

Project Summary:

Small Business Act - Strategic and Policy Framework in BiH (SBA in BiH)

Problem

Failures of former and present efforts to harmonise legal, strategic and policy framework for SMEs in BiH could have several interconnected causes: an approach that was not suited to the problem context (top-down approach in a context of very decentralised responsibilities for SMEs); a strong orientation on international expertise in a complex situation; dominant use of public sector perspective; and a lack of common methodological framework that could be acceptable for all key stakeholders and used in all phases of policy/strategy development.

Consequences includes: very fragmented and reduced international and donors assistance (as the main source of financial and technical support to SME development in BiH); significantly reduced impact of local efforts and resources invested in SME support; failure to consider perspective of SMEs and improvement of their performances; and constantly repeated lack of progress regarding SME policies in Annual BiH Progress reports prepared by the European Commission.

Main Idea

To use and adapt Small Business Act (and SME Policy Index) as a common methodological framework to harmonise legal, strategic and policy framework for SMEs in BiH, by encompassing all stages of policy development (planning, implementation, M&E, revision) and facilitating interactions of key stakeholders.

Overall Objective

Support institutions in BiH to accelerate economic integration with the EU in the field of SME strategic and policy framework, with higher impact on performances of SMEs in the country.

Specific Objective with Expected Results

Harmonised legal, strategic and policy framework for SMEs in BiH based on Small Business Act (SBA) as the main guideline for Western Balkans countries, gradually achieving:

1. Improved implementation of SME focused strategies and plans, focused on projects/policies related to SBA (Strategy Implementation Enabling Mechanism);
2. Common methodology for planning, implementation, M&E and revision of SME focused strategies and plans in BiH (based on SBA and SME Policy Index);
3. Revision of current and planning of new strategies and policies for SME development by applying the common methodology;
4. Harmonisation of laws related to SME in both entities and Brcko District;
5. Public-private dialogue being institutionalised as a tool to support SME development at all administrative levels in BiH;
6. Development and promotion of harmonised policies and practices aimed to SME development.

A minimum of activities to achieve these results is elaborated in the project proposal. Key method is facilitation.

Key Stakeholders

- Ministry of Foreign Trade and Economic Relations of BiH;
- FBiH Ministry of Development, Entrepreneurship and Crafts;
- RS Ministry of Industry, Energy and Mining;
- Brcko District Government - Department for Economic Development, Sports and Culture;
- Two Local Self-Government units
- Sida / Embassy of Sweden in Bosnia and Herzegovina – funding of the project;
- Eda – Enterprise Development Agency – project management, implementation and facilitation of interactions.

Timeline

August 1, 2017 – December 31, 2021

Phases and Focuses

1. phase: August 1, 2017 – July 31, 2018

Support to improved implementation of SME focused strategies and plans; harmonisation of legal framework with SBA; development of the first (conceptual) part of common methodology for planning, implementation, M&E and revision of SME focused strategies and plans.

2. phase: August 1, 2018 – July 31, 2019

Support to improved implementation of SME focused strategies and plans (continuation); development of practical part of common methodology for planning, implementation, M&E and revision of SME focused strategies and plans; revision of current SME focused strategies and plans.

3. phase: August 1, 2019 – July 31, 2020

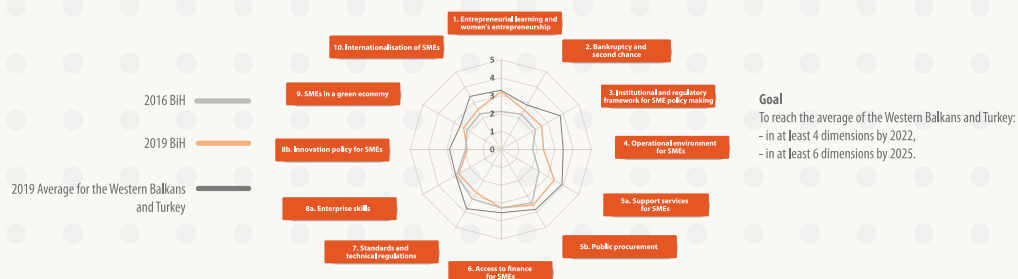
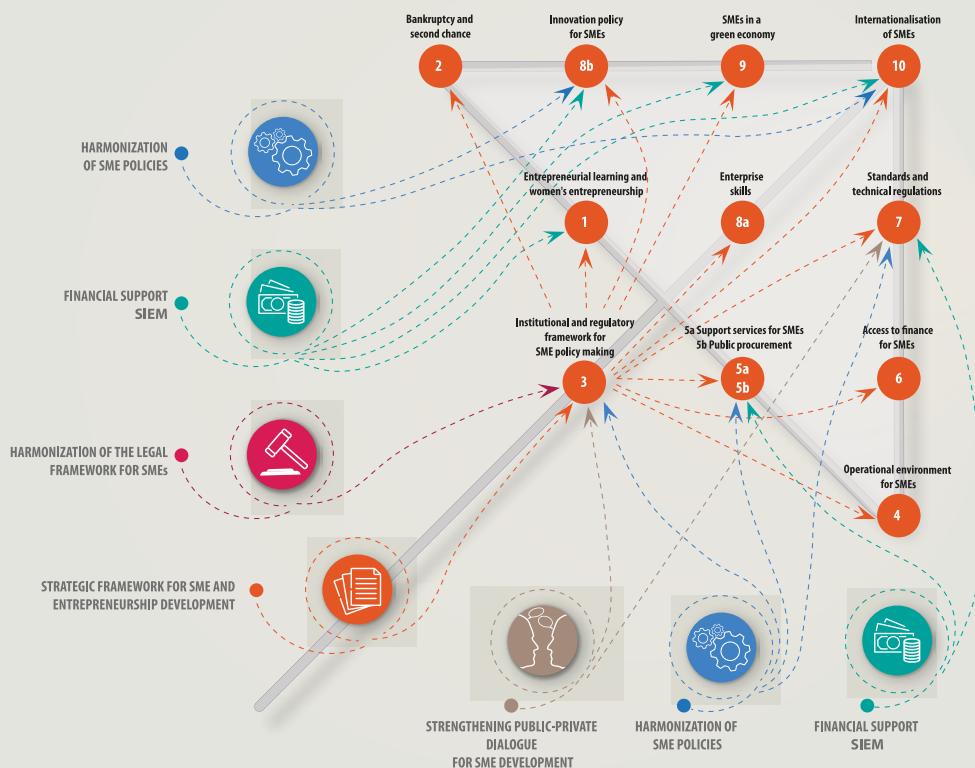
Support to improved implementation of SME focused strategies and plans (continuation); development of new SME focused strategies and plans (2021-2027) based on common methodology for planning, implementation, M&E and revision; development of harmonised policies and practices aimed to SME development; promotion, institutionalisation and strengthening public-private dialogue at all levels.

4. phase: August 1, 2020 – December 31, 2021

Ensuring sustainability of Strategy Implementation Enabling Mechanism; finalisation and promotion of new SME focused strategies and plans (2021-2027); finalisation and promotion of harmonised policies and practices aimed to SME development; support to improved functioning of public-private dialogue.

Source of Funding

Swedish International Development Cooperation Agency (Sida) through the Embassy of Sweden in Bosnia and Herzegovina.



**HARMONIZATION OF THE LEGAL
FRAMEWORK FOR SMEs**



In the legal solutions related to the development of SMEs in the Republika Srpska, the Federation of BIH and the Brčko District of BIH:

- the definition of SME was harmonized,
- SBA principles and their operationalization were defined through strategies and action plans and
- the public-private dialogue was formalized.

**STRATEGIC FRAMEWORK FOR
SME AND ENTREPRENEURSHIP
DEVELOPMENT**



Within the SBA project in BIH, the following were prepared:

- Standardized methodology for strategic planning and management of SME development,
- Strategic guidelines for harmonization of support to SME development in BIH,
- SME and Entrepreneurship Development Strategy of the Republika Srpska,
- SME Development Strategy of the City of Zenica,
- SME Development Strategy of the City of Banja Luka.

Preparation of the following documents is ongoing:

- SME and Entrepreneurship Development Strategy of the Federation of BIH,
- SME and Entrepreneurship Development Strategy of the Brčko District of BIH.

**FINANCIAL SUPPORT
SIEM**



Through the financial support SIEM, which is being used to improve the implementation of SME-focused strategies and plans, the projects focused on improvements in the following areas were supported:

- women's entrepreneurship,
- technical standards,
- energy efficiency,
- introduction of innovations in SMEs,
- accreditation of methods in area of standardization,
- organization of online fairs.

**HARMONIZATION OF
SME POLICIES**



Achieved contribution to the harmonization of SME policies related to:

- standards and technical support,
- internationalization of business,
- public procurement,
- state aid for SMEs and
- innovation in SMEs.

**STRENGTHENING PUBLIC-PRIVATE
DIALOGUE FOR SME DEVELOPMENT**



Support to the strengthening of PPD through regular mechanisms (business councils), with a focus on SME development as well as through less formal forms of PPD (conferences, workshops, etc.).

The Guide on PPD for SME development in BIH.