projects seek to support the stakeholders at local and sectoral levels to improve the economic situation, contribute to skills development, and create more and better jobs.

Project background and objectives

The project **EU4Business Recovery** is intended to provide novel solutions for mitigating the negative impacts of the COVID-19 crisis on businesses in export-oriented sectors (metal, wood, textile/apparel/footwear), agri-food processing, and most affected service sectors (tourism). Direct support measures to MSMEs were needed to retain jobs, facilitate fast recovery of businesses, and increase resilience in a challenging market environment. **The overall objective** of the project is to contribute to support to BiH in mitigating the economic effects generated by the COVID-19 pandemic.

The **textile, clothing, leather and footwear (TCLF) industry** in Bosnia and Herzegovina is traditionally dominated by women. Due to the COVID-19 crisis in 2020 the total exports in this sector, decreased by 13.6 per cent, and imports by 16.9 per cent. MSMEs working in textiles experienced significant disruptions in their supply chain, resulting from limitations of trade flows between countries and regions.

The project **EU Support to Local Employment Partnerships - Phase II (LEP II)** is a development cooperation initiative in the framework of the IPA, funded by the European Union (EU), more specifically the Annual Action Programme for BiH for 2019 (EU4 Employment and Education) with the objective to improve the socio-economic situation and living conditions in BiH by contributing to better employability in local communities.

The project focuses on the development of local employment partnerships (LEP) to deliver activation and labour market integration programmes in line with specific local needs, by providing technical assistance and capacity building of local public employment service (PES) offices to use LEPs as tools for the development of active labour market measures in line with local needs.

¹ <https://ilostat.ilo.org/data/country-profiles/>

The **overall objective** of the project is to improve socio-economic situation and living conditions in BiH, by contributing to better employability in local communities.

Evaluation Background

The purpose of the midterm internal cluster evaluation is to assess the continued relevance of the projects and the progress made towards achieving its planned objectives.

Specific objectives of the evaluation are to (i) review the work done and determine the progress achieved during the period January 2021 – September 2022, in line with the stated objectives of the projects, the changes produced so far, and the intended or unintended effects of the projects, and an assessment of the reasons/factors that helped to produce these changes and effects; (ii) review the efficiency and effectiveness of project implementation; review to what extent the projects are still relevant and continuing to meet the needs of their original target groups; (iii) review the likelihood of sustainability of the projects' outcomes; (iv) review emerging risks and opportunities; and (v) draw conclusions in terms of the progress made and if needed recommend steering measures to be taken in the further implementation of the projects.

The evaluation was based on a desk review and interviews with the project staff, ILO specialist, donor, and beneficiaries. The evaluation used triangulation of data sources (e.g. document analysis, interviews, and direct observation) to ensure the validity and reliability of the findings.

FINDINGS

Relevance

The projects were conceived and fully developed in a period of recovery from the significant impact of the COVID-19 health and subsequent economic crises. The projects aim to assist relevant institutions, private sector and other labour market stakeholders in overcoming the effects of subsequent crises, particularly in the hardest hit sectors, as well as the unemployed people in search for a job or intending to start own businesses.

The project **EU4BusinessRecovery** contributes to the ILO's strategic policy frameworks i.e., the ILO Programme and Budget (P&) 2020-2021 and 2022-2023 and related Policy Outcome 4, even though not explicitly mentioned in the project document. The project is aligned with the general measures of the EU's response to COVID-19 and the adopted plan to support people and businesses overcome the economic recession caused by the COVID-19 outbreak. In addition, it is aligned with the **EU Commission Work Programme for 2020**, which prioritises the actions needed to drive and accelerate Europe's recovery and resilience. The project is in line with the **EU Special Measures to support Bosnia and Herzegovina** in the context of the COVID-19 pandemic. Furthermore, the project contributes to the **Economic and Investment Plan for the Western Balkans**, and the **European Green Deal**, a new growth strategy of the EU, and the emerging **Green Agenda for the Western Balkans**. It also complies with the **2030 Agenda for Sustainable Development**, and the **Sustainable Development Goals (SDGs)**, in particular, **Goal 4 - Target 4.4.**; **Goal 8 - Targets 8.2., 8.3., 8.5.**; **Goal 9 – Target 9.3.** The project regularly consulted the **BIH Economic Reform Programme (ERP 2020-2022)** to reduce the negative impact on competitiveness and employment that the COVID-19 crisis caused. The project is aligned with the strategic priorities set out in the **United Nations Sustainable Development Cooperation Framework for BiH (2021-2025)**².

The **LEP II** project supports the four Strategic Objectives of ILO's Decent Work Agenda: and contributes to the ILO's strategic policy frameworks i.e., the **ILO Programme and Budget (P&) 2020-2021 and 2022-2023** and related **Policy Outcomes 3, 4 and 5.**, even though they were not explicitly mentioned

² Finalized draft document, pending formal endorsement by the BiH Council of Ministers

in the project document, as those were not yet available when drafting the project document. It also supports the achievement of the **Sustainable Development Goals**, in particular, **Goal 4 – Target 4.4.**; **Goal 8 – Target 8.3., Target 8.5.** The project is aligned with the main strategic documents and programs related to the economic development of BiH, such as the National Economic Reform Programme (NERP) and the BiH Economic Reform Programme (ERP) 2020-2022.

Validity of design

The projects are backed by evidence from the analyses of the effects of the COVID-19 and crafted in response to the identified challenges. Both projects contain diagnosis of the country context in which the projects need to operate and provide clear arguments in justification of the interventions.

The projects EU4BR and LEP II are complex and ambitious, but feasible to be implemented in the set timeframe and with the foreseen budgets. This is because the project documents capture the objectives well, and the outcome and output levels in the project documents are well articulated, which allows effective review of project performance and adequate measuring of the progress.

Even though, the Theory of Change is not available for EU4BR, the project document contains clearly defined outcomes and outputs supported by verifiable indicators. The LEP II project contains a clear Theory of Change and also has clearly defined outcomes and outputs supported by verifiable indicators.

Effectiveness and progress

Both project teams and their commitment to successful implementation have ensured a well-paced and timely realization of the project activities. The projects have been implemented in line with the project documents, with slight delays in some activities due to external factors.

According to the respondents, the wide consultation processes, through the established steering and advisory boards, and sector committees as well as the teams' expertise and management skills, is a major factor for the projects' performance.

EU4BR and LEP II project teams are focused on visibility of the actions and the development partner.

Key milestones under **EU4BusinessRecovery**

- ✓ The ILO developed sector-specific OSH guidelines. The selected companies implemented OSH measures.
- ✓ Based on a call for proposals and a comprehensive evaluation and selection process, the project selected 30 companies to be supported in the recovery from the COVID-19 and the subsequent economic crisis. One of the companies withdrew.
- ✓ The assistance to the 29 companies entails 80 per cent grants for procurement of working equipment and 20 per cent OSH. The ILO provides ongoing support and assistance to ensure smooth implementation of the projected activities
- ✓ Based on the number of employees, 22 companies received the ILO flagship [SCORE training](#), while 7 companies received [Business Continuity Planning training](#). The objective of both programmes is to ensure resistance and resilience of the companies for future challenges, as well as to identify areas where improvement is necessary.
- ✓ The five selected LEPs are operational and have started working with the end beneficiaries. Generate Your Business Idea (GYBI) and Start Your Business (SYB) trainings for selected beneficiaries are ongoing.
- ✓ The project foresees and has enrolled activities for establishment of a Help Desks that will have a B2B consultative role on wider scope of issues.

Key milestones under LEP II

- ✓ 145 (out of 200 planned) representatives of local communities, private companies, educational institutions, NGOs, development agencies and public employment services participated in the knowledge and promotional activities about LEPs.
- ✓ 104 key stakeholders' representatives participated in the training on concept notes and full project proposals for partnership-based interventions on employment.
- ✓ 38 concept notes received from local employment partnerships.
- ✓ 20 LEPs successfully produced local employment development initiatives for EU funding and local resources.
- ✓ 40 representatives of the LEPs participated in the training for management of the partnership-based projects
- ✓ LEPs have participated in 2 networking events

Efficiency and management arrangements

The overall finding is that both projects have been well-managed and resources used efficiently.

The staffing of both projects was completed without delays, and pursuant to the work plans.

The established Committees and Boards under EU4BR and LEP II respectively, contribute to the transparency, efficiency and effectiveness of the project implementation.

Much of the success of projects implementation can be attributed to the performance, professionalism, expertise and dedication of the ILO staff. Both projects depend highly on the commitment of the project teams. Staffing is to some degree adequate, given the ILO's capacity to provide backstopping and technical support. However, the LEP II project would have benefited from a financial officer given the extensive number of LEPs, and their complex implementation, financial and reporting procedures; while EU4BR would have benefited from a monitoring and evaluation officer, given the different structure of beneficiaries (LEPs and companies) as well as the geographical dispersion of the beneficiaries. In addition, the core technical persons in the projects appear to be overstretched across multiple project tasks, which may sometimes affect the focus and timely response on certain issues.

Orientation to impact and sustainability

A theory of change for the EU4BR would be useful as it would identify crucial points of influence where action can be steered to obtain the greatest effect.

The SCORE training and implementation of the procedures for work process organization, as well as the business continuity plans will ensure resilience of the companies during other crises and supply chain disruptions.

The Help Desk, under the EU4BR project can have the potential to continue serving as drivers of any business continuity and knowledge-sharing.

The institutionalization of LEPs under both projects might lead to creation of platforms for employment related discussions and consultation, and management of local programmes and funds aimed at job creation and formalization.

Moreover, the accreditation of the adult education programmes and the procured equipment ensure long-term benefits and added value for the public educational institutions, which would provide practical knowledge to students, and not only to adults.

Gender equality

Both projects have gender equality as a cross-cutting issue. Gender balance is foreseen in the composition of the steering and advisory boards, and the participants in the workshops.

EU4BR collects disaggregated data on companies run by women.

LEPs avoid clear line between male and female occupations. Therefore, there are female candidates for welders and CNC operators in LEP Jablanica and Gornji Vakuf. Another positive example is LEP Novi Grad Sarajevo, which offers training for IOX application graphic designers to both women and persons with disabilities.

LEP Tuzla has a good example of gender promoting approach. The project targets women victims of domestic violence, in order to provide training and improve their employment or entrepreneurship prospects.

CONCLUSIONS

1. In Bosnia and Herzegovina there is no country-wide Employment Strategy, therefore there are different actors assisting the country and its administrative units in their efforts to tackle the problem of low participation and high unemployment.
2. The ILO-implemented projects EU4BR and LEP II both have strategic importance attached to them, which has been recognized by the Delegation of the European Union and the institutions in BiH.
3. EU4BR offered not only COVID-19 recovery support, but also helped build beneficiary companies resilience by changing the environment and manner of operation of the companies.
4. The project teams have a hands-on experience on the topics of employment and entrepreneurship and have largely contributed to the successful implementation of the interventions.
5. The line ministries are supportive of both projects and have great expectations in terms of results and sustainability. The projects have a strong potential for sustainability due to the relevance they bear but will require commitment and ownership from the stakeholders.
6. The project adequately promotes gender equality through its management and beneficiaries' structure.
7. The development partner's expectations with regard to the projects' visibility are met.
8. The challenges faced by the projects are triggered by external factors, such as, but not limited to brain drain, US dollar fluctuation, energy crisis and inflation. One of the gravest issues is the outreach and interest instigating among the unemployed to enrol for the programmes and services offered by the LEPs.
9. The textile companies have largely benefited from the EU4BR project, which supported the increase of their productivity and competitiveness, reduction of materials loss, and automatization of the operations process.
10. An excellent synergy has been established between EU4BR and LEP II.

Both projects are being implemented at a good pace with no significant obstacles. The projects adapt to the changing reality and would benefit from a no-cost six-month extension to complete project activities.

LESSONS LEARNED AND EMERGING GOOD PRACTICES

Lessons Learned

- ✓ The wide consultation processes, through the established steering and advisory boards/committees, is an important factor for the projects' performance.
- ✓ LEPs can serve as a tool to address the brain drain, and create new jobs.
- ✓ LEPs led by non-governmental organizations show better results.
- ✓ ILO's support to the textile sector has been crucial in the COVID-19 recovery period.

Good practices

- ✓ Sector-specific and place-based interventions help the ILO better focus its support to promote the local economic development and subsequently lead to job creation.
- ✓ The properly developed evaluation methodology ensures transparency in the applications selection process and can be further used by the national and local institutions. The methodology involved experienced and independent evaluation panel and observers, with no possibility for influence from the project staff.
- ✓ Sector specific guidelines assist the companies in improved organization of the production process, operations and ensure business continuity, in particular, in situations of disrupted supply chains. These guidelines have been tested through the grants to the textile companies.
- ✓ The excellent cooperation with the development partner and the line ministries has ensured a smooth implementation of both projects, through provision of timely and constructive steering measures.

Challenges and limitations

- The lack of a country-wide employment strategy that would provide a clear framework for addressing working poverty, creating decent jobs, and decreasing youth and women unemployment and discouragement.
- Some respondents expressed their concern that the actual numbers of unemployed people might differ from the PES Registry.
- Pronounced emigration trends and brain drain combined with a lack of interest among (young) unemployed people to enroll for the reskilling/upskilling trainings or for the entrepreneurship trainings.
- A significant number of drop-outs from the programmes, both for entrepreneurship and for improved employability. This might be due to the lack of interest in the programme after enrollment or outmigration.
- Deficient occupations not interesting for the unemployed person (even though, the applicants are offered paid training) due to low wages and lack of decent working conditions.
- Legal barrier to employment of people with disabilities, since if they participate in a programme and receive remuneration, may lose disability benefits
- Given the demands of geographically dispersed projects, with considerable amounts of grant support to be managed, the ILO's small teams assigned to the technical cooperation activities are sometimes overstretched, resulting in efficiency losses.
- Economic and energy crises pose a great risk to the operation of the companies, the creation of new jobs and the establishment of startups.
- Inflation and currency exchange rate fluctuation may erode the actual value of the grants.

RECOMMENDATIONS

GENERAL RECOMMENDATIONS FOR THE ILO:

1. To draw attention of project implementing partners in a multi-agency project to the need to develop a theory of change to allow for a better understanding of the assumptions and the change to be brought about by the project.

2. Hire more project staff for monitoring activities, in particular, in complex and geographically dispersed projects, particularly if grants implementation is involved. Moreover, avoid overstretching a single ILO official across multiple project activities, since it may lead to efficiency loss.
3. Establish clearer and more pragmatic guidelines on the implementation agreements and the exchange currency rate. In addition, the ILO should clearly define the procurement and VAT procedures applicable to the LEPs and other grant beneficiaries in advance. ILO might also consider simplifying the reporting procedures (reduce the number of reports to be submitted).
4. Establish safeguard procedures in case of increasing inflation and significant fluctuation of the USD and EUR.
5. Consider providing project writing and management, and report writing trainings before official launch of programmes involving project applications and granting schemes.
6. Consider expanding/piloting the SCORE programme to other sectors.
7. Increase the number of promotional activities in the regions which have so far showed no interest to apply to the previous Calls for Proposals prior to launching new calls.

PROJECT-RELATED RECOMMENDATIONS:

LEP II

Recommendation 1: A six month no-cost extension of LEP II is needed in order to ensure smooth finalization of all measures.

Recommendation 2: The Steering Board of LEP II project should meet quarterly and more frequently participate in the field visits.

EU4BUSINESS RECOVERY and LEP II

Recommendation 1: LEPs should institutionalize to ensure sustainability.

Recommendation 2: Depending on the rationale and specific labour market challenge for which local stakeholders have created a LEP, the ILO and the Steering Boards might consider revisiting the criteria and expanding the calls for the applicants under the LEP programmes to students in final years of study, employed persons with fixed-term employment contracts, persons who want to change jobs, or persons who want to upskill and move up in the structure of the same employer.

Recommendation 3: The ILO and development partner may consider revising the criteria and extending the startup support not only to newly established companies, but also to enterprises/startups that have operated for less than 3 years and would use the support to add a new business line and create new jobs.

Recommendation 4: LEPs would benefit from more networking events in order to exchange experience and discuss solutions to common challenges.

Recommendation 5: The PES should be more involved in the outreach and motivation of the unemployed persons, and based on the needs of the employers, in customization of the programmes accordingly.

Recommendation 6: The project teams should ensure better flow of information and greater visibility of the projects through more focused selection of media with greater impact for sharing of the calls and the results. In addition, LEP stakeholders should implement the visibility strategies more seriously.

1. INTRODUCTION

The current document presents a report of the Internal Midterm Cluster Evaluation of the Projects *COVID-19 Investment Response – EU4Business Recovery* and *EU Support to Local Employment Partnerships – Phase II* carried out by Natasha Mechkaroska Simjanoska, ILO internal evaluator.

The evaluation was implemented by an ILO staff officer, as an internal evaluator, not linked anyhow with the projects. The evaluation was managed by Ms Lejla Tanovic, ILO National Coordinator in Bosnia and Herzegovina. The evaluation benefited from the consultation with and feedback from the constituents and beneficiaries in the country, as well as the inputs from both ILO Project teams and the ILO Decent Work Team and Country Office in Budapest.

The primary purpose of the evaluation is to promote accountability among the ILO and key stakeholders. The evaluation attempts to contribute to organizational learning by identifying lessons learned and emerging good practices, and by providing recommendations that can inform the project realization until their completion, as well as future ILO projects.

Based on the theme and geographical overlapping and the time scope of the projects *COVID-19 Investment Response – EU4Business Recovery* and *EU Support to Local Employment Partnerships – Phase II*, and in accordance with the [ILO Evaluation Policy](#), the project teams and EVAL decided to cluster the mid-term evaluation of both projects. This clustering of the evaluations facilitates the provision of evaluative information on the work of ILO. The mid-term cluster internal evaluation was also envisaged by the agreed project documents. The clustering approach is being applied as the projects address a similar and interlinked range of issues in Bosnia and Herzegovina in correlation with the COVID-19 pandemic.

2. BACKGROUND AND CONTEXT

According to European Commission's assessment, as announced in the 2019 Communication on EU Enlargement Policy, Bosnia and Herzegovina "*has achieved a certain degree of macroeconomic stability*". However, despite some positive developments in the labour market, most of the structural challenges remain. The 2019 annual Opinion on Bosnia and Herzegovina's EU membership application states that special attention should be given to the problem of skills mismatch, which stems from the low quality of education and its insufficient orientation towards labour market needs. The education system does not respond to the needs and demands of the labour market. This is considered as one of the major factors that drive the young people and skilled workers to emigrate in the EU member states. The European Commission's Report on Bosnia and Herzegovina 2020, states that "limited progress was achieved in implementing the last year's recommendations, especially when it comes to adoption of legislation on labour law, but serious challenges remain to be addressed as regards employment, social inclusion and protection, and poverty reduction, especially related to coordination among the responsible institutions across the country".

The country faces a low labour force participation (51.2 per cent) and high rates of unemployment (12.7 per cent)³, mostly affecting women (41.1 per cent and 15.4 per cent, respectively), young people and the long-term unemployed. The share of undeclared work also remains high, but data collection is an issue. Active labour market policies are mostly focused on employment subsidies and not training programs. More robust activation, such as career counselling and outreach to jobseekers and profiling, including cooperation with employers, is still needed⁴. However, Bosnia and Herzegovina has not adopted a National Employment Strategy, therefore there are different actors assisting the county in its efforts to tackle the problem with unemployment and labour market challenges in a, sometimes, disbursed manner.

This situation worsened with the outbreak of the COVID-19 pandemic. Like in many other countries, the authorities in Bosnia and Herzegovina faced unprecedented events unfolding domestically, regionally and globally. Many companies were hard hit by the containment measures, as well as by the disruptions in the supply chains, which led to business closure and job losses. The employment has not fully recovered to pre-crisis levels given the ensuing economic crisis and the effects of the war in Ukraine. Hence, the two projects, subject to the cluster evaluation, are intended to treat the scars left by the crises and tackle some longer-standing challenges faced by the labour market in Bosnia and Herzegovina. The projects seek to support the stakeholders at local and sectoral levels to improve the economic situation, contribute to skills development, and create more and better jobs.

2.1. Project background and objectives

COVID-19 Investment Response – EU4BusinessRecovery (EU4BR)

In Bosnia and Herzegovina (BiH), the COVID-19 crisis influenced the private sector's economic performance significantly. Without external support, the government of BiH would not have been able to stabilize the economy in the short run and to enable recovery when the immediate effects of the crisis start to decline.

Building upon the EU4Business project funded under IPA 2016 program, the recovery phase is intended to provide novel solutions for mitigating the negative impacts of the COVID-19 crisis on businesses in export-oriented sectors (metal, wood, textile/apparel/footwear), agri-food processing, and most affected service sectors (tourism). Direct support measures to MSMEs and farmers were

³ <https://ilostat.ilo.org/data/country-profiles/>

⁴ European Commission Assessment on Economic Reform Programme of BiH, April 2018

needed to retain jobs, facilitate fast recovery of business operations, and increase resilience in a challenging market environment.

This project is jointly co-financed by the European Union, the German Federal Ministry for Economic Cooperation and Development, and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, UNDP and ILO. However, the focus of this evaluation is on the ILO activities implemented in the textile, clothing, leather and footwear manufacturing industries and partnerships for economic and social development at the local level. Even though the preparation and contracting processes usually takes long, the negotiations process on EU4BR was quite expedient.

The project is funded by the European Union with a budget of US\$ 3,931,979.60.

The overall objective of the project is to contribute to the support to Bosnia and Herzegovina in mitigating the economic effects generated by the COVID-19 pandemic.

The specific objective (outcome) of the project is twofold:

1. Micro, Small and Medium Enterprises (MSMEs), agri-food and tourism operators, entrepreneurs and farmers ensure business continuity despite the negative effects of COVID-19.
2. Innovative start-ups created as a response to COVID 19 crisis.

The project foresees four intervention areas that create coherent approach in reaching the set objectives: development and implementation of sector-based guidance for occupational safety and health; support in product and business innovation and reorganization/ localization of the supply chains to maintain the functioning and increase competitiveness; support in development of start-ups and establishment of help desk system to provide financial and legal advices to MSMEs, tourism operators, farmers, entrepreneurs and start-ups.

Target groups and final beneficiaries of the project are: micro, small and medium-sized enterprises, textile and leather processing companies, unemployed women, youth and other appertain to vulnerable categories.

Sector-specific context

The **textile, clothing, leather and footwear (TCLF) industry** in Bosnia and Herzegovina has a long tradition of clothing and footwear production, high-quality products and services, a good international reputation as a supplier and manufacturer, and a skilled workforce with low production costs. Given that traditionally in Bosnia and Herzegovina women have played an important role in the textile industry, promotion of the sector largely contributed to an increase in women's employment. Due to the COVID-19 crisis, in 2020 total exports in this sector fell by 13.6 per cent and imports by 16.9 per cent. MSMEs working in textiles experienced significant disruptions in their supply chain, resulting from limitations of trade flows between countries and perhaps regions. Not having appropriate raw materials or intermediate goods resulted in production difficulties.

EU Support to Local Employment Partnerships - Phase II (LEP II)

Despite some positive developments in the labour market, the structural challenges pertain. The country faces a low labour force participation, high level of unemployment and a high share of undeclared work. The data collection system is problematic, and certain improved is required. Active

labour market policies are mainly focused on employment subsidies, while the training programmes are neglected. More robust activation, such as career counselling and outreach to jobseekers and profiling, including cooperation with employers, is still needed. The situation has become graver with the outbreak of the COVID-19.

The project ***EU Support to Local Employment Partnerships - Phase II (LEP II)*** is a development cooperation initiative that is being implemented under the framework of the Instrument of Pre-Accession (IPA) funded by the European Union (EU), more specifically the Annual Action Programme for BiH for 2019 (EU4 Employment and Education) with the objective to improve the employability of registered unemployed in the local communities.

The project focuses on the development of local employment partnerships (LEP) to deliver activation and labour market integration programmes in line with specific local needs. Institutional development services to the LEPs, including advocacy, networking, and employment policy implementation will ensure the exchange of knowledge and experience between partnerships established under LEP I and LEP II projects. Special attention is given to technical assistance and capacity building of local offices of the Public Employment Service (LEP) to use LEPs as tools for the development of active labour market measures in line with local needs.

The project is funded by the European Union with a budget of US\$ 4,388,709.67 and the ILO contribution of US\$ 167,347.09. The total budget of the project is US\$ 4,907,153.54.

The **overall objective** of the action is to improve socio-economic situation and living conditions in BiH, by contributing to better employability in local communities.

Specific objectives of the project:

Output 1: Fostered sustainable, partnership-driven labour market frameworks at the local level for an increased access to formal employment (LEP II)

Output 1.1.: Key stakeholders recognize LEPs as partnership-driven labour market mechanisms for increased access to formal employment at the local level

Output 1.2.: Local employment partnerships successfully design and implement activation and labour market integration programmes

Output 1.3.: Institutional development services are provided to the LEPs, including for advocacy, networking/peer learning, and employment policy implementation

Target groups of the project are: local governments; other local institutions; regional and local PES; education and training providers; businesses; social partners (employers' and workers organizations); non-profit organizations (including professional associations and chambers of commerce); regional and local development agencies, which will constitute and become members of Local Employment Partnerships.

Final beneficiaries are: currently unemployed and inactive young women and men; long-term unemployed; categories with low labour market participation rates; individuals with low levels of education or other labour market disadvantages; older workers and other individuals in vulnerable circumstances, including those who have become vulnerable due to the COVID-19 crisis.

3. EVALUATION BACKGROUND

3.1 Evaluation objectives

ILO considers evaluation as an integral part of the implementation of technical cooperation activities. As outlined in the project documents and agreed with the development partner, the projects *COVID-19 Investment Response – EU4Business Recovery* and *EU Support to Local Employment Partnerships – Phase II* should go through two evaluations: a mid-term internal cluster evaluation and a final independent evaluation. Both evaluations will be managed by an ILO appointed evaluation manager, and conducted by internal and independent evaluators, respectively. The mid-term internal evaluation took place in November and December 2022 following ILO principles, methods and strategy of ILO's internal evaluation policy, including the principles of clustering of projects evaluation, based on the thematic, time and geographical overlapping.

The purpose of the midterm internal cluster evaluation is to assess the continued relevance of the projects and the progress made towards achieving its planned objectives. This would allow assessment of the projects' advancement towards their long-term goals, determine if the project designs address the needs that were identified, as well as to assess how well the projects have been implemented to meet these needs. The findings of the evaluation would inform a potential revision or improvement, as may be required, of work plans, strategies, objectives, partnership arrangements and resources, including recommendations for the remaining period of implementation.

The midterm evaluation would also ascertain if the projects are still coherent with the ILO's strategic objectives; are relevant and useful to the key stakeholders; and are being conducted efficiently according to ILO standards and the agreed project documents. The evaluation focuses on the criteria of relevance, validity, efficiency, effectiveness, impact and sustainability.

Specific objective(s) of the evaluation:

- a) Review the work done and determine the progress achieved during the period January 2021 – September 2022, in line with the stated objectives of the projects, the kind of changes produced so far, and the intended or unintended effects of the project, and an assessment of the reasons/factors that helped to produce these changes and effects;
- b) Review the efficiency and effectiveness of the projects' implementation;
- c) Review to what extent the programmes are still relevant and continuing to meet the needs of their original target groups.
- d) Review the likelihood of sustainability of the projects' outcomes;
- e) Review emerging risks and opportunities.
- f) Draw conclusions in terms of the progress made and if needed recommend steering measures to be taken in the further implementation of the projects.

Scope

The evaluation encompasses all activities and components of the project in the period from 1 January 2021 to 30 September 2022. The evaluation includes all stages of the project, including initial project design, work planning, and implementation, monitoring and reporting, and focuses on the criteria of relevance, validity, efficiency, effectiveness, impact, and sustainability. The projects' evaluation took place from November to December 2022.

In line with ILO evaluation policy, gender equality, disability inclusion and other non-discrimination issues are important cross-cutting policy drivers of the ILO. The evaluation particularly looks at how gender equality concerns and tripartite consultations were integrated throughout its methodology, strategies/approaches, data and all deliverables, including in the reports submitted to the development partner.

Main client of the evaluation:

- ILO project management teams
- DWT/CO-Budapest Office

Secondary clients and users of the evaluation are:

- ILO technical specialists
- ILO Regional Director for Central and Eastern Europe
- Tripartite constituents
- Delegation of the European Union to Bosnia and Herzegovina

3.2 Evaluation approach, methodology, and methodological limitations

The evaluation was carried out in accordance with the UN Evaluation Group (UNEG) Norms and Standards (updated in 2016), and OECD/DAC's recommendations, as well as the ILO's Evaluation Policy Guidelines⁵, by adhering to the ethical standards and codes of conduct when gathering information in order to protect those involved in the evaluation process. Thus, the confidentiality of the respondents was respected. As much as possible, the evaluation applied triangulation/cross-checking and observations to increase the credibility and validity and also to minimize any subjective conclusions.

The evaluation criteria and questions, as much as possible, took into account stakeholder diversity and ensured gender equality.

The evaluation was based on a desk review and interviews with the project staff, ILO specialists, development partner and beneficiaries. The evaluation used triangulation of data sources (e.g. document analysis, interviews, and direct observation) to ensure the validity and reliability of the findings.

The primary evaluation activities included:

- **Document review** (project documents, progress reports, mission reports, and other relevant material from secondary sources (see Annex 3 for a detailed presentation of the documentation reviewed).
- **Review of the results** of the project and discussions with the project team thereon;
- **Interviews with direct stakeholders** – project management teams, stakeholders, and development partner carried out in person. The interviewees were selected on the proposal of the project teams and the evaluator, and were relevant for the project implementation. The list of interviewees is provided in Annex 2.

Limitations

- The evaluator did not have the opportunity to interview representatives of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, and the Employers' Association of the Federation BiH.

3.3 Evaluation criteria and questions

The assessment applied the key OECD/DAC criteria of relevance, effectiveness, efficiency, sustainability and will provide recommendations in the definition of the key actions to be undertaken. Potential impact will be assessed to the extent possible given the limited scope of the interventions.

The assessment will seek answers to the following questions:

⁵ https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_571339.pdf

Relevance

1. To what extent are the projects' objectives and approach relevant to the constituents' needs and present country context? Implementation of activities in line with needs of constituents: to what extent the activities were aligned with the needs of constituents, the existing country cooperation frameworks??
2. How well have the projects adapted to the changes in the country context, including the impact of the COVID-19 pandemic on working methods?
3. What is the relevance of the projects' outcomes for the overall economic development in the future?

Effectiveness

4. What have been the major results and lessons learned during the projects' implementation?
5. What has been the progress made in the achievement of the projects' outcomes? Have there been any changes in the specific areas defined as project outputs?
6. To what extent the projects' activities have taken into account and contributed to the advancement of the ILO's cross-cutting policy drivers (CCPDs)?
7. Have been synergies established between the projects and, if so, how have they contributed to the achievement of results?
8. What are the main constraints experienced by the projects (both in terms of methodology and context)?
9. What is the most effective way to provide technical support and follow up on COVID-19 response and the main areas tackled by the projects?

Efficiency

10. Have resources available (time, funds, partnerships, knowledge, expertise and tools) been used efficiently?
11. Are there any ways to enhance the efficiency?

Sustainability and impact potential

12. Are the results achieved likely to continue after the end of the intervention? Are they likely to produce longer-term effects and benefits to the target groups?
13. What is the expected long-lasting effect after the activities are completed?
14. Is it likely that the government or authorities at lower administrative levels will develop new policies, laws, and regulations contributing to further progress in the areas tackled by the project?

Recommendations and next steps

15. What are the next steps to be undertaken? What is the best way to proceed? What would be the main issues to tackle?
16. Which actors and in which way should be engaged?
17. What action might be needed to bolster the longer-term effects and to come to further policy measures generating a positive change?

The aim of this assessment is to provide practical recommendations on the immediate next steps to be taken.

4. FINDINGS

4.1. Relevance

The relevance of the projects was evaluated based on a review of secondary information, project documents, UNSDCF 2021-2025, and validated through interviews with the ILO constituents, beneficiaries, development partner, ILO management teams in BiH and specialist in the ILO Budapest office. The evaluation assessed the extent to which the project activities comply with the national efforts.

The projects were conceived and fully developed in a period of recovery from the significant impact of the COVID-19 health and subsequent economic crises. The projects aim to assist relevant institutions, private sector and other labour market stakeholders overcoming the effects of the ensuing crises, particularly in the hardest hit sectors, as well as the unemployed people in search for a job or intending to start own businesses.

COVID-19 Investment Response – EU4BusinessRecovery

The project contributes to the ILO's strategic policy frameworks i.e., the ILO Programme and Budget (P&) 2020-2021 and 2022-2023 and related Policy Outcome 4, even though not explicitly mentioned in the project document.

The project is aligned with the general measures of the EU's response to COVID-19 and the adopted plan to support people and businesses overcome the economic recession caused by the COVID-19 outbreak. In addition, it is aligned with the **EU Commission Work Programme for 2020⁶**, which prioritises the actions needed to drive and accelerate Europe's recovery and resilience.

The project is in line with the **EU Special Measures to support Bosnia and Herzegovina** in the context of the COVID-19 pandemic, by addressing the economic lock-down challenges in order *“to mitigate the impact of the COVID-19 crisis on agri-food and tourism operators, Micro, Small and Medium Enterprises (MSMEs), entrepreneurs and farmers, and ensure business continuity”*, and *“to support the development of start-ups by unemployed, women or persons which appertain to vulnerable groups (e.g.: minorities)”⁷*.

Furthermore, the project contributes to the **Economic and Investment Plan for the Western Balkans**, and the **European Green Deal⁸**, a new growth strategy of the EU, and the emerging **Green Agenda for the Western Balkans⁹**.

It also complies with the **2030 Agenda for Sustainable Development**, and the **Sustainable Development Goals (SDGs)**, in particular, **Goal 4 Ensure inclusive and equitable quality education**

⁶Source: https://ec.europa.eu/info/publications/2020-commission-work-programme-key-documents_en, accessed 30.10.2020

⁷ Annex to the Commission Implementing Decision - Adopting A Special Measure On COVID-19 Impact Mitigation in Bosnia And Herzegovina for 2020

⁸ The European Green Deal includes a roadmap for climate ambition; clean, affordable, and secure energy; industrial strategy for a clean and circular economy; sustainable and smart mobility; greening the Common Agricultural Policy / “Farm to Fork” strategy; preserving and protecting biodiversity; towards a zero-pollution ambition for a toxic free environment; mainstreaming sustainability in all EU policies; the EU as a global leader; and working together – a European Climate Pact.

⁹ The adoption of the Green Agenda in the Western Balkans is expected in November 2020 at Western Balkans Summit in Sofia. It covers five pillars: climate action, including decarbonisation, energy and mobility; circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources; biodiversity, aiming to protect and restore the natural wealth of the region; fighting air, water and soil pollution; and sustainable food systems and rural areas. Digitalisation will be a key enabler for the above five pillars in line with the concept of the dual green and digital transition.

and promote lifelong opportunities for all – Target 4.4. *By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship; **Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all – Target 8.2.** *Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors;* **Target 8.3.** *Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;* **Target 8.5.** *By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value;* **Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation – Target 9.3.** *Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.**

The European Green Deal is at the heart of the COVID-19 recovery and used as a framework for tackling short-term economic needs with long-term sustainability goals¹⁰.

The project is in line with **government adopted recovery plans and measures related to the mitigation of COVID-19 economic effects** (e.g. relevant legislation and economic stabilisation programmes at the level of entities, BD, and cantons in the FBiH), and supports the Economic and Investment Plan for the Western Balkans issued in October 2020 that call for a stronger skills-based economy to reduce the existing brain drain, addressing the structural weaknesses and accelerating enterprise development, research and development and smart growth.

The project regularly consults the **BiH Economic Reform Programme (ERP 2020-2022)** to reduce the negative impact on competitiveness and employment that the COVID-19 crisis causes.

The project inherits the basic principles and values of the completed EU4Business project. It continues by supporting partnerships for economic and social development at the local level, existing local development strategies, and the operational structures involved. The project seeks to enhance competitiveness and growth at the local level for economic recovery through better access to innovative technology, broadband, and digital skills, particularly in production and export-oriented MSMEs.

The project is aligned with the strategic priorities set out in the United Nations Sustainable Development Cooperation Framework for BiH (2021-2025)¹¹.

EU Support to Local Employment Partnerships - Phase II (LEP II)

The new phase of the project was considered relevant since the successful LEP project phase I. However, the project was programmed in 2018-2019, and it took 2 years to start the implementation. The negotiations were conducted during the COVID-19 pandemic and the focus of mitigating the consequences thereof.

The project supports the four Strategic Objectives of ILO's Decent Work Agenda: and contributes to the ILO's strategic policy frameworks i.e., the **ILO Programme and Budget (P&B) 2020-2021 and 2022-**

¹⁰ Source: <https://www.interreg-europe.eu/policylearning/news/8381/the-european-green-deal-and-covid-19-implications-for-research-and-innovation/>, accessed 30.10.2020

¹¹ Finalized draft document, pending formal endorsement by the BiH Council of Ministers

2023 and related **Policy Outcomes 3, 4 and 5.**, even though they were not explicitly mentioned in the project document, as those were not yet available when drafting the project document.

It also supports the achievement of the **Sustainable Development Goals**, in particular, **Goal 4 Ensure inclusive and equitable quality education and promote lifelong opportunities for all – Target 4.4.** *By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;* **Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all – Target 8.3.** *Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;* **Target 8.5.** *By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.*

The project is aligned with the main strategic documents and programs related to the economic development of BiH, such as the National Economic Reform Programme (NERP) and the BiH Economic Reform Programme (ERP) 2020-2022. The NERP, adopted in February 2015 by the BiH Council of Ministries, foresees structural reform and measures referring to the education systems in BiH, inclusive employment and dialogue with social partners. The ERP BiH 2020-2022 treats employment and the labour market as priority reform areas.

4.2. Validity of design

The evaluation of the design validity was based on secondary information, the project document and project reports, validated through interviews with the ILO constituents, beneficiaries, ILO project management teams.

The available information demonstrates that the projects are backed by evidence from the analyses of the effects of the COVID-19 and crafted in response to the identified challenges. Both projects contain diagnostics of the country context in which the projects need to operate and provide clear arguments in justification of the intervention.

The projects EU4BR and LEP II are complex and ambitious, but feasible to be implemented in the set timeframe and with the foreseen budgets. This is because the project documents capture the objectives well, and the outcome and output levels in the project documents are well articulated, which allows effective review of project performance and adequate measuring of the progress.

Even though, the Theory of Change is not available for EU4BR, the project document contains clearly defined outcomes and outputs supported by verifiable indicators.

The LEP II project contains a clear Theory of Change

If the ILO increases awareness about the LEP as partnership-driven labour market mechanisms; **and**

If the ILO provides assistance to the new employment partnerships to successfully design and implement activation and labour market integration programmes; **and**

If the ILO provides institutional development services to the LEPs, including for advocacy, networking, and employment policy implementation,

then, the newly established, sustainable, partnership-driven labour market frameworks will contribute to increased access to formal employment in selected municipalities,

leading to more and better decent work opportunities in local communities of Bosnia and Herzegovina.

It also has clearly defined outcomes and outputs supported by verifiable indicators.

4.3. Adaptation during implementation

Despite the involvement of a number of beneficiaries, the projects have been implemented in line with the project plans.

Given the limitation in the number of VAT exempt intermediaries, the EU4BR team, in consultation with the development partner, had to divert from the initially planned sub-granting process, through the employers' association, and recourse to direct granting to the companies.

Due to the lifting of the containment measures related to COVID-19, EU4BR had to adapt the OSH measures accordingly. The project team responded quickly to the change in the measures and instead of procuring protective masks and other protective equipment it approved reallocation the budget to procurement of other equipment, to address the needs of the textile sector companies.

In addition, given the price increases of the equipment and services, a reallocation of funds was necessary. Hence the project proposals have been adapted upon approval of the ILO.

4.4. Effectiveness and progress

Project effectiveness was evaluated by reviewing secondary information, the project document, project implementation reports, products of the project, and triangulated through interviews with the ILO constituents, beneficiaries, development partners' representatives and the ILO project staff.

Both project teams and their commitment to successful implementation have ensured a well-paced and timely realization of the project activities. The projects have been implemented in line with the project documents, with slight delays in some activities due to external factors. Namely, under EU4BR the grant contracts signing with the companies was "affected" by the applicable VAT exemption procedures. A slight delay was noted in the launch of the LEPs, due to administrative procedures.

The inception phase of the LEP II project helped the project team in steering the project activities.

According to the respondents, the wide consultation processes, through the established steering and advisory boards and sector committees, as well as the teams' expertise and management skills, is a major factor for the projects' performance. All interviewees reported adequate involvement in the project activities. The members of the boards/committees acknowledge the efforts by the project team to include all relevant stakeholders in the consultation processes and ensure that all suggestions and concerns are taken on board. This had a positive impact on the implementation of the activities and contributes toward the sense of ownership among the key stakeholders.

Both projects foresaw comprehensive processes of selection of the final beneficiaries, 20 LEPs under LEP II, and 30 companies from the textile sector and 5 LEPs under EU4BR. All the respondents regard the applied evaluation and selection methodologies as adequate, clear, transparent and inclusive.

The respondents recognize the relevance and benefits of the ILO flagship programmes – GYBI, SYB, SCORE, with the remark on the shortening of the training duration from 6 to 3 days, which might affect the quality of the results.

EU4BR and LEP II project teams are focused on visibility of the actions and the development partner. However, there are some remarks to the implementation of the communication strategies by certain LEPs. In particular, the LEPs should focus more attention on visibility of EUD as a development partner and ILO as implementing agency, during the events they organize, as well as ensure that all requirements for organization of top level representation at an event are met (including professional interpretation).

The social partners interviewed deem that the cooperation with the projects should be improved and that the social partners should be the centerpiece of the LEP and business support puzzle. This is based on their consideration that the social partners have extensively contributed to the baseline research, but also because that will strengthen their role.

COVID-19 Investment Response – EU4BusinessRecovery

The **overall objective** of the project is to contribute to support BiH in mitigating the economic effects generated by the COVID-19 pandemic.

The **specific objectives (outcomes)** of the project are:

1. Micro, Small and Medium Enterprises (MSMEs), agri-food and tourism operators, entrepreneurs and farmers ensure business continuity despite the negative effects of COVID-19.
2. Innovative start-ups created as a response to COVID 19 crisis.

Implementation of the project envisages five inter-related outputs:

- 1.1. MSMEs, entrepreneurs and farmers affected by the COVID-19 have improved conditions for business continuity after economic lock-down crisis;
 - 1.2. Product and business innovation and reorganization / localization of the supply chains to maintain the functioning and increase competitiveness of MSMEs, agri-food and tourism operators, entrepreneurs and farmers;
 - 1.3. The Help Desk system provides financial and legal advice to Micro, Small and Medium Enterprises (MSMEs), tourism operators and other COVID-19 impacted companies;
 - 2.1. Newly created start-ups ensure employment of unemployed persons, women and another vulnerable group laid off in COVID 19 crisis;
 - 2.2. The Help Desk system provides financial and legal advice to start ups.
-
- ✓ The ILO developed sector-specific OSH guidelines.
 - ✓ Based on a call for proposals and a comprehensive evaluation and selection process, the project selected 30 companies to be supported in the recovery from the COVID-19 and the subsequent economic crisis. One company withdrew from further implementation of the project proposal, due to internal reasons.
 - ✓ The selected companies implemented OSH measures. These measures entailed provision of protective equipment (ventilation system installation, protective masks, disinfectants) and implementation of OSH-related factory improvement plans.
 - ✓ Out of the 30 selected companies from the textile sector to be supported by grants, 29 companies continued with realization of the projects. The assistance to the companies entails 80 per cent grants for procurement of working equipment and 20 per cent OSH. The ILO provides on-going support and assistance to the companies so as to ensure smooth implementation of the projected activities, despite the challenges posed by the economic, energy crises, inflation, and supplier chain disruptions. During the evaluated period, no impact on the indicators can be reported, since the support to companies is in progress.
 - ✓ Based on the number of employees, different types of training on business management and sustainability were delivered. Namely, 22 companies employing more than 25-30 people received the ILO flagship [SCORE training](#) (Sustaining Competitive and Responsible Enterprises), while 7 companies with fewer employees received [Business Continuity Planning training](#). The objective of both programmes is to ensure resistance and resilience of the companies for future challenges, as well as to identify areas where improvement is necessary.
 - ✓ The project trained 12 trainers for SCORE, 9 of whom are certified. In the pilot phase, a field visit was organized to 4 companies. The SCORE training with all companies should be

completed by January 2023. In the two rounds of trainings, September and November 2022, over 70 SMEs representatives (management and workers) have been trained. Enterprise Improvement Plans are being developed jointly by ILO technical team (lead international SCORE trainer, certified local SCORE trainers and enterprises). The companies will complete the process of implementation of the EIPs under monitoring of the master training.

- ✓ The ILO trained 12 Business Continuity Planning Trainers in September 2022. The development of the Business Continuity Plans for companies is in progress.
- ✓ The second outcome of the project focuses on LEPs. Under the COVID-19 recovery period there was not time to build the capacity of newly established LEPs, the ILO published a restricted call for LEPs that have a self-employment component. These LEPs have the same structure, but cover wider or different geographical territories. The five selected LEPs are operational and have started working with the end beneficiaries. Generate Your Business Idea (GYBI) and Start Your Business (SYB) trainings for selected beneficiaries are on-going.
- ✓ The project foresees and has enrolled activities for establishment of a Help Desks that will have a B2B consultative role on wider scope of issues, from COVID-19 related info to full business support and digitalization. This activity is planned to be realized in cooperation with the EOs, which might offer it as a service in future and thus ensure its sustainability.
 - Online learning platform for enterprises will be developed in cooperation with the Union of Employers' Associations in Republika Srpska.
 - Training on OSH is negotiated with the Employers' Association of Federation of Bosnia and Herzegovina.

Local Employment Partnerships – Phase II

The **overall objective/impact** of the project is to improve the socio-economic situation and living conditions in BiH.

The project is structured around one outcome/specific objective and the principal output/result, as follows:

Specific Objective /Outcome to contribute to better employability in local communities.

Result/Output 1: Fostered sustainable, partnership-driven labour market frameworks at the local level for increased access to formal employment (LEP II)

Output 1.1.: Key stakeholders recognize LEPs as partnership-driven labour market mechanisms for increased access to formal employment at the local level

- ✓ 145 (out of 200 planned) representatives of local communities, private companies, educational institutions, NGOs, development agencies and public employment services participated in the knowledge and promotional activities about LEPs. (Female: 68 (46 per cent) Male: 77 (54 per cent))

Output 1.2.: Local employment partnerships successfully design and implement activation and labour market integration programmes

- ✓ 104 key stakeholders' representatives participated in the training on concept notes and full project proposals for partnership-based interventions on employment. (Female: 59 (57per cent) Male: 45 (43per cent))
- ✓ 38 concept notes received from local employment partnerships.
- ✓ 20 LEPs successfully produced local employment development initiatives for EU funding and local resources.

Output 1.3.: Institutional development services are provided to the LEPs, including for advocacy, networking/peer learning, and employment policy implementation

- ✓ 40 representatives of the LEPs participated in the training for management of the partnership-based projects

- ✓ LEPs have participated in 2 networking events

The detailed list of the results attained by the LEPs under both projects is provided in Annex 1.

4.5. Efficiency and management arrangements

While, a limited financial assessment has been conducted, and the financial efficiency cannot be commented with specificity, the overall finding is that both projects have been well-managed and resources used efficiently, because the ILO has provided significant added value via its extensive resources base, technical expertise, project management backstopping, thus making good use of its comparative advantage.

The staffing of both projects was completed without delays, and pursuant to the work plans.

The project EU4BR is managed, and technically and administratively backstopped by the ILO Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO), based in Budapest, which provides the necessary administrative support and technical and project-backup services. Locally, the project is managed by the Sarajevo office, which coordinates the activities, and consist of:

- Chief Technical Advisor, Sarajevo (half-time, 30 months)
- Project Officer, Sarajevo (full-time, 30 months)
- Project Officer/Communications (half-time, 30 months)
- Project Assistant, Sarajevo (full time, 30 months)
- Administrative Assistant, Budapest (40per cent, 30 months)

The project has established two main bodies for stakeholder involvement, namely a Project Steering Committee (PSC) composed of (EU, BMZ), implementing partners and relevant beneficiary institutions to be consulted and informed during the process of defining the GFF/TA concept, and with no responsibility in grant awarding procedures; and Sector-specific Coordination Committees (SCCs) to act as sector sounding boards. The representatives from key institutions in the targeted sectors provide advice on sector-specific issues to the project team. These Committees have provided feedback during design, coordination, monitoring and evaluation of the GFF, related to their respective industries.

LEP II is managed, and technically and administratively backstopped by the ILO Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO), based in Budapest, which provides the necessary administrative support and technical and project-backup services. A project office is set up in Sarajevo to manage and coordinate the activities and the ILO team for implementation of the project and is consisted of:

- National Project Coordinator, Sarajevo (full time, 36 months)
- Project Monitoring and Evaluation Officer, Sarajevo (full time, 24 months)
- Project Officer, Sarajevo (half-time, 36 months)
- Administrative and Finance Assistant, Sarajevo (full time, 36 months)
- Professional staff Budapest: Senior Employment Specialist, 20 per cent
- Professional staff Budapest, Enterprise Specialist, 20 per cent
- Project Assistant, Budapest (25per cent, 36 months)

LEP II has established Steering and Advisory Boards for the provision of strategic, political and technical guidance to the project, monitoring progress and assistance where possible in overcoming any obstacles to progress in any aspect of the contract.

The established Committees and Boards under EU4BR and LEP II respectively, contribute to the transparency, efficiency and effectiveness of the project implementation.

The project teams work in coordination with the ILO National Coordinator for Bosnia and Herzegovina and report directly to the Senior Employment Specialist based in the DWT/CO Budapest.

Much of the success of projects implementation can be attributed to the performance, professionalism, expertise and dedication of the ILO project staff. Both projects depend highly on the commitment of the project teams.

Staffing is to some degree adequate, given the ILO's capacity to provide backstopping and technical support. However, the LEP II project would have benefited from a financial officer given the extensive number of LEPs, and their complex implementation, financial and reporting procedures; while EU4BR would have benefited from a monitoring and evaluation officer, given the different structure of beneficiaries (LEPs and companies) as well as the geographical dispersion of the beneficiaries. In addition, the core technical persons in the projects appear to be overstretched across multiple project tasks, which may sometimes affect the focus and timely response on certain issues.

The success of both interventions also depends on the expertise and availability of the SIYB and SCORE trainers.

4.6. Orientation to impact and sustainability

A sustainability plan is essential for any intervention and, even at a later stage, a plan that can be agreed on by the project partners should be developed.

A theory of change for the EU4BR would also be useful as it would identify crucial points of influence where action can be steered to obtain the greatest effect.

The SCORE training and implementation of the procedures for work process organization, as well as the business continuity plans will ensure resilience of the companies during other crises and supply chain disruptions.

The Help Desk, under the EU4BR project can have the potential to continue serving as drivers of any business continuity and knowledge-sharing.

The non-formal structure of the LEPs under the phase I of the project proved to be non-functional after the development partner funding ceases. However, the institutionalization of LEPs under both projects might lead to creation of platforms for employment related discussions and consultation, and management of local programmes and funds aimed at job creation and formalization. Yet, sustainability should not be sought in LEPs *per se*, but in the element of partnership at the local level. The institutions can add to the sustainability element by combining available funds for employment and using the LEPs as platforms to implement the programmes. The planned needs assessment for institutional development, which would identify the strong links among the partners. The well-developed ILO evaluation methodology of the project concepts can be used by the institution to contribute to the sustainability of the results. All this can be defined in local Employment Action Plans.

Moreover, the accreditation of the adult education programmes and the procured equipment ensure long-term benefits and added value for the public educational institutions, which would provide practical knowledge to students, and not only to adults.

4.7. Gender equality

The project stakeholders were satisfied how the project promoted gender equality throughout the project objectives. Gender balance is ensured in the composition of the steering and advisory boards, and the participants in the workshops. The project management is fully composed of women.

The evaluation interviews had gender balance, where women predominated on the side of the ILO managing staff and the development partner.

EU4BR collects disaggregated data on companies run by women.

LEPs avoid clear line between male and female occupations. Therefore, there are female candidates for welders and CNC operators in LEP Jablanica and Gornji Vakuf. Another positive example is LEP Novi Grad Sarajevo, which offers training for IOX application graphic designers to both women and persons with disabilities.

LEP Tuzla has a good example of gender promoting approach. The project targets women victims of domestic violence, in order to provide training and improve their employment or entrepreneurship prospects.

The project promotes tripartite consultations on the key actions and recommendations. The social partners are considered as key actors in the steering and monitoring of the project activities. The project design of EU4BR foresees consultations with the employers' organization concerning the support measures for the companies. Both the employers' organizations and trade unions are involved in the sectoral specific advisory committee, which participated in the public calls' development.

5. CONCLUSIONS

Evaluation criteria used to evaluate the project are the standard OECD-DAC evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability. The preliminary stage consisted in defining key evaluation questions; the objectives of the evaluation and an understanding of evidence required. It also set out the generic and specific questions that would be asked. Interviewees were nominated by the project team and proposed by the evaluator, on the basis of their involvement in the project. Data collection activities primarily consisted of document reviews, discussion with project team and interviews with project stakeholders/beneficiaries. Conclusions have been drawn, after discussion with the project team, on the basis of the evidence available to the evaluator.

1. In Bosnia and Herzegovina there is no country-wide Employment Strategy, therefore there are different actors assisting the country and its administrative units in their efforts to tackle the problem of low participation and high unemployment rates. ILO stepped in at the right time, in a context that offers a technical opportunity to support the economy and steer the developments on the labour market. ILO, supported by the development partner and the stakeholders (institutions and social partners), undertook a comprehensive approach by assessing both the demand and supply sides of the labour market, as well as the impact the COVID-19 had on the world of work, and in particular, on specific sectors.
2. The ILO-implemented projects EU4BR and LEP II both have strategic importance attached to them, which has been recognized by the Delegation of the European Union and the institutions in BiH. The idea for the projects emerged in the pursuit of solutions to mitigate the consequences and uncertainties induced by the COVID-19 pandemic. The line ministries, PES and educational institutions, are engaged with the ILO and show great interest and enthusiasm for the project outputs and deliverables, but are hesitant when it comes to raising the interest among the potential beneficiaries, primarily among the registered unemployed persons.
3. LEP II builds upon the successful first phase of job creation in BiH, in particular in the areas hit by the floods. COVID-19 strongly affected certain sectors more than others. EU4BR offered not only COVID-19 recovery support, but also helped build beneficiary companies resilience by changing the environment and manner of operation of the companies. The projects have been implemented in a highly dynamic and sensitive context, in terms of political and economic crises.
4. The project teams have a hands-on experience on the topics of employment and entrepreneurship and have largely contributed to the successful implementation of the interventions. According to the interviewees both project teams foster professional, open and transparent communication and ensure regular notification of the development partner and the steering and advisory boards. The projects have been managed efficiently and transparently, achieving project results, and making good use of ILO comparative advantage in local employment partnerships, employment, entrepreneurship and OSH. According to the respondents, the technical assistance provided by the ILO to the LEPs is considered as essential for such innovative projects, while the support to the textile sector companies crucial to their “survival”, competitiveness and productivity.
5. The projects have a strong potential for sustainability due to the relevance they bear, but will require commitment and ownership from the stakeholders. The lack of a clear sustainability strategy that goes beyond the project life might be mitigated through securing funds for the implementation of the local employment partnerships from the employment service lines of the PES, and the entrepreneurship and job creation programmes of the municipalities.

6. The project adequately promotes gender equality through its management and beneficiaries' structure.
7. The development partner's expectations with regard to the projects' visibility are met. Visibility of the projects is ensured through the conferences, promotional events (a good practice is considered the fashion show organized for the textile companies that offer own lines), the projects' and development partner's websites, and the extensive use of social media.
8. The established LEPs are ambitious and operational and seek to tackle the issue of unemployment. However, the problem is more complex. The challenges faced by the projects are triggered by external factors, such as, but not limited to brain drain, US dollar fluctuation, energy crisis and inflation. One of the gravest issues is the outreach and interest instigating among the unemployed to enrol for the programmes and services offered by the LEPs. Some LEPs perform better than others, and many of them have already recorded employment of the trained candidates. Flexibility for LEPs, in terms of geographical expansion and modification of offered programmes, is crucial, so that the LEPs successfully implement the projects and meet the indicators. A good practice is noted in the LEP Center Sarajevo where a good collaboration has been established with the HoReCa sector companies. The candidates that pass the training will get immediate employment.
9. The entrepreneurship and startup support is the most valued. However, the training on Start Your Business has been shortened from 6 to 3 days, which might "threaten" the adequate implementation of the programme. Furthermore, only the establishment of the startups is considered as indicator of success, with no post-evaluation of the startups "survival" rate. This opens the discussion of whether the support should be extended to existing startups that would be willing to open new business lines and create new jobs.
10. The textile companies have largely benefited from the EU4BR project. Namely, some of the interviewed company representatives stated that the ILO support has saved their business and it has largely contributed to increase of their productivity and competitiveness, reduction of materials loss, and automatization of the operations process, which opens the doors for new markets (for instance, the procured CNC machine of the company Zenko, Zenica, and the seams taping machine and production digitalization software of Tekstilna industrija Mostar).
11. An excellent synergy has been established between EU4BR and LEP II.

Both projects are being implemented at a good pace with no significant obstacles. The projects adapt to the changing reality and would benefit from a no-cost six-month extension to complete project activities.

6. LESSONS LEARNED AND EMERGING GOOD PRACTICES

The projects adapted well to the changing circumstances in the economy and the labour market, including the emergence of the new crises and the COVID-19 containment measures relief.

The interview data indicate that communication is based on transparency, in particular when it comes to the development partner that is always in the loop. All actions and changes are carried out in agreement with the Delegation of the European Union in BiH.

ILO focuses only on topics where it has a competitive advantage and mature positioning. ILO has a comparable expertise, value and influence over the topics of employment, business continuity and occupational safety and health.

The project strategies and designs are deeply cognizant of the dynamics of the BiH economy. The outputs are timed in a manner to support the hardly hit textile sector and the unemployed people/people who lost their jobs or became vulnerable due to the COVID-19.

The use of the comparative advantage of ILO in the field of employment, entrepreneurship, formalization, and consultations at the tripartite level is proven as a good practice that adds significant value to the projects. The ILO made effective and efficient use of technical backstopping and project management support that is validated as providing added security to funders and stakeholders.

Lessons Learned

EU4BUSINESS RECOVERY and LEP II

- ✓ The wide consultation processes, through the established steering and advisory boards/committees, is an important factor for the projects' performance. The members of the committees acknowledge the efforts by the project team to include all relevant stakeholders in the consultation processes and ensure that all suggestions and concerns are taken on board. This had a positive impact on the implementation of the activities and contributes toward the sense of ownership among the key stakeholders.
- ✓ LEPs, being partnerships between the public and private sector, can serve as a tool to address the brain drain, and create new jobs.
- ✓ LEPs led by non-governmental organizations show better results. LEPs seek for flexibility, given the worsening circumstances in the economy and on the labour market, which might vary from geographical expansion to change of offered training programmes. However, the sustainability depends largely on the will of the local administration, PES and educational institutions.

EU4BUSINESS RECOVERY

- ✓ ILO support to the textile sector has been crucial in the COVID-19 recovery period. Some of the interviewed companies have confirmed that their businesses might have faced harsh times unless provided with the technical and material support.
- ✓ Micro and small companies from the textile sector lack management skills and experience in applying for and implementing development partner funded projects.
- ✓ SCORE is considered a comprehensive and holistic programme covering all relevant areas of business doing.

Good practices

EU4BUSINESS RECOVERY and LEP II

- ✓ Sector-specific and place-based interventions help the ILO better focus its support to promote the local economic development, and subsequently lead to job creation.
- ✓ The excellent cooperation with the development partner and the line ministries has ensured a smooth implementation of the project, through provision of timely and constructive steering measures.
- ✓ Trainings provided to the LEP partners, as well as the application procedure for the companies has built the capacity of the institutions, NGOs and companies for future project applications with ILO or different development partners.

LEP II

- ✓ The properly developed evaluation methodology can be further used by the national and local institutions. Transparent process of evaluation of the applications for the companies and LEPs, including experienced and independent evaluation panel and observers, with no possibility for influence from the project staff. The evaluation process included Q&A sessions in order to justify the discrepancies in evaluation results.

EU4BUSINESS RECOVERY

- ✓ Sector specific guidelines assist the companies in improved organization of the production process, operations and ensure business continuity, in particular, in situations of disrupted supply chains. These guidelines have been tested through the grants to the textile companies.
- ✓ The 3 round application and selection procedure for the textile sector companies ensures that the companies meet the criteria without having the burden to acquire all the necessary documentation beforehand and finally verifies the submissions – 1. concept note submission; 2. submission of documentation; 3. verification mission to verify if the stated capacity is realistic.

Challenges and limitations

- The lack of country-wide employment strategy that would provide a clear framework for addressing working poverty, creating decent jobs, and decreasing youth and women unemployment and discouragement.
- Some respondents expressed their concern that the actual numbers of unemployed people might differ from the PES Registry. People register with PES for various reasons and not to seek job, hence the official high unemployment rate, and lack of interest among the unemployed to enroll for the offered programmes.
- Pronounced emigration trends and brain drain have been identified, in combination with a lack of interest among (young) unemployed people to enroll for the reskilling/upskilling trainings or for the entrepreneurship trainings. These factors make the outreach activities more difficult.
- There is a significant number of drop-outs from the training programmes, both for entrepreneurship and for improved employability. This might be due to the lack of interest in the programmes after the enrollment or due to outmigration.
- The deficient occupations are not interesting for the unemployed person (even though, the applicants are offered paid training) due to low wages and lack of decent working conditions.

Hence, the hypothesis that the high unemployment rate is due to the fact that the people registered with PES do not possess the adequate qualifications should be reviewed.

- There are legal barrier to employment of people with disabilities, since their participation in a programme and remuneration, might lead to loss of disability benefits.
- Given the demands of geographically dispersed projects, with considerable amounts of grant support to be managed, the ILO's small teams assigned to the technical cooperation activities are sometimes overstretched, resulting in efficiency losses.
- Economic and energy crises pose a great risk to the operation of the companies, the creation of new jobs and the establishment of startups.
- Inflation and currency exchange rate fluctuation may erode the actual value of the grants.

7. RECOMMENDATIONS

GENERAL RECOMMENDATIONS FOR THE ILO:

1. Draw the attention of project implementing partners in a multi-agency project to the need to develop a theory of change to allow for a better understanding of the assumptions and the change to be brought about by the project.
2. Hire more project staff for monitoring activities, in particular, in complex and geographically dispersed projects, particularly if grants implementation is involved. Moreover, avoid overstressing a single ILO official across multiple project activities, since it may lead to efficiency loss.
3. Establish clearer and more pragmatic guidelines on the implementation agreements and the exchange currency rate. In addition, the ILO should clearly define the procurement and VAT procedures applicable to the LEPs and other grant beneficiaries in advance. ILO might also consider simplifying the reporting procedures for the grant beneficiaries (reduce the number of reports to be submitted).
4. Establish safeguard procedures in case of increasing inflation and significant fluctuation of the USD and EUR.
5. Consider providing project writing and management, and report writing trainings before official launch of programmes involving project applications and granting schemes.
6. Consider expanding/piloting the SCORE programme to other sectors.
7. Prior to launching a Call for Proposals to increase the number of promotional activities in the regions that have so far showed no interest to apply.

PROJECT-RELATED RECOMMENDATIONS:

LEP II

Recommendation 1: A six month no-cost extension of LEP II is needed in order to ensure smooth finalization of all measures. The funding for the project staff and activities is secured from the existing project budget. The no-cost extension period would also be used for reporting and knowledge-sharing activities among the LEPs.

Responsible Units	Priority	Time Frame	Resource implication
LEP II project and development partner	High	Next month	Low

Recommendation 2: The Steering Board of LEP II project should meet quarterly and more frequently participate in the field visits, to track the progress of the LEPs and propose steering measures in case a modification is needed.

Responsible Units	Priority	Time Frame	Resource implication
LEP II project team	High	Next quarter	Low

EU4BUSINESS RECOVERY and LEP II

Recommendation 1: LEPs should institutionalize to ensure sustainability. The local partnership after the end of the projects can continue to function as platforms for implementation of the programmes of the local administration and the PES. Such LEPs can take the initiative to support more beneficiaries with own funds (PES and municipality programmes) or using other development partner funds but applying the same standards for selection and implementation as under current projects. The project team might consider development of local employment action plans that would be driven by the LEPs.

Responsible Units	Priority	Time Frame	Resource implication
LEPs, local authorities, PES, ILO	High	Next year	High

Recommendation 2: Depending on the rationale and specific labour market challenges for which local stakeholders have created a LEP, the ILO and the Steering Boards may consider revisiting the criteria and expanding the calls for the applicants under the LEP programmes not only to registered unemployed persons and vulnerable groups, but also to students in final years of study, employed persons with fixed-term employment contracts close to expiration, persons who want to change jobs, or persons who want to upskill and move up in the structure of the same employer, to ensure sufficient number of interested candidates.

Responsible Units	Priority	Time Frame	Resource implication
ILO project teams and development partner	High	Ongoing	Low

Recommendation 3: The ILO and development partner may consider revising the criteria and extending the startup support not only to newly established companies, but also to enterprises/startups that have operated for less than 3 years and would use the support to add a new business lines and create new jobs. In addition, the project team may consider involving in the programme persons that are not registered with PES and are currently employed, but would like to start own business.

Responsible Units	Priority	Time Frame	Resource implication
ILO project teams and development partner	High	Ongoing	Low

Recommendation 4: LEPs would benefit from more networking events in order to exchange experience and discuss solutions to common challenges.

Responsible Units	Priority	Time Frame	Resource implication
Project teams	Medium	Next quarter	Medium

Recommendation 5: The PES should be more involved in the outreach and motivation of the unemployed persons, and based on the needs of the employers, in customization of the programmes accordingly. PES should implement stricter rules for registration of unemployed persons and their retaining in the records. Moreover, educational institutions can build upon the diagnostics and projects findings and offer educational streams that are demanded on the labour market.

Responsible Units	Priority	Time Frame	Resource implication
LEPs, PES, local educational institutions	High	Ongoing	Medium

Recommendation 6: The project teams should ensure better flow of information and greater visibility of the projects through more focused selection of media with greater impact for sharing of the calls and the results. In addition, LEPs stakeholders should implement the visibility strategies more seriously.

Responsible Units	Priority	Time Frame	Resource implication
ILO project teams and LEPs	High	Ongoing	Low

ANNEX 1 STATUS OF LEP PERFORMANCE UNDER EU4BR AND LEP II AS OF 30 NOVEMBER 2022

#	LEP	SYB training	SIYB training participants	Supported start-ups	Labour market training programmes	Reskilling/upskilling training participants
1	Lukavac	1	15	0	0	0
2	Velika Kladuša/Bihać	0	0	0	3	20
3	Tešanj	1	14	0	1	19
4	Mostar	1	14	0 (the process is not completed)	3	45+60
5	Tuzla	1SYB, 1 Get Ahead	28 + 7 = 35	0 (the process is not completed)	3 existing, 3 new	25+60
6	Banovići	1	8	3	5 existing, 2 new	45+60
7	SBK	0	0	0	0	0
8	Goražde	0	0	0	0	0
9	Gradiška	1	13	0	0	0
10	Petrovac	0	0	0	x	X
11	Žepče	0	0	0	1	11
12	Banja Luka	0	0	0	2	12
13	Zenica	1	14	6	0	0
14	Prnjavor	0	0	0	2	33
15	Livno	0	0	0	1	14
16	Novi Grad Sarajevo	1	20	6	2	17
17	Visoko	1	24	0	x	X
18	Centar and Novo Sarajevo	1	24	4	5	36
19	Krajina (LEP II)	1	20	0	1	30
20	Krajina (EU4BR)	3	57	0	x	X
21	LINK (LEP II)	2	30	14	1	14
22	LINK (EU4BR)	3	60	0	0	0
23	Bosanska Krupa	0	0	0	1	15
Total		20	348	33	35	501

ANNEX 2 LIST OF INTERVIEWS

No.	Name and Surname	Organization	Role	Date of Interview
Development partner				
1.	Vesna Grkovic	Delegation of European Union in Bosnia and Herzegovina	Task Manager - Enterprises	21.11.2022
2.	Liljana Pandzic	Delegation of European Union in Bosnia and Herzegovina	Task Manager - Employment	22.11.2022
Steering and Advisory Boards				
3.	Mersa Tinjak	Ministry of Civil Affairs FBiH		21.11.2022
4.	Snjezana Dedic	Employment Service Agency FBiH		24.11.2022
5.	Milka Latincic	Ministry of Economy and Entrepreneurship RS		25.11.2022
6.	Darko Telic	Ministry of European Integration and Regional Cooperation		25.11.2022
7.	Sasa Acic Milka Markovic	Employers Association RS		25.11.2022
LEPs				
8.	Alisa Gekic	LEP Jablanica/Gornji Vakuf LEP II LEP Mostar/Konjic – EU4BR	NGO Link	23.11.2022
9.	Elma Mujezinovic	LEP Novi Grad Sarajevo	Municipality	23.11.2022
10.	Branka Moraca	LEP Petrovac	Municipality Petrovac	23.11.2022
11.	Ognjena Zrilic	LEP Krajina (LEP II and EU4BR)	NGO LIR evolucija	23.11.2022
12.	Haris Vlajcic Vedran Zekic Zvezdana Filipovic	LEP Municipality Center Sarajevo	Municipality; NGO CEFE	24.11.2022
13.	Zoran Kulundzija	Member of 7 LEPs	CEFE	25.11.2022
14.	Vesna Marinkovic Slavisa Lukic Danka Dabic	LEP Banja Luka (LEP II and EU4BR)	CIDEA	25.11.2022
SCORE Beneficiaries				
15.	Adriana Kunic	FOTEX	Business Advisor	24.11.2022
16.	Alma Chancar	ZENKO - Zenica	Manager	24.11.2022
17.	Zrinka Kordusic	Tekstilna Industrija Mostar	Finance/Project Manager	24.11.2022
18.	Vojislav Ivanovic		SCORE trainer	24.11.2022
International Labour Organization				
19.	Lejla Tanovic	International Labour Organization	National Coordinator	21.11.2022
20.	Melisa Osmic	International Labour Organization	Project Coordinator	21.11.2022
21.	Amra Seleskovic	International Labour Organization	Project Coordinator – LEPII	22.11.2022

22.	Nadja Uzunovic	International Labour Organization	Monitoring Officer – LEP II	22.11.2022
23.	Katarina Crnjanski-Vlajcic	International Labour Organization	Project Coordinator – EU4BR	23.11.2022
24.	Daniela Zampini	International Labour Organization	Senior Employment Specialist	28.11.2022

ANNEX 3 LIST OF REVIEWED DOCUMENTS

1. EU4BR project document
2. EU4BR progress reports
3. EU4BR monitoring documents
4. EU4BR financial documents
5. LEP II project document
6. LEP II progress reports
7. LEP II mission reports
8. LEP II financial documents

ANNEX 4 TERMS OF REFERENCE FOR THE INTERNAL EVALUATOR

TERMS OF REFERENCE

MID-TERM INTERNAL CLUSTER EVALUATION OF THE PROJECTS

Title of project:	<ul style="list-style-type: none"> - COVID-19 Investment Response - EU4BusinessRecovery - EU Support to Local Employment Partnerships - Phase II (LEP II)
Project DC Code:	<ul style="list-style-type: none"> - BIH/20/01/EUR - BIH/20/02/EUR
Geographical coverage:	Bosnia and Herzegovina
ILO Administrative Office:	Decent Work Team/Country Office for CEE (DWT/CO-Budapest)
ILO Technical Unit:	DWT/CO Budapest
Type of evaluation:	Internal cluster
Timing of the evaluation:	Mid-term
Duration of the evaluation:	1 November- 20 December 2022
Preparation date:	10 October 2022
Duration of the projects:	<ul style="list-style-type: none"> - 30 months (1 January 2021 – 30 June 2023) - 36 months (1 January 2021 – 31 December 2023)
Links to ILO Programme and Budget (P&B) Policy Outcome:	<ul style="list-style-type: none"> - P&B 2020-2021 and P&B 2022-2023, Policy Outcomes 4 - P&B 2020-2021 and P&B 2022-2023, Policy Outcomes 3; 4 and 5
Budget:	<ul style="list-style-type: none"> - EUR 3,250,000.00 (US\$ 3,931,979.60) - EUR 4,472,525.10 (US\$ 4,907,153.54)
Development partner (Contracting Authority):	<ul style="list-style-type: none"> - EU 3,250,000.00 EUR (US\$ 3,931,979.60) - EU 4,000,000.00 EUR (US\$ 4,388,709.67)
ILO contribution:	<ul style="list-style-type: none"> - EUR n/a (US\$ n/a) - EUR 152,525.10 (US\$ 167,347.09)
Beneficiaries' contribution:	<ul style="list-style-type: none"> - EUR n/a (US\$ n/a) - EUR 320,000.00 (US\$ 351,096.77)
Development partner (Contracting Authority):	Delegation of the European Union to Bosnia and Herzegovina

I. INTRODUCTION

This is a mid-term internal cluster evaluation of the two EU-funded projects undertaken in the framework of the regional M&E plan of the ILO Regional Office for Europe and Central Asia 2022-2023 and in line with the ILO Evaluation Policy and ILO Policy Guidelines for Evaluation¹². The mid-term cluster internal evaluation is also envisaged by the agreed project documents.

The clustering approach is being applied as the projects address a similar and interlinked range of issues in Bosnia and Herzegovina in correlation with the COVID-19 pandemic. ILO DWT/CO-Budapest is the responsible office.

COVID-19 Investment Response – EU4BusinessRecovery

In Bosnia and Herzegovina (BiH), the COVID-19 crisis has already influenced the private sector's economic performance significantly. Without external support, the government of BiH will not be able to stabilize the economy in the short run and to enable recovery when the immediate effects of the crisis start to decline.

Building upon the EU4Business project funded under IPA 2016 program, this project provides new solutions for mitigating the negative impacts of the COVID-19 crisis on businesses in export-oriented sectors (metal, wood, textile/apparel/footwear), agri-food processing, and most affected service sectors (tourism). Direct support measures to MSMEs and farmers are needed to retain jobs, facilitate fast recovery of business operations, and increase resilience in a challenging market environment.

This project is jointly co-financed by the European Union, the German Federal Ministry for Economic Cooperation and Development and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, UNDP and ILO. However, the focus of this evaluation will be the ILO activities implemented in the textile, clothing, leather and footwear manufacturing industries and partnerships for economic and social development at the local level.

The ILO activities are funded by the European Union with a budget of EUR 3,250,000.00.

Project theory of change is not available.

The **overall objective** of the project is to contribute to support BiH in mitigating the economic effects generated by the COVID-19 pandemic.

The **specific objectives (outcomes)** of the project are:

8. Micro, Small and Medium Enterprises (MSMEs), agri-food and tourism operators, entrepreneurs and farmers ensure business continuity despite the negative effects of COVID-19.
9. Innovative start-ups created as a response to COVID 19 crisis.

Implementation of the project envisages **five inter-related outputs**:

- 1.1. MSMEs, entrepreneurs and farmers affected by the COVID-19 have improved conditions for business continuity after economic lock-down crisis;
- 1.2. Product and business innovation and reorganization / localization of the supply chains to maintain the functioning and increase competitiveness of MSMEs, agri-food and tourism operators, entrepreneurs and farmers;

¹² 6 ILO policy guidelines for evaluation: Principles, rationale, planning and managing for evaluations, 3rd ed. (Aug. 2017) https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_571339.pdf

- 1.3. The Help Desk system provides financial and legal advice to Micro, Small and Medium Enterprises (MSMEs), tourism operators and other COVID-19 impacted companies;
- 2.1. Newly created start-ups ensure employment of unemployed persons, women and another vulnerable group laid off in COVID 19 crisis;
- 2.2. The Help Desk system provides financial and legal advice to start ups.

The ILO activities under this project are managed, and technically and administratively backstopped by the ILO Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO), based in Budapest, and a project team and office are set up in Sarajevo.

The project has established following steering structure: The existing Project Steering Committee (PSC) and Sector-specific Coordination Committees (SCCs).

More information on the nature of the issue to be addressed, links to strategic documents, and the project management and steering structures are available in the Summary of the Projects available in Annex 1.

EU Support to Local Employment Partnerships - Phase II (LEP II)

Despite some positive developments in the labour market, most of the structural challenges remain. The country suffers from low labour force participation and a high level of unemployment. The share of undeclared work also remains high, but data collection is an issue, and the system needs to be improved. Active labour market policies are mostly focused on employment subsidies and not training programs. More robust activation, such as career counselling and outreach to jobseekers and profiling, including cooperation with employers, is still needed.

Like many others, the authorities in Bosnia and Herzegovina (BiH) found themselves confronting unprecedented events unfolding domestically, regionally, and globally during the COVID-19 crisis.

The project *EU Support to Local Employment Partnerships - Phase II (LEP II)* is a development cooperation initiative that is being implemented under the framework of the Instrument of Pre-Accession (IPA) funded by the European Union (EU), more specifically the Annual Action Programme for BiH for 2019 (EU4 Employment and Education) with the objective to improve the socio-economic situation and living conditions in BiH by contributing to better employability in local communities.

The project is funded by the European Union with a budget of EUR 4,000,000.00 and the ILO contribution of EUR 125,525.10. The total budget of the project is EUR 4,472,525.10.

The project focuses on the development of local employment partnerships (LEP) to deliver activation and labour market integration programs in line with specific local needs. Institutional development services to the LEPs, including advocacy, networking, and employment policy implementation will ensure the exchange of knowledge and experience between partnerships established under LEP I and LEP II projects. Special attention will be given to technical assistance and capacity building of local employment offices to use LEPs as tools for the development of active labour market measures in line with local needs.

Theory of Change

If the ILO increases awareness about the LEP as partnership-driven labour market mechanisms; and If the ILO provides assistance to the new employment partnerships to successfully design and implement activation and labour market integration programmes; and

If the ILO provides institutional development services to the LEPs, including for advocacy, networking, and employment policy implementation, then, the newly established, sustainable, partnership-driven labour market frameworks will contribute to increased access to formal employment in selected municipalities, leading to more and better decent work opportunities in local communities of Bosnia and Herzegovina.

The **overall objective/impact** of the project is to improve the socio-economic situation and living conditions in BiH.

The project is structured around one outcome/specific objective and the principal output/result, as follows:

Specific Objective /Outcome to contribute to better employability in local communities.

Result/Output 1: Fostered sustainable, partnership-driven labour market frameworks at the local level for increased access to formal employment (LEP II)

Output 1.1.: Key stakeholders recognize LEPs as partnership-driven labour market mechanisms for increased access to formal employment at the local level

Output 1.2.: Local employment partnerships successfully design and implement activation and labour market integration programmes

Output 1.3.: Institutional development services are provided to the LEPs, including for advocacy, networking/peer learning, and employment policy implementation

The project is managed, and technically and administratively backstopped by the ILO Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO), based in Budapest, and the ILO team and a project office are set up in Sarajevo.

The project has established the Steering and Advisory Boards.

More information on the nature of the issue to be addressed, links to strategic documents, and the project management and steering structures are available in the Summary of the Projects available in Annex 1.

II. PURPOSE, OBJECTIVES AND CLIENTS OF THE EVALUATION

Purpose

The evaluation is conducted under the framework of the regional M&E plan of the ILO Regional Office for Europe and Central Asia to evaluate progress made so far in the implementation and come up with recommendations on how to improve the sustainability of achieved results. It will ensure accountability to the stakeholders and organizational learning.

Objectives

- Review the work done and determine the progress achieved during the indicated period in line with the stated objectives of the projects, the kind of changes produced so far, and the intended or unintended effects of the project, and an assessment of the reasons/factors that helped to produce these changes and effects.
- Review the efficiency and effectiveness of the projects' implementation;
- Review to what extent the programmes are still relevant and is continuing to meet the needs of their original target groups;
- Review the likelihood of sustainability of the projects' outcomes;
- Review emerging risks and opportunities;

- Draw conclusions in terms of the progress made and if needed recommend steering measures to be taken in the further implementation of the projects.

These insights will be used as technical input for further planning of activities with ILO constituents in 2022 and beyond.

Clients

The main clients of this analysis will be ILO management, technical specialists, project staff, tripartite constituents, and the donor.

III. EVALUATION SCOPE

The evaluation will encompass all activities and components of the project for the period of January 1, 2021, and September 30, 2022. The projects' evaluation is scheduled to take place from November to December 2022. The evaluation focuses on the criteria of relevance, validity, efficiency, effectiveness, impact, and sustainability

In line with ILO evaluation policy, the evaluation will integrate gender equality, disability inclusion and other non-discrimination issues as cross-cutting concerns throughout its methodology and all deliverables.

IV. EVALUATION CRITERIA AND QUESTIONS

The assessment will apply the key OECD/DAC criteria of relevance, effectiveness, efficiency, sustainability and will provide recommendations in the definition of the key actions to be undertaken. Impact potential will be assessed to the extent possible given the limited scope of the interventions. The assessment will seek answers to the following questions:

Relevance

8. To what extent are the projects' objectives and approach relevant to the constituents' needs and present country context? Implementation of activities in line with needs of constituents: to what extent the activities were aligned with the needs of constituents, the existing country cooperation frameworks??
9. How well have the projects adapted to the changes in the country context, including the impact of the COVID-19 pandemic on working methods?
10. What is the relevance of the projects' outcomes for the overall economic development in the future?

Effectiveness

18. What have been the major results and lessons learned during the projects' implementation?
19. What has been the progress made in the achievement of the projects' outcomes? Have there been any changes in the specific areas defined as project outputs?
20. To what extent the projects' activities have taken into account and contributed to the advancement of the ILO's cross-cutting policy drivers (CCPDs)?
21. Have been synergies established between the projects and, if so, how have they contributed to the achievement of results?
22. What are the main constraints experienced by the projects (both in terms of methodology and context)?
23. What is the most effective way to provide technical support and follow up on COVID-19 response and the main areas tackled by the projects?

Efficiency

24. Have resources available (time, funds, partnerships, knowledge, expertise and tools) been used efficiently?
25. Are there any ways to enhance the efficiency?

Sustainability and impact potential

26. Are the results achieved likely to continue after the end of the intervention? Are they likely to produce longer-term effects and benefits to the target groups?
27. What is the expected long-lasting effect after the activities are completed?
28. Is it likely that the government or authorities at lower administrative levels will develop new policies, laws, and regulations contributing to further progress in the areas tackled by the project?

Recommendations and next steps

29. What are the next steps to be undertaken? What is the best way to proceed? What would be the main issues to tackle?
30. Which actors and in which way should be engaged?
31. What action might be needed to bolster the longer-term effects and to come to further policy measures generating a positive change?

The list of questions can be adjusted by the internal evaluator prior to field research in coordination with the Evaluation Manager

Based on the analysis of the findings this assessment will aim at providing practical recommendations on the immediate next steps to be taken.

VI. EVALUATION METHODOLOGY

The evaluation will comply with UNEG evaluation norms, standards and follow ethical safeguards, as specified in the ILO's evaluation guidelines and procedures. The evaluation will be conducted in a participatory manner by engaging the stakeholders at different levels and ensuring that they have a say about the implementation of the project, can share their views and contribute to the evaluation and participate in dissemination processes.

The methodology should include multiple methods, both qualitative and quantitative. The internal evaluator will review the available literature and materials. An orientation meeting (on-distance) may be organized with the ILO/Budapest.

It will be followed by on-distance interviews with the DWT/CO Budapest staff (Senior management, Sr. Specialists, Programme Officer and other officials as appropriate), in-country research, including interviews with the ILO National Coordinator in BiH, tripartite constituents, i.e., the government (Ministries of Labour), trade unions and employers' organization, other relevant government institutions, and other development cooperation partners as appropriate.

Information will be collected by means of group and/or individual interviews with key actors. Interviews will be arranged on-distance in the case of travel restrictions. A stakeholders' survey questionnaire might be also applied if relevant and appropriate. Upon completion of the interviews, a presentation of preliminary findings might be organized remotely to the ILO/Budapest.

The methodology will include examining the projects' Theory of Change in the light of the logical connection between the levels of results, and their alignment with the ILO's strategic objectives.

Particular attention will be given to the identification of assumptions, risks and mitigation strategies, and the logical connection between levels of results and their alignment with ILO's strategic objectives and outcomes at the global and national levels, as well as with the relevant SDGs and related targets.

The internal evaluator will be given a list of recommended/potential persons/institutions to interview that will be prepared by the Project Teams in consultation with the Evaluation Manager. Thirdly, the internal evaluator may use **online surveys** to collect data for the evaluation from the target groups, if applicable.

The internal evaluator will be expected to follow EVAL's Guidance material on appropriate methodologies to measure key cross-cutting issues, namely the ILO EVAL [Guidance Note 3.1 on integrating gender equality and non-discrimination](#); and the ILO EVAL [Guidance Note 3.2 on Integrating social dialogue and ILS in monitoring and evaluation of projects](#).

All this information should be accurately reflected in the mid-term internal cluster evaluation report.

VII. MAIN DELIVERABLES

All deliverables and outputs will be in English.

Deliverable 1. Draft Mid-term Cluster Evaluation report in the first half of December 2022

Deliverable 2. Debriefing/Presentation of preliminary findings

Deliverable 3. Mid-term Cluster Evaluation report (with Title Page, the Executive Summary and Annexes including lessons learned and emerging good practices in the ILO Template) in the second half of December 2022

Deliverable 4. An Evaluation summary.

D1. Draft Mid-term Cluster Evaluation report (initial draft to be submitted to the Evaluation Manager within **10 days** of completion of the data collection)

The internal evaluator shall submit to the Evaluation Manager the initial draft of the report. This draft will be app. 40 pages plus executive summary and appendices.

D2. Debriefing/Presentation of preliminary findings

D3. Final Mid-term Cluster Evaluation report (to be submitted to the Evaluation Manager within **7 days of** receipt of the draft final report with comments). The Report should be submitted along with all relevant Annexes as indicated in ILO Guidance Note on the evaluation report (including executive summary, good practices, lessons learned and etc.).

The report will be disseminated to all key project stakeholders as well as concerned ILO officials. Translation of the Summary of the Report into one of the official languages of BiH (to be provided by the project).

D 4. An evaluation summary using the ILO Summary template.

Suggested Report Format

The final version of the report shall follow the below format in accordance with the ILO Evaluation Office guidelines (see Checklist 6 on Rating the quality of evaluation reports and be no more than 40 pages in length, excluding the executive summary and annexes:

1. Title page
2. Table of Contents
3. Acronyms

4. Executive Summary
5. Project Background
6. Evaluation Background
7. Evaluation criteria and questions
8. Evaluation Methodology
9. Main Findings
10. Conclusions
11. Lessons learned and Emerging Good Practices
12. Recommendations
13. Annexes (TOR, lessons learned template, list of interviews, meeting notes, relevant country information and documents)

For detailed information, please follow this page:

Checklist preparing the evaluation report: [Checklist 4.2: wcms_746808.pdf \(ilo.org\)](#)

The process of the finalization of the Evaluation report:

- The Evaluation Manager will provide inputs/comments to the draft Mid-term Cluster Evaluation report,
- After reflection of the inputs/comments into the draft report, the draft report will be shared with the Project Coordinators, ILO DWT/CO Budapest Management Team; and Employment and Labour Market Specialist to receive their comments.
- After consideration of comments to the report, the draft final Mid-term Cluster Evaluation report will be subject to approval by the ILO Evaluation Focal Points both at the DWT-CO Moscow and at the RO/Europe, for consequent submission to the ILO Evaluation Office for filling in the central database. The final report shall be delivered not later than **one week** after receiving the comments to the draft report.

Essential parts of the report will be translated into one of the official languages of Bosnia and Herzegovina language for the constituents' use.

VIII. MANAGEMENT ARRANGEMENTS AND PROFESSIONAL REQUIREMENTS

Management arrangements

The evaluation will be conducted by an ILO official who is ILO certified evaluator and who will report to the Evaluation Manager appointed by the ILO. The assignment will require approximately 23 working days, in November and December 2022. The ILO office will cover the costs related to the field missions, meetings organization and interpretation. Interpretation during the meetings will be provided if necessary.

A tentative timeline is available below:

Task	Time	# days
Desk review and online briefing	1 - 7 November 2022	5
Conduct interviews, surveys with relevant project staff, stakeholders, and beneficiaries.	21 - 25 November 2022	5
Data analysis and draft report	24 November - 7 December 2022	10

Revision and finalization of the report	15 - 20 December 2022	3
Total		23

The mid-term internal cluster evaluation will be managed by the ILO National Coordinator in Bosnia and Herzegovina, as Evaluation Manager.

The *internal evaluator* is responsible for conducting the evaluation according to the terms of reference (ToR). He/she will:

- Review the ToR and provide input, propose any refinements to assessment questions, as necessary
- Review the project background materials (e.g., project document, progress reports)
- Develop and implement the assessment methodology (i.e., prepare interview guides, conduct interviews, review documents) to answer the assessment questions
- Conduct preparatory consultations with the ILO prior to the assessment mission
- Analyse interview notes/recordings
- Prepare an initial draft of the evaluation report
- Conduct briefing on findings, conclusions, and recommendation of the assessment
- Prepare a final report based on comments obtained on the initial draft report

The *Evaluation Manager* is responsible for:

- Planning the evaluation and preparing the ToR
- Circulating the ToR for comments and inputs with input from the Project Coordinators, ILO DWT/CO Budapest Management Team; and Employment and Labour Market Specialist
- Submitting the final draft ToR to RO Europe evaluation focal point for approval and EVAL for database filing
- Providing the Internal evaluator with the project background materials
- Assisting in the implementation of the assessment methodology, as appropriate (i.e., participate in meetings, review documents)
- Reviewing the initial draft report, circulating it for comments and providing consolidated feedback
- Reviewing the final draft of the report
- Submitting the final draft report to RO Europe evaluation focal point for approval and EVAL for database filing
- Disseminating the final report to all the stakeholders
- Coordinating follow-up as necessary

The *National Project Coordinators (NPC)/CTA* are responsible for:

- Reviewing the draft ToR and providing input, as necessary
- Providing the Evaluation Manager with the project background materials
- Preparing the programme of interviews

Professional requirements

The Internal evaluator should meet the following requirements:

- Advanced university degree in social sciences or economics
- Understanding of the ILO's tripartite foundations and standards

- Expertise in social dialogue, employment issues and preferably in local employment interventions
- Adequate expertise in gender, diversity and non-discrimination issues
- Experience in evaluation of international development initiatives
- Knowledge of evaluation methods, qualitative and quantitative research
- Knowledge of the region and target country
- Analytical skills
- Fluency in English
- Knowledge of one of the official languages in BiH is an advantage

IX. LEGAL AND ETHICAL MATTERS

The evaluation will be carried out in adherence with the ILO evaluation policy guidelines, UN Evaluation Group (UNEG) Norms and Standards and OECD/DAC criteria for evaluating development assistance.

Ethical considerations will be taken into account in the evaluation process. As requested by the UNEG Norms and Standards, the internal evaluator will be sensitive to beliefs, manners and customs, act with integrity and honesty in the relationships with all stakeholders.

The internal evaluator will not have any links to project management or any other conflict of interest that would interfere with the independence of the evaluation.

Annex 1: A Summary of the Projects

COVID-19 Investment Response – EU4BusinessRecovery

Nature of issues to be addressed

In Bosnia and Herzegovina (BiH), the COVID-19 crisis has already influenced the private sector's economic performance significantly. Without external support, the government of BiH will not be able to stabilize the economy in the short run and to enable recovery when the immediate effects of the crisis start to decline.

The majority (70 per cent) of companies in BiH have had their normal business capacity utilization declined and turnover decreased as a result of COVID-19-related containment measures implemented in March and April 2020¹³. The pandemic effects (revenue decline) were more negative for micro and small enterprises than for medium and large ones. **MSMEs** are disproportionately affected by the economic crisis, as they are characterized by various vulnerabilities on both the supply and demand side. A smaller number of workers mean that health is more detrimental to the continued operations of a firm. On the demand side, SMEs are more reliant on a specific segment of the industry, therefore as shortages and supply chain disruptions occur throughout the economy, they are more prone to complete shutdowns.

Apart from the immediate need for stabilization, the speed of economic recovery will depend on the private sector's ability to adjust to a changing environment in major export markets. However, BiH lags behind in terms of innovation¹⁴, as compared to its neighbouring countries and thus will have problems adjusting as far and as quickly as necessary. While SMEs are constantly improving their ICT

¹³ Ibid.

¹⁴ The Global Competitiveness Report (2019, World Economic Forum) ranks BiH considerably low in terms of capacity for innovation, company spending on research and development (R&D), and university–enterprise cooperation on R&D (117th position out of 141 countries in business dynamism and innovation capability). The current report of the World Bank on “Doing Business” (2020) ranks the country considerably low for starting a business (184th position out of 190 countries), dealing with construction permits (173) and in paying taxes (141).

skills, digital entrepreneurship in BiH is underdeveloped in terms of access to digital supply chains and e-business networks, interoperability, knowledge sharing, access to ICT standardisation and e-invoicing. External support is also needed in these fields to foster a quicker recovery of the economy.

Building upon the EU4Business project funded under IPA 2016 program, this project provides new solutions for mitigating the negative impacts of the COVID-19 crisis on businesses in export-oriented sectors (metal, wood, textile/apparel/footwear), agri-food processing, and most affected service sectors (tourism). Direct support measures to MSMEs and farmers are needed to retain jobs, facilitate fast recovery of business operations, and increase resilience in a challenging market environment.

Sector-specific context

The **textile and leather processing industry** in Bosnia and Herzegovina has a long tradition of clothing and footwear production, high-quality products and services, a good international reputation as a supplier and manufacturer, and a skilled workforce with low production costs. Given that traditionally in Bosnia and Herzegovina women have played an important role in the textile industry, promotion of the sector largely contributed to an increase in women's employment. production capacity. Due to the COVID-19 crisis, total exports in this sector fell by 15.27per cent and imports by 18.79per cent. MSMEs working in textiles and fabricated metals have already identified significant disruptions in their supply chain, most likely resulting from limitations of trade flows between countries and perhaps regions. Not having appropriate raw materials or intermediate goods resulted in production difficulties.

This Multi-Donor Action is jointly co-financed by the European Union, the German Federal Ministry for Economic Cooperation and Development and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, UNDP and ILO. However, the focus of this evaluation will be the activities implemented by the ILO in the textile, clothing, leather and footwear manufacturing industries and partnerships for economic and social development at the local level.

The project is funded by the European Union with a budget of EUR 3,250,000.00.

Project links to ILO's strategic framework and country strategic documents

The project contributes to the ILO's strategic policy frameworks i.e., the ILO Programme and Budget (P&B) 2020-2021 and 2022-2023 and related Policy Outcome 4, even though this link is not explicitly mentioned in the project document.

The project is aligned with the general measures of the EU's response to COVID-19 and recently adopted plan to support people and businesses as Europe battles a deep economic recession due to the COVID-19 outbreak. The Commission unveiled its adjusted **Work Programme for 2020**¹⁵, which will prioritise the actions needed to propel Europe's recovery and resilience.

Hence, the **Special Measures** that the EU developed in the context of the COVID-19 pandemic **to support Bosnia and Herzegovina** in addressing the economic lock-down challenges contribute to the European Commission objectives *"to mitigate the impact of the COVID-19 crisis on agri-food and tourism operators, Micro, Small and Medium Enterprises (MSMEs), entrepreneurs and farmers, and ensure business continuity"*, and *"to support the development of start-ups by unemployed, women or persons which appertain to vulnerable groups (e.g.: minorities)"*¹⁶.

¹⁵Source: https://ec.europa.eu/info/publications/2020-commission-work-programme-key-documents_en, accessed 30.10.2020

¹⁶ Annex to the Commission Implementing Decision - Adopting A Special Measure On COVID-19 Impact Mitigation in Bosnia And Herzegovina for 2020

Further, the project is in line with the recently adopted **Economic and Investment Plan for the Western Balkans**, and the **European Green Deal**¹⁷, a new growth strategy of the EU, and the emerging **Green Agenda for the Western Balkans**¹⁸. Aligned with the **2030 Agenda for Sustainable Development**, the European Green Deal seeks to put sustainability and the well-being of citizens at the centre of the economic policy, and the **Sustainable Development Goals (SDGs)** at the heart of the EU's policymaking and action. The European Green Deal is at the heart of the COVID-19 recovery and used as a framework for tackling short-term economic needs with long-term sustainability goals¹⁹.

The project is in line with **government adopted recovery plans and measures related to the mitigation of COVID-19 economic effects** (e.g. relevant legislation and economic stabilisation programmes at the level of entities, BD, and cantons in the FBiH), and supports the Economic and Investment Plan for the Western Balkans issued in October 2020 that call for a stronger skills-based economy to reduce the existing brain drain, addressing the structural weaknesses and accelerating enterprise development, research and development and smart growth.

The project will regularly consult the **BiH Economic Reform Programme (ERP 2020-2022)** to reduce the negative impact on competitiveness and employment that the COVID-19 crisis causes.

The project inherits the basic principles and values of the current EU4Business project. It continues by supporting partnerships for economic and social development at the local level, existing local development strategies, and the operational structures involved. The project will enhance competitiveness and growth at the local level for economic recovery through better access to innovative technology, broadband, and digital skills, particularly in production and export-oriented MSMEs.

The project is aligned with the strategic priorities set out in the United Nations Sustainable Development Cooperation Framework for BiH (2021-2025)²⁰.

Management set-up of the project

The project is managed, and technically and administratively backstopped by the ILO Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO), based in Budapest, which will provide the necessary administrative support and technical and project-backup services. A project office is set up in Sarajevo to manage and coordinate the activities and the ILO team for implementation of the project is consisted of:

- Chief Technical Advisor, Sarajevo (half-time, 30 months)
- Project Officer, Sarajevo (full-time, 30 months)
- Project Officer/Communications (half-time, 30 months)
- Project Assistant, Sarajevo (full time, 30 months)
- Administrative Assistant, Budapest (40per cent, 30 months)

¹⁷ The European Green Deal includes a roadmap for climate ambition; clean, affordable, and secure energy; industrial strategy for a clean and circular economy; sustainable and smart mobility; greening the Common Agricultural Policy / "Farm to Fork" strategy; preserving and protecting biodiversity; towards a zero-pollution ambition for a toxic free environment; mainstreaming sustainability in all EU policies; the EU as a global leader; and working together – a European Climate Pact.

¹⁸ The adoption of the Green Agenda in the Western Balkans is expected in November 2020 at Western Balkans Summit in Sofia. It covers five pillars: climate action, including decarbonisation, energy and mobility; circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources; biodiversity, aiming to protect and restore the natural wealth of the region; fighting air, water and soil pollution; and sustainable food systems and rural areas. Digitalisation will be a key enabler for the above five pillars in line with the concept of the dual green and digital transition.

¹⁹ Source: <https://www.interregeurope.eu/policylearning/news/8381/the-european-green-deal-and-covid-19-implications-for-research-and-innovation/>, accessed 30.10.2020

²⁰ Finalized draft document, pending formal endorsement by the BiH Council of Ministers

The project has established the steering structure as follows:

There will be two main bodies for stakeholder involvement. The existing **Project Steering Committee (PSC)** already includes donors (EU, BMZ), implementing partners and relevant beneficiary institutions and will remain in place during the implementation of the project. The PSC will be closely consulted and informed during the process of defining the GFF/TA concept. At the same time, the ultimate decision on grant awards will lie within the responsibility of the implementing partners as it has been done under the EU4Business project.

Further to that, **Sector-specific Coordination Committees (SCCs)** established under the EU4Business project will continue to act as sector sounding boards. The representatives from key institutions in the targeted sectors will remain active in providing advice on sector-specific issues to the project team. There will be indicatively four SCCs – one responsible for the wood and metal industry, one for the tourism sector, one for the area of agri-food processing and one for a textile, apparel & footwear sector. These Committees will provide feedback during design, coordination, monitoring and evaluation of the GFF, related to their respective industries.

Table 1

The Project' Steering Committee (PSC)

The Project' SCC on Textile, Apparel and Footwear Industries

- | | |
|--|--|
| <ul style="list-style-type: none"> - Ministry of Foreign Trade and Economic Relations of BiH (MoFTER) - Representatives from FBIH Government / RS Government / Government of Brčko District (one each) - Directorate for European Integration - EUD BiH - German Federal Ministry for Economic Cooperation and Development (BMZ) - Representatives GIZ / UNDP / ILO (one each) | <ul style="list-style-type: none"> - Ministry of Foreign Trade and Economic Relations of BiH (MoFTER) - Ministry of Development, Entrepreneurship and Crafts of FBIH - Ministry of Economy and Entrepreneurship of RS - Ministry of Energy, Mining and Industry of FBIH - Government of Brčko District - Export Promotion Agency of BiH (advisory member) - Representatives of sectoral trade unions - Representatives of private sector (employers' organizations sector representative) - Representative ILO [One representative per institution] |
|--|--|

EU Support to Local Employment Partnerships - Phase II (LEP II)

Nature of issues to be addressed

Despite some positive developments in the labour market, most of the structural challenges remain. The country suffers from low labour force participation and a high level of unemployment. The share of undeclared work also remains high, but data collection is an issue, and the system needs to be improved. Active labour market policies are mostly focused on employment subsidies and not training programs. More robust activation, such as career counselling and outreach to jobseekers and profiling, including cooperation with employers, is still needed.

Like many others, the authorities in Bosnia and Herzegovina (BiH) found themselves confronting unprecedented events unfolding domestically, regionally, and globally during the COVID-19 crisis.

In 2016, the European Union supported ILO in the implementation of the project "Local Employment Partnerships in Bosnia and Herzegovina" and the development of 19 local employment initiatives. The established local employment partnerships (LEP) have proved that open dialogue between key stakeholders in the employment sector is a necessary precondition for generating new jobs at the local level. The results obtained from this project were used as a starting point for the LEP II.

The project *EU Support to Local Employment Partnerships - Phase II (LEP II)* is a development cooperation initiative that is being implemented under the framework of the Instrument of Pre-Accession (IPA) funded by the European Union (EU), more specifically the Annual Action Programme for BiH for 2019 (EU4 Employment and Education) with the objective to improve the socio-economic situation and living conditions in BiH by contributing to better employability in local communities.

The project is funded by the European Union with a budget of EUR 4,000,000.00 and the ILO contribution of EUR 125,525.10. The total budget of the project is EUR 4,472,525.10.

Project links to ILO's strategic framework and country strategic documents

The project supports the four Strategic Objectives of ILO's Decent Work Agenda: and contributes to the ILO's strategic policy frameworks i.e., the ILO Programme and Budget (P&B) 2020-2021 and 2022-2023 and related Policy Outcomes 3, 4 and 5., even though they were not explicitly mentioned in the project document, as those were not yet available when drafting the project document. It also supports the achievement of the SDGs, more specifically, SDG Goals: No 4 (Target 4.4), No 8 (Targets 8.5. and 8.6:)

The project is aligned with the main strategic documents and programs related to the economic development of BiH, such as the National Economic Reform Programme (NERP) and the BiH Economic Reform Programme (ERP) 2020-2022. The NERP, adopted in February 2015 by the BiH Council of Ministries, foreseen structural reform and measures referring to the education systems in BiH, inclusive employment and dialogue with social partners. The ERP BiH 2020-2022 treats employment and the labour market as priority reform areas.

Management set-up of the project

The project is managed, and technically and administratively backstopped by the ILO Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO), based in Budapest, which will provide the necessary administrative support and technical and project-backup services. A project office is set up in Sarajevo to manage and coordinate the activities and the ILO team for implementation of the project is consisted of:

- National Project Coordinator, Sarajevo (full time, 36 months)
- Project Monitoring and Evaluation Officer, Sarajevo (full time, 24 months)
- Project Officer, Sarajevo (half-time, 36 months)
- Administrative and Finance Assistant, Sarajevo (full time, 36 months)
- Professional staff Budapest: Senior Employment Specialist, 20 per cent
- Professional staff Budapest, Enterprise Specialist, 20 per cent
- Project Assistant, Budapest (25per cent, 36 months)

The project team works in coordination with the ILO National Coordinator for Bosnia and Herzegovina and reports directly to the Senior Employment Specialist based in the DWT/CO Budapest.

The project has established the Steering and Advisory Boards for the provision of strategic, political and technical guidance to the project, monitoring progress and assistance where possible in overcoming any obstacles to progress in any aspect of the contract. The composition of the Boards is presented in the Table 2 below.

Table 2

The Project' Steering Board (PSB)

- Ministry of Civil Affairs of BiH
- Labour and Employment Agency of BiH
- Ministry of Labour and Social Policy of the Federation of BiH Ministry of Labour and Veterans of the Republika Srpska
- Public Institute Employment Institute of the Republika Srpska
- Employment Institute of the Federation of BiH and
- Delegation of the European Union to BiH as a chair, represented by the Programme Manager
- International Labour Organization, represented by the ILO NC

The Project' Advisory Board (PAB)

- Ministry of Foreign Trade and Economic Relations of BiH
- Directorate for European Integration of BiH
- Ministry of Development, Entrepreneurship and Crafts of the Federation of Bosnia and Herzegovina
- Ministry of Economy and Entrepreneurship of the Republika Srpska
- Department for Economic Development, Sports and Culture of the Government of the Brčko District BiH
- Employment Institute of the Brčko District BiH
- Association of Municipalities and Cities of the Federation of BiH
- Association of Employers of the Federation of BiH Union of Employers' Associations of the Republika Srpska
- Union of Employers' Associations of the Brčko District of BiH
- Confederation of Trade Unions of BiH

ANNEX 5 LESSON LEARNED

ILO Lesson Learned

Project Title: COVID-19 INVESTMENT RESPONSE – EU4BUSINESS RECOVERY AND EU SUPPORT TO LOCAL EMPLOYMENT PARTNERSHIPS – PHASE II

Project TC/SYMBOL: BIH/20/01/EUR; BIH/20/02/EUR

Name of Evaluator: Natasha Mechkaroska Simjanoska

Date: 31 December 2022

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	The wide consultation processes, through the established steering and advisory committees, is an important factor for the projects' performance. The inclusive approach towards all relevant stakeholders ensures that all suggestions and concerns are taken on board. This has a positive impact on the implementation of the activities and contributes toward the sense of ownership among the key stakeholders.
Context and any related preconditions	The prevailing opinion among the stakeholders is that the inclusive approach by the ILO is a success contributing element.
Targeted users / Beneficiaries	ILO Budapest and other ILO offices
Challenges /negative lessons - Causal factors	
Success / Positive Issues - Causal factors	
ILO Administrative Issues (staff, resources, design, implementation)	

ANNEX 6 EMERGING GOOD PRACTICE

ILO Emerging Good Practice

Project Title: COVID-19 INVESTMENT RESPONSE – EU4BUSINESS RECOVERY AND EU SUPPORT TO LOCAL EMPLOYMENT PARTNERSHIPS – PHASE II

Project TC/SYMBOL: BIH/20/01/EUR; BIH/20/02/EUR

Name of Evaluator: Natasha Mechkaroska Simjanoska

Date: 31 December 2022

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	<p>Properly developed evaluation methodology, which ensured a transparent process of selection of the companies and LEPs to be funded. The methodology involved experienced and independent evaluation panel, as well as and observation by the project committees/boards.</p> <p>The 3-step application and selection procedure for the textile sector companies ensured that the companies meet the criteria without having the burden to acquire all the necessary documentation beforehand and finally verified the submissions</p> <ol style="list-style-type: none"> 1. concept note submission; 2. submission of documentation; 3. verification mission to verify if the stated capacity is realistic. <p>The methodology can further be used by the national and local institutions.</p>
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	This identified practice can apply to all projects that entail granting scheme.
Establish a clear cause-effect relationship	
Indicate measurable impact and targeted beneficiaries	
Potential for replication and by whom	
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	
Other documents or relevant comments	

ANNEX 7 ALL RELEVANT ILO EVALUATION GUIDELINES AND STANDARD TEMPLATES

- ILO Policy Guidelines for results-based evaluation, 2020
https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_571339.pdf
- Code of conduct form (To be signed by the Evaluation Consultants)
<http://www.ilo.org/legacy/english/edmas/eval/template-code-of-conduct.doc>
- Checklist No. 3 Writing the inception report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang--en/index.htm
- Guidance Note on Integrating gender equality in monitoring and evaluation of projects, and UNEG documents:
https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165986.pdf
- Checklist preparing the evaluation report: Checklist 4.2: [wcms_746808.pdf \(ilo.org\)](#)
- Checklist 6 rating the quality of evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang--en/index.htm
- Guidance note 7 Stakeholders participation in the ILO evaluation:
http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm
- Guidance Note on Evaluation lessons learned and emerging good practices:
https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165981.pdf
- Template: Emerging Good Practice (submitted by Evaluator):
<http://www.ilo.org/legacy/english/edmas/eval/template-goodpractice.doc>
- Template for title page of the evaluation report:
<http://www.ilo.org/legacy/english/edmas/eval/template-titlepage-en.doc>
- Template for evaluation summary:
<http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>
- Lessons Learned (submitted by Evaluator):
<http://www.ilo.org/legacy/english/edmas/eval/template-lesson-learned.doc>
- Implication of COVID-19 on evaluations in the ILO: Practical tips on adapting to the situation:
https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_744068.pdf
- SDG related reference material at: <http://www.ilo.ch/eval/eval-and-sdgs/lang--en/index.htm>
- ILO EVAL: [Guidance Note 3.2 on Integrating social dialogue and ILS in monitoring and evaluation of projects](#)

- Protocol to collect evidence on ILO response to COVID-19:
https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_757541.pdf
- i-eval Connect: Knowledge sharing platform -- Evaluation Office (EVAL)
- <https://intranet.ilo.org/collaborate/evalksp/Pages/default.aspx>
- ILO Library guides on gender <https://libguides.ilo.org/gender-equality-en>