



MarketMakers Ex-post Review

Final report, May 2026

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1 Executive Summary

1.1 Purpose and objectives of the review

The Swiss Embassy in Bosnia and Herzegovina (BiH) commissioned an Ex-post Sustainability Review (ExPSR) to assess and capture the long-term effects of the MarketMakers project. The rationale of the review is to:

- Verify and gather evidence regarding the systemic changes catalysed by the Project, including the extent to which changes have been sustained by market actors beyond the end of the project, and other actors have replicated and responded to Project-supported changes;
- Generate learning for practitioners and funders, including real-life case studies and insights that can be used to inform future refinements and improvements to the Market Systems Development (MSD) approach and associated frameworks and guidance.

The Review is designed to contribute to the evidence-base regarding the benefits of the MSD approach, particularly in relation to sustainability. However, the Review was *not* designed to evaluate whether MSD as an approach works better or worse than other aid-development approaches.

The primary audiences for the Review are:

- System approach funders (donors), with the aim of helping donors in the design and steering of future MSD projects;
- Implementors of projects applying systemic approaches and other development practitioners;
- Academicians and experts in economic development and related fields.

Overview of the MarketMakers project

The MarketMakers project, fully funded by the Swiss Agency for Development and Cooperation (SDC), was implemented by the consortium HELVETAS Swiss Intercooperation and Kolektiv (BiH) over three phases (2013–2023). The final phase (June 2021 to May 2023) aimed at consolidating the key systemic changes achieved during the previous two phases.

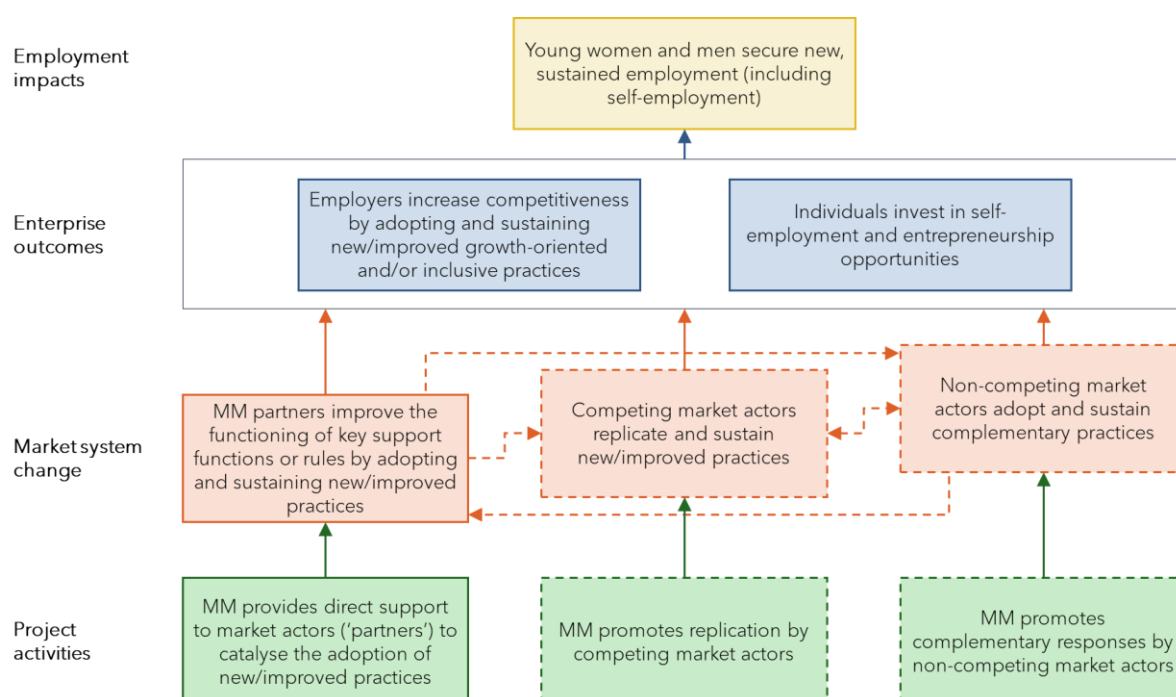
The overall goal of the Project was to ensure increased and better employment opportunities for young women and men in BiH and their ability to realise entrepreneurial opportunities in the long term, thereby improving their sustainable participation in the labour market.

Using the MSD approach, MarketMakers implemented targeted interventions aimed at creating or improving underdeveloped and/or missing market functions, leading to the development of better functioning and more inclusive market systems. The project prioritised four key sectors – Business Processes outsourcing (BPO), Information Technology (IT), food production and processing, and tourism. Phase 3 primarily focused on BPO and IT-related sectors, as well as various cross-cutting functions that support youth employment. The Project partnered with a range of market actors from the public and private sector and civil society (particularly business associations).

1.2 Summary of the review methodology

The foundation for the ExPSR is the **Review Framework**. The Framework consists of a simplified Theory of Change that maps the key levels of results and impact – see Figure 1.

Figure 1: Review framework



The main focus of the Review was the market systems change level. The Review considered the extent to which market system changes catalysed by the Project translated into improved employer performance, investment behaviour, and employment opportunities, particularly for youth. However, the review did *not* attempt to re-quantify impact-level results post-hoc.

The ExPSR employed two main research methods:

- **A document review**, including a 'critical reading' of key project documents such as annual reports, and a sample of intervention-level documents such as partnership agreements. Secondary documents were also reviewed in order to identify relevant contextual factors and trends.
- **Semi-structured interviews** with key project staff, plus a sample of project partners, enterprises / individuals, and potential cases of replication or response. Interviews with key informants were also used to identify wider market systems changes and other relevant contextual factors and trends.

Given the number of interventions implemented by MarketMakers since 2013 and the resources available for the ExPSR, it was not possible to review the documentation or conduct in-depth interviews for all interventions. The review therefore selected a sample of five 'deep-dives': BPO and IT sector promotion¹, e-commerce, student employment reforms, non-formal education (nFE), and freelancing.

See Annex A for a full description of the Review methodology.

¹ This encompassed the 'Destination Marketing and Investor Services' intervention and the Project's work in creating and supporting a new association in the IT sector.

1.3 Headline findings

A summary of the main review findings, from each 'deep-dive', is provided below. The evidence-base and strength of evidence for each finding is detailed in Section 2.

IT and BPO sector promotion

The ambition of the Project was to improve the attractiveness of BiH as a BPO destination by establishing three sets of inter-linked functions: information provision to investors and clients (destination marketing), investor services, and policy reforms aimed at creating a more conducive environment for BPO companies. By the end of the project, MarketMakers had catalysed a number of changes in the market:

- A new BPO association, ABSL BiH, was established in 2019. By 2022/3, ABSL had started to contribute to the development of the BPO sector through various services and initiatives, but was not yet considered fully sustainable by the Project.
- Recruitment company ManPower produced the first Talent Availability Study in 2020, aimed at providing valuable information to potential BPO investors. ManPower subsequently entered into a partnership with ABSL to produce and disseminate the study annually.
- Swedish BPO company Transcom opened its first office in BiH in Tuzla in 2020. By 2022/3 it had opened two further offices and employed 400 people.
- A BPO Sector Roadmap was developed by Government of Sarajevo Canton.
- In the IT sector, Bit Alliance was established in 2014. A flagship initiative was the careers portal ITkarijera.ba, which had reached 150,000 visitors by 2021.

The Review found that, post-project, many of these market systems changes had been sustained and internally scaled by market actors. In several cases, these changes appear to have made significant contributions to enterprise outcomes and employment impacts:

- In the BPO sector, there has been a sustained improvement in the destination promotion and investor services functions – led by ABSL and ManPower – likely leading to the entry of new BPO companies and the creation of hundreds of new jobs. The entry and expansion of Transcom also appears to have created a demonstration effect for other BPO investors in BiH.
- Also in the BPO sector, there has been some sustainability in the advocacy function, although there has been limited improvements in the policy / regulatory environment to date.
- In the IT sector, there has been a sustained improvement in the information provision and jobs matching function, via ITkarijera.ba.
- Also in the IT sector, there has been a sustained improvement in the advocacy function. The main impact has been in the area of skills provision, where there has been a significant expansion in the provision of formal IT education via universities. The success of other advocacy and policy initiatives has been mixed.

e-commerce

The strategic ambition of the Project was to support the growth of the e-commerce market in BiH through the creation of a BMO and by catalysing improved e-commerce services for MSMEs. By the end of the project, two main market systems changes had been recorded:

- Two 'competing' e-commerce associations were established. By 2023, eComm had successfully attracted members and, with MarketMakers and GiZ support, had delivered a number of services and events.

- Nine local IT companies, plus OLX (a popular local digital marketplace), participated in an initiative designed to increase the adoption of locally-designed webshops by small and medium enterprises, with 38 new webshops created.

The Review found a high degree of post-project sustainability, across multiple functions:

- There has been a sustained improvement in the demand-side confidence building function, although the scale of these efforts remains relatively limited.
- There has also been a sustained improvement in the information and service provision function through the activities of both associations.
- However there has been limited sustained improvement in the advocacy function, with little evidence of any material improvements in the policy / regulatory environment.
- There appears to have been some sustainability in the provision of webshop services to MSMEs, but no identified cases of crowding-in by other IT companies; at the MSME-level, sustainability of the webshops themselves is mixed.

Student employment reforms

MarketMakers undertook various activities to create more legal clarity around student employment. By the end of the Project, MarketMakers had contributed to reform in Canton Sarajevo, but reforms had not been replicated in other Cantons or at the Federal level by the end of the Project. Post-project, there have been further reforms in student employment regulations at the Federal-level, but there are mixed views from companies regarding the efficacy of the reforms.

Non-formal education

The ambition of the Project was to stimulate innovative skills-enhancing practices in the market and create an nFE ecosystem. By the end of the project, MarketMakers had catalysed two main market systems changes:

- 10 Company Academies were launched, mainly in the IT / digital marketing sectors, nine of which were sustained beyond the first cycle.
- Under the information and coordination support function, two platforms were launched in the form of InLearn and NOD.ba. The platforms were designed to promote the development and replication of the Company Academy model and other nFE initiatives.

Post-project, the Review found that the sustainability of these market systems changes has been mixed, with limited evidence of replication:

- There has been some sustainability in the provision of non-formal education through the Company Academy model, although less so among IT companies, and limited signs of crowding-in.
- The information and coordination support functions – led by PurpleKey and CREDI – have not been sustained.

Freelancing

The systemic ambition of the project was to create the foundations for the long-term development of the ‘freelancing ecosystem’ in BiH. By the end of Phase 3 the Project had reported a number of changes in the market:

- An information portal for freelancers (Freelancing.ba) was launched in 2019 and, after a change of ownership, had reached over 20,000 unique visitors.

- A local gig platform (BeeCreative.ba) was developed and launched by CSO Nahla in 2020, but the functionality was later downgraded to a 'gig information' site.
- A semi-formal alliance (cluster) aiming to perform policy advocacy activities and provide tailor-made services to freelancers was created (the Freelancing Alliance), with nine members. An early success of the Alliance was the decision by two member banks to launch dedicated financial services for freelancers.
- The new Law on Crafts and Related Activities passed in 2021, designed to provide a more supportive regulatory environment for freelancers.

Post-project, the information portal has been sustained and continues to grow, but sustainability of other changes has been mixed:

- There has been a sustained improvement in the information / awareness raising function. However, given that this improvement is dependent on Freelancing.ba, which is run by a single individual, there is a clear risk regarding future sustainability.
- There has not been a sustained improvement in the advocacy or coordination function, although Freelancing.ba does undertake some social media advocacy. There does not appear to have been any material improvements in the policy or regulatory environment for Freelancers, post-project.
- There has been a sustained improvement in the provision of support services to freelancers, in the form of tailored financial services, but no signs of further crowding-in.

1.4 Summary conclusions and recommendations

Cross-cutting conclusions recommendations from across the deep-dives are summarised below and presented in more detail in Section 3.

Value of MSD concepts and frameworks: Across all five deep-dives, the partner-led, facilitative approach of the Project was highly appreciated by Project partners. To implement the approach, MarketMakers built a strong core team able to engage effectively with market actors (although the team perhaps could have benefited from more policy-making / advocacy experience). Sustainability was central to how MarketMakers designed and delivered interventions and partnerships, which clearly contributed to the relatively high number of market systems changes that were sustained beyond the end of the Project.

Recommendations:

1. Projects wishing to catalyse lasting changes in market systems should adopt the role of facilitator. This means working in genuine partnership with local market actors, helping them to adopt new or improved practice that contribute to the actor's own priorities (whilst also contributing to the objectives of the project).
2. Projects should build core project teams that are entrepreneurial and adaptive, and able to play the role of market facilitator effectively. Project staff should be able to credibly engage with, and add value to, actors in the market. Where the project intends to engage private, public, and civil society actors, the team should ideally contain the different skillsets required (including policy-making and advocacy skills if the project intends to support policy or regulatory reform).
3. Projects should carefully think-through a sustainability plan for all interventions and partnerships, right from the start of the design stage. These sustainability plans should carefully consider the incentives and capacities of actors to adopt and sustain the desired practice change. Where possible, projects should attempt to model the potential costs and revenues, especially for commercially-motivated actors.

4. Cost-sharing should be used to test the buy-in and commitment of potential partners. While partner cost-shares in MarketMakers were around 45%, more research is needed to develop useful 'rules-of-thumb'.

Formation of the Project consortium: The Project consortium included a market actor, which may have led to missed opportunities for MarketMakers and sub-optimal partnership choices.

Recommendations:

5. In forming the consortium, MSD projects should maintain a clear distinction between the role of 'market facilitator' and 'market actor' and avoid including market actors in the consortium. This will avoid creating conflicts of interest and maximise partnership choices for the project.

Working in a politically challenging context: MarketMakers did well to deliver results in a very challenging and fragmented political environment, but perhaps could have done more to maximise impact across both entities.

Recommendations:

6. Projects operating in challenging and fragmented political environments need to think careful about how to ensure they are able to operate effectively across different entities. This might include, for example, ensuring a good regional balance within the project team, and maintaining offices in each of the main regions (depending on the size of the country and project budget).

Role of the donor in creating a supportive operating context: SDC created the right conditions for MarketMakers to adopt a systemic approach, although the phased approach may have unnecessarily limited the time-horizons of the Project. The tendering of three separate labour market projects may have hindered the systemic impact of MarketMakers and led to sub-optimal intervention design and partnership choices.

Recommendations:

7. Donors commissioning systemic projects should ensure they create the right enabling environment for the project. In particular, MSD projects need to be given the freedom to innovate and take risks, and the flexibility in budget lines and workplans to learn and adapt. Donors should also avoid creating pressure for short-term high-level results.
8. To the extent possible, donors should provide the necessary long-term time horizons. If it is necessary to tender projects in shorter phases, wherever possible the donor should provide certainty regarding any follow-on phase as soon as possible, to allow the implementer to adopt a truly long-term planning horizon.
9. Specifically in relation to labour market projects, donors should generally avoid creating separate projects for labour demand, supply, and intermediation. If this is not possible, donors should ensure to the extent possible that the conditions exist for strong collaboration.

Effectiveness of the Project in creating new associations and industry clusters: MarketMakers has been successful in creating sustainable associations, based on strong support around business planning and member services. However, potentially more could have been done to build the capacity of associations to advocate effectively. MarketMakers efforts to create looser industry clusters was less sustainable.

Recommendations:

10. Projects wishing to create new industry associations should ensure a strong focus on sustainability from the start, including putting in-place a robust business plan and governance arrangements, and helping the organisation to build the membership base and member services.
11. Assuming there is demand, projects should provide advocacy capacity-building to associations. Beyond classroom based training, this could include mentoring support on 'live' advocacy campaigns.
12. When supporting the formation of looser industry clusters, projects should carefully think through whether one or more organisations exist with the capacity and incentives to lead the coordination efforts.

Effectiveness of the Project in creating new web-platforms: MarketMakers had mixed success in facilitating the creation of sustainable web-platforms.

Recommendations:

13. When supporting the creation of new web-platforms, projects should carefully consider whether an organisation exists with a central mandate and strong incentive to sustain the platform. Projects should not underestimate the time and resources require to keep information platforms updated and relevant.

2 Detailed findings

This section presents detailed findings from each ‘deep-dive’ intervention. For each intervention, a short summary of the MarketMakers objectives is provided, including the main intervention workstreams included in the review. Key results from the end of MarketMakers are summarised, mainly drawn from MarketMakers documentation. The main post-Project results are then presented, drawing on evidence from interviews with key informants and partners, available secondary documentation, and observation. The headline findings are highlighted in **bold**, with examples and supporting evidence provided underneath. Any contradictory or contested findings are noted. Finally, wider developments in the sector are listed in order to provide a high-level view of recent trends and to contextualise the post-project results.

Cross-cutting contextual factors

There are several external developments and trends that have had a material impact across the sectors included in the review.

In the IT sector there has been a slowdown in the IT market in BiH in recent years, driven by slower growth or contractions in major export markets. The rapid developments in AI technology have also driven significant change in the IT sector and beyond. These changes have impacted all four sectors prioritised under Phase 3 of the Project: most obviously BPO and e-commerce, but also nFE (given that many of the Company Academies were initially launched by IT companies) and freelancing (given the focus on digital gig work).

As well as causing significant disruption to the Project and its partners during Phase 2 and 3, the Covid pandemic has also had a lasting impact on priority sectors. In some cases, these impacts have not necessarily been negative. For example, Covid has contributed to accelerated adoption of e-commerce by consumers and companies, and the adoption of more flexible working patterns which has created new opportunities in the BPO sector and digital gig work. For example, a report by the European Training Foundation found that across the Western Balkans, young people are most likely to take up these opportunities, which open-up new markets and ways of working and often become an alternative to out-migration.²

2.1 BPO and IT sector promotion

The ambition of the Project was to improve the attractiveness of BiH as a BPO destination by establishing three sets of inter-linked functions: information provision to investors and clients (destination marketing), investor services, and advocacy and policy reforms aimed at creating a **more conducive environment for BPO companies**. The Project initially intended to achieve this by ‘upgrading’ relevant system players. The focus was later shifted to enhancing large-scale intra-industry collaboration by supporting the establishment of a Business Membership Organisation (BMO).

The review assessed four main workstreams from Phase 2 and 3:

- a. **Destination marketing: support ManPower to produce market information for BPO companies and investors.** ManPower is an international recruitment agency with offices in BiH. MarketMakers supported ManPower to develop a new information service for BPO investors – a talent availability study – initially focused on Sarajevo, Banja Luka, and Tuzla. The Project also sought to broker partnerships with various actors in order to catalyse the sustained provision of information to the BPO sector.

² See, “Embracing the Digital Age: the Future of Work In The Western Balkans”, European Training Foundation (2022).

- b. **Destination marketing / investor services / advocacy: support the creation of a BiH chapter of the BPO association ABSL.** The Association of Business Service Leaders (ABSL) is an international organisation headquartered in Poland. ABSL International was exploring opportunities for the establishment of ABSL in BiH. MarketMakers provided financial support for establishing and running the organisation for the first year of its operations, combined with technical support to shape ABSL's business operations in line with local market needs. The Project's intention was for ABSL to become the 'host' of all key functions targeted by MarketMakers: destination marketing, investor services, and advocacy and dialogue.
- c. **Destination marketing (direct): support the entry of BPO company Transcom.** In the absence of a market actor that could provide effective investor services to BPO companies, MarketMakers directly provided information and logistical assistance to Transcom, a Swedish BPO company interested in establishing operations in BiH. The Project also provided linkages to ManPower and their talent availability study. MarketMakers' support to Transcom was partly 'action research', aimed at building the Project's detailed understanding of the requirements of large BPO investors. It was also hoped that the entry of Transcom would create a demonstration effect, helping to attract other large BPO investors to BiH.
- d. **Advocacy / policy reform: support joint action between the Government of Sarajevo Canton and ABSL, including the development of a five-year strategy for BPO / ITO development.** This action was designed to introduce all functions necessary for the successful representation of Sarajevo Canton, including a sound data-collection and data-sharing mechanism for destination promotion, a more conducive human capital policy, and a more enabling business support / industrial policy environment.

Beyond the above workstreams, which were all grouped by MarketMakers under the 'Destination Marketing and Investor Promotion' intervention, the review also examined the Project's **support to establish an IT association (Bit Alliance)**. The partnership with Bit Alliance was highlighted by Project staff as an important partnership from Phase 1 and 2. There are also strong synergies between the Project's support to Bit Alliance and its work in the BPO sector, including the work on developing a BPO / ITO strategy in Sarajevo Canton. The support to Bit Alliance included support to establish the first IT career-information portal in the country (ITkarijera.ba). The goal of the portal was to attract young people to join the IT sector through career information, industry-to-youth content, and engagement.

Key end-of-project results

Destination marketing / investor services / advocacy: ABSL BiH was established in 2019 and, by 2022/3, had started to contribute to the development of the BPO sector, but was not yet considered fully sustainable by the Project. By the end of MarketMakers, ABSL had attracted paying members and implemented a number of donor-funded projects. The association was active in advocating for greater public funding for the sector and changes to higher education curricula aimed at addressing talent availability issues. In terms of information provision and destination promotion, a flagship initiative was the annual Talent Availability Study with ManPower (see below). According to an assessment conducted by MarketMakers at the end of the Project, the association was "still not self-sustainable" given that almost half of the organisation's funding still came from various projects and donors.³

³ Source: "Strengthening the Business Process Outsourcing Sector in Bosnia and Herzegovina", MarketMakers (2022).

Destination promotion: following the first Talent Availability Study in 2020, ManPower entered into a partnership with ABSL to produce and disseminate the study annually. The partnership with ABSL provided access to two-way data sharing through ABSL's membership network, as well as additional dissemination channels. The first study focused on three urban centres (Sarajevo, Banja Luka and Tuzla); the geographic focus of subsequent reports was extended to smaller towns and rural areas.⁴

Destination promotion: Transcom opened its first office in BiH in Tuzla in 2020; by 2022/3 it had opened two further offices and employed 400 people. Informed by the ManPower Talent Availability Study and information supplied by MarketMakers, Transcom opened a small office in Tuzla initially employing 20 staff. In interviews, Transcom staff confirmed the contribution of MarketMakers, noting that it was "really important" and "valuable" to have an independent, objective voice to confirm their investment decision. Based on the strong performance of the Tuzla operation, Transcom opened new offices in Banja Luka and Zenica and had expanded the workforce to approximately 400 people by the end of the Project.⁵

Policy reform: a BPO Sector Roadmap was developed by Government of Sarajevo Canton; some progress was recorded in two areas – introduction of BPO support measures and expanding the jurisdiction of the Agency for Privatization – although impact was limited. The Sector Roadmap was developed and agreed in Phase 2. However, change of government in Sarajevo Canton and the COVID crisis effectively froze implementation. By the end of Phase 3, several actions under the Roadmap had been implemented, but with limited impact as of 2022/3:

- In 2021, Sarajevo Canton introduced a subsidy measure designed to support training and employment in BPO companies. The process was initially conducted with a high degree of MarketMakers involvement; the Project also hired the Economic Institute Sarajevo to research the current policy framework, assess good practices in other countries, and design policy proposals. The process of fine-tuning the scheme with the Government was mainly facilitated by ABSL. A second cycle of support was announced in 2022. However, the number of applicants in the first two cycles was low.
- The Government of Sarajevo Canton expanded the jurisdiction of the ex-agency for privatisation (KAIP) to encompass destination promotion. However, at the end of the Project MarketMakers reported that "it was not clear will this Agency manage to establish functional operations and to what extent it will include BPO as a strategic industry".⁶

Outside of Sarajevo Canton, the Employment Strategy of Republika Srpska for the period 2021-2027 introduced a new active labour market measure providing support (subsidies) for employment in the BPO industry.⁷

Industry coordination / information provision / advocacy: Bit Alliance was established in 2014; a flagship initiative was the ITkarijera.ba portal, which had reached 150,000 visitors by 2021. Bit Alliance was founded by six IT companies. MarketMakers became a non-voting associate member of the board for 18 months, providing guidance on the organisation's business plan and primary goal of addressing weaknesses in the public education system around IT. In Phase 2, MarketMakers provided additional support to help BIT Alliance develop and expand an IT

⁴ Source: "Intervention 1 Summary - Destination Marketing and Investor Services", MarketMakers.

⁵ Source: "Strengthening the Business Process Outsourcing Sector in Bosnia and Herzegovina", MarketMakers (2022).

⁶ Source: "Intervention 1 Summary - Destination Marketing and Investor Services", MarketMakers.

⁷ Source: "Intervention 1 Summary - Destination Marketing and Investor Services", MarketMakers.

education and careers platform. The ITkarijera.ba portal launched in 2018/9. By 2021, according to Project reports, the portal was attracting 150,000 unique visitors annually. More than 20 organisations were contributing content and the portal had more than 50 partners.⁸

In terms of policy and advocacy, MarketMakers reported that BIT Alliance had succeeded in positioning IT as one of the strategic priority sectors in the Federal Development Strategy document (2020). It was hoped that this would ensure more public resources and investments being directed to the IT sector. BIT Alliance was also cooperating with the Government of Canton Sarajevo to promote IT training and digitalisation of public services.⁹

Post-project results: headline findings

In the BPO sector, there has been a sustained improvement in the destination promotion and investor services functions, likely leading to the entry of new BPO companies and the creation of hundreds of new jobs. ABSL has continued to promote the sector through a variety of initiatives and the partnership between ABSL and ManPower has been sustained and expanded in scope. Transcom also appears to have created a demonstration effect for other BPO investors. Collectively, there are plausible claims that this has contributed to the entry of at least four BPO companies and the creation of at least 300 new jobs (with Transcom also adding another 100 jobs in the last few years). KAIP has also sustained the provision of destination promotion and investor services activities in Canton Sarajevo, although its budget and impact appear limited.

Strength of evidence: HIGH (based on interviews with ABSL, ManPower, Transcom, KAIP; key informant interviews with FIPA and ABSL members; review of ABSL / Manpower and KAIP documentation).

Strength of evidence in relation to entry of new BPO companies and new jobs created: LOW (in interviews, ManPower and Transcom cited the entry of new BPO companies, but it has not been possible to validate these claims or the contributory factors).

Also in the BPO sector, there has been some sustainability in the advocacy function, although there has been limited improvements in the policy / regulatory environment to date. ABSL continues to regularly engage with Canton Sarajevo and at the federal-level; however, there are self-reported gaps in their advocacy capacity and they have also struggled to gain traction in Republika Srpska. There has been limited progress against the BPO Roadmap, and the BPO support measures (first introduced under MarketMakers) has suffered from very low uptake.

Strength of evidence: MEDIUM (based on interviews with ABSL, KAIP; key informant interviews with FIPA, Federal Ministry of Labour, ABSL members).

In the IT sector, there has been a sustained improvement in the information provision and jobs matching function. Bit Alliance has sustained, and continued to invest in, the ITkarijera.ba portal. While user numbers have declined in recent years (compared to 2021), the portal is still making a clear contribution to information provision and jobs matching in the sector.

Strength of evidence: HIGH (based on interviews with Bit Alliance; Bit Alliance provided data; key informant interviews with Bit Alliance members).

Also in the IT sector, there has been a sustained improvement in the advocacy function: the main impact has been in the area of skills provision, with mixed successes elsewhere. Bit Alliance appears to have contributed to a significant expansion in formal IT education, with plausible claims that this has increased the number of IT graduates by 700 to 800 per year. The association also successfully advocated for ICT to be included as a priority sector in the 2021-

⁸ Source: "BIT Alliance partnership agreement", MarketMakers (2021b).

⁹ Source: "June 2017 to May 2021 End of Phase II Report", MarketMakers (2021).

27 economic development strategy for the Federation, and the creation of a government incentive programme. However, the programme suffered from low uptake and was discontinued in 2026. Bit Alliance also contributed to the Draft Law on Support to Investments of Strategic Importance for the Economy of Canton Sarajevo. Whilst Bit Alliance has sustained its advocacy efforts, there are still self-reported gaps in its advocacy capacity.

Strength of evidence: MEDIUM (based on interviews with Bit Alliance; key informant interviews with Federal Ministry of Labour, Federal Ministry of Development, Entrepreneurship, and Crafts, and Bit Alliance members; analysis of university IT courses using publicly available data; document review of new legislation).

Post-project results: detailed findings

ABSL BiH is a partially sustainable association that has continued to promote BiH as a BPO destination and to engage in advocacy and dialogue with government (but with limited impact to date). According to ABSL interviewees, the association has 23 members (approximately 15% of the BiH market). ABSL has a five-member management board and one full-time staff member (plus pro bono inputs from board members). Approximately 50% of revenues are from members and services (ABSL's aim is 80%). ABSL interviewees were of the view that the period of support from MarketMakers was not long enough to achieve 'full sustainability' and that three to four years of support is needed to get fully established. They felt that while they had made a good start, they would "need more support to go to the next level".

ABSL has continued to deliver annual conferences, which generate some money through sponsorship. Whilst ABSL interviewees considered the conferences sustainable, they may not prioritise a conference for 2026. ABSL has launched other commercial and member services, such as replicating the Business Development Mentorship Programme delivered by ABSL in other countries, which has resulted in a number of successes. ABSL has also sustained the annual report series with ManPower (see below), which also generates some revenue (through advertising / promotional slots).

ABSL interviewees report having regular briefings with foreign BPO companies considering entering the West Balkans / BiH market. ABSL provides investors with the ABSL/ManPower annual report, invites investors to events, and provides connections with local consultants to do market assessment / feasibility studies. In Canton Sarajevo, ABSL signed an MoU with KAIP aimed at promoting Sarajevo as a BPO destination; ABSL and KAIP hold regular meetings and collaborate on events.

In the advocacy and dialogue space, ABSL interviewees report engaging regularly with Government of Canton Sarajevo, as well as some engagement at the federal-level, including the Ministry of Labour. ABSL aims to promote other regions outside of Sarajevo, but report finding it difficult to engage in Republika Srpska (most ABSL members are based in Sarajevo, which gives ABSL more weight there than in other regions).¹⁰ Interviewees claim that ABSL has achieved some advocacy successes, such as the introduction of a federal government subsidy scheme for BPO companies (as reported by MarketMakers – see above). The scheme pays KM 10,000 per employee hired, as long as they are employed for at least three years. However, there was zero take-up by companies in the first round. According to ABSL, smaller BPO companies struggled with the application process, while larger companies were excluded. ABSL discussed adaptations to the process with the Ministry of Labour, but uptake in the

¹⁰ One key informant was also of the view that ABSL is primarily focused on Sarajevo.

second round was still low.¹¹ In terms of the wider BPO Roadmap, interviewees were of the view that there had “not been much progress”. ABSL interviewees reported having received some advocacy capacity-building from EDA, funded by MarketMakers, but that it was “not very useful”. The relationship between EDA and ABSL has not continued, post-project.

According to two key informants (one public, one private sector), ABSL has been “very proactive” in the last few years.

Overall, it appears that there is a high likelihood that ABSL BiH will continue in some form, although continued growth in membership and membership fees may be needed for ABSL to develop and scale-up new service offerings and to hire additional staff (the fact that ABSL BiH currently only has one staff member presents a sustainability risk).

The ABSL partnership with ManPower has been sustained; the annual reports are being used by government to promote BiH and may have contributed to the entry of a number of BPO companies. Following the end of MarketMakers support, ManPower and ABSL have produced three additional annual reports (which ManPower had committed to in the partnership agreement with MarketMakers). Both parties signalled their intention to continue producing the report each year. According to ManPower interviewees, the motivation for ManPower is the ability to use the report as a marketing tool. ManPower interviewees report receiving 20 to 30 direct requests from potential BPO investors per year, including large European banks and retailers, with ManPower’s work in the BPO sector increasing every year. ABSL/ManPower have also been able to attract some support from other donors for the report. ManPower promotes the study through their networks and shares the report with government entities and schools / universities.

According to ManPower interviewees, the report fills a major gap in official statistics. As well as contributing to the entry of Transcom (see below), ManPower interviewees claim that the report has contributed to the entry of at least four other BPO companies, three from Germany, one from Switzerland – the latter employing approximately 300 people.¹² In conversations with potential investors, ManPower also use Transcom as a case study to demonstrate the potential of BiH. ABSL also actively disseminate the report, including direct emails to 5,000 addresses and through social media channels.

The report is also used by, and has influenced, government agencies. Interviewees from the Foreign Investment Promotion Agency (FIPA) said that prior to 2020 they had limited knowledge of the BPO sector, due in part to the lack of official statistics. Following the ManPower/ABSL reports, FIPA added BPO as a priority sector. They also use data from the reports in FIPA investment promotion material (although it appears that information on the FIPA website is not regularly updated).

Transcom has continued to expand in BiH and may have influenced the entry of other BPO companies. Since 2023, Transcom has grown its headcount by 100, reaching approximately 500 employees. Transcom interviewees were of the view that other large BPO companies had entered the market based on the success of Transcom, citing Croatian company Zaudin as an example.¹³ As noted above, ManPower also use the example of Transcom to promote BiH as a BPO destination.

¹¹ Interviewees in the Ministry of Labour confirmed the cooperation with ABSL and the low uptake by BPO companies under the scheme. In their view, BPO companies were not used to applying for government support schemes (compared to companies in more ‘traditional’ sectors).

¹² Note that it has not been possible to verify or triangulate this claim.

¹³ Note that it has not been possible to verify or triangulate this claim.

KAIP has sustained its expanded focus on destination promotion and investor services, but appears to have modest budget and resources. As reported by MarketMakers, the privatisation agency in Canton Sarajevo was restructured in 2022, and its mandate expanded to include investment promotion. The agency now acts as a focal point for investors in the Canton, undertaking various activities to attract investors, helping investors through the registration processes and requirements, and trouble-shooting issues. Specifically in the BPO space, KAIP signed an MoU with ABSL and undertakes various joint events. However, according to KAIP interviewees, the agency remains small, with 12 staff, most of whom are still focused on privatisation.

The BPO and IT budget in the Employment Strategy of Republika Srpska has been underutilised and appears to have had minimal impact. According to Project partner EDA, one successful outcome of their policy work was the inclusion of the BPO and IT sectors in the Republika Srpska Employment Strategy, 2021-27 (see above). According to the EDA interviewee, this marked an important change as previously there had been a lot of focus on 'traditional' manufacturing sectors. Under the Strategy, the annual budget for BPO support measures was KM 100,000, with KM 30,000 for IT. However, only 50% of the overall Strategy was implemented due to budget constraints. According to interviewees in the Public Employment Institute (Republika Srpska), the budget for the BPO sector was underutilised, likely due to a lack of demand from BPO companies.

Bit Alliance is a fully-sustainable association; however, the association does not appear to be fully representative of the IT industry in BiH. Following its founding in 2014, Bit Alliance is now into its eleventh year. The association has three to four full-time staff and is funded by members and donor-supported projects (recent funders include GiZ, UNDP, ILO, and the Horizon EU project). According to Bit Alliance interviewees, the association has 31 members, including "all the big IT companies".

As the earliest association supported by MarketMakers, Bit Alliance has played a role in supporting other associations in BiH. For example, Bit Alliance was a founding member of eComm (see section 2.2), with the two associations currently sharing an office. Bit Alliance also supported the creation of an IT association in Montenegro.

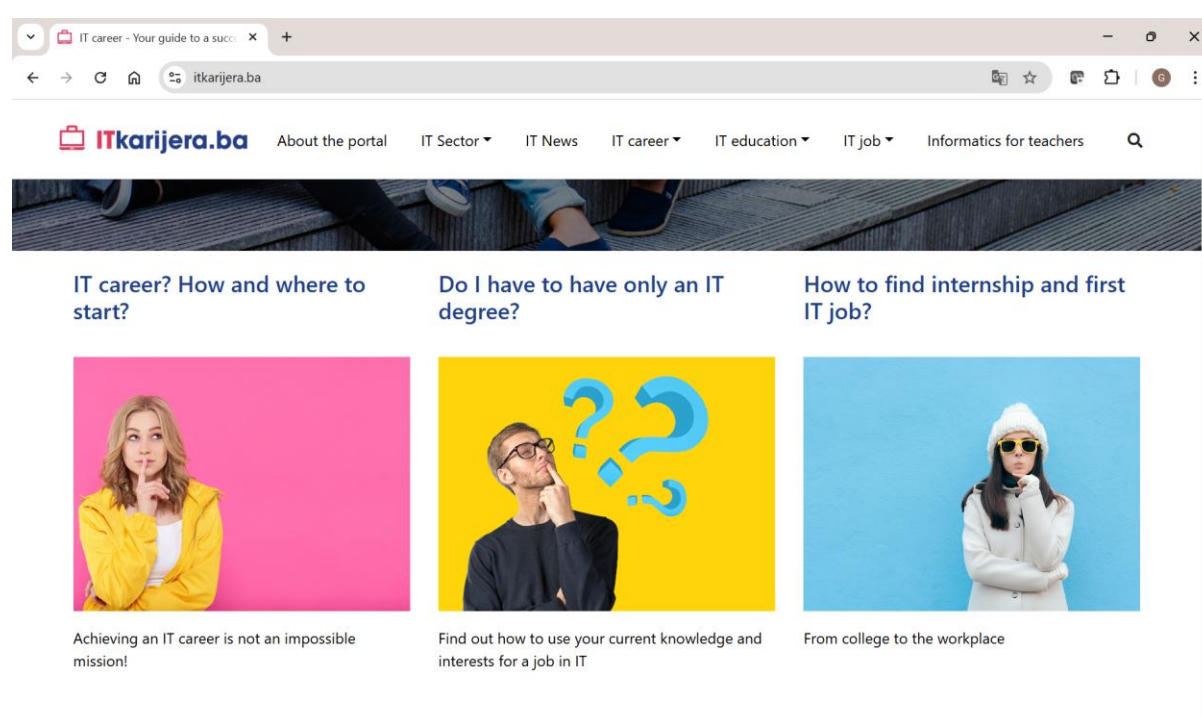
Whilst the association has been sustained post-Project, two key informants (one public sector, one private sector) expressed the view that Bit Alliance "seems to have died down in the last two to three years" and "is not as active as it was seven years ago".

Bit Alliance interviewees reported that there had been some tensions between big and small IT companies around the issue of staff poaching. The association has also lost some members in Banja Luka, who left due to perceptions that Bit Alliance is too focused on big Sarajevo companies. Bit Alliance interviewees stated that they do not want to be seen as a Sarajevo organisation, but the association has found it politically hard to gain traction on policy issues in Republika Srpska. Interviewees from an IT company in Banja Luka were also of the view that Bit Alliance is too Sarajevo-focused and that large Sarajevo IT companies use the association to "scope the competition and poach staff" from smaller companies. According to the interviewee, all Republika Srpska IT companies except the largest (Lanaco) left Bit Alliance and instead joined the Union of Employers in Republika Srpska, which they report as having greater traction with government. They suggested that MarketMakers might potentially have avoided

this issue by helping the association to develop a stronger constitution and a more geographically representative board of founding members from the start.¹⁴

In terms of information provision, the IT careers portal built with MarketMakers support – ITkarijera.ba – has been sustained by Bit Alliance, although user numbers are down in the last few years. Bit Alliance has continued to invest in the platform, developing additional content and functionality (see Figure 2). According to Bit Alliance interviewees, the portal has gained “good traction and gets lots of views”. However, data provided by Bit Alliance shows that there were 118,000 active users of the portal over the period 2024 to 2026, down from 150,000 in 2021. This perhaps reflects the general slowdown in the IT sector (see below). The portal is still however making a clear contribution to information provision and jobs matching in the IT sector. According to Bit Alliance, the platform currently features 124 companies, with a total of 1,014 published job ads and 119 internship opportunities.

Figure 2: sample page from ITkarijera.ba



Screenshot from ITkarijera.ba (translated into English), accessed 17/02/2026.

In the area of skill provision, Bit Alliance may have contributed to a significant expansion in the number of young people gaining formal IT qualifications. Perhaps the biggest impact of Bit Alliance has been in the area of IT education. Bit Alliance initially focused on directly delivering non-formal education through an initiative called Bit Camp. According to Bit Alliance interviewees, Bit Camp proved to be too expensive to sustain, leading the association to switch focus to promoting formal IT education, including engagement and partnerships with universities. According to Bit Alliance, their work has contributed to a significant expansion in IT education, with BiH going from two universities offering dedicated IT courses to 12 to 13 now, training approximately 700 to 800 graduates per year.

¹⁴ In interviews, MarketMakers staff emphasised that they had in fact tried to promote a geographically diverse founding membership base, including repeated engagement with IT companies in Republika Srpska. They also noted that for several years Bit Alliance was run by an individual based in Banja Luka. See Section 3 for cross-cutting conclusions related to how the Project navigated the challenging political environment in BiH.

Due to the lack of publicly available data, it is difficult to robustly verify this claim, or the degree of contribution of Bit Alliance. However, based on an analysis of university websites, the review team were able to identify at least six universities that have introduced substantive new IT offerings since 2016 (see Table 1). Based on available data regarding student enrolment, the figure of 700 to 800 graduates seems plausible. In terms of contribution, two key informants (one public sector, one private sector) stated that Bit Alliance has “been doing good work” on IT education. An interviewee at the Federal Ministry of Labour also confirmed that they had cooperated with Bit Alliance on IT education.

Table 1: Universities introducing new IT courses since 2016

University	New IT courses launched	Number of students
University of Sarajevo – Faculty of Electrical Engineering (UNSA)	2018: two-year professional study in Software Development 2024: Data Science and Artificial Intelligence BSc	Software Development: 119 students ^(a)
University of Tuzla – Faculty of Electrical Engineering	2016/17: Software Engineering (curriculum revised in 2021/22) 2015/16: Technical Education and Informatics (revised in 2018/19)	Unknown
University 'Džemal Bijedić' Mostar – Faculty of Information Technologies	2018/19: Software Development and Software Engineering	Software Engineering: 60 students
University of Zenica – Polytechnic Faculty	2017: Software Engineering	Software Engineering: 50 students
IPI Academy Tuzla	2017/18: Informatics and Computing 2023/24: Information Technologies	Unknown
Paneuropean University Apeiron – Faculty of Information Technologies	2020: Teaching Informatics 2021: Business Informatics 2023: Information Technology Engineering	

Notes: Number of students per year. Sources: (a) university website (<https://etf.unsa.ba/en/o-nama>); (b) university website (<https://upisi.unmo.ba>); (c) university website (<https://ptf.unze.ba>).

Bit Alliance has recorded several other advocacy successes, although the impact to date has been mixed. According to Bit Alliance interviewees, the association successfully advocated for ICT to be included as a priority sector in the 2021-27 economic development strategy for the Federation of Bosnia and Herzegovina, and the creation of a government incentive programme. An interviewee at the Federal Ministry of Development, Entrepreneurship, and Crafts confirmed that they had been influenced by Bit Alliance to provide support measures to IT companies in 2024 and 2025 under the strategy. This included a KM 2,000,000 fund for purchasing equipment, investment in AI tools, process optimisation, product development, and co-financing for junior staff. The funding was available for existing IT companies with more than five staff. However, according to the interviewee, there was “low uptake” from IT companies, who struggled to develop project proposals or provide the required documentation. The scheme was therefore discontinued in 2026.

More recently, Bit Alliance interviewees claimed to have contributed to the Draft Law on Support to Investments of Strategic Importance for the Economy of Canton Sarajevo. Under the scheme, the government will provide payments of up to 50% of eligible costs to for “sustainable and technologically advanced, high value-added projects”, including “manufacturing, development-innovation activities, business support activities and high value-added services, and projects that support digital transition, Industry 4.0, new equipment and technologies, higher employee competences, competitiveness and productivity”. The accompanying explanatory memorandum notes that existing small-business support frameworks exclude larger firms and often provide relatively small grant amounts. According to the draft law, intangible assets may be part of the project, but are not reimbursable eligible costs. IT companies may therefore benefit less than other sectors given that software, licences, platforms and other intangible digital assets are often central to IT investments. Note also that the draft is still under public consultation and has not yet been adopted in its final form. A KAIP interviewee described the draft law as “very good”, although it has not been possible to verify the contribution of Bit Alliance to the law.

More generally, although Bit Alliance has recorded several advocacy successes, Bit Alliance interviewees stated that they did not receive any advocacy or policy support or training from MarketMakers, something they described as “missing from the MarketMakers offer”. Bit Alliance did pay an organisation (TMC) to help them with various advocacy initiatives, but the association did not have the funds to maintain the arrangement. Bit Alliance also co-funded some research with the Economics Institute Sarajevo, to provide an evidence-base for their advocacy efforts. One private sector key informant was of the view that Bit Alliance could do better at engaging constructively with government.

Wider developments in the sector

The BPO sector has seen relatively strong growth since 2020, but with mixed data regarding trends in the last few years. According to data from the latest ABSL report for BiH, from 2021 to 2024 the number of people employed in the sector increased by 7%, with revenues up 41%. In 2024, employment in IT outsourcing declined by 6% and in contact centres by 2%; finance outsourcing saw an increase of 8%. The report also cites statistics from the Central Bank showing a 15% year-on-year decline in IT exports in Q1 2025. However, the report also shows a significant increase in the number of medium and large BPO employers: in 2025 there were 45 BPO companies with more than 50 employees, up 11% on the previous year, and 16 companies with more than 200 employees, up 43%.¹⁵ There is plausible evidence that sustained improvements in the destination promotion function, and the demonstration effect created by Transcom, contributed to this growth (see above). In interviewees, ManPower also reported consistent year-on-year growth in the number of BPO clients for their recruitment services.

Despite some modest successes, overall there does not appear to have been a step-change in government support for the BPO sector. As noted above, some government agencies such as FIPA have started to actively promote the BPO sector. However, according to ABSL interviewees, there is still low levels of awareness of the sector in government, and progress on the BPO Roadmap has been minimal. In their view, there has been no structural change within government around BPO.

Other donor programmes have built upon the work of MarketMakers in the BPO sector. For example, the RECONOMY project helped to scale MarketMakers initial partnership with ABSL BiH, helping to create ABSL chapters across the Balkans, plus a regional umbrella. The project

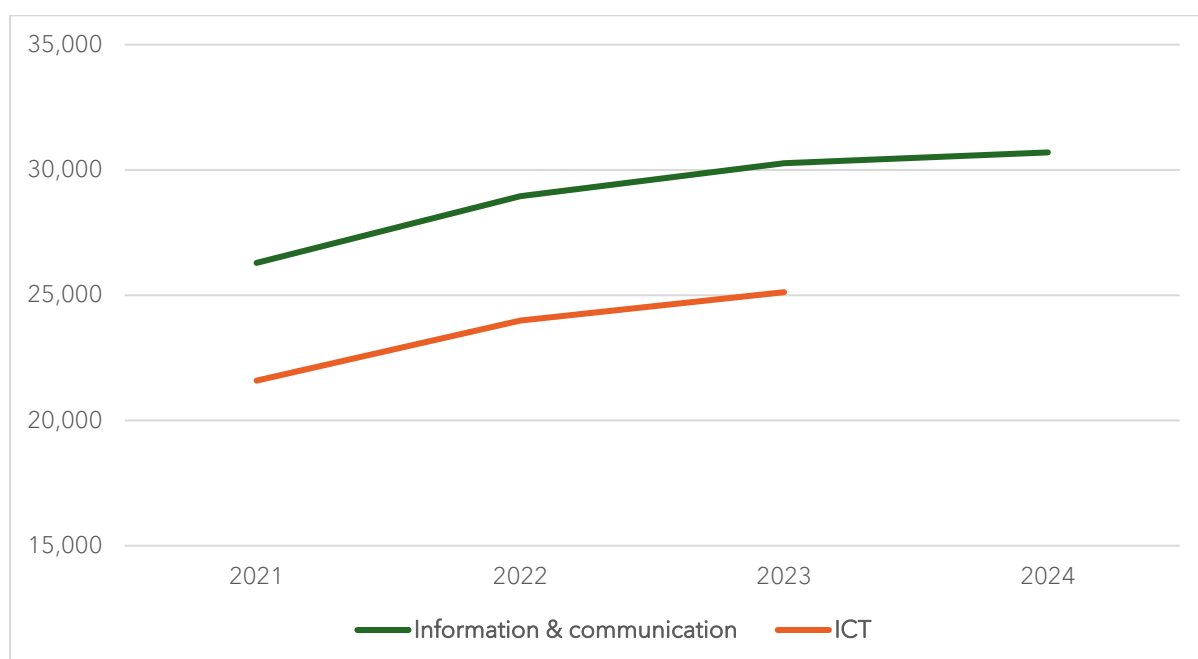
¹⁵ Source: “Country Report: Bosnia and Herzegovina 2025”, ABSL.

has also delivered interventions on regional branding and destination promotion, skills development, public-private collaboration, and jobs fairs.

After many years of strong employment growth in the IT sector, growth in recent years appears to have been flat or negative. According to Bit Alliance interviewees, over the previous 10 years there has been a significant increase in the number of people employed in the IT sector, from around 3,000 people to 15,000 people. They noted that the last few years had been 'challenging', with hiring flat, but that hiring activity had started to increase again in the last 12 months. ManPower interviewees also reported a decline in IT recruitment a few years ago, but that hiring activity had started to increase again. Three IT companies interviewed as part of the Company Academy intervention (see Section 2.4) also cited significant changes in the market, including reduced IT spend in key markets (e.g. the US) and the impact in AI, which led to a decrease in labour demand, especially for software developers.

This broadly matches data from Statista, which shows employment growth flat in 2024 (see Figure 3). This suggests that although AI may be driving significant employment shifts *within* the sector, in aggregate it has not (yet) driven a marked decline in overall IT employment in BiH.

Figure 3: number of people employed in 'information and communication' and in ICT in BiH, 2021 to 2024



Source: Statista Research Department, March 2026. Note: in the Statista dataset, ICT is considered a sub-sector of the broader 'information and communication' sector.

2.2 e-commerce

The strategic ambition of the Project was to support the growth of the e-commerce market in BiH through the creation of a BMO and by catalysing improved e-commerce services for MSMEs. It was hoped that the association would perform a number of missing or underperforming functions in the market, including: demand-side awareness raising and confidence building, provision of knowledge and services to e-commerce companies and traditional businesses, and evidence-based policy advocacy. In Phase 2, the Project also sought to catalyse the provision of e-commerce / webshop services to MSMEs wanting to build their e-commerce sales channels.

The review team examined three workstreams from Phase 2 and 3:

- a. **Demand-side confidence building / information and service provision / advocacy: support the establishment of an e-commerce association.** In Phase 2 MarketMakers signed a joint MoU with five partners – PIK, Lilium, Bit Alliance, Monri Payments, and DHL International – to undertake several joint projects. Having tested the willingness and ability of these different actors to work together, the Project supported the creation of an e-commerce association. Following the founding of eComm, in Phase 3 MarketMakers supported the association to develop a three-year business plan and various commercial services, including: an E-commerce Academy for online retailers, an annual e-commerce conference, and a Trustmark Certificate scheme. The Project also facilitated an agreement between eComm and research firm Valicon to produce an annual report on the e-commerce sector, both as a commercial service to members and to inform the association's advocacy efforts.¹⁶
- b. **B2B webshop services: catalyse the provision of webshop services to businesses.** In Phase 2, the Project provided a cost-share subsidy to catalyse a local market for the provision of e-commerce / webshop services by local IT companies to businesses. MarketMakers provided a 30% cost-share for businesses interested in opening a webshop on OLX (a popular local digital marketplace), or a 20% cost-share for businesses wishing to contract a local IT company to help them create their own webshops (with the IT companies agreeing to provide a 10% discount).¹⁷
- c. **Support to OREA Bazaar and Bizbook to scale-up operations.** OREA is an e-commerce platform matching small-scale producers / artisans with local and international buyers. MarketMakers supported OREA to attract new buyers and sellers and to develop new support services for sellers, including an OREA Academy and OREA Forum. BizBook is an online business platform. MarketMakers provided technical and financial support to help BizBook to upgrade its website and strengthen its business model.¹⁸

Key end-of-project results

Demand-side confidence building / information and service provision / advocacy: two 'competing' e-commerce associations were established. Of the five organisations initially engaged by MarketMakers, one, Monri Payments, launched its own association (the E-commerce Association – see below). The other four organisations decided not to join the Monri-led association and instead founded their own association. eComm was established in 2021 by OLX, ARBITRI, Bit Alliance, and Lilium in 2021. By 2023 two new companies had joined as founding members, while ARBITRI exited due to irreconcilable differences with the other founders.

By 2023, eComm had successfully attracted members and, with MarketMakers and GiZ support, had delivered a number of services and events. At the end of the Project, eComm had over 45 members and partners, including 26 paying members, and collected over KM 150,000 in revenues. eComm had launched an E-commerce Academy, with 55 participants from over 40 companies attending the first round (with the support of MarketMakers and GiZ). The first e-commerce conference, "Let's do e-commerce", was held in Sarajevo in 2023, attracting over 250 participants. The conference was conceived and supported by MarketMakers, with support

¹⁶ Source: "Intervention 5 Summary: Digitalisation/E-commerce facilitation", MarketMakers.

¹⁷ Source: "E-commerce Facilitation in Bosnia and Herzegovina: Case Study", MarketMakers (2023); MarketMakers / PIK d.o.o. (OLX) partnership agreement (2020); MarketMakers / Bit Alliance partnership agreement (2020).

¹⁸ Note that support to OREA Bazaar and Bizbook were not categorised as e-commerce interventions by MarketMakers, but are included here as they are relevant to the Project's work in the sector.

from other donors and partners such as GIZ, NLB Bank, BH Telecom, MasterCard, and Canton Sarajevo. eComm also launched the TrustMark Certificate scheme, designed to improve the trust of consumers in approved e-commerce retailers. On the advocacy side, eComm developed advocacy papers on interbank rates and delivery services developed (with MarketMakers and GiZ support).¹⁹

B2B webshop services: nine IT companies, plus OLX, participated in the webshop initiative, with 38 new webshops created. Of these 38 new online retailers, 22 chose to hire IT companies to build their own webshops, while 16 opted for an OLX webshop. A range of businesses participated, from large producers and retailers to small family businesses. According to an analysis conducted by MarketMakers in 2023, 28 out of 38 supported webshops (74%) were fully functional and operational.²⁰

Post-project results: headline findings

There has been a sustained improvement in the demand-side confidence building function, although the scale of these efforts remains relatively limited. eComm has sustained the Trustmark Scheme, with 20 companies joining the scheme to date (with eComm hoping to attract more companies in the future). Several key informants were of the view that the association had helped increase consumer confidence and acceptance of e-commerce through various initiatives.

Strength of evidence: HIGH (based on interviews with eComm; key informant interviews with e-commerce companies; review of eComm website).

There has been a sustained improvement in the information and service provision function through the activities of both associations. The e-Commerce Academy has been sustained by eComm, although with uncertain effectiveness. The eComm annual conference has also been sustained, with around 500 people attending the latest conference. The eComm-Valicon research partnership has continued, with the annual demand-side survey shared with eComm members. The Monri-led E-Commerce Association has also sustained the delivery of similar services, including four rounds of its annual market research, and an e-commerce masterclass.

Strength of evidence: HIGH (based on interviews with eComm, E-Commerce Association; key informant interviews with e-commerce companies; review of association websites).

There has been limited sustained improvement in the advocacy function. eComm has had limited advocacy successes and the policy initiatives to date have been underpinned by active donor engagement. According to the E-Commerce Association, it has not recorded any advocacy successes and as a result has decided to deprioritise advocacy.

Strength of evidence: HIGH (based on interviews with eComm, E-Commerce Association; key informant interviews with e-commerce companies; document review of new legislation).

There appears to have been some sustainability in the provision of webshop services to MSMEs, but no identified cases of crowding-in by other IT companies; at the MSME-level, sustainability of the webshops themselves is mixed. It has not been possible to systematically assess the sustainability of the provision of webshop services by local IT companies, but at least two of the nine companies supported by the project are still offering these services. Between them, these companies report providing webshop / ecommerce services to 60 enterprises. At the enterprise-level, the sustainability of the webshops originally subsidised by the Project is mixed: 75% of the OLX-hosted webshops are still fully functional, versus 41% of the webshops created by local IT companies.

¹⁹ Source: "End of Phase Report, June 2021 to May 2023", MarketMakers (2023).

²⁰ Source: "E-commerce Facilitation in Bosnia and Herzegovina: Case Study"; MarketMakers (2023).

Strength of evidence: LOW (based on interviews with IT companies; systematic review of Project-supported webshops). Note that gaps in Project documentation meant that it was only possible to gather evidence from two of the nine IT companies.

Post-project results: detailed findings

eComm is a sustainable organisation, has sustained and scaled-up a number of initiatives, and is seen to have contributed to improved consumer awareness and industry relationships.

According to eComm interviewees, the association has significantly increased the number of members since the end of MarketMakers. eComm now has approximately 200 paying members and generates 55% of revenues from membership fees and services (with 45% from projects with international donors). The association employs three full-time staff, plus two to three part-time / temporary staff for conferences, marketing, and social media (plus pro-bono time from founders).

eComm interviewees highlighted the important role of MarketMakers in creating a sustainable association. MarketMakers set strict expectations from the start that the association needed to be sustainable and not reliant on project funding. The Project stressed the importance of member services and also helped to establish clear governance rules and a robust business plan, all of which have been critical to sustainability. One interviewee from a donor organisation currently supporting eComm was of the view that eComm has strong leadership. They were confident that eComm can continue once the donor exits, but “they may need to cut here and there” (for example, not hosting two big annual events per year with international speakers). One eComm interviewee noted that eComm was still led by the original founders; one of the leaders will be transitioning out of the association which presents a potential transition risk, with the interviewee unsure whether eComm will be able to find someone to take over who has the same vision and drive.

In terms of the various initiatives launched during MarketMakers, the e-Commerce Academy has been sustained, with eight or nine rounds delivered to date. For example, in 2025 two rounds were delivered in partnership with the University of Sarajevo, with approximately 20 students per round. Some rounds have been supported by GiZ, or sponsored by international companies such as Visa. According to eComm interviewees, many SMEs who attend academies then become members and attend conferences. However, interviewees were uncertain about the efficacy of the Academy. For example, they cited one academy for 20 companies where only three companies were still selling online. eComm has also delivered online sessions and over 10 ‘meet-ups’.

The annual conferences have also been sustained. According to eComm interviewees, each conference now attracts approximately 500 participants. In their view, the conferences have become better planned and more professional over time.

eComm has also sustained the Trustmark Scheme, with approximately 20 webshops certified to date, including major entities such as BH Telecom, mBike, and Ananas. eComm interviewees were of the view that there is room to improve the number of certified members and that the market is still adapting to the concept. However, they were of the view that as online scam statistics rise, more companies will seek Trustmark certification.

In terms of the impact of eComm on the sector, two interviewees from companies active in e-commerce were of the view that the association had helped increase consumer confidence and acceptance of e-commerce. Another two interviewees felt that eComm had helped to improve relationships and connections between players and to “create the feeling of an industry”. One interviewee also cited the impact of eComm’s efforts to train company staff on e-commerce.

eComm has sustained the research partnership with Valicon. MarketMakers had provided support and cost-share for eComm and Valicon to conduct a market research report based on a survey of approximately 4,000 consumers. This relationship has been sustained, with two additional annual reports being produced post-project (albeit with a reduced sample size to reduce costs). eComm members have contributed towards the cost. A summary of the report is publicly available (with the full report available to members), and summary findings are presented at the annual eComm conference. According to Valicon, the motivation for sustaining the initiative is the visibility provided to Valicon at the conference and as a client acquisition tool (Valicon have been approached by several e-commerce companies to conduct further research). eComm interviewees report using the research in conversations with government and cited the usefulness of the report for members.

eComm has had limited advocacy successes and the policy initiatives to date have been underpinned by donor support. In terms of policy and advocacy, one eComm interviewee stated that they were not aware of any advocacy successes and was generally sceptical about the ability of the association to influence policy-makers in what is a very complex political environment. Three e-commerce companies, one of which is a member of eComm, were also of the impression that eComm had not achieved any visible advocacy successes. One interviewee noted that the cost of online transactions in BiH, at around 3-4%, is much higher than the rest of the region. eComm has tried to facilitate industry agreement on lower transaction fees but has so far been unsuccessful. Another eComm interviewee suggested that eComm had achieved “limited advocacy successes”, one positive case being the addition of articles related to online sales / e-commerce in the Law on Internal Trade in the Federation (2025) under a policy initiative led by GiZ.²¹ eComm is also part of GiZ-facilitated policy working groups (on electronic / digital trade, digital payments, and cross-border trade) and has been conducting member surveys and using the eComm-Valicon research (see above) to feed into the policy dialogue. eComm is also currently implementing a joint project with GiZ to conduct research on a digital payments strategy for BiH, and an EBRD-funded project working with municipalities to enable SME e-commerce. In terms of advocacy capability, MarketMakers hired EDA to provide advocacy training and support to eComm, but this relationship did not continue post-project. Given that eComm’s advocacy initiatives to date have been underpinned by donor support, it is unclear to what extent eComm will be able to drive reform efforts in the absence of donor engagement.

The ‘competing’ e-commerce association is also still active and delivers a similar set of services to eComm. According to interviewees, the Monri-led E-Commerce Association has over 100 members, including many big players (such as large retail chains, card payment companies, and delivery companies). The association has one full-time staff member, plus pro-bono inputs from founders and members. The association is fully sustainable, with no donor support (according to interviewees, the association did undertake one donor project but it was “a mess” due to coordination issues with eComm, who was also involved in the project).

In terms of services and initiatives, the association has conducted four rounds of its annual market research, which includes surveys of both consumers and webshop owners. The research is provided free to members, and members have the opportunity to shape the questionnaires. According to association interviewees, the research helps to fill an important data gap in BiH. Some members have reported using the research; it has also been used by the e-commerce

²¹ Article 3 and Article 50 introduce explicit legal recognition for three forms of e-commerce: electronic stores, electronic platforms, and drop-shipping. Additional articles set-out various regulations governing e-commerce, including: mandatory trader information, sales conditions and price displays, and records and traceability.

association of Europe. The association also organises conferences, with the last one held in 2024 (the association chose not to hold a conference in 2025 as there were “too many other conferences”, presumably a reference to the events organised by eComm).

Similar to eComm, interviewees report no major advocacy successes for the association. While the association has been involved in various working groups, “we have not seen the change we were hoping for”. Association interviewees noted the difficult political environment and the lack of continuity in reform efforts when government changes. As a result, the association has decided not to prioritise advocacy and is focused instead on market education, both on the consumer-side and business-side. The association has issued various booklets and papers, and runs an e-commerce masterclass, an education tool with nine modules that has received positive feedback from participants.

There are generally negative views regarding the existence of two ‘competing’ associations, undermining the industry coordination function. All five e-commerce companies and stakeholders interviewed expressed negative views. Several interviewees were of the view that not many companies are willing to pay to be members of both associations. Another stated that it makes no sense to have two associations given the size of the market in BiH, noting that 80-90% of their work is the same and therefore duplicative (with both focused on providing education and organising conferences). Several interviewees felt the situation created confusion, especially in relation to the respective website domains, with one of the view that it is “ridiculous to have two associations”. Conversely, several MarketMakers interviewees expressed the view that the existence of two associations was positive as it spurred competition.²²

It has not been possible to systematically assess the sustainability of the provision of webshop services by local IT companies, but at least two companies are still offering these services. MarketMakers reported working with nine local IT companies under the webshop intervention. From the Project documentation provided, it has not been possible to find the names of all nine companies and therefore assess the extent to which each one is still offering webshop services, post-project. However, it has been possible to identify two companies that are still doing so. One is Lampa, which lists ‘e-commerce solutions’ as a key service offer on its website. According to information provided by Lampa via email, Lampa is “working with and supporting more than 50 MSMEs in the country that use our e-commerce platforms or related digital tools”. Lampa also noted that: “the MarketMakers Project contributed positively to the development of this segment of the market. In particular, the project helped increase awareness among MSMEs about the importance and potential of e-commerce, which resulted in greater interest in developing online sales channels.”

Another IT company still offering webshop / e-commerce services is Misija. By email, Misija stated that they are currently providing these services to five SMEs, and delivering “enterprise e-commerce solutions” to six clients. MarketMakers contributed “mostly [through] client acquisition [and] partnership”.

Lilium interviewees also reported offering webshop / e-commerce services, although the service is not listed on the Lilium website.

In terms of sustainability at the enterprise-level, the OLX shops supported by the Project show a high level of sustainability, while the sustainability of the webshops is mixed. At the end of MarketMakers, 12 out of 16 OLX shops supported by the Project were judged to be ‘fully functional’ (see above). Post-project, the review team found that all 12 are still fully functional,

²² It is important to note that at the time, MarketMakers did not set out with the intention of creating two separate associations.

with the number of active ads ranging from 30 to 1,154.²³ Of the webshops created by local IT companies, 16 out of 22 were judged to be 'fully functional' at the end of the project. Post-project, nine out of 16 (56%) are still fully functional, three (19%) are semi-functional, and four (25%) are not functional.

OREA Bazaar and BizBook have sustained and invested in their business models, but have not reached significant scale. According to OREA interviewees, the company has increased the number of sellers to around 150, up from 120 sellers at the start of the MarketMakers partnership. OREA is also better able to help sellers increase the number of buyers and repeat purchases (through the introduction of analytical tools and skills-building and marketing support to sellers). However, although revenues increased by 60% between 2022 and 2024 (see Table 2), profitability has been flat and the company is still relatively small. As noted by OREA interviewees, growth has been constrained by on-going challenges in the e-commerce sector, including high transaction fees, high postal fees for key export markets, and various export barriers.

Table 2: Financial performance of OREA Bazaar and BizBook, 2022 to 2024

	2022	2023	2024
OREA Bazaar			
Revenue (KM)	161,562	149,429	258,843
Expenses (KM)	112,270	154,286	253,317
Gross profit (KM)	49,292	(4,857)	5,526
BizBook			
Revenue (KM)	42,166	45,669	46,870
Expenses (KM)	37,909	36,539	33,654
Gross profit (KM)	4,257	9,130	13,216

Source: *companywall.ba*

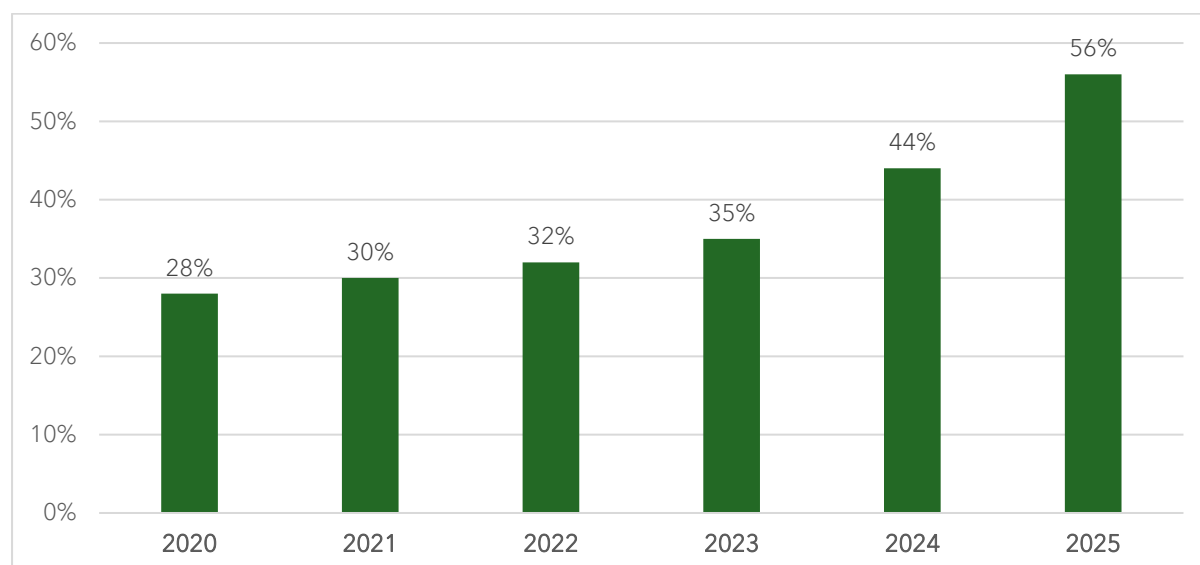
In terms of BizBook, according to interviewees the company has seen a 40% increase in customers, reaching 1,764 customers, around which 60% have a full BizBook subscription. Customers are mainly micro and small businesses. BizBook also runs an annual entrepreneurship conference and helps to link angel investors with small businesses. However, revenue growth was flat between 2022 and 2024 and the company remains small (see Table 2).

Wider developments in the sector

Growth in e-commerce in BiH has accelerated in recent years. According to data from the E-Commerce Association and Eurostat, the percentage of the adult population shopping online increased from 35% in 2023 (at the end of the MarketMakers project) to 56% in 2025 (see Figure 4). Several interviewees were also of the view that the e-commerce sector was continuing to grow, citing the lasting impact of Covid on consumer shopping behaviour plus the recent entry of the Chinese online retailer Temu. Both e-commerce associations claim to have contributed to this growth through on-going efforts to improve customer awareness and trust.

²³ As at 19th March 2026.

Figure 4: Percentage of the population aged 16-74 who bought goods online, Bosnia and Herzegovina, 2020 to 2025



Source: E-Commerce Association / Eurostat

Data from the E-Commerce Association show that the majority of consumers still prefer to pay in cash-on-delivery (with one interviewee noting that “cash is still king”). However, card payments increased from 33% to 43% in 2025, showing increased acceptance. One interviewee cited the influence of Temu, which does not accept cash payment.

Aside from the reform to the Law on Trade, the policy and regulatory environment for e-commerce remains challenging. Multiple interviewees were of the view that the enabling environment had not improved in the last few years, with several citing on-going challenges. One association interviewee was of the view that the law around e-commerce is still not clear (despite the recent Law on Trade reforms – see above). Several e-commerce companies cited challenges around high transaction costs and high postal fees. There are on-going donor efforts to address some of these challenges, and to promote the e-commerce sector overall. For example, the EU4Trade regional programme includes an e-commerce component which is facilitating linkages between e-commerce associations across the Balkans and helped to create the ‘e-commerce 4 all’ platform.

2.3 Student employment reforms

MarketMakers undertook various activities to create more legal clarity around student employment, focusing initially on Sarajevo Canton.²⁴ At the time, full-time students, especially in the Federation of BiH, could not be effectively and legally employed. As noted in Project documentation, their only option was to work part-time via so-called student services, which were highly dysfunctional and distrusted by the private sector and students. To address the issue, MarketMakers entered into a partnership with the Ministry of Science, Higher Education and Youth in Sarajevo Canton. The partnership was predominantly centred around supporting the Ministry in adding an article to the new Law on Higher Education, and advocacy efforts promoting the benefits of student employment to the general public and decision-makers.²⁵

²⁴ MarketMakers included their work on student employment under the BPO destination promotion intervention given its salience to the BPO sector. For the purposes of this report, given that student employment legislation has wider applicability beyond BPO, it has been pulled out as a separate intervention.

²⁵ Source: “Intervention 1 Summary: Destination Marketing and Investor Services”, MarketMakers.

According to one interviewee, at the time employment lawyers had different views on whether student employment was permitted in law or not: whilst there was no legislation that expressly forbade it, the situation was uncertain and there was a perceived risk of inspections and fines among some employers, which acted as a strong deterrent.

Key end-of-project results

MarketMakers contributed to reform in Canton Sarajevo, but reforms had not been replicated in other Cantons or at the Federal level by the end of the Project. Legal experts hired by the Project articulated an article defining student employment, which was adopted by the Ministry and integrated into the draft Law on Higher Education. The Law was adopted in 2022 (Official Gazette of Sarajevo Canton, no. 36/22). Article 108 creates the Sarajevo Canton-level legal basis for student work contracts. The provision allows full-time students to enter into a work contract, limits that work to no more than 20 hours per week over no more than five working days, and states that the Senate and the Ministry are to regulate the detailed conditions, rights, and obligations.

As reported by MarketMakers, the tax reform that would support the full implementation of the article had yet to happen by the end of the Project. The MarketMakers report also noted that there had yet to be any replication in other Cantons. MarketMakers therefore “instructed the Enterprise Development Agency to continue its work on student employment in Republika Srpska”. MarketMakers also noted early efforts by the Federation of BiH to formulate a comparable law at the federal-level.²⁶

Post-project results

There have been further reforms in student employment regulations at the Federal-level, but there are mixed views from companies regarding the efficacy of the reforms. In 2024, the Federal Ministry of Labour introduced amendments to the Federal Labour Law. This provides the legal foundation for the Sarajevo Canton reforms in 2022. Article 166a of the Federal Law is, however, more restrictive than the Sarajevo laws supported by MarketMakers. It allows for work categories “that employers otherwise engage through fixed-term arrangements, such as seasonal and auxiliary work”. Although there is no legal definition of ‘auxiliary work’, it seems to preclude students from working in the core business activities of a business (which is how it has been interpreted by some employers – see below). It also limits the arrangement to a maximum of two contracts in one calendar year and no more than 180 days in total.

According to the Federal Ministry of Labour, companies are happy with the reforms, which marks an important change for the market. Interviewees claim that the Ministry led the reform effort, with no input from MarketMakers or other associations.²⁷

Of the four companies and employment agencies expressing a view on the student reforms, three were of the view that the new laws were too restrictive, citing the 180 day limit and the fact that they were unable to employ students to work in core activities of the business (in their interpretation of the law). According to one interviewee, “by fixing one problem, they created another”. However, a fourth interviewee (a large BPO company) said the reforms now enabled

²⁶ Source: “Intervention 1 Summary: Destination Marketing and Investor Services”, MarketMakers; “End of Phase Report, June 2021 to May 2023”, MarketMakers (2023).

²⁷ It is important to note that this does not necessarily preclude an indirect contribution of MarketMakers, via the example set at the Canton Sarajevo level. In interviews, Project staff also noted the long and significant contribution made by the project, starting in 2018, particularly in relation to awareness-raising and putting the issue on the agenda.

them to hire students, which they felt was an important part of the talent pool for the BPO sector.

In terms of replication of the Sarajevo Canton reforms to other Cantons, no interviewees were able to cite examples of replication. EDA also did not continue to advocate on the issue in Republika Srpska, post-project. However, several interviewees stated that there was no issue with hiring students in Republika Srpska under the current legislation, although it does appear to be a grey area.

Strength of evidence: HIGH (based on key informant interviews with Federal Ministry of Labour, EDA, companies and employment agencies; document review of new legislation).

2.4 Non-formal education

The ambition of the Project was to stimulate innovative skills-enhancing practices in the market and create an nFE ecosystem. Ultimately, the ambition was to induce cluster-like collaboration of nFE providers (companies and company training centres) and other relevant stakeholders that provide various supporting services, thus creating the preconditions for sustained and resilient growth in nFE provision. The goal was to address the problem of weak adult and non-formal education provision in BiH that was poorly aligned with the needs of key sectors of the economy, particularly in IT and BPO that faced significant constraints at the time in terms of access to skilled workers.²⁸

The review team examined two workstreams from Phase 2 and 3:

- a. **Provision of non-formal education: support companies to adopt 'Company Academies'.** MarketMakers provided cost-sharing and technical support for companies to establish training, re-training, or educational services, either as a unit of their existing business or as a separate legal/business entity, linked to the employer's core business and the industry at large. These Company Academies were intended to provide non-formal education for the market (not just internal staff training), with the hope they would become 'centres of excellence'. 16 companies were supported across a variety of sectors, with a focus on IT / BPO.
- b. **Build the nFE ecosystem through the establishment of information and coordination support functions.** MarketMakers worked with the Center for Development Evaluation and Social Science Research (CREDI), a think tank with strong internal expertise in skills development, to launch 'InLearn'. 'InLearn' was designed to: provide employers with training and insights on the company academy model and educational service delivery in general, and provide industry skills gap-related services to civil servants and relevant government departments. The Project also supported PurpleKey, a marketing agency that had established its own Company Academy, to develop a central website (nod.ba) that promoted nFE, especially the company academy model, to both users and businesses, and create an MoU-based cluster with key nFE stakeholders.

Key end-of-project results

Provision of non-formal education: 10 Company Academies were launched, mainly in the IT / digital marketing sectors, nine of which were sustained beyond the first cycle. The flagship

²⁸ Source: "Intervention 2 Summary: Non-formal Education Development", MarketMakers. In interviews, MarketMakers staff also noted that the choice of non-formal education was partly due to the fact the Project did not have the remit to engage with formal education / skills providers as this was considered the remit of another SDC-funded labour market programme. There were also a number of other donor programmes already engaged in Technical and Vocational Education and Training (TVET), limiting the opportunities for MarketMakers to engage effectively in the sector.

result in this regard was Paragon, a brand-new nine-month IT academy established by IT company Mistral. Based on MarketMakers analysis conducted in 2022, six out of ten Academies from the piloting phase demonstrated good signs of sustainability. Of the other four, two were assessed as being at risk of discontinuation in the near future, while the remaining two were too early to assess.²⁹ MarketMakers also reported signs of replication of the Academy model: “Feeling peer pressure or competitive pressure, many other IT / BPO companies recently started investing in their own company academies or other types of skills development programmes, initiatives or partnerships”.³⁰ However, the exact number of cases of replication, and the names of the companies, is not reported.

The Company Academy intervention made a sizable contribution to the overall impacts reported by MarketMakers. A total of 761 people went through nFE training and acquired relevant market skills, thereby increasing their employability, with 386 people gaining new or better employment as a result.³¹

Information and coordination support function: two portals were launched in the form of InLearn and NOD.ba. The contract with CREDI was signed in mid-2020; after some delays, the InLearn platform was launched. As of the end of the Project, InLearn was still active, but the overall intensity and scope of activities were lower than initially expected. However, the model was adapted and rightsized to correspond to CREDI’s capacities and strategic ambitions. The NOD.ba platform was launched by PurpleKey in mid-2022. As reported by MarketMakers, ecosystem players had started cooperating to jointly invest in knowledge-sharing and awareness-raising initiatives through the semi-formal cluster gathered around the platform. For instance, the platform was being used not only by IT/BPO companies, but by sectors others as well (e.g. construction), and MarketMakers found evidence of other initiatives starting to align their actions to include more non-formal education.³²

Post-project results: headline findings

There has been some sustainability in the provision of non-formal education through the Company Academy model, although less so among IT companies, and limited signs of crowding-in. Of the six company academy partners interviewed, three had sustained the Company Academy model. Taken together, these three academies have contributed to a total of approximately 278 people trained since the end of the project (compared to the reported end-of-project results of 761 for the intervention). One case of replication was also reported. However, none of the three IT companies interviewed had sustained their academies. *Strength of evidence: MEDIUM (based on interviews with six out of ten company academy partners; key informant interviews with PurpleKey and CREDI; web search).*

The information and coordination support functions have not been sustained. Despite creating a ‘big buzz’ initially, the NOD.ba platform has not been sustained by PurpleKey and the CREDI InLearn platform is currently unavailable. Neither PurpleKey or CREDI are aware of the platforms contributing to the replication or uptake of the Company Academy model or other similar nFE models.

Strength of evidence: HIGH (based on interviews with PurpleKey and CREDI; review of NOD.ba and CREDI websites; web search).

²⁹ Source: “Developing the market for non-formal education provision in Bosnia & Herzegovina”, MarketMakers (2022).

³⁰ Source: “Intervention 2 Summary: Non-formal Education Development”, MarketMakers.

³¹ Source: “End of Phase Report, June 2021 to May 2023”, MarketMakers (2023).

³² Source: “Intervention 2 Summary: Non-formal Education Development”, MarketMakers.

Post-project results: detailed findings

Of the six company academy partners interviewed, three had sustained the Company Academy model (mostly on a non-commercial basis), with each one contributing materially to the impact of the Project. Perhaps the most successful case is the Company Academy established by Swedish engineering company Walter. In interviews, Walter stated that before the MarketMakers initiative they were able to find good graduates with basic engineering skills, but the graduates often lacked knowledge of technology. A particular gap was in Building Information Modelling (BIM)³³, and at the time there was no formal BIM training in BiH. Walter launched, and has sustained, a two-day 'Say Yes to BIM' workshop, with the option of a three-to-six month follow-up mentorship. Walter has added to the curriculum over time and has gained Autodesk Training Centre (ATC) accreditation, which gives the Walter academy credibility and means students acquire a recognised qualification. Walter has also established linkages with universities and has even provided BIM training to university faculty members. To date, approximately 180 students have been trained (80 since the end of the Project), with an estimated post-training hiring rate of 65%. Aside from 'Say Yes to BIM', Walter used to offer longer training courses (40 hours over two to three months) but are running these courses "less and less". They are also no longer investing in on-line courses. The Walter Academy is mostly free, with some fees for some modules. Walter also runs a scholarship programme through the Walter Foundation, with two scholarships per discipline. In terms of motivation, Walter interviewees noted that the course does not generate a commercial return in its own right. Rather, the motivation is Corporate Social Responsibility (CSR), and as a part of its talent identification strategy.

Another success story is PurpleKey, which has sustained its annual one-month intensive training course on commercial photography / marketing (covering camera operation, studio, post-production, and graphic design). According to interviewees, the content has been adapted over time based on student feedback (for example, they have added more focus on graphic design). To date the company has run eight rounds, with approximately 30 students per round. PurpleKey is considering scaling-up the training to once every six months. The company reports hiring two to three people directly from the training. Of the remainder, "most" get hired by other marketing companies. Trainees are typically highly educated people struggling to find work as well as some high school graduates. The training is offered on a 'low pay' basis (less than KM 200). The primary motivation for PurpleKey is as a talent pipeline (the skillsets covered by the training is hard to find externally).

Finally, manufacturing company Dizart has sustained its three-month Computer Numerical Control (CNC) training course. The course is run four times a year, with approximately 32 to 36 people trained annually. The course costs KM 2,000, with five free places per round. According to Dizart interviewees, CNC operators are in high demand and there has been a high success rate in terms of trainees gaining employment. The course is not profitable for the company. In part, the company feels obligated to continue the training given that the government provided the company with free factory space. The training also provides an opportunity for the company to build relationships and acquire new customers. There is a strong intention to continue to provide the training. Dizart also provided a Training-of-Trainers via a partnership with SERDA and also helped a group of companies in Banja Luka to replicate the training. Note that, according to Dizart interviewees, the company already provided a form of the training

³³ BIM is a collaborative, 3D digital process for creating, managing, and storing data about infrastructure projects throughout their lifecycle.

prior to the partnership with MarketMakers, but that the MarketMakers partnership helped “put [the training] on the next level”. Sida also provided funding for new training machines.

Taken together, these three academies have contributed to a total of approximately 278 people trained since the end of the project (compared to the reported end-of-project results of 761). Given the strong signs of sustainability, these academies will continue to generate additional impact into the future. It is notable that none of the sustained courses are financially profitable in themselves; motivation is a mix of social responsibility and securing future talent.³⁴

None of the three IT companies interviewed had sustained their academies. In all three cases, interviewees cited the high cost of running the courses and updating the training materials to keep them relevant, exacerbated by the global downturn in the IT market and the impact of AI. Improved provision of formal IT education (see Section 2.1) may also have played a part.

Mistral, which was later acquired by HTEC, was cited by MarketMakers as one of the flagship academies. The training course involved one-month initial training to test applicants, followed by a more involved eight to nine-month training. According to company interviewees, the course took approximately six months to develop, with MarketMakers contributing EUR 45,000 to the development cost. Average course fees were around EUR 2,000. In the first year, 53 students completed the course; the company had planned for 100. In Year 2, 23 students were trained, followed by 25 in Year 3. In total, the company employed around 15 alumni of the course; interviewees were aware of other students gaining employment in other IT companies (but this was not tracked systematically). After three rounds of training, the company concluded that they couldn't effectively train people from scratch with a predominately online course. The mentoring support was also absorbing a lot of staff time, with approximately eight staff members working on the training. According to company calculations, fee revenue was around KM 410,000, but the cost was over KM 1,200,000, leading to an overall loss of KM 830,000. After Mistral was acquired by HTEC, the academy was therefore closed. Interviewees also cited changes in the market-place: reduced demand for labour, combined with improved supply of skilled labour through formal channels. HTEC interviewees were of the view that the academy should have been run as a separate business unit or company as it has a fundamentally different business model to the rest of the business.

In the case of IT company DVC, the training was provided by the company's separate training entity HUBL. The original idea was to provide training for local IT companies in Banja Luka. According to company interviewees, the training was “very successful”, with approximately 500 people trained. Following Covid, the training was stopped, and HUBL found it difficult to restart the training after several teachers left. Interviewees also cited significant changes in the market, including reduced IT spend in key markets (e.g. the US) and the impact in AI, which led to a decrease in labour demand, especially for software developers.

Finally, digital marketing company Lilium sustained their online academy until the start of 2026. Overall, between 500 to 700 people took part in the training, approximately 200 of which were fee-paying (with fees of EUR 500). Lilium would often refer smaller companies who did not have the marketing budget to be full Lilium clients to the online content, and also provide some mentoring support. The academy was switched-off because the training content had become out-of-date due to recent policy changes by global tech platforms such as Meta and Google. According to company interviewees, the company would have liked to update the content, but they did not have the staff time to devote to the initiative and the training was not a big enough

³⁴ In the original intervention design, MarketMakers noted that there were several potential motivations for companies to adopt and sustain academies, beyond just a narrow commercial incentive. These included talent acquisition, strategic positioning, and CSR.

priority. Like HTEC, Liliium interviewees were of the view that the training should have been delivered by a separate business unit, with its own team and own finances. They were also of the view that the Company Academy model was a good idea, but that “training is not likely to be a big enough priority for most companies”.

In terms of the information and coordination support function, the NOD.ba platform has not been sustained and the CREDI InLearn platform is currently unavailable. According to PurpleKey interviewees, the NOD.ba platform created a “big buzz” and had a good initial response, particularly the podcast series. However, PurpleKey did not have the time or resources to maintain the platform, and the platform stopped being updated in 2023.³⁵ PurpleKey interviewees also reported that IT companies had lost interest in nFE. Whilst PurpleKey is still interested in the platform, interviewees stated that it was hard to find a sustainable model in the absence of donor funding, and they are currently looking for partners or another organisation willing to take on leadership of the platform.

CREDI interviewees reported that they had sustained the InLearn platform and were investing in a revamped version, due to be launched in March 2026. According to interviewees, the platform aims to promote work-based learning, improve utilisation of learning within companies, and support curricula development. The MarketMakers financial contribution to establish InLearn was around EUR 10,000. CREDI interviewees viewed the Project contribution as “not substantial”, and that CREDI already had the ideas and details in mind, but the support “gave us a push”.³⁶ After the end of Project support, CREDI “didn’t give up” and decided to refocus and invest in additional services, including an upgraded platform. Recent InLearn clients include the company Light Cast, the European Training Foundation, and the Aldi training centre (an NGO with a for-profit subsidiary). However, at the time of writing the InLearn platform is not available online and there is no mention of InLearn on the CREDI website (other than a post dating from 2021). CREDI interviewees also claim to have influenced the design of public sector active labour market programmes, resulting in greater focus on training and skills.

There is limited evidence of replication of the Company Academy model. A goal of the NOD.ba and InLearn platforms was to promote uptake of the Company Academy model. However, PurpleKey were unaware of NOD.ba contributing to any cases of replication. None of the other five companies interviewed were able to cite examples of replication, with the possible exception of Dizart.

Wider developments in the sector

No organisation publishes data on nFE provision, so it is difficult to assess wider developments in the nFE sector. In terms of sectoral trends in the IT / BPO sector, improvements in formal IT skills provision, combined with AI reducing demand for entry-level positions (see Section 2.1), appears to have made the Company Academy model less relevant or needed in the IT / BPO sectors at least.

2.5 Freelancing

The systemic ambition of the project was to create the foundations for the long-term development of the ‘freelancing ecosystem’ in BiH. MarketMakers focused on four key market functions: information / awareness-raising, skills development and experience-enhancing

³⁵ At the time of writing, the NOD.ba platform was still live, but the last entry under ‘News’ was from July 2023, and the last entry under ‘Most read’ was from August 2022. Under ‘Education’, where users can access different nFE training courses, there are no entries.

³⁶ In interviews, Project staff disputed this assessment, noting that MarketMakers had actively supported the initial concept development and platform design.

options relevant for the global freelancing market, tailor-made service provision, and policy advocacy and dialogue. The latter was seen as particularly important by the project: due to an underdeveloped policy framework and vague taxation rules, many young people were reluctant to start a freelancing career.³⁷

The review team examined four MarketMakers workstreams from Phases 2 and 3:

- a. **Information / awareness raising: support the establishment of a freelancing information platform (Freelancing.ba).** Starting in Phase 2, MarketMakers supported the establishment of a central information platform for freelancers. The hope was that the platform would provide information on topics such as: opportunities in global and local freelance markets; how to build and maintain a career as a freelancer; and legal frameworks, especially in terms of how to declare and pay taxes. The Project first supported AIESEC, an international youth-run NGO, to develop the platform, called Freelancing.ba. Ownership was later transferred to JS Guru, an IT company, with MarketMakers providing additional support to add new content.
- b. **Job matching: support the establishment of a local-language gig economy platform (BeeCreative.ba).** The rationale behind the platform was to lower entry barriers related to experience and skills (including English language skills), and to reduce information asymmetries between supply and demand sides and enable local businesses to identify and hire local freelancers. MarketMakers partnered with the Centre for Education and Research ('Nahla'), a specialist adult education non-profit organisation.
- c. **Advocacy / coordination / support services: facilitate the creation of a freelancing cluster / network to promote freelancing and to advocate for reforms (the Freelancing Alliance).** A key focus of Phase 3 was the creation of a cluster of organisations that could support the development of the freelancing sector on an on-going basis, including improved sector coordination and policy advocacy. MarketMakers also facilitated a tripartite collaboration / exchange between Freelancing Alliance, Centre for Policy and Governance (CPU), and Enterprise Development Agency (EDA) in order to strengthen the advocacy effectiveness of the Alliance.
- d. **Policy reform: support stakeholders to pass the new Law on Crafts (Federation of BiH).** The new law, led by the Federal Ministry of Development, Entrepreneurship, and Crafts, aimed to provide more regulatory certainty and remove several regulatory barriers for freelancers. The Project supported the adoption of the new Law by investing in promotional and awareness-raising efforts.

Key end-of-project results

Information / awareness raising: Freelancing.ba was launched in 2019 and, after a change of ownership, had reached over 20,000 unique visitors. The development of the first iteration of the Freelancing.ba site was led by AIESEC. As reported by MarketMakers, despite the initial commitment and satisfactory intensity of work, progress notably slowed down with the first regular change within the managerial structure of AIESEC. In 2020, ownership of the portal was therefore transferred to JS Guru, an IT company that expressed a desire to start investing in the development of the freelancing ecosystem. Under JS Guru, additional activities for the promotion and outreach of the portal were introduced. These activities included a series of webinars on self-education and freelancing, informative videos, and the introduction of the Community Manager function. By the end of the Project, MarketMakers reported that the Freelancing.ba portal was still live, but with reduced intensity of content publishing.³⁸ A

³⁷ Source: "Intervention Summary: Freelancing Promotion", MarketMakers.

³⁸ Source: "Intervention Summary: Freelancing Promotion", MarketMakers.

separate MarketMakers case study reported that JS Guru's "sophisticated and comprehensive programme of self-employment, self-education, and re-skilling promotion via the portal – using mainly an eight-part interactive webinar series – was beginning to attract footfall and spark the interest and level of youth interaction originally foreseen when the intervention launched". By May 2021, the portal had approximately 5,700 registered members and 20,500 unique portal visitors.³⁹

Job matching / information provision: BeeCreative.ba was developed and launched by Nahla in 2020, but the functionality was downgraded to a 'gig information' site. As reported by MarketMakers, Nahla encountered various legal obstacles with operating a gig-matching platform as well as difficulties in dealing with the software developers who created the platform. Nahla had also been less successful in mobilising the buyer-side. As a consequence, the platform was repurposed from a gig-matching platform to a gig-information platform. At the end of the Project, the portal was still live, but the volume of transactions was relatively low.⁴⁰

Advocacy / coordination / support services: a semi-formal alliance (cluster) aiming to perform policy advocacy activities and provide tailor-made services to freelancers was created, with nine members. The nine members of the Freelancing Alliance included two Project partners, JS Guru and Nahla, plus ProCredit Bank, MF bank, Tershouse, Virtuo, BOffice, FinEkspert, and Advokad Feđa Dupovac. In 2022, Tershouse, a Sarajevo-based co-working space, was named as the lead organisation of the Alliance. According to MarketMakers, since its establishment the Alliance had: worked with a business development expert to align activities and goals; finalised and launched the landing page of the Alliance (freelance.ba), which included business service packages from its partners; implemented several promotional campaigns; and hosted one meetup for the freelancing community. Two freelancing conferences were held, the last in April 2023.⁴¹

Support services: several banks launched dedicated financial services for freelancers. One early impact of the Freelancing Alliance was the decision by MF Bank and ProCredit Bank to design and launch tailor-made packages for freelancers. As confirmed in interviews with MF Bank, the partnerships and exchanges facilitated through the Alliance built their interest in the freelance market, which was identified as a big enough niche that was not well served by banks at the time. The insights and feedback provided by Virtuo "helped a lot" with the design of the product. The MF Bank package, launched towards the end of MarketMakers, provided a local currency account and Euro account, offered lower fees on international payments, and accepted PayPal (important features for freelancers working through global freelance platforms).

Policy reform: the new Law on Crafts and Related Activities passed in 2021. As confirmed in interviews with the Federal Ministry, the Law includes a number of provisions beneficial to freelancers, including the ability of craft owners to obtain an import / export number, allowing people to open a craft in a sector unrelated to their formal educational background, adding classifications that were previously missing (e.g. graphic designer), and reduced registration requirement. There are mixed views regarding the contribution of the Project. According to one MarketMakers interviewee, the Project led the dialogue with government ministries (with the Freelancing Alliance not really involved). However, according to Ministry interviewees, the reform effort was led by the Ministry and shaped by craft people and the Chamber of

³⁹ Source: "Making Self Employment Work Better for the Youth of Bosnia and Herzegovina", MarketMakers.

⁴⁰ Source: "Intervention Summary: Freelancing Promotion", MarketMakers; "Making Self Employment Work Better for the Youth of Bosnia and Herzegovina", MarketMakers.

⁴¹ Source: "End of Phase Report, June 2021 - May 2023", MarketMakers

Commerce; the interviewee was not aware of any active role played by MarketMakers. Another Project interviewee noted that MarketMakers played more of an indirect role, undertaking advocacy and media engagements in order to improve the likelihood of the reform being passed (having failed to pass on two earlier occasions). This would explain why the Ministry interviewee was unaware of the contribution of the Project.

Post-project results: headline findings

There has been a sustained improvement in the information / awareness raising function, although there are clear risks to future sustainability. The Freelancing.ba platform has been sustained and provides a valuable source of information on freelancing, with around 50,000 unique visitors to date. However, the BeeCreative platform was not sustained by Nahla. Given that the improved performance of the information / awareness raising function is dependent on Freelancing.ba, which is run by a single individual, there is a clear risk regarding future sustainability.

Strength of evidence: HIGH (based on interviews with Freelancing.ba, NAHLA; review of Freelancing.ba and BeeCreative websites and user data provided by Freelancing.ba).

There has not been a sustained improvement in the advocacy or coordination function, although Freelancing.ba does undertake some social media advocacy. According to interviews, the Freelancing Alliance was never formalised and has not been sustained. Freelancing.ba does undertake some advocacy, and reportedly scored an advocacy success in relation to the removal of the requirement for freelancers to have a physical payment / receipt terminal. Aside from this, and the new Law on Crafts and Related Activities passed in 2021, no other improvements in the policy / regulatory environment were found. The advocacy efforts of Freelancing.ba are also dependent on a single individual.

Strength of evidence: HIGH (based on interviews with three members of the Alliance and Freelancing.ba).

Strength of evidence in relation to advocacy success of Freelancing.ba: LOW (it has not been possible to verify the contribution of Freelancing.ba to the reform).

There has been a sustained improvement in the provision of support services to freelancers, in the form of tailored financial services, but no signs of further crowding-in. MF Banka and ProCredit have both sustained the dedicated financial service offer for freelancers, although it has not been possible to obtain customer numbers, so the scale of reach is unknown. No other cases of replication were identified.

Strength of evidence: MEDIUM (based on interviews with MF Banka; review of MF Banka and ProCredit websites; key informant interview with Freelancing.ba).

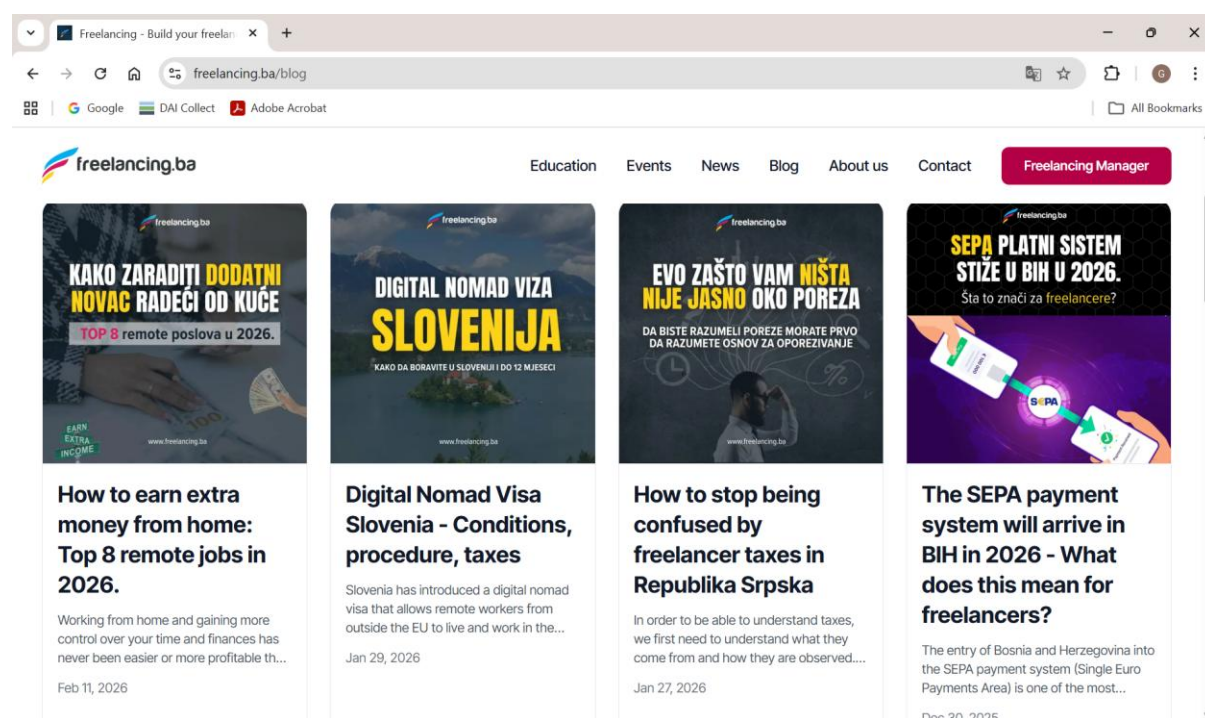
Post-project results: detailed findings

Freelancing.ba has been sustained and provides a valuable source of information on freelancing, with strong user growth and engagement. According to interviews with market actors, JS Guru sustained the site until 2024, but with limited institutional commitment. The site was taken-on by a JS Guru employee who left the company and established Freelancing.ba as an independent entity. At the end of MarketMakers, the website had no business-plan in-place⁴², and limited content: two guides for freelancers, plus eight webinars (developed with Project support). The new owner added new functionality and information – including blogs, news, and ‘tips and tricks’ (see Figure 5 for a snapshot) – and developed a business plan with

⁴² Project interviewees were of the view that a business plan was in-place when the platform was operated by JS Guru. It is possible that this business plan was lost when the platform transitioned to new ownership.

support from an initiative in Sarajevo. The website was also remodelled four times, demonstrating a high-level of on-going adaptation and innovation.

Figure 5: sample page from Freelancing.ba



Screenshot from Freelancing.ba (translated into English), accessed 17/02/2026.

According to data provided by the current operator, the platform has recorded strong growth in portal visits – reaching around 50,000 by the start of 2026 – and has close to 10,000 registered users (see Table 3). There has also been strong growth in social media engagement in the last year (see Table 4).

Table 3: Freelancing.ba user metrics, 2020 to 2026 (cumulative)

Metric	31/12/2020	31/05/2021	05/02/2026
Unique portal visits	~16,900	~20,500	~50,000 ⁽¹⁾
Facebook page likes	~2,650	Not measured	~5,400
Registered users	~2,570	~5,700	~9,700
Registration Manual downloads	n/a	~1,900	~3,700
Freelancing Guide downloads	n/a	~330	~440

Source: Freelancing.ba. Notes: (1) In 2023, Google permanently closed Universal Analytics and replaced it with Google Analytics 4, and started tracking data from scratch. Therefore, the cumulative number of unique portal visits are an underestimate as data is missing from 2021 to 2023.

Table 4: Freelancing.ba social media engagements, 2025 to 2026

	Instagram	Facebook	Mailing list	LinkedIn
2025	1,395	5,281	8,106	997
2026	1,708	5,432	9,688	2,220
<i>Change</i>	+22%	+3%	+20%	+123%

Source: Freelancing.ba.

According to interviews with the current owner, Freelancing.ba also scored an advocacy success: following a media campaign and online petition, the requirement for freelancers to have a physical payment / receipt terminal was removed. According to Freelancing.ba, this will save freelancers around EUR 250 for the device and up to EUR 60 per month in fees.⁴³

The Freelancing.ba operator seems primarily motivated by the ownership they feel of the platform and the enjoyment and satisfaction they derive, rather than purely monetary incentives. Currently the platform does not have any regular revenue streams, aside from ad-hoc marketing revenue and a referral scheme with MF Banka. The current owner is currently developing a fee-paying app for members, which will add an additional revenue stream, and provide users with additional functionality (covering registration, tax calculations, bank applications, and invoicing). While the current operator is highly committed to the platform, the limited revenue streams to date and the fact that the current owner is a sole-trader presents a clear sustainability risk.

The BeeCreative platform was not sustained. At the time of writing, the website is still live, but appears to be inactive. Under the four job categories, there were no posts in 2025/6 for three of the categories (digital marketing, photography, and graphic design). The fourth category, web design, had 11 posts in 2025/6, with the last one dating from April 2025.

According to interviews with Nahla, the organisation did not have the financial or human resources to maintain the website and found it difficult to monetise the site (interviewees cited a low willingness to pay for services among freelancers). As noted above, Nahla also encountered legal obstacles which would have required the creation of a separate company in order to offer intermediation services, which was considered too onerous for Nahla.⁴⁴ In terms of matching freelancers to service providers, Nahla interviewees cited 50 cases of freelancers hiring service providers through the platform over 2.5 years.

According to interviews, the Freelancing Alliance was never formalised and has not been sustained. With MarketMakers support, several meetings were held with market actors interested in the freelancing market. However, according to three interviewees there was no clear leadership and the meetings stopped, and no agreement was reached to formalise the Alliance. According to one interviewee, freelancing was not central enough for any of the 'members' to sustain interest in the alliance. Another cited the fact that the lead in Tershouse went on maternity leave as contributing to the lost momentum. Another interviewee noted the good level of energy at the start of the initiative, but the implementation of joint activities was slow, responsibilities and timelines were unclear, and there was a lack of clear ownership. The

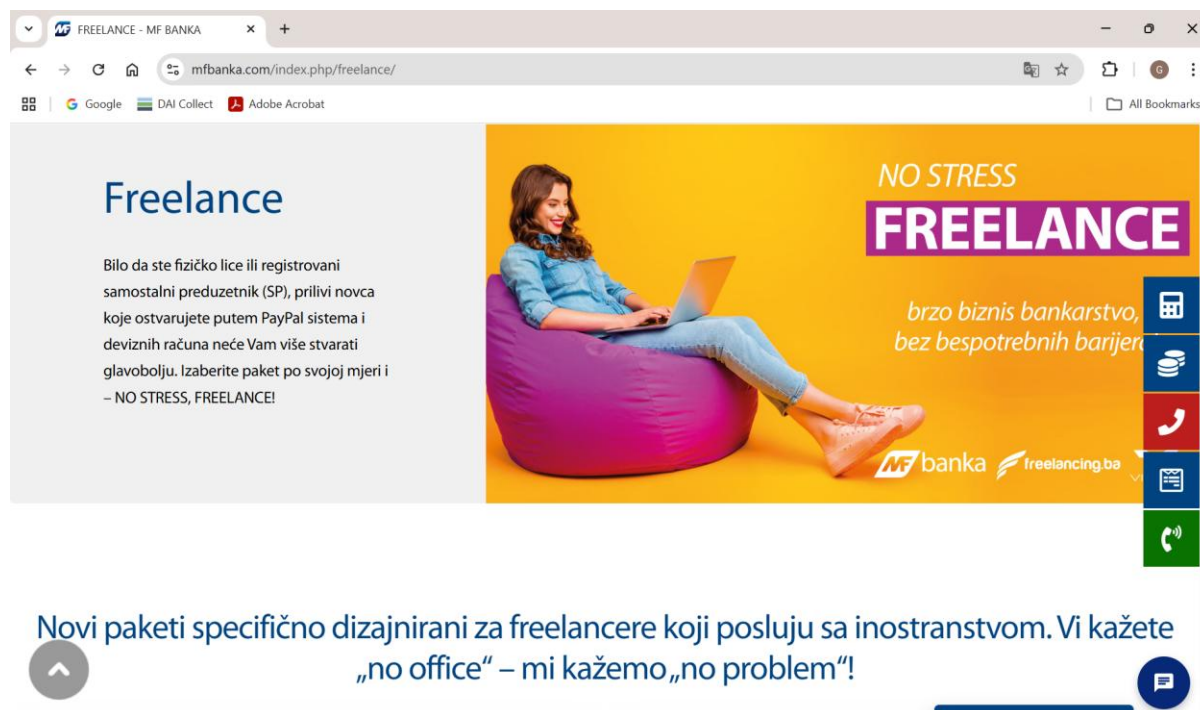
⁴³ Note that the contribution of Freelancing.ba to the reported change has not been verified.

⁴⁴ In interviews, MarketMakers staff were of the view that, in retrospect, Nahla was not the optimal partner to host an intermediation platform but that, because of the nature of the MarketMakers consortium (which included a recruitment company), they were unable to partner with recruitment agencies or jobs portals.

website launched by the Alliance (Freelance.ba) is also no longer live. The tripartite partnership between EDA, CDU, and the Alliance, brokered by MarketMakers is also not active.

Two banks have sustained the dedicated financial service offer for freelancers. MF Banka now offers two different packages for freelancers, which is actively marketed on its website (see Figure 6 below). ProCredit offers a similar package for 'entrepreneurs'. No other concrete cases of replication have been identified.

Figure 6: marketing for the MF Banka financial services for freelancers



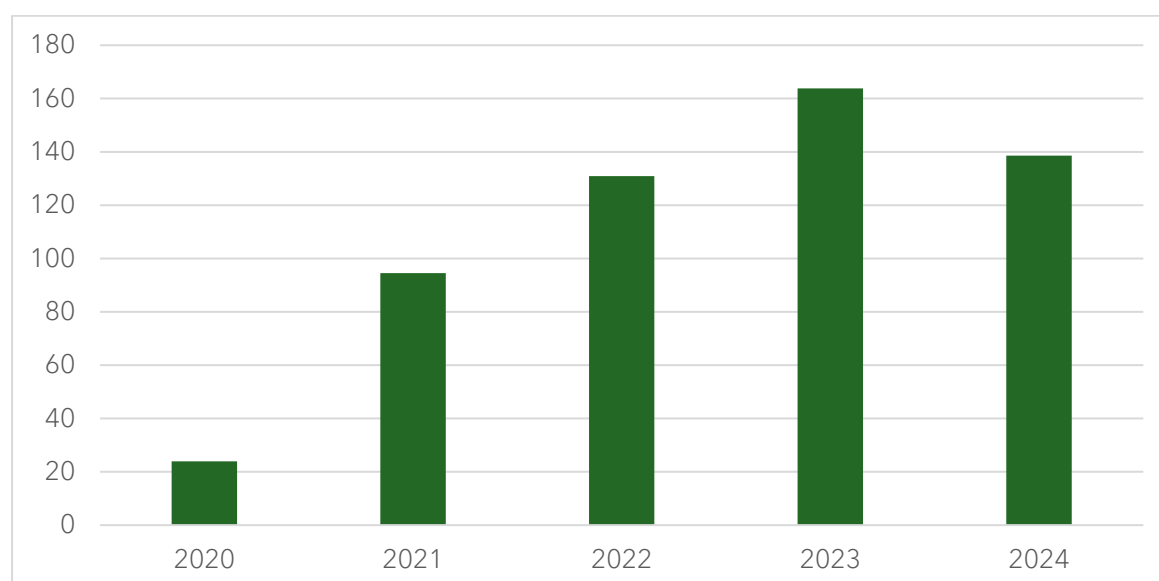
Screenshot from the MF Banka website, accessed 17/02/2026.

Wider developments in the sector

After dramatic increases in the number of digital gig workers following Covid, the number of gig workers in BiH appears to have declined, driven in part by AI. As shown in **Error! Reference source not found.**, there was a dramatic increase in the number of BiH freelancers on the three largest global gig platforms after the start of the Covid pandemic. However, in 2024 the number of gig workers on these platforms declined. The Gigmetar report highlighted notable changes within job categories, with the greatest declines in 'writing and translation' and 'clerical and data entry', but continued growth in occupations such as 'software development' and 'sales and marketing support'. The report suggests that recent advances in AI may be driving these changes.⁴⁵ On a more positive note, the report highlighted strong growth in hourly earnings, which increased by 8.2% in BiH in 2024.

⁴⁵ This is also in-line with global evidence on the impact of AI on digital gig work. For example, one paper that examined the short-term effects of the recent release of the large language model ChatGPT found evidence that these models reduce overall demand for knowledge workers of all types, and that top freelancers are disproportionately affected (see Hui, X. et al, "The Short-Term Effects of Generative Artificial Intelligence on Employment: Evidence from an Online Labor Market" (2023)).

Figure 7: Number of gig workers in BiH on Upwork, Freelancer, and Guru per 100,000



Source: Gigmetar, Public Policy Research Center

According to one interviewee, there has been an increase in awareness of freelancing in BiH and an increase in global freelancing opportunities, including in graphic design, virtual assistant roles, and software development. However, they noted that some jobs are being replaced by AI. One key informant from Republika Srpska was also of the view that there are increasing numbers of people freelancing in the Republika.

Beyond the new Law on Crafts and the advocacy win by Freelancing.ba, no other reforms have been found and important regulatory / policy issues remain. Several interviewees noted ongoing issues with the fact that freelancers are required to make deductions for social security and healthcare but without having any rights to access these benefits, and remaining uncertainties regarding tax arrangement. Given that the Freelancing Alliance is no longer active, and the key role MarketMakers played in the Law on Crafts, it is also unclear to what extent market actors will be able to effectively advocate for further reforms.

3 Conclusions and recommendations

This section presents cross-cutting conclusions and recommendations, drawing on the detailed findings from across the five deep-dives. Given that MarketMakers is now closed, the recommendations are focused on implementers and funders of other youth employment, market systems, and private sector development projects.

Value of MSD concepts and frameworks

The partner-led, facilitative approach of the Project was highly appreciated by Project partners. As recommended by the MSD approach, MarketMakers acted as market facilitator, entering into longer-term partnerships with market actors in order to help these actors adopt new behaviours and practices that advanced their own interests and priorities (whilst also contributing to the goals of the Project). As described by Project staff, MarketMakers avoided offering fleeting or temporary inputs, or using actors as vehicles to implement activities on behalf of the Project.

Across all the Project partners interviewed during the Review, this approach was universally praised. A selection of quotes from partners and stakeholders is provided below:

- *"I hope [MarketMakers] comes back - the collaboration was exactly how projects should be run, supporting businesses to try something new."* **Project partner (e-commerce / MSME marketing intervention)**
- *"MarketMakers gave us the first initial spark. Their value was not so much the financial contribution but the ideas and knowledge... The project staff were very professional and very practical."* **Project partner (nFE intervention)**
- *"MarketMakers did a good job... they were open to cooperation and ideas; they didn't just issue fixed RfPs like other donor programmes."* **Research provider and project partner (various interventions)**
- *"We worked really nicely with the people from MarketMakers... they were into the industry and knew what was happening in the sector."* **Project partner (IT intervention)**
- *"MarketMakers provided space for people to exchange ideas and discuss problems... we need more projects like MarketMakers."* **Public sector stakeholder (Student Employment Law intervention)**
- *"MarketMakers was one of the projects that delivered concrete results... not just blah, blah, blah, organising a few conferences and delivering no impact."* **Public sector stakeholder (BPO intervention)**

To implement the MSD approach, MarketMakers built a strong core team able to engage effectively with market actors (although the team perhaps could have benefited from more policy-making / advocacy experience). According to an interviewee from the MarketMakers consortium, the Project looked to recruit people who understood the private sector and investment, ideally combined with some development experience, and who displayed an 'entrepreneurial mindset'. This is very much in-line with standard MSD guidance, which highlights the importance of recruiting a project team that will be credible with market actors, are able to 'speak their language', and that are entrepreneurial and adaptive. Whilst this undoubtedly contributed to the ability of the Project to forge strong partnerships, particularly with private sector actors, the same interviewee conceded that the team may have been lacking in policy-making and advocacy skills, a very different skill-set to private sector engagement. This may have contributed to the relatively modest advocacy successes of the industry associations supported by the Project (see below).

Sustainability was central to how MarketMakers designed and delivered interventions and partnerships, which clearly contributed to the relatively high number of market systems changes that were sustained beyond the end of the Project. Sustainability is one of the core principles of the MSD approach. As noted by one Project staff member, a lot of work went into 'sustainability planning' in each and every partnership. Linked to the finding above, they also stated that "in managing partner relations, a great deal of thought went into: i) continuing to support an existing partner, ii) decreasing inputs to an existing partner over time, and iii) exiting from partnerships, not just for under-performance, but also for positive reasons (i.e. sometimes to incentivise people to 'make a go of things on their own' / 'stand on their own two feet')." As discussed below, this focus on sustainability from the start was particularly effective in MarketMakers' support to new industry associations. Although the Project often supported these organisations over several years, Project staff emphasised that the support was temporary and that the partner would ultimately need to sustain themselves without on-going Project support.

MarketMakers also worked on a cost-share basis: partners were required to invest significant resources of their own as a means of testing partner buy-in and commitment. Of the partnership agreements reviewed during the Review, partner cost-shares were typically around 45%.⁴⁶

During the Review, at least 10 partnership agreements were reviewed in detail. In all cases they included a clear sustainability plan. However, in some cases the sustainability plan is not entirely convincing. For example, in the case of AIESC (the original partner for the Freelancing.ba portal) the plan does not contain a detailed consideration of the on-going costs of maintaining and updating the portal or estimates of the potential revenue streams.⁴⁷ In the case of Tershouse (the envisaged lead of the Freelancing Alliance), the sustainability plan is based on fact that Tershouse's core business is providing services to freelancers. However, this does not mean that Tershouse has a sufficient incentive to spend time leading the freelancing cluster or coordinating advocacy initiatives. There is also no consideration of the *capability* of Tershouse to play this role.⁴⁸ Similar limitation relate to the PurpleKey partnership (the host of the NOD.ba platform under the nFE intervention). Interestingly, in all three cases, the actors did not sustain the desired market systems changes, suggesting that a well-reasoned sustainability plan is necessary (but not sufficient) to achieve sustainable outcomes.

Recommendations:

1. Projects wishing to catalyse lasting changes in market systems should adopt the role of facilitator. This means working in genuine partnership with local market actors, helping them to adopt new or improved practice that contribute to the actor's own priorities (whilst also contributing to the objectives of the project).
2. Projects should build core project teams that are entrepreneurial and adaptive, and able to play the role of market facilitator effectively. Project staff should be able to credibly engage with, and add value to, actors in the market. Where the project intends

⁴⁶ In the case of eComm, the initial partner cost-share from founding member OLX was only 3%, plus a promise that "other founders will contribute through [their] specialized services, or by transferring relevant NGO and project knowledge". The rest of the contribution "will come from new members and projects that will be initiated by the Association". By the end of the Project, eComm had raised KM 150,000 in revenues, effectively increasing the partner cost-share to 40%.

⁴⁷ Banner advertising is the only identified revenue stream, and there is no analysis of the potential revenue that could be raised, relative to the on-going costs. The AIESC partnership is also the only agreement reviewed that does not specify a monetised cost-share from the partner.

⁴⁸ MSD guidance and tools emphasise the importance of thinking through both the incentives and the capacities of market actors to adopt and sustain a new practice or innovation.

to engage private, public, and civil society actors, the team should ideally contain the different skillsets required (including policy-making and advocacy skills if the project intends to support policy or regulatory reform).

3. Projects should carefully think-through a sustainability plan for all interventions and partnerships, right from the start of the design stage. These sustainability plans should carefully consider the incentives and capacities of actors to adopt and sustain the desired practice change. Where possible, projects should attempt to model the potential costs and revenues, especially for commercially-motivated actors.
4. Cost-sharing should be used to test the buy-in and commitment of potential partners. While partner cost-shares in MarketMakers were around 45%, more research is needed to develop useful 'rules-of-thumb'.

Formation of the Project consortium

The Project consortium included a market actor, which may have led to missed opportunities for MarketMakers and sub-optimal partnership choices. MarketMakers was implemented by a consortium of Helvetas and Kolektiv, one of the best-know recruitment agencies in BiH and owner of the main jobs portal in the country (posao.ba). Standard MSD guidance suggests that MSD projects should maintain a clear line between 'facilitators' that intervene temporarily in the market, and 'market actors' who are permanent players in the market. In interviews, several Project staff suggested that the inclusion of Kolektiv in the consortium lead to missed opportunities for the Project. Firstly, to avoid any conflict of interest, Kolektiv was not allowed to benefit directly from project activities or grant funding, meaning that MarketMakers was unable to support Kolektiv / posao.ba in their role as a market actor. As well as a missed opportunity, this also led MarketMakers to make sub-optimal or second-best partnership choices, such as the decision to partner with CSO Nahla to implement the BeeCreative portal (which Nahla was unable to sustain). Secondly, Project interviewees were of the view that the presence of Kolektiv on the consortium made it more difficult to partner with other human resource / intermediation companies who were suspicious of sharing information and ideas with a project co-implemented by one of their competitors.

Recommendations

5. In forming the consortium, MSD projects should maintain a clear distinction between the role of 'market facilitator' and 'market actor' and avoid including market actors in the consortium. This will avoid creating conflicts of interest and maximise partnership choices for the project.

Working in a politically challenging context

MarketMakers did well to deliver results in a very challenging and fragmented political environment, but perhaps could have done more to maximise impact across both entities. As noted by Project interviewees as well as numerous Project partners and key informants, BiH is a highly complex and challenging political environment. This affects both the public sector (in relation to policy and advocacy) and private sector (given the blurring of the public and private realm in BiH). As a legacy of the war, the political landscape is also highly fragmented, with the country organised into two entities (the Federation of Bosnia and Herzegovina and Republika Srpska, plus the autonomous Brčko District).

According to Project interviewees, MarketMakers "operated as an apolitical project and we strove to be a meritocracy with respect to partner selection - working with those who i) took sustainability seriously, ii) could make a big impact on youth un/under-employment".

MarketMakers was a Sarajevo-based project. However, the Project undertook a number of steps to try to unlock opportunities and partnerships across the two entities. For example:

- MarketMakers formed a close ‘co-implementer’ partnership with EDA, based in Banja Luka, throughout Phase 2 and 3;
- The Project hired a Strategic Partnership Manager for several years in Phase 2, tasked with identifying promising partners and intervention opportunities outside of Sarajevo;
- Where possible, the Project sought to identify partnerships that would produce geographically dispersed results (e.g. the Freelancing.ba portal), and supported partners to expand their geographic coverage (e.g. encouraging ManPower and ABSL to include locations in both entities in the Talent Availability Study).

However, given the fragmented nature of the political environment, it is possible that the Project could have done more to unlock opportunities across the entities – for example, by maintaining an office in Banja Luka.

It is also notable that several associations supported by MarketMakers also appear to have struggled to gain traction in Republika Srpska and are seen by some as too Sarajevo-centric. Although challenging, this raises the question of whether the Project could have done better to support associations in this regard if the Project itself had a stronger presence across the country. The Project also contributed to fewer advocacy successes in Republika Srpska (compared to Canton Sarajevo and the Federation of Bosnia and Herzegovina).

Recommendations:

6. Projects operating in challenging and fragmented political environments need to think careful about how to ensure they are able to operate effectively across different entities. This might include, for example, ensuring a good regional balance within the project team, and maintaining offices in each of the main regions (depending on the size of the country and project budget).

Role of the donor in creating a supportive operating context

SDC created the right conditions for MarketMakers to adopt a systemic approach, although the phased approach may have unnecessarily limited the time-horizons of the Project. A central insight of MSD is that market systems are complex, dynamic, and context-dependent. As such, MSD projects need to be flexible and adaptive, testing different solutions and partnerships, and scaling-up what works (and scaling-down or exiting what does not). It is also generally accepted that MSD projects take longer than ‘direct delivery’ projects due to the time required to understand the market in sufficient details, identify partners and negotiate agreements, and to support partners to adopt and adapt new practices and innovations. This is especially true of interventions such as supporting legislative reforms or the creation of new industry associations.⁴⁹ MarketMakers was able to undertake these kinds of interventions thanks to supportive operating environment created by SDC, including longer timeframes and not insisting on short-term high-level impact. According to Project interviewees, SDC gave the MarketMakers the freedom to take risks and to fail, and allowed the project to pursue longer-term, systemic interventions.

⁴⁹ The need for longer-term horizons was also noted by several MarketMakers partners. For example, one association that first received Project support at the end of Phase 2 expressed the desire for longer support from the Project, stating they needed another few years of support to “reach the next level” and achieve full sustainability. Another project partner noted that one to two years is not sufficient to see the reform process through from start to finish.

However, although MarketMakers was ultimately funded for 10 years, the Project was divided into three phases (two four-year phases, and a final two-year phase). In the view of several interviewees, because it was not clear until the final year of each phase whether the Project would continue or not, this had the effect of creating back-to-back medium-term projects rather than one truly long-term project. According to one interviewee: “this creates cycles of ramping-up and winding-down partner relationships, not knowing if you would exist the following year or not”. With a 10-year horizon from the start, they speculated that the Project would have been able to take on even more systemic, transformational interventions, such as engaging with formal education sector actors (at the secondary level). It would also avoid “the ‘lost year’ in phase transitions where you need things to wrap-up, where the dynamics are interrupted, and then you need to pick things up again later on”.

The tendering of three separate labour market projects may have hindered the systemic impact of MarketMakers and led to sub-optimal intervention design and partnership choices. SDC commissioned three separate labour market projects covering three different aspects of the labour market: labour demand (MarketMakers), labour supply (Prilika Plus, and later a joint TVET initiative with GiZ), and labour intermediation (Youth Employment Project). One MarketMakers interviewee noted that these different elements of the labour market are manifestly interconnected. In theory, the three projects could have coordinated closely and delivered joint initiatives. However, in practice, several interviewees were of the view that cooperation was ‘difficult’. This was due to a number of issues, including: a lack of a shared MSD approach, lack of agreement on priority sectors or labour market constraints to be targeted, lack of geographic alignment, and different starting times.

Interviewees pointed to several cases where this arrangement restricted MarketMakers’ choice of partner, leading to missed opportunities or sub-optimal choices. They also suggested that the inability to work with public sector skills providers hindered the ability of the Project to effectively influence policy / reform efforts. Finally, the Project was unable to adopt a more comprehensive strategy around key sectors such as BPO and IT, working on labour demand, supply, and intermediation together. Although it is difficult to assess, this may have limited the post-project systemic impact of the Project.

Interviewees in the Swiss Embassy noted that Embassy staff always pushed for coordination and synergies among SDC-funded projects through regular portfolio meetings and exchanges with project teams.

Recommendations:

7. Donors commissioning systemic projects should make sure that they create the right enabling environment for the project. In particular, MSD projects need to be given the freedom to innovate and take risks, and the flexibility in budget lines and workplans to learn and adapt. Donors should also avoid creating pressure for short-term high-level results.
8. To the extent possible, donors should provide the necessary long-term time horizons. If it is necessary to tender projects in shorter phases, wherever possible the donor should provide certainty regarding any follow-on phase as soon as possible, to allow the implementer to adopt a truly long-term planning horizon.
9. Specifically in relation to labour market projects, donors should generally avoid creating separate projects for labour demand, supply, and intermediation. If this is not possible, donors should ensure to the extent possible that the conditions exist for strong collaboration (for example, through a shared MSD approach and common sector prioritisation and geographic focus).

Effectiveness of the Project in creating new associations and industry clusters

MarketMakers has been successful in creating sustainable associations, based on strong support around business planning and member services. MarketMakers supported the creation of new associations across three different sectors: IT, BPO, and e-commerce. In all three cases the associations have been sustained beyond the end of the Project, having grown their membership base and developed a clear membership offer. According to one eComm interviewee, “we couldn’t have started eComm without MarketMakers”. The interviewee noted the strong focus on sustainability: MarketMakers set a clear end-date for project support and helped eComm to develop a business plan and become self-financing. This view was echoed by another interviewee, who added that the Project helped eComm establish clear rules and governance arrangements, also critical for sustainability.

One Project interviewee listed several critical success factors. Firstly, the Project conducted lots of analysis and piloting at the start, for example by bringing companies together to test their willingness and ability to work together. Having identified a set of companies willing to move to the next stage, MarketMakers supported the establishment of the association and helped with the development of a business plan and member services.

But, potentially more could have been done to build the capacity of associations to advocate effectively. One association interviewee wished that the Project had provided advocacy capacity building, which was ‘missing from the MarketMakers offer’. Another association interviewee was of the view that the advocacy training facilitated by the Project (delivered by EDA and CPU) was of limited use.

In most cases, the associations supported by MarketMakers have recorded limited advocacy successes. In several cases, where associations have been effective in influencing government, the government funding and incentive schemes created have suffered from low levels of take-up and limited impact.⁵⁰ This suggests that associations may be advocating for the wrong type of reform. The counterexample is Bit Alliance and the Law on Support to Investments of Strategic Importance for the Economy of Canton Sarajevo, which was explicitly designed in recognition of limitations of standard government grant / subsidy schemes for small businesses.

In interviews with Project staff, there were mixed views as to whether MarketMakers could have done more to strengthen the advocacy capacity of associations. One interviewee noted that they were more focused on the business side of running an association, paying less attention to the advocacy function. Two interviewees were also of the view that in several cases MarketMakers led the advocacy effort themselves, thereby missing the opportunity to strengthen the long-term ability of associations to advocate effectively. Expressing an alternative view, one interviewee stated that the Project deliberately did not focus on building advocacy capacity because this was not something demanded or prioritised by the associations in their early years; instead, the focus was on building the membership base and revenue streams. While this might apply to ABSL and eComm (both still relatively new by the end of the Project), it does not apply to Bit Alliance (which was founded early in Phase 1). It is also contradicted by Project documentation, which states that one of the systemic objectives of the Project was to create associations that could perform an advocacy function.

MarketMakers efforts to create looser industry clusters was less sustainable. Aside from supporting the creation of new associations, MarketMakers also supported the emergence of

⁵⁰ This includes the BPO support measures in Canton Sarajevo, the BPO / IT support measures in Republika Srpska, and the IT support measures in the Federation.

looser industry clusters, including the Freelancing Alliance and the NOD.ba platform under the nFE intervention. In both cases, these initiatives were not sustained. It appears that in each case, MarketMakers overestimated the capacity and incentives of relatively small private companies (Tershhouse and PurpleKey respectively) to play a lead coordination role.

Recommendations:

10. Projects wishing to create new industry associations should ensure a strong focus on sustainability from the start, including putting in-place a robust business plan and governance arrangements, and helping the organisation to build the membership base and member services.
11. Assuming there is demand, projects should provide advocacy capacity-building to associations. Beyond classroom based training, this could include mentoring support on 'live' advocacy campaigns.
12. When supporting the formation of looser industry clusters, projects should carefully think through whether one or more organisations exist with the capacity and incentives to lead the coordination efforts.

Effectiveness of the Project in creating new web-platforms

MarketMakers had mixed success in facilitating the creation of sustainable web-platforms.

Another common workstream across the deep-dive interventions was supporting the creation of web-platforms. In two cases (Freelancing.ba and ITkarijera.ba) the platforms have been sustained; in the other two cases examined (BeeCreative.ba and NOD.ba) they have not. Reflecting on this mixed success, one MarketMakers interviewee was of the view that the Project had underestimated the level of effort required to maintain and regularly update web-platforms. Looking across the four cases, it appears that sustainability was strongest when the platform was hosted by an organisation with a central mandate and strong incentive to maintain the platform – Bit Alliance and Itkarijera.ba being the prime example.

Recommendations:

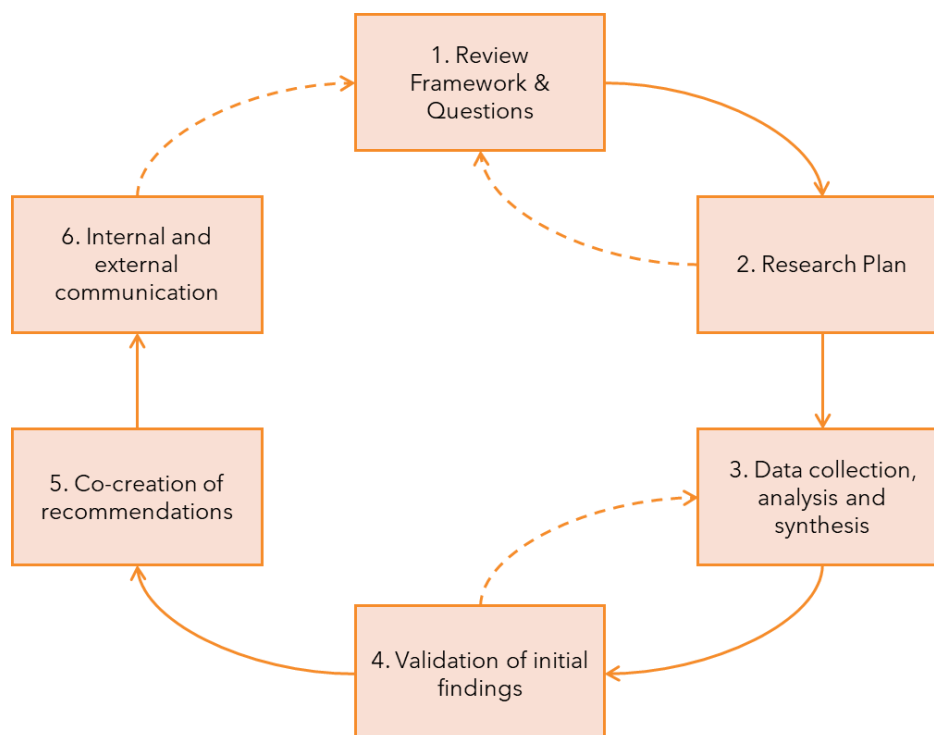
13. When supporting the creation of new web-platforms, projects should carefully consider whether an organisation exists with a central mandate and strong incentive to sustain the platform. Projects should not underestimate the time and resources required to keep information platforms updated and relevant.

Annex A: review methodology

This Annex summarises the methodology for the ExPSR, including key limitations.

The key steps involved in the review – the **Review Cycle** – are visualised in Figure 8.

Figure 8: summary review methodology



Each step in the cycle is described in more detail below.

Review Framework and Review Questions

The foundation for the ExPSR is the **Review Framework**. The Framework consists of a simplified Theory of Change that maps the key levels of results and impact (see Figure 1 in the Executive Summary). The Framework is built on the 'Capabilities, Opportunities, Motivation – Behaviour – Performance' (COM-B-P) model of behaviour change (Davies, forthcoming).

The Framework has four levels:

1. The activities implemented by the project;
2. The market systems changes catalysed by project activities;
3. Outcome-level changes at the enterprise level (including both employers as well as individuals investing in self-employment and entrepreneurship opportunities);
4. The ultimate impacts in terms of employment for young women and men.

Each level is described in more detail below.

Project activities. Starting at the bottom, MSD projects such as MM provide direct technical and/or financial support to various market actors (project 'partners'), with the aim of catalysing practice change in those actors. The project might also undertake various activities to promote replication of these practice changes by 'competing' actors in the market, as well as complementary changes by actors in the wider system (see below). This might involve activities

such as developing and disseminating case studies to market actors, convening stakeholders, and brokering linkages.

In terms of Gender Equality and Social Inclusion (GESI), the MM Project mainstreamed GESI into various intervention activities as well as undertaking targeted small-scale interventions, with the aim of catalysing the adoption of *inclusive* practice changes by market actors.

Market systems change. The starting point for market systems change is that market actors directly supported by the project adopt new or improved practices, leading to an improvement in the performance of a particular support function or rule in the market. This might include, for example, skills providers delivering new or improved skills training programmes, or government agencies providing a more supportive regulatory environment through the adoption and implementation of various reforms. From a GESI perspective, market actors may adopt more inclusive practices, such as skills providers improving the relevance and accessibility of their training offer for women and other underserved or excluded groups.

For actor-level sustainability, project partners maintain the practice change beyond the end of project support. Partners may also continue to adapt the practice change over time (which may or may not improve the performance or inclusivity of the support function or rule) and may invest in scaling-up the practice change (e.g. expanding to new market segments or new geographic regions). Practice changes can be said to be *resilient* if they are sustained in the face of external shocks or changes to the operating context, and/or are adapted in response to changing market needs and opportunities.

For partners to sustain a practice change, they must have the necessary *capabilities*, *opportunities*, and *motivations* (beyond any temporary change catalysed by the project). For example, if the project initially built a partner's capability to adopt a practice change, this capability needs to be embedded or institutionalised within the organisation. Actors can also independently build capabilities over time, for example through 'learning-by-doing'. As well as technical capabilities, actors need the financial capabilities to maintain the practice change. In the case of regulatory reform, this requires the implementing agencies to have sufficient budget allocations to adequately implement and enforce the reforms over time.

Actors also need the motivation to maintain and deepen the practice change, beyond any initial cost-sharing or other support provided by the project. For private sector actors, this generally means the practice change must be seen to generate sufficient commercial returns at an acceptable level of risk, relative to alternative options ('proof-of-concept'). For civil society organisations such as business associations, actors might be motivated by different factors such as the status and visibility of the organisation, growth in members and membership fees, etc. Public sector actors may be motivated by different, complex political incentives. Given that reforms can create both winners and losers, and implementing agencies can face competing claims on their budget allocations, this leads into the realm of political economy. In general, reforms that have broader support are more likely to be sustained and will be more resilient to changes in government following elections or the loss of the original reform champions.

Moving to the right in Figure 1, other 'competing' actors may replicate practice changes adopted by project partners. For example, other skills providers not directly supported by the project may copy the new training offer launched by partner skills providers. As above, for this to occur, these other actors need the capability, opportunity, and motivation to adopt the change. In some cases, this might happen organically, for example through reverse engineering, or poaching staff. In other cases, the project might seek to catalyse the replication process, for example by disseminating a case study demonstrating the business case for adopting a particular change.

Moving further to the right, non-competing actors may introduce practice changes that complement the original practice change. For example, a business association might endorse and promote the uptake of a new training offer delivered by a project partner skills provider. Again, this may happen organically, or may be assisted by the project (for example, by brokering linkages between actors or convening stakeholders).

If the above considers sustainability at level of individual actors, sustainability can also be assessed at a system-level. This considers the number of actors that have adopted and sustained a particular change. The more actors adopting a change, the less the improved system performance is dependent on the fortunes of one or two actors to sustain the change. The existence of complementary changes across the system also helps to reinforce and deepen the original practice change. Note that for system-level sustainability, it is not necessary for the original project partners to have sustained the practice change (as long as there have been cases of external replication).

System-level change can be assessed along two dimensions: 'breadth' and 'depth'. Breadth considers the extent to which the practice changes have been adopted across the market (the number of adopters relative to the number of actors performing that function in the system). Depth considers the relevance and significance of the changes (from small, incremental practice changes, leading to modest improvements in performance, to more transformational change).

Enterprise outcomes. The changes in key support functions and rules at the market system change level are expected to contribute to two broad outcome-level changes:

- Outcomes related to increasing the competitiveness of employers (private sector companies) through their sustained adoption of new/improved growth-oriented and/or gender responsive, socially inclusive practices.
- Outcomes related to entrepreneurship / self-employment where individuals invest in self-employment and entrepreneurship.

Sustainability at this level considers the extent to which enterprises and individuals maintain and invest in these new or improved practices over time. Again, this requires sufficient capabilities, opportunities, and motivations.

In some cases, enterprises may be able to sustain a practice change even if the market system change that originally catalysed the change was not sustained. For example, if an enterprise accesses a one-off training programme that leads it to adopt more efficient production processes, these production processes may be sustained by the enterprise even if the original training programme has been discontinued by the skills provider. However, these enterprise-level practice changes may be less resilient over time if the underlying market systems change is not sustained (for example, as staff leave the enterprise there will be no external provider to deliver training to new staff, or the enterprise may be less able to keep up with new technological developments in the absence of on-going external training). In other cases, where enterprises require on-going access to the underlying market system change, sustainability at the enterprise level requires sustainability in the underlying support function or rule.

As above, sustainability in commercial enterprises generally means that the practice change has to generate a sufficient commercial return (in terms of business growth, profitability, etc.). Unless the enterprise has social impact motives beyond profit, this also applies to any inclusive practice changes adopted: they will only be sustained if they make commercial sense. In the case of regulatory reform, motivations may operate differently. For example, enterprise-level

incentives may be rooted in a comparison of the expected net returns from compliance vs non-compliance, which in turn depends on the quality of implementation and the enforcement mechanism of the implementing agencies.

As above, systemic change at the outcome level can be assessed in terms of breadth and depth. Breadth concerns the number of enterprises (or individuals) in the relevant sector or geography that have adopted the change, relative to the number of enterprises. Depth considers the materiality and significance of the changes adopted. Breadth and depth at the enterprise level is linked to sustainability, breadth, and depth at the market systems level. For example, if more partner skills providers sustain and scale-up their new training programmes, and more non-partner skills providers replicate these programmes, then more enterprises or individuals can access these programmes at the outcome level.

Employment impacts. The top level considers the ultimate impact for target groups. In the case of MM, the ultimate goal is to create new employment, or improved employability, for young women and men. From a GESI perspective, the MM project was particularly interested in promoting improved employment outcomes for rural youth, women, single parents, LGBTQIA+, and people with disabilities.

As above, the sustainability of any changes in employment depends on the sustainability of the enterprise and market system level changes (and whether target groups require on-going access to the opportunities and services provided by enterprises or system actors or whether these are accessed 'one-off'). Resilience considers the extent to which these new employment opportunities maintain relevance in the face of external shocks and trend such as technological developments in AI, and the extent to which individuals are able to adapt to these changes (which depends, for example, on whether the skills they have acquired are transferable to new growth sectors).

Breadth at the impact level considers the number of individuals of different characteristics that have benefited, relative to overall number of individuals with these characteristics in the labour force. Depth considers the materiality of the impacts, such as earnings potential and the quality of new jobs.

Validating the linkages between each level. As well as recording the changes at each level, the review sought to validate the causal linkages *between* levels. At the activity to market systems change level, this meant examining if and how the combination of technical and financial support provided by the project contributed to changes in the capabilities, opportunities, and motivations of market actors and their subsequent adoption and maintenance of new or improved practices. As part of the contribution assessment, the contribution of other causal mechanisms and 'alternate theories of change' was explored. Moving up, the review examined the extent to which the market system changes contributed to enterprise outcomes (which therefore also provided insights into the market relevance of the observed market systems changes). Finally, validating the linkages between the outcome and impact level included an assessment of the extent to which improvements in enterprise performance led to job creation, or not (so called 'jobless growth'). From a GESI perspective, this included a consideration of the individual characteristics of beneficiaries and the extent to which the outcome-level changes were relevant to, and inclusive of, different groups. However, due to data limitations, this was typically not possible in practice (see review limitations below).

The review sought to assess impact pathways separately for project partners and cases of replication given that the exact nature of the practice changes adopted – and therefore the relevance, quality, and inclusivity of the practice changes – may vary across market actors. For example, the quality of the training provided by partner skills providers and 'copycat' providers

may differ, leading to different enterprise-level outcomes. Again however, in practice this was typically not possible due to a lack of data or access to market actors not directly supported by the project.

The Review Framework provided a comprehensive structure for drafting the **Review Questions** and for unpacking the OECD/DAC evaluation criteria relevant to the ex-post review⁵¹. The set of Review Questions is provided in Table 5 below.

Table 5: Review Questions

Review Framework	Review Questions
Project activities to market systems change	<i>At the end of the project</i>, what practice changes had market actors adopted as a result of MM support, and what were the corresponding changes in the performance / inclusivity of key support functions and rules? To what extent have project partners sustained and deepened the initial practice changes, and performance / inclusivity improvements, <i>post-project</i> (and how likely is it that they will be sustained going forward)? To what extent have 'competing' actors replicated these practice changes, <i>post-project</i>? To what extent have non-competing actors adopted complementary practice changes? At a systems-level, how sustainable are these practice changes and the corresponding improvements in performance / inclusivity of key support functions and rules? What is the breadth (scale of adoption across actors) and depth (significance of change) of these market system changes, <i>post-project</i>?
Market system change to enterprise outcomes	<i>At the end of the project</i>, what practice changes had enterprises and individual entrepreneurs adopted as a result of the various market systems changes catalysed by the project? What were the corresponding changes in enterprise competitiveness / performance / inclusivity? To what extent have these outcomes been sustained and deepened, <i>post-project</i> (and how likely is it that they will be sustained going forward)? What is the breadth and depth of the observed enterprise-level outcomes, <i>post-project</i>?
Enterprise outcomes to employment impacts	<i>At the end of the project</i>, what employment impacts had been observed as a result of the enterprise outcomes and market systems changes catalysed by the project (disaggregated by target groups)? To what extent have these impacts been sustained and deepened, <i>post-project</i> (and how likely is it that they will be sustained going forward)? What is the breadth and depth of the employment impacts, <i>post-project</i> (disaggregated by target groups)?
Overall	Overall, how effective was the project in catalysing widespread, sustainable change in the practices and performance / inclusivity of market actors (including project partners, 'competing' actors, and complementary actors)? What, if anything, could have been done differently to enhance sustainability, outcomes, and impact?

⁵¹ Relevance, coherence, efficiency, effectiveness, impact, and sustainability.

	To what extent did the project make use of MSD concepts and frameworks? To what extent did these contribute to the achievement of the observed systemic changes as well as adaptive management?
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Based on an initial document review and engagement with BiH Embassy staff, a rapid evaluability assessment was conducted to ensure that each Review Question could be assessed to an acceptable level of rigour given the resources and timeframe available. In terms of evaluability, it was noted in the Inception Report that it may not be possible to answer every question to a sufficient level of rigour given the resources and timeframe available. This was particularly the case for questions relating to employment impacts, and it was not in the end possible to disaggregate findings by each target group (see below on review limitations).

Research plan and methods

A research plan was developed, detailing how each Review Question would be answered. The plan was based on two main methods:

- **A document review**, including a 'critical reading' of key project documents such as annual reports, and a sample of intervention-level documents such as partnership agreements and monitoring data. Secondary documents were also reviewed in order to identify relevant contextual factors and trends.
- **Semi-structured interviews** with key project staff, plus a sample of project partners, enterprises / individuals, and potential cases of replication or response. Interviews with key informants were also used to identify wider market systems changes and other relevant contextual factors and trends.

Due to a lack of access to contact email addresses, **online surveys** of enterprises and individuals to validate and generate additional insights at the outcome and impact levels was not undertaken. Face-to-face or telephone surveys with end beneficiaries were also not feasible given the resources available for the review.

The table below summarises the methods used for each of the evaluation questions. The subsections that follow provide more detail regarding the research plan.

Table 6: Review methods, by Review Question

Review Questions	Research methods
Project activities to market systems change	
<i>At the end of the project, what practice changes had market actors adopted as a result of MM support, and what were the corresponding changes in the performance / inclusivity of key support functions and rules?</i>	• Review of project documentation • Interviews with project staff • Validation through interviews with project partners
To what extent have project partners sustained and deepened the initial practice changes, and performance / inclusivity improvements, <i>post-project</i> ?	• Review of secondary documentation (to identify relevant contextual factors) • Interviews with project partners • Validation through 'field' observation and supporting documentary evidence provided by partners (where available)

To what extent have 'competing' actors replicated these practice changes, <i>post-project</i> ? To what extent have non-competing actors adopted complementary practice changes?	• Interviews with key informants / project partners, media scans / internet searches, review of project documentation (to identify potential cases of replication / response) • Interviews with potential cases of replication / response
At a systems-level, how sustainable are these practice changes and the corresponding improvements in performance / inclusivity of key support functions and rules? What is the breadth and depth of the observed market system changes, <i>post-project</i> ?	• Interviews with key informants • Synthesis of findings from above methods • Review of secondary data (to contextualise observed market system change)
Market system change to enterprise outcomes	
<i>At the end of the project</i> , what practice changes had enterprises and individual entrepreneurs adopted as a result of the various market systems changes catalysed by the project? What were the corresponding changes in enterprise performance / inclusivity?	• Review of project documentation • Validation through interviews with project partners
To what extent have these outcomes been sustained and deepened, <i>post-project</i> (and how likely is it that they will be sustained going forward)? What is the breadth and depth of the observed enterprise-level outcomes, <i>post-project</i> ?	• Interviews with project partners and any identified 'copycats' (to establish breadth) • Review of documentation provided by project partners / 'copycats' (e.g. sales records) • Interviews with key informants • Review of secondary data (to contextualise observed enterprise-level changes)
Enterprise outcomes to employment impacts	
<i>At the end of the project</i> , what employment impacts had been observed as a result of the enterprise outcomes and market systems changes catalysed by the project (disaggregated by target groups)?	• Review of project documentation • Validation through interviews with project partners
To what extent have these impacts been sustained and deepened, <i>post-project</i> (and how likely is it that they will be sustained going forward)? What is the breadth and depth of the employment impacts, <i>post-project</i> (disaggregated by target groups)?	• Interviews with project partners • Interviews with key informants • Review of secondary data (to contextualise observed enterprise-level changes)
Overall	
Overall, how effective was the project in catalysing systemic change? What could have been done differently?	• Review of project documents • Interviews with project staff • Synthesis of findings from above methods

To what extent did the project make use of MSD concepts and frameworks? To what extent did these contribute to the achievement of the observed systemic changes as well as adaptive management?	• Review of project documents • Interviews with project staff
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Initial background analysis

To inform the development of the Review Framework and the rest of the research plan, an initial review of project documentation was undertaken, including project-level strategy documents and annual reports and the end-of-phase report from Phase 3. This was complemented with semi-structured interviews with key project staff. The aim of the interviews were to:

- Gather key background information on the project,
- Solicit views regarding the selection of 'deep-dive' interventions (see below),
- Gather suggestions regarding additional documentation to review and other project staff to interview.

Follow-up interviews with project staff were also conducted towards the end of the data collection phase in order to gather insights into the last set of research questions listed in Table 5 (e.g. concerning the use of MSD concepts and frameworks by the project).

Selection of 'deep-dives'

Given the number of interventions implemented by MM since 2013 and the resources available for the ExPSR, it was not possible to review the documentation or conduct in-depth interviews for all interventions. The review therefore selected a sample of 'deep-dive' interventions.

'Deep-dive' selection was based on the following inclusion / exclusion criteria:

- To limit recall bias and difficulties in locating interviewees, interventions must have ended no earlier than 2020;
- Contact information must be available for the main intervention partners.

Beyond the inclusion / exclusion criteria, a purposive sample was taken to ensure:

- The prioritisation of interventions deemed to have the highest systemic change potential, based on the latest available project documentation and interviews with project and Embassy staff;
- The inclusion of a broad range of interventions and partner types - covering labour demand, supply and intermediation interventions; public, private, and civil society actors; and various economic sectors - in order to maximise learning.

Based on the above criteria, and in discussion with Embassy counterparts and MM project staff, the following 'deep-dive' interventions were prioritised:

1. Destination Marketing and Investor Services
2. Non-Formal Education Development
3. Digitalisation: e-commerce Facilitation
4. Freelancing Promotion

Following the suggestion of MM staff, the partnership with Bit Alliance in the IT sector was also added, given the long period of project support, the systemic impacts achieved by the association, and the synergies with the other deep-dive interventions.

Reconstruction of end-of-project results

For each of the deep-dive interventions, a key first step was to summarise the partnerships and project activities and reconstruct the end-of-project changes at the market system, enterprise outcome, and employment impact levels of the Review Framework. This provided the 'baseline' for the ex-post review.

This was done through a detailed review of project and intervention-level documentation, including the Intervention Narratives prepared by the MM team, plus intervention monitoring data and other intervention-level reports. Additional interviews with project staff were conducted to ensure an accurate understanding of each deep-dive intervention and to identify any potential gaps in project documentation or monitoring data.

During the semi-structured interviews with project partners (see below), these end-of-project results were also verified with project partners themselves.

Contextual analysis

For each deep-dive intervention, relevant contextual factors were identified and analysed. This included any aspects of the intervention operating context with the potential to influence the adoption and sustainability of changes at each level of the Review Framework. This was used by the review team to inform the assessment of current and future sustainability and resilience. Understanding the wider operating environment also helped to contextualise the observed systemic changes, in order to inform an assessment of the 'breadth' of change.

Six broad categories of contextual factors were considered:

- **Macro-economic** (including economic growth rates, labour market trends, growth rates in key export markets, etc.)
- **Socio-demographic** (e.g. youth demographics, migration rates and 'brain drain' effects, gender / social norms)
- **Political** (e.g. electoral cycles and changes in government administrations at different levels of government)
- **Technological** (e.g. developments in AI)
- **Legislative and regulatory** (e.g. minimum wage legislation)
- **Epidemiological** (e.g. Covid)

Specific contextual factors relevant to each 'deep-dive' intervention were identified through a review of project documentation (e.g. assumptions listed by MM intervention teams), plus interviews with project staff, project partners, and key informants (see also below). To inform the contribution analysis, the effect of key contextual factors was explored with interviewees (along with the potential contribution of other development initiatives, aside from MM).

For each contextual factor identified, a review of secondary documentation was also undertaken to gather additional information regarding the direction and magnitude of change.

Assessing post-project change in partners

For each deep-dive intervention, to assess post-project change in MM partners, semi-structured interviews were conducted with project partners. Where there were a large number

of partners, such as the nFE Company Academy intervention, the review team interviewed a purposive sample of partners.

The project partner interviews sought to explore the following:

- Confirmation of the support provided to the partner by MM;
- Validation of the end-of-project practice changes and performance / inclusivity improvements and the mechanisms through which these changes came about (including the changes in capabilities, opportunities, and/or motivations that underpinned the change);
- The extent to which the original practice change and performance / inclusivity improvements have been sustained and deepened by the actor (including underlying and on-going changes in capabilities, opportunities, and/or motivations), and if not, why not;
- The 'depth' or significance of the reported changes;
- Any key changes in the operating context since the end of MM support, the impact of these on the practices and performance / inclusivity of the partner, and the extent to which the changes proved to be resilient (or not) to these contextual changes;
- The likelihood that the partner will continue to sustain and deepen the practice changes going-forward;
- Any evidence of replication by 'competing' actors and response by non-competing actors, and the effect of these wider changes on the practices and performance / inclusivity of partners;
- The impact of the practice changes on enterprises and individuals, post-project (e.g. growth in the number of enterprises accessing support services);
- The contribution of MM and other development initiatives to the reported changes;
- Any reflections on what MM might have done differently to improve sustainability.

The evidence gathered from the interviews were triangulated through 'field' observation and supporting documentary evidence supplied by the partner or publicly available information wherever possible. For example, in the case of web-based platforms created by a project partner, the review team accessed the platform to confirm it is still operational and to gauge the volume of postings, etc.

Assessing systemic changes beyond project partners

To assess wider systemic change beyond project partners, it is first necessary to identify potential cases of replication or response by non-partner actors. In some cases, the MM project itself identified potential cases during Phase 3 (e.g. the competing e-commerce association founded by Monri Ltd.). A variety of methods were used to identify other additional cases, including:

- Interviews with project partners;
- Interviews with key informants (such as industry associations, etc.);
- Internet searches and media scans;
- Interviews with actors reached through MM activities designed to promote replication or response.

Having identified potential cases of replication or response, the review team planned to interview each organisation in order to:

- Confirm whether they have indeed adopted a practice change the same or similar to a practice change adopted by an MM partner (or promoted by MM);

- Confirm the timing of the adoption in order to check the chronology of events (i.e. that the MM partner introduced the practice change first, and that sufficient time had elapsed such that it is plausible that the MM partner had influenced the uptake by the non-partner);
- Explore the change mechanisms involved (in terms of capabilities, opportunity, and motivation) and the extent to which the MM partner (or MM project) contributed to the change;
- Assess the extent to which the organisation plans to sustain and deepen the practice change going forward;
- Explore the impact of the practice changes on enterprises and individuals.

In the event, given that these organisations did not have direct engagement with the project, it often proved difficult to secure interviews with these organisations. Even where it was possible to interview the organisation, they may not have been willing to acknowledge the influence of MM partners in their decision to adopt the given practice change. In these cases, the review team attempted to gather additional evidence to support the assessment, such as ‘field’ observation and a review of publicly available documentation. Based on the available evidence, the review team made a judgement as to whether the observed practice changes in non-partners could reasonably be linked back to MM partners or activities (with the strength of evidence documented in the synthesis matrix and summarised transparently in the final report – see below).

Assessing enterprise outcomes and employment impacts

Given the time and resources available for the review, it was not possible to collect robust quantitative evidence of the full post-project enterprise outcomes and employment impacts. Rather, the review team will focus on collecting qualitative evidence of the linkages between the observed market system changes and outcomes and impacts and seek to quantify these where possible through available documentation. This included:

- Interviews with project partners and any identified cases of replication (see above),
- A review of documentation provided by project partners and cases of replication,
- Interviews with a small number of enterprises / individuals (where feasible),
- Interviews with key informants.

In the event, it was not possible to obtain the email addresses of enterprises or individuals reached through market actors supported or influenced by the project, in order to undertake a series of short online surveys.

Data collection, analysis, and synthesis

Once the research plan had been agreed, the evaluation team developed the necessary data collection tools, including the semi-structured interview guides for each interviewee. Each guide included a list of questions to cover, plus probes to elicit further responses, and were written to avoid any unnecessary jargon. Space was given in the interviews to explore new avenues of enquiry or unexpected results.

Emails were sent to each interviewee to explain the purpose of the interview and to arrange a suitable time and place. To increase the chances of participation, the cover email emphasised that the objective of the review was to inform learning and was not an evaluation or audit of the organisation. The review team sought the support of MM project staff and Embassy staff in securing interviews, where necessary.

To the extent possible, interviews were conducted in-person at the organisation's office or workplace, thereby removing any logistical issues for the interviewee and providing an opportunity for the review team to collect additional 'field' observations.

At the start of each interview, the interviewer explained the purpose of the interview and how the information provided was to be used, to ensure informed consent. Interviewees were provided with the opportunity to speak confidentially and for information provided to be anonymised in the final report.

As data was collected through the document review and interviews, the key findings against each Review Question were summarised in a **Synthesis Matrix**. For each deep-dive intervention, the matrix was used to summarise the changes and linkages at each level of the Review Framework.

Once findings had been mapped to the Synthesis Matrix, an overall headline finding was developed for each Review Question (based on a synthesis of all the findings in each row). In some cases findings were generated through a deductive process. In other cases, findings emerged inductively, for example by looking for commonalities or groupings in responses from project partners. Attention was paid to differences across types of interventions and partners (e.g. public vs private vs civil society actors) and sectors. This allowed the review team to assess not just 'what works', but what works for whom, and in what circumstances.

For each finding, a strength of evidence rating (Red-Amber-Green) was assigned to each finding, based for example on the amount of supporting evidence, the triangulation of findings across different sources and methods, the robustness of the underlying evidence-base, and the existence of any contradictory findings.

Validation of initial findings and co-creation of recommendations

Initial findings were summarised in a PowerPoint and shared with Embassy counterparts and former project team members. This provided an opportunity to correct any factual errors, to refine the findings, and identify any further correlations or trends. Where key findings were contested, the review team undertook additional data collection and analysis to further test and validate (or modify) the finding.

Based on the key findings, the review team sought to co-create recommendations in a series of calls with former MM team members. Co-creating recommendations is much more likely to produce recommendations that are practical to implement and have broad buy-in.

Review limitations

Conducting an ex-post review poses a number of methodological challenges. The relatively limited resources available for the review also created additional limitations and risks. These are summarised in the table below.

Table 7: review limitations

Limitations / risks	Comments / mitigations
Difficulty in securing interviews with project partners (given the project is no longer active); staff churn in partner organisations	In the event, this was not a major limitation of the review. Given the focus on Phase 3 interventions, it was generally possible to secure interviews with project partners and key informants, and in many cases the key staff members with knowledge of the MM partnership were still in-place. The assistance of former MM staff (and Embassy counterparts) was enlisted to aid with introductions and locating the right people to speak to. In cover emails, the review team clearly explained the purpose of the review and emphasised that the review was not an audit exercise; anonymity was offered to all interviewees. Interviews were conducted in-country, at a time and location convenient to the respondent.
Difficulty in identifying potential cases of replication / response and securing interviews	The review team explored various avenues in order to identify cases of replication / response. For example, in the case of the Company Academy model, the review team asked each of the project partners interviewed whether they had observed any cases of replication, as well as the operators of the nFE information platforms (NOD.ba and InLearn). Web searches were also undertaken. Despite this, it is possible that cases of replication / response were missed by the review team. It also proved difficult to secure interviews with organisations that did not partner with the project, in order to verify the (indirect) influence of the project.
Recall bias in respondents	To minimise recall bias, the review primarily focused on recently concluded interventions / partnerships from Phase 3. Interview evidence was also triangulated with documentary evidence where possible.
Challenges in assessing enterprises outcomes and employment impacts (including identifying beneficiaries, limited resources to conduct 'large n' surveys, potential difficulties in disaggregating findings by target groups)	The review focused on qualitative evidence and validating the linkages at the outcome and impact level, rather than attempting a robust quantitative impact assessment. In the event, it was difficult to secure data from project partners to fully quantify outcomes and impacts (for example, despite repeated follow-ups, it was not possible to obtain customer numbers from MF Banka regarding the two freelancing packages). Where data was made available, typically this was not disaggregated by target groups. The review team was also unable to obtain data from non-project partners, meaning it was not possible to quantify the 'indirect' outcomes and impact of the project.

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