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## Programme for Local Self-Government and Economic Development, EU ProLocal

EU ProLocal is a joint programme of the European Union and the German Government for local self-government and economic development in Bosnia and Herzegovina.

<b>Funding:</b>	European Union: 9.000.000 EUR German Federal Ministry for Economic Cooperation and Development: 4.000.000 EUR
<b>Duration:</b>	2016 - 2018
<b>Implementer:</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Photo: EU ProLocal



A Company, the grant Beneficiary , Gradiška, 2017

### About the Programme

In the course of providing assistance to economic recovery of areas affected by floods in 2014, the European Union allocated 9 million EUR to the project "Recovering SMEs in flood-affected areas and strengthening their competitiveness based on local economic development partnerships". With the additional 4 million EUR from the German Government, this project constitutes Programme for Local Self-Government and Economic Development – EU ProLocal.



Info-session about grant assistance, Teslić, 2016

The Programme supports networking among local and regional actors, including municipalities, companies, educational and research institutions, cooperatives, development agencies, NGOs and citizens' associations to implement jointly developed initiatives focused on private sector development, innovations and jobs creation.

Partnerships of municipalities that were affected by the 2014 floods and municipalities that were not directly affected will contribute to a sustainable floods recovery.



B2B Meeting, Banja Luka, 2016

The Programme supports the development of innovative products and services that enable companies to operate more efficiently and to integrate into international value chains. At the same time, it helps local administrations to improve business environments and to provide services needed by companies.

The Programme includes advisory and financial support in form of grants.

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"The European Union is made up of 28 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders".

## Context

The floods that occurred in Bosnia and Herzegovina in May 2014 caused a chain of negative events affecting the business operations of small and medium enterprises: damaged production capacities, loss of stocks resulting in a decrease or discontinuation of production, and eventually cancellation of orders and loss of buyers. As a result, there was a slowdown in development of companies, which had to focus their efforts on damage recovery rather than on market opportunities.

Such circumstances have additionally weakened the competitiveness of SMEs from Bosnia and Herzegovina in the domestic and European market.

In order to strengthen their position in these markets, their products and services have to comply with market requirements, they have to be innovative and to meet and maintain quality standards.

A frequent obstacle for the development of companies is a limited access to necessary information, business expertise and practices as well as business services. The complex business environment is an additional restriction. International reports, such as the Doing Business Index, Global Competitiveness Report or SME Policy Index, indicate that Bosnia and Herzegovina is lagging behind other comparable countries when it comes to simplicity of business company registration or permit issuance process.



A flooded company, Gračanica, 2014

