

**Implementation of the IPA 2016 Support in the Sector of Competitiveness and Innovation
Action “Local Development Strategies”**

IPA 2016/037-889.7/Bosnia and Herzegovina/Local Development Strategies

**Summary of First Round of Stakeholder Consultation
(May 2017)**

Overview

GIZ experts held **16 individual meetings** with key stakeholders in May 2017, in order to obtain feedback on the Action Document, on key issues for the Action’s approach and activities as to be presented in the Description of Action, as well as on future involvement of stakeholders in the Action. In semi-structured interviews, key aspects were discussed along the following **guiding questions**:

- Comments on the Action Document, regarding the proposed activities relevant to your current work priorities and major challenges in your respective field of work?
- Which kind of short-term results do you see as most relevant for this project?
- How do you rate the importance of short-term results in terms of employment and export (achievable through supporting individual companies with grants) vs. long-term effects (achievable through supporting development partnerships that implement sector based support measures)?
- In how far do you see the possibility to transfer the BiH Reform Agenda on a local level, and how do you assess its relevance at this level and connected to the Action?
- What are main current processes within your institution (scope of work)?
- Which are key challenges and opportunities related to your field of work and what are possible solutions?
- Which support would you need related to the scope of the project? Which capacities would need to be enhanced?

Overall, interviewed stakeholders **agree to the scope of work** and approach proposed for the Action. During the interviews, **specific proposals** for the design of the Grant Fund Facility (GFF) and the Technical Assistance (TA) were made, in particular related to beneficiaries, thematic scope and national/regional/local coverage. **Interest for involvement** in Action activities as well as for participation in related committees has been confirmed.

Summary of Individual Meetings¹

Stakeholder name:	Federal Ministry of Development, Entrepreneurship and Craft
Representative name, title and contact details:	Dr. Jozo Bejić, Secretary Phone: + 387 36 449 123 Mob: +387 63 896 599 E-mail: tajnik@fmrpo.gov.ba
Meeting place:	Sarajevo
Meeting date and time:	May 15, 2017 at 5 p.m.
Meeting summary	
<ul style="list-style-type: none"> • The Action Document as the framework for the future project with proposed activities is well structured and it is completely in line with the activities of the ministry. • The competence for SME sector is mainly on the entity level and while there is the Strategy of SME development in RS, the Federation of BiH still does not have one, only the project task for development of the strategy. RS has its Agency for SME development while the FBiH does not have 	

¹ The summaries of the interviews have been shared for review with the interview partners. Where confirmation of summaries are pending, it is assumed that no objection will be raised.

one.

- The ministry has been implementing number of projects and activities in the field of entrepreneurship development, craft development, youth startups, women entrepreneurship, etc. This includes grant support, technical support, revolving loans, etc.
- The ministry considers this project very important to boost the entrepreneurship development and with coordination of activities it can be expected to reach higher effects in the ground.
- The ministry has been working on preservation of small traditional crafts and currently it is working on the new law on crafts which is expected to be adopted by the end of 2017.
- The BiH Reform Agenda is rather broad and general framework. Concrete initiatives such as this project can fit very well into it and make a link from the local level to the macro level.

Stakeholder name:	The Ministry of Foreign Trade and Economic Relations of BiH Sector for water resources, tourism and environment
Representative name and title:	Arna Ugljen-Kopić, advisor for tourism Julija Petrović, associate for tourism Phone: +387 33 213 420
Meeting place:	Sarajevo
Meeting date and time:	May 16, 2017
Meeting summary	
<ul style="list-style-type: none">• There is the “Tourism Development Strategy of Republic of Srpska 2010-2020”, but the “Tourism Development Strategy of Federation of Bosnia and Herzegovina 2008-2018” was never adopted by the Government of FBiHB.• The regulation in the FBiH remains an unsolved problem as well as in the cantons. RS is in a better position regarding the regulations and policies on tourism.• Tourism sector in BiH is facing a large problem of very limited workforce skills and that should be the starting point for developing activities in the future development projects. In addition to this, there are a number of other issues to be addressed such as environment and infrastructure, promotion and marketing.• The Technical Assistance should be focused on developing skills, knowledge transfer and sharing experiences and best practices. Along the Technical Assistance support the Grant Fund Facility should be balanced between final beneficiaries and intermediate level. The development of a partnership network would be a good approach. A good example of such a partnership network is the Tourism Cluster of Herzegovina where 28 different stakeholders (hotels, restaurants, touristic organizations, operators, municipalities, etc.) from both entities found their mutual interest and developed joint touristic offer.• Geographic coverage of the project should consider a regional approach based on mapping of key stakeholders and touristic opportunities. Still, there are well recognized places for touristic activities such as Sarajevo, Mostar, Medjugorije, Una river, etc. It is important to consider potentials for different types of tourism activities (adventure, religious, culture, medical, rural, etc.). Existing initiatives should be taken into the consideration (Via Dinarica, etc.).• Joint marketing strategy should be adopted and implemented. It is necessary to put focus on promotion via internet and other electronic media, social networks, etc.• The selection of the beneficiaries is to be conducted through public calls where each call or lot should focus on specific sub-sector or group of stakeholders in tourism sector.• BiH Reform Agenda is considered as overall platform for structural reforms to maintain macroeconomic stability and to boost growth and competitiveness.	

Stakeholder name:	The Ministry of Foreign Trade and Economic Relations of BiH Sector for economic development and entrepreneurship
Representative name and title:	Dragan Milović, Asistent Ministar E-mail: dragan.milovic@mvteo.gov.ba Phone: +387 33 552 540
Meeting place:	Sarajevo
Meeting date and time:	May 16, 2017
Meeting summary	
<ul style="list-style-type: none">• The minister cabinet officially received the Action Document which has never been forwarded to the	

Sector for economic development and entrepreneurship within the MOFTER, so the sector can still not perform official activities related to this Project. However, there is willingness to participate in the project, but the communication issue needs to be clarified and defined for the future.

- In general, the communication between all stakeholders, project implementers and donors should be improved, better coordinated and transparent. The roles and responsibilities have to be clearly defined from the very beginning.
- There is also a problem with internal communication and political issues which needs to be solved in the future. For example, there is still no ministry of industry at the state level nor the sector within the MOFTER. The ministries of industry exist on entity level. This gap on the state level create great problem in the communication, policy regulation, etc.
- MOFTER was involved in the working group on development of the Action Document along with other several institutions from the state and entity levels. The proposed activities in the Action Document are in line with recommendations of the working group.
- The MOFTER recommendation to GIZ is not to propose anything in the project document which would be substantially different from the Action Document.
- The MOFTER would expect that it will be challenging to measure and reach the indicators and this should be further clarified in the project document.
- MOFTER is interested to be a project beneficiary in terms of technical assistance in the form of trainings related to the activities 2.1. Capacity building of relevant stakeholders for monitoring and evaluation of local economic development measures and strengthening MSMEs support structure in mandatory cooperation with private sector and CSO and 3.3. Strengthen entrepreneurial spirit and facilitate start-ups for vulnerable groups.
- Implementation arrangements and roles and responsibilities of the project steering committee are of high importance and have to be defined in cooperation with relevant stakeholders. MOFTER is interested in having its role in the Steering Committee but it needs to be clarified whether it will have decision-making role or just monitoring. If it is only mentoring, the body should be properly named.
- It is recommended to produce a brief information (one sheet) on steering committee session which will be officially communicated with the ministers and other stakeholders who do not read long reports and details. It is better to unify the approach and information for all rather to let sectoral officials to prepare the information for the ministers and the governments.
- The new project should learn lessons from previous projects and it should also coordinate its activities with other on-going projects in order to avoid overlapping, but rather to join the efforts and resources and reach greater impact in the field. Also, it should be considered how to ensure the sustainability of all projects implemented so far.
- The visibility of the project is important. The effects and results should be presented and communicated to all stakeholders and the public.
- Tourism and agriculture are specific and would require regional approach, but it would be strongly recommended to consider and explore new regions, new options, new crops and agricultural activities. All of this is important to give the chance to those who are still underdeveloped or did not have the opportunity to participate in projects before. On the other side, there is a certain number of beneficiaries who are receiving donor support over and over again.

Stakeholder name:	The Ministry of Foreign Trade and Economic Relations of BiH Sector for Agriculture, Food, Forestry and Rural Development
Representative name, title and contact details:	Nevenka Dalač, Expert Advisor Phone: +387 33 953 510 E-mail: nevenka.dalac@mvteo.gov.ba
Meeting place:	Sarajevo
Meeting date and time:	May 16, 2017
Meeting summary	
<ul style="list-style-type: none"> • The general position of the Ministry of Foreign Trade and Economic Relations of BiH (MOFTER) regarding the Action Document and this initiative is very positive. MOFTER expressed its interest in providing all necessary support to the project, but also to have active role in it. The MOFTER sees its role as a member of the Steering Committee and would like to define the decision-making responsibility. It also needs technical support from this project (expertise in policy making, etc.). 	

- There was the working group consisted of different ministries from the state and entity level including MOFTER working on the Action Document. Considering the overall concept, the MOFTER finds it well-structured. The mixture of Technical Assistance with Grant Fund Facility is necessary and should be well coordinated and balanced. The MOFTER strongly support the concept of balancing Grant Fund Facility and Technical Assistance between direct support to individual beneficiaries such as SMEs, small crafts, etc. and partnership networks/intermediate level such as business incubators, clusters, chambers of commerce, development agencies, etc. The first should have immediate effects in employment, increasing production and sales, advancing technology, etc. while the other should have the long-term effects in advancing business environment, enhancing linkages and partnerships, building the infrastructure, policy framework, etc.
- The geographical coverage of the project should be regional based on the deep analysis rather to scatter the grants and Technical Assistance in small pieces all over the country. This means to involve the local communities and LAGs where possible.
- The biggest challenge is migration of the population especially in rural areas. Young people and whole families are migrating to EU countries looking for better life opportunities, job, education, security. This should be prevented by concrete measures which will provide these people the opportunity to work, start their own business and generate sufficient income to have decent life.
- The opportunity is to involve BiH diaspora, attract their investments by building business friendly environment, simplifying the business registration and administrative procedures and tax burdens and giving them good projects for investments.
- This initiative fits well into the BiH Reform Agenda as it is broad framework for socio-economic and related reforms on all levels including the local level. However, this general framework should be concretized through the action plan and coordinated initiatives such as this one.
- Regarding the agri-food industry, this project should coordinate its activities (in order to avoid overlapping and to get lessons learnt) with other ongoing and future initiatives and projects (such as USAID/Sweden FARMA II project which is working closely with the MOFTER on preparation of the Draft Strategic Plan for Rural Development in BiH; UNDP Birac project which was recently extended, or JICA funded project D-HOPE recently closed, on-going IFAD projects, UNDP BiH projects in agriculture, local community development, etc.).
- The minister Mr. Mirko Šarović together with its team recently developed the proposal for technical assistance in agri-food sector and sent it to the German Ministry of Agriculture and other governments and international institutions. The document is shared with GIZ experts and should be taken into consideration when developing TA for agri-food sector for this project.

Stakeholder name:	REDAH – Regional Development Agency for Herzegovina
Representative name, title and contact details:	Ivan Jurilj, director Phone: +387 36 557 210 E-mail: info@redah.ba
Meeting place:	via Skype conference call
Meeting date and time:	May 16, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Action Documents is well adjusted to the needs of the business environment and targeted sectors in Bosnia and Herzegovina. However, the Action Document is a broad framework which should be specified through the project document. It should define how the activities will be implemented. • The proposed approach of combining GFF and TA is good one, however it should give a little advantage to mezzo level rather than to the individual beneficiaries such as SMEs. The reason to this is that there have been a large number of international organizations and projects supporting directly micro level. The intermediate level has not been supported sufficient in the last decade. This particularly relates to the development agencies which were founded with support of EU in order to be support structures to businesses, and to coordinate and implement different initiatives and projects. The existing infrastructure should be used as it has necessary capacities for implementation of projects. • The project should be structured in a way to help the existing structures to build their capacities for preparation of BiH for EU integration rather than just providing support on micro level (individual beneficiaries). The IPA II is about setting up the system, the structure. In this respect REDAH 	

prefers to be supported through the concept “learning by doing”. So far, there were number of projects providing trainings and technical support in developing skills and this kind of support is not needed any more.

- REDAH is well established development agency in Herzegovina region. It leads the certification process for Business Friendly Certification Programme (BFC). The BFC as regional initiative (covering BiH, Serbia, Albania, Monte Negro, etc.) for certification of business friendly local communities can be a good framework for defining selection criteria for municipalities.
- GFF criteria have to be carefully defined and structured. The Action’s activities should be linked with the local development strategies as much as possible. The geographical coverage should be based on the regional level such as Herzegovina Cluster for Tourism which covers several municipalities linked by mutual interest of different stakeholders operating in tourism sector. In addition to the Tourism Cluster there is Wood Cluster in Herzegovina while the Metal and Plastic Cluster is in the process of establishment.
- The selection procedures (public calls, required documents, etc.) should be simplified in order to avoid confusion among the future beneficiaries and other stakeholders. Special attention to be paid on coordinating TA with GFF.
- BiH Reform Agenda is very broad framework and everything can fit into it from the very micro-level to the macro level. This Agenda is supposed to work on state level on defining policy measures which should integrate local level policies, measures, development strategies.
- Herzegovina has natural resources and good opportunities to be further explored and developed especially in the tourism, agri-food industry, but also IT sector, metal and plastic. Some of the challenges in tourism industry is regulatory nature which hinders small individual businesses to properly register for appropriate tourism business activity. This regulatory obstacle hinders individuals to be self-employed. Another issue is better linkages between regions and promotion of tourism offer.

Stakeholder name:	SERDA – regional development agency for Sarajevo region
Representative name, title and contact details:	Aida Duran, project manager Saneta Trnka, project manager
Meeting place:	Sarajevo
Meeting date and time:	May 16, 2017
Meeting summary	
<ul style="list-style-type: none"> • The focus of the Action Document on four sectors (agri-food, tourism, export oriented and entrepreneurship) is in line with the capacities and activities of SERDA which has been implementing a number of projects and initiatives. The latest project that SERDA is to implement is Challenge to Change financed by the SIDA where SERDA will provide all necessary support for servicing the grant facility for SMEs. This is how SERDA can be involved in this project in addition to the provision of TA to the project beneficiaries. • The criteria for selection of the project beneficiaries through public call should be well defined, clear and transparent based on previous in-depth analysis of needs and potentials across the country. Prior to the implementation of the project activities, it is necessary to coordinate with other projects in order to avoid overlapping and have better coordination in the field which should result in complementary activities. • In order to reach the long-term effect, it is necessary to work on policy solutions and building structures that will be strong enough to support SMEs, entrepreneurship, strengthen business environment and attract investments in the future. The medium effects can be reached by providing direct support to the partnership networks, intermediate level which will serve as a platform for future development. • However, it is also important to support directly SMEs and other beneficiaries with TA and GFF in targeted regions. • SERDA is the partner to the Business Friendly Certification Programme. This platform could be considered as a framework for selection of municipalities or defining the measures for enhancing business environment and entrepreneurship. • One of the challenges is that there is mistrust among the SMEs and through partnership networks it should be strengthened. 	

- BiH Reform Agenda is macro framework for the entire country however it should go from the bottom up which means from the local level where the development agencies are more focused and this include business environment, employment, entrepreneurship, etc.

Stakeholder name:	REZ – Regional Development Agency for Central BiH Region
Representative name and title:	Maja Kišić, director Phone: 062 343 298 E-mail: maja@rez.ba
Meeting place:	Sarajevo
Meeting date and time:	May 16, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Action Document with proposed activities fit well with the needs in the targeted sectors and all of them are relevant for REZ and its capacities/activities. • The intermediate level should be more involved and existing structures used such as developing agencies which were established through IPA 1, but lately these capacities have not been sufficiently utilized. There is no need to build new infrastructure. It would be reasonable to use the existing once and further strengthen their capacities. • The criteria for selection of project beneficiaries should be clear and transparent. The TA and GFF should be well linked to each other and developing agencies should be considered as intermediators to further deliver TA and potentially GFF to the final beneficiaries (i.e. SMEs, etc.). • It is advised to look into the partnership networks which will provide long-term effects. • BiH Reform Agenda is macro framework for the entire country however it should go from the bottom up which means from the local level where the development agencies are more focused and this include business environment, employment, entrepreneurship, etc. 	

Stakeholder name:	Ministry of Economic Relations and Regional Cooperation of RS Ministry of Industry, Energy and Mining of RS
Representative name, title and contact details:	Darko Telić, Head of Division for Funds and Development Assistance for European Union Bogdan Vicanović, associate Phone: +387 51 339 715 E-mail: d.telic@meoi.vladars.net Milka Latinčić, Head of Department Phone: +387 51 338 374 E-mail: m.laticinc@mier.vladars.net
Meeting place:	Banja Luka
Meeting date and time:	May 18, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Ministry of Industry, Energy and Mining recommended to the GIZ experts to invite the RS Ministry of Economic Relations and Regional Cooperation to the meeting, as it was not originally planned since this ministry was not recognized as one of the key institutional stakeholders by the Action Document, but as being nominated, by the RS Government, coordinator for the all EU financial instruments as well as focal point for further communication with other ministries within the RS Government, it participated in the meeting. • Regarding the package IPA 2015 (it contains Action document) the RS Government neither did it give consent to the package IPA 2015 (conclusions of the RS Government from 2015 presented at the meeting) due to fact that the RS government nor the ministries did not receive a final version of the Action Document officially, nor in the Action Document were completely accepted comments and suggestions of the RS representatives in the working group. During the identification stage it was suggested to dedicate larger amount of support directly to the SMEs since the intermediate stakeholders have received significant support in the past. • Regarding the Strategy development methodology in RS, it is a top-down approach from the entity to the local level. All strategies on the local levels are adjusted to the entity sectoral strategies. 	

Currently the ministries within the RS Government are in the process of developing sectoral strategic plans for the period 2018-2020. Therefore, local level strategic plans must be in line with the republic sectoral strategies.

- The selection criteria and public calls have to be clear, simple and transparent. The RS ministries are very much interested in being involved in defining the criteria for selection of SMEs. In this regard, the methodology for selection should be developed and adopted jointly and the training on scoring methodology should be organized for the ministries in order to better understand the processes. This is not only for the purpose of this project, but to build internal capacities of ministries to understand the whole process when developing their projects, selection criteria and monitoring. Everything should be based on EU practices. Furthermore, the ministries are interested to be involved in the activities related to HORIZON and COSME trainings as well as the RS Agency for SME development.
- There are different practices and structures of project management such as having Executive Committee and Advisory committee within Steering Committee and where the BiH level ministries and executive agencies are presented in the Executive while the RS ministries and executive agencies are presented in the Advisory Committee. This is something that is not really functional, and therefore Executive Committee should be comprised by the ministries from all levels of authority, while Advisory should gather executive agencies from all level. Following this rule MERRC should be beside DEI appointed as observers with no voting power.
- The Ministry has mandate for creation, financing, implementation and monitoring/reporting sectoral strategy and the Agency for SME development is the implementation body. On the local level there are municipal/city development agencies or departments within the municipalities.
- SBA is a measured at the state level as the average result of the progress made in the individual entities and is not giving the true insight into the progress made in the different part of the country, which disable proper distribution of the actions needed.

Stakeholder name:	The Ministry of Agriculture, Forestry and Water Management of RS
Representative name, title and contact details:	Zoran Kovačević, assistant minister Dragan Vučković, PA coordinator
Meeting place:	Banja Luka
Meeting date and time:	May 18, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Action Document is in line with the adopted Strategy of agricultural and rural development in RS. All activities defined in the Action Document regarding the agri-food industry are accordingly in line with the Strategy and activities implemented by the Ministry. • This is a large-scale project which is designed to have impact on several sectors and it should be well coordinated with other projects and initiatives. There is a working group for agriculture on the state level coordinated by the MOFTER, however it is not working efficiently. One of the problems is that the creditors and donors are treated in the same way which is not acceptable. However, it is necessary to have such a working group on the state level and TA to this working group would be beneficial. • The general issue with monitoring mechanism established through other projects is that it is not operational yet. It could be done through this new project. It will require training of all relevant ministries and stakeholders and transferring the methodology to them. The aim is to build capacities and strength their structure for future EU projects. • The project document to be developed based on this Action Document should remain flexible with regard to the activities related to the agri-food sector as it is very dynamic industry. In more detail, the activities should not be locked by geographic region before the inception phase is completed and analysis conducted. Similar approach is implemented by the new IFAD project. • The agri-food sector should be closely linked to the tourism through rural development. The focus should be on developing locally made products. The project should support individual farmers to standardize their production, to meet all food safety requirements, but also to help them in promotion and marketing. This is especially related to the autochthonous products. • GFF with TA should be balanced between the individual beneficiaries such as farmers, associations, cooperatives, SMEs on one side, and the intermediate stakeholders (advisory services, laboratories, etc.) on the other side. 	

Stakeholder name:	CIDEA
Representative name, title and contact details:	Mario Milanović, Director Vesna Marinković-Vojvodić, project manager Phone: +387 51 433 460 E-mail: mario.milanovic@cidea.org
Meeting place:	Banja Luka
Meeting date and time:	May 18, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Development Agency of the city of Banja Luka is a local development agency operating in the wider area of Banja Luka. The founder of the agency is the city of Banja Luka. The agency has experience in developing projects in business development, business incubators, start up for young people, etc. • The agency is interested in cooperation and further development of its capacities. • The Action Document with proposed scope of activities is in line with the scope of work and activities implemented by CIDEA. • The Agency is in the process of mapping the location in the city of Banja Luka for business incubators which will support start-up especially women and youth entrepreneurship. This is something that should be further developed and could be interesting for the new project. • There is a good potential for development of IT hubs in Banja Luka, but also agriculture and tourism. All activities should result in concrete products for each sector. • There is ongoing activity of analysis of tourism sector in wider region of Banja Luka and developing new promotion campaign and branding. The city is in the process of defining a new action plan for tourism. • The new project should balance its TA and GFF between the individual beneficiaries and intermediators where the focus would be on the latest. In the agri-food sector the reference is given to the locally made products which should be promoted and sold locally. It would be recommended to develop local brands by micro regions or autochthonic products. This will boost small individual farms and crafts to generate incomes and have the rural population to remain in their villages. Rural tourism has great potential to be further explored and developed. Local associations and NGOs should be included in the project activities. 	

Stakeholder name:	Enterprise Development Agency - EDA from Banja Luka
Representative name, title and contact details:	Goran Janković Phone: +387 51 300 241 E-mail: goran.jankovic@edabl.org
Meeting place:	Banja Luka
Meeting date and time:	May 18, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Enterprise Development Agency was established 19 years ago to work on creation and implementation of knowledge needed for development of enterprises and local communities in Bosnia and Herzegovina and in Western Balkans region. • The Action Document is a basis to develop concrete measures, actions with expected results and timeline. It is recommended to apply “adjusting mechanism” in the project document – not to completely fix the activities and expected results as the situation in the reality is very dynamic and it might require some adjustments when the project comes into the implementation stage. The project should have this flexibility. • It is good to coordinate activities between projects and with other stakeholder to avoid overlapping, but also to strengthen each other’s efforts and complement the activities and project effects for long-term sustainability. • In addition to strengthening capacities of individual stakeholders through project interventions (e.g. improvement of technology in SMEs and research institutions through grant support), attention should be also paid to establishing and strengthening interactions among stakeholders (e.g. between 	

SMEs and education and research institutions) to enable use of resources for improvement of competitiveness of SMEs

- SMEs are the engine of the BiH economy and they should be directly supported through the Technical Assistance and Grant Fund Facility. However, the stakeholders on the mezzo level have crucial role to improve business friendly environment in cooperation with local communities, create innovative partnerships, in general to build the lasting structure to support SMEs. In this respect the project support should go into both directions.
- SMEs need a wide scale of support from promotion and marketing, knowledge transfer, development an innovation, B2B, etc. To some extent, there is mistrust between SMEs and they are burdened with the competition. The project should enhance the mutual cooperation and work on building the trust between them (similar action was implemented through CREDO Project).
- The municipalities are important players and they should be included in the project. The BFC concept may be taken as an indicator of their readiness for efforts to enable business friendly environment.
- Skilled labor is a problem as well as the migration of the population.
- The interaction between the education organizations and the business community is still very poor and this should be enhanced through the project.

Stakeholder name:	Agency for development of SME in RS
Representative name, title and contact details:	Marinko Đukić, Director Phone: +387 51 222 120 E-mail: marinko.djukic@rars-msp.org Bojan Ćudić, Head of Department EEN of RS Mićo Stanojević, head of Department for Project Planning and Implementation
Meeting place:	Banja Luka
Meeting date and time:	May 18, 2017
Meeting summary	
<ul style="list-style-type: none"> • The Agency is an implementation body of the RS Strategy of SME Development. The Agency is an implementing partner not only to the RS Government but to the number of international organizations and projects such as Challenge to Change funded by Sida, Skills for Job Program by PrilikaPlus, Adriatic Danubian Clustering, etc. • The activities defined in the Action Document are in line with the RS Strategy of SME Development and the scope of work of the Agency. • The identified export oriented sectors are crucial for economy of BiH and the priority should be given to the SMEs in terms of Grant Fund Facility and Technical Assistance. • The Agency sees its role in the project as the intermediary which will provide Technical Assistance support to SMEs. The Agency has a network of experts that could be used for different activities such as value chain analysis, market research, etc. The methodology implemented by Sida through the Challenge to Change programme, where the Agency provides technical assistance in consortium with Sarajevo Development Agency SERDA, is a good one and the Agency would recommend the similar methodology to be implemented through this project. For additional potential information, it is necessary to contact Sida department in Embassy of Sweden in BiH. • The key challenges in BiH are migration of the population from rural areas and in general from BiH to other countries. • The Technical Assistance and Grant Fund Facility should go both to micro businesses especially in rural areas and so called “gazelle” SMEs which are leaders in certain value chains. • Considering the issue of providing support to NGOs through the upcoming project the Agency is sceptic about the sustainability and continuity of their work. • The BiH Reform Agenda is a political issue and should not be in focus. It is a broad framework, more general. 	

Stakeholder name:	Ministry of Environment and Tourism of FBiH
Representative name, title and contact details:	Helena Bilbija, expert advisor for tourism helena.bilbija@fmoit.gov.ba

Meeting place:	Sarajevo
Meeting date and time:	May 19, 2017
Meeting summary	
<ul style="list-style-type: none"> • The activities (related to tourism sector) defined in the Action Plan are in line with the activities of the Federal Ministry of Environment and Tourism. The ministry however has very limited human and financial resources to implement all planned activities. • Considering the geographical coverage for the project activities, it should be defined after the inception phase of the project. The recommendation is to concentrate on the regions with the highest touristic potentials such as Sarajevo, Mostar or Herzegovina-Neretva Canton, Una-Sana Canton, etc. The TA with GFF should be well balanced between the micro beneficiaries (touristic agencies, operators, guesthouse, hotels) and the intermediators (association, clusters such as Herzegovina Touristic Cluster, etc.). • The selection criteria should be simple, clear and transparent. There should be different lots in the public calls. The ministry would like to be involved in the selection process in order to learn the methodology of preparing the public call with defined criteria in line with EU practices/format. Furthermore, the ministry needs to build its capacities in scoring the projects, the evaluation and monitoring process. This will enable the ministry to efficiently and successfully run its own public calls. • The ministry has limited budget for grants and would like to utilize it efficiently by combining with donor funds. • The challenges in the touristic sector are the lack of practical skills and knowledge of employees and professionals. There are just couple of high schools for tourism in the FBiH and they do not produce enough skillful workers. • The lack of the Strategy on Tourism in the FBiH is a burning issue. Several years ago, there were certain attempts to develop it, but it has never been adopted due to the political reasons. By time the information in the draft version of the strategy become irrelevant and outdated. The Ministry asked UNDP for technical support in conducting analysis and research in order to collect all relevant data for the new strategy. • Another issue is the Law on touristic associations/communities which was declared unconstitutional in 2014. The key issue is the competence over the touristic association – municipalities or cantons. The law foreseen to shift the competence from the cantons to the municipalities, however the cantons were reluctant to accept this transition of competence. • The ministry is competent for the categorization of hotels in the FBiH, there is need for capacity building, transfer of knowledge and best practices. • The ministry is competent for licensing the touristic guides (acc. 1,000 licensed touristic guides in the FBiH). The problem the touristic guides are facing with is how to be registered and pay taxes as currently this is not well regulated. • BiH Reform Agenda is a framework where the tourism can easily fit in and link it to the local levels (example is the adoption of the Law on touristic associations which would be in the competence of the municipalities) 	

Stakeholder name:	Ministry of Agriculture, Water Management and Forestry of FBiH
Representative name, title and contact details:	mr.sci. Nijaz Brković, Assistant Minister Phone: +387 33 726 591 Email: nijaz.brkovic@fmpvs.gov.ba
Meeting place:	Sarajevo
Meeting date and time:	May 31, 2017, 10:00 a.m.
Meeting summary	
<ul style="list-style-type: none"> • The Ministry of Agriculture, Water Management and Forestry of FBiH is interested in participating in the implementation of this project. • It is defined that 6% of the annual budget of the ministry should be used for the implementation of the strategy, in reality up to 3% is utilized for strategy implementation. • The ministry will review its activities and work plan in order to propose concrete activities or give specific recommendations for this project. 	

- It is agreed to send the questions in order to enable the ministry to collect all information and provide in written format as there was not sufficient time to go through the Action Document into details.
- It is expected to receive some feedback by June 10, 2017.

Stakeholder name:	Ministry of Trade and Tourism of RS
Representative name, title and contact details:	Irena Kisić-Plavšić, Head of department of European integration Phone: +387 51 338 753 E-mail: i.kisic@mtt.vladars.net
Meeting place:	Sarajevo
Meeting date and time:	June 1, 2017, 09:00 a.m.
Meeting summary	
<ul style="list-style-type: none"> • The Ministry of Trade and Tourism of RS confirmed that the RS ministries were included in the consultation process during the early stage of development of the Action Document. However, the ministry as other RS institutions were not included in later stage of consultation and have never officially received the adopted document. • The Action Document is in line with general recommendations as well as with the scope of work of the RS Ministry and Strategy for tourism. RS has good regulations which were recently harmonized with EU including the Strategy for Tourism. Regarding the regulation and policy level the ministry does not need any particular Technical Assistance. • The ministry has a grant program on annual basis: a) capital investments for large-scale infrastructural projects up to 2 million KM and b) ongoing grants scheme for physical entities, NGOs, legal entities, etc. • The priorities for further development are rural development, winter tourism, creation of new products and offers. Special attention is also given to the women entrepreneurs as carriers of the rural tourism development. • The Ministry developed the Human Resource Development Program based on the situation analysis and need assessment in tourism sector. This document could be a good starting point to develop concrete measures in the project related to the vocational training. This is particularly important as the amended regulations on tourism will require certain qualifications for certain professions. • Another major problem which hinders development of tourism industry in RS is poor quality of infrastructure (poor condition of roads, airports, poor traffic connections, web portals, applications for promotion, etc.) and safe environment (mine fields, dumps, mapped paths, etc.). • The key problem of RS tourism in general is that is a transit tourism (tourists usually come from neighboring countries for a day). • The Technical Assistance should be well coordinated with the Grant Fund Facility. The focus should be on final beneficiaries such as rural households (currently having issues with the form of registration and high taxes), tour operators, NOGs, small crafts, etc. rather than the intermediate level given the specific nature of tourism. The touristic organization of RS should be included through promotion and marketing of new products and services. Local fairs and events are also to be considered such as OK fest in the national park of Sutjeska or international competition in rafting on the river of Vrbas, etc. The capacities of the national park are poor and require larger investments. • The BiH Reform Agenda is familiar concept and it will be further elaborated by the ministry after sharing this summary. What is expected from the ministry related to this question is to share its view of how this Agenda can be transferred from the general, macro level to the local level? How tourism can fit into this agenda? 	