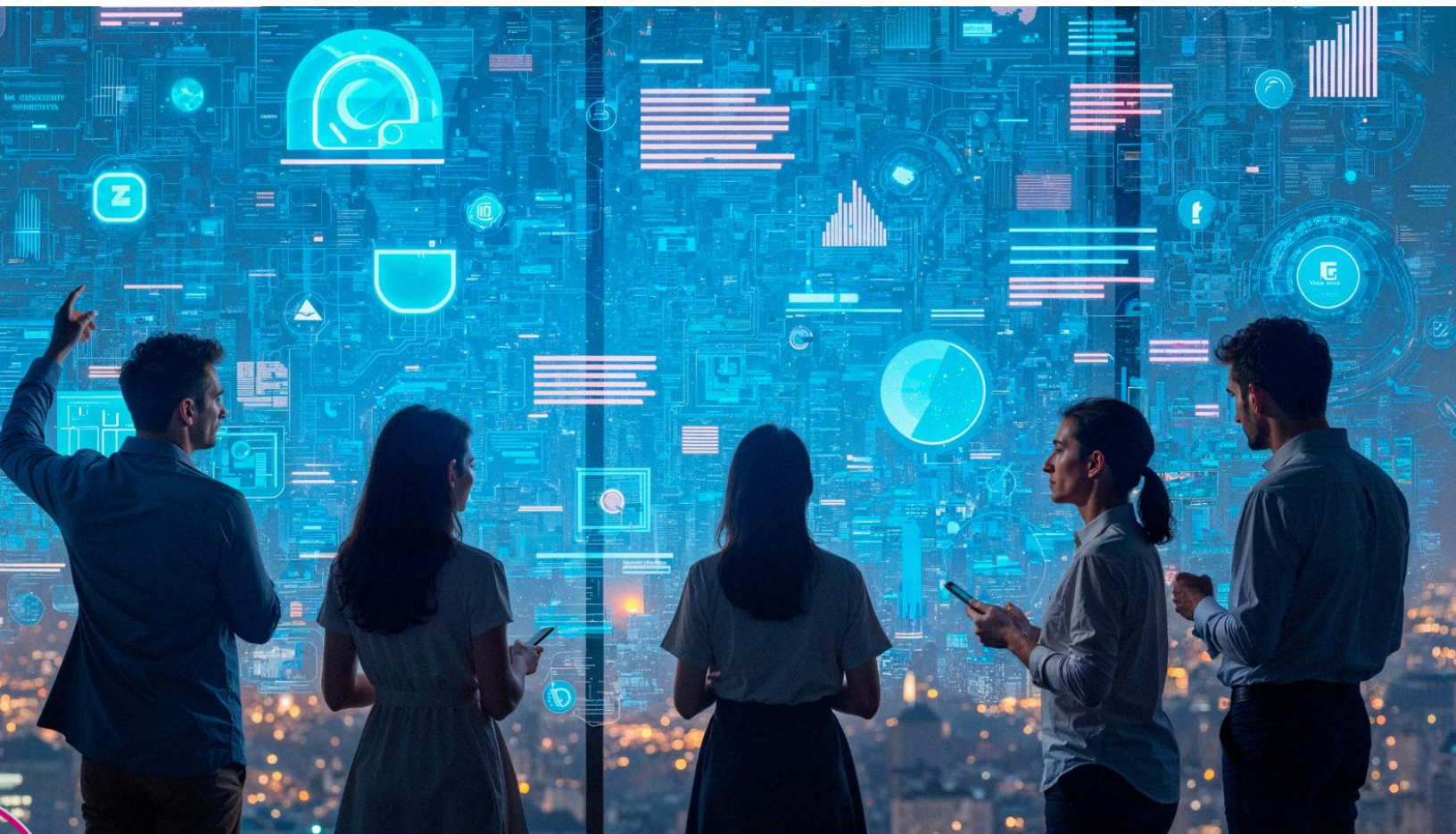


URBACT



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INTEGRATED ACTION PLAN

APN Network: **C4TALENT**

City: **Centar Sarajevo**

Version: **4.0**

TABLE of

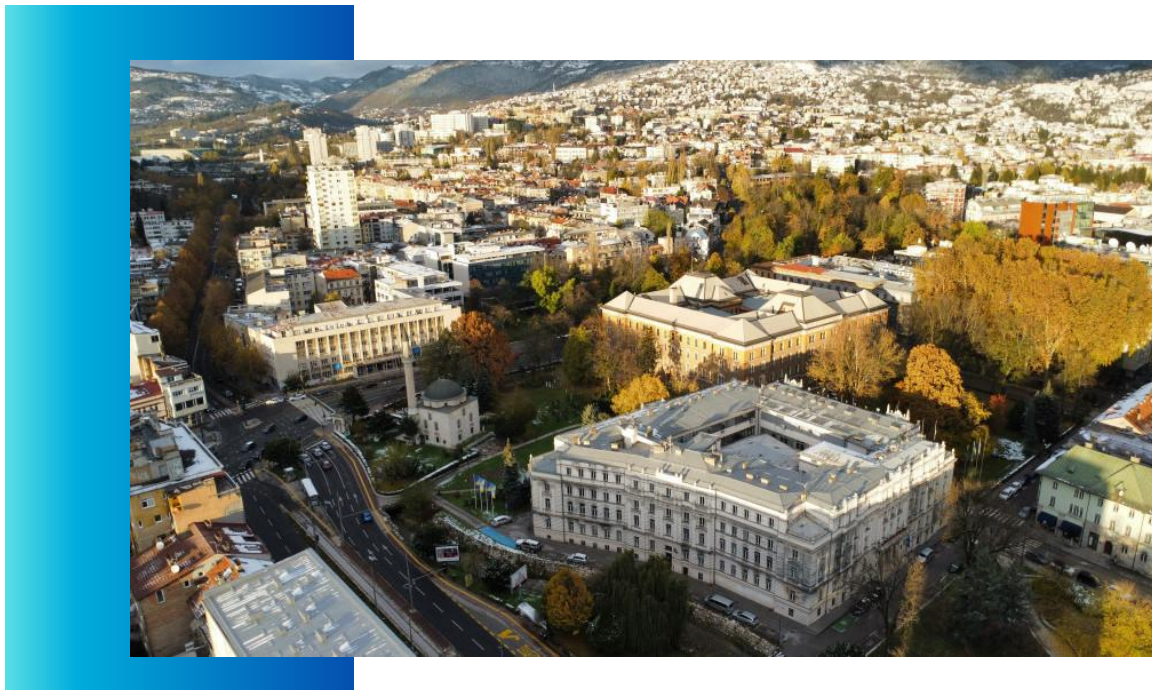
CONTENTS

1. INTRODUCTION AND CONTEXT	1
1.1. Context – City Profile and Challenges	1
1.2. Demographics and Migration	2
1.3. Economic Profile	3
1.4. Social Inequalities	4
1.5. Environmental Challenges	4
1.6. Entrepreneurial Ecosystem – Key Barriers	5
2. THE PLANNING PROCESS	6
2.1. Strategic Importance and Opportunities	6
2.2. Urban Local Group (ULG)	6
2.3. Methodology	8
3. INTERVENTION LOGIC AND INTEGRATED APPROACH	10
3.1. Vision Definition	10
3.2. Centar Sarajevo – Intervention Logic Overview	11
4. ACTIVITY PLAN	12
4.1. Centar Sarajevo – Summary Action Table	12
4.2. Review of the Integrated Approach	14
5. IMPLEMENTATION FRAMEWORK	16
5.1. Gantt	16
5.2. Funding and Resourcing	17
5.3. Monitoring Framework and Process	18
6. SUPPORTING DOCUMENTS	20

1. INTRODUCTION AND CONTEXT

1.1. Context – City Profile and Challenges

The Municipality of **Centar Sarajevo** lies at the core of Bosnia and Herzegovina’s capital, serving as an administrative, economic, and cultural hub with strategic significance for both the nation and the Western Balkans region. With a population of **45,312** (2022) and covering **32.9 km²**, of which 67% lies above 700 metres, Centar combines dense urban zones in the Miljacka Valley with surrounding hilly and mountainous terrain. It shares borders with Stari Grad, Novo Sarajevo, Vogošća, Ilijaš, and the entity of Republika Srpska, and sits on the **Pan-European Corridor Vc**, strengthening its role as a political and economic crossroads between Eastern and Western Europe.



1.2. Demographics and Migration

Centar Sarajevo mirrors national demographic trends, facing:

- 01 Youth unemployment** exceeding 35% nationally, restricting economic prospects for young people.
- 02 Brain drain**, with around half of university graduates planning to emigrate within five years.
- 03 Population ageing**, with about 20% of residents over 60, increasing demand for health and social care.
- 04 Migration dynamics** combining rural-to-urban inflows, high international emigration, and mixed migration transit through the city.

Ethnic composition is predominantly **Bosniak (75.57%)**, followed by Croats (6.04%), Serbs (3.96%), and others (14.42%).

1.3. Economic Profile

Centar is Sarajevo's **economic powerhouse**, hosting government institutions, corporate headquarters, embassies, and an emerging innovation scene. The economy is dominated by the service sector, with key strengths in:

FINANCE AND BANKING

– major banks, insurers, and financial services.

RETAIL AND TRADE

– large shopping centres, markets, and high-street retail in Marijin Dvor.

TOURISM AND HOSPITALITY

– strong visitor demand linked to cultural, historic, and natural assets.

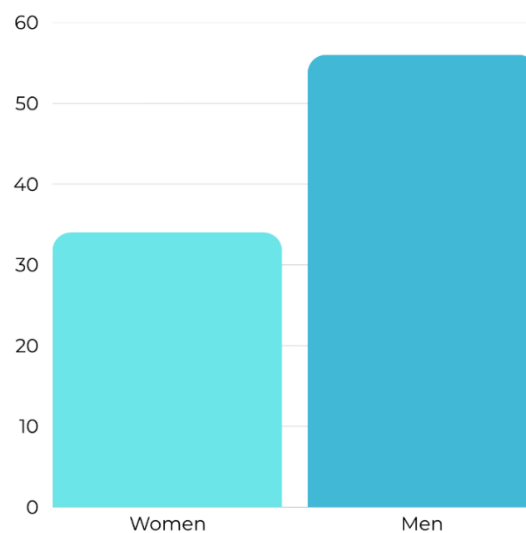
IT AND INNOVATION

– growing base of tech startups and co-working hubs supported by municipal initiatives.

Despite moderate growth, structural challenges persist: skills mismatches (especially in ICT, engineering, green technologies), limited affordable workspace for SMEs and startups, and slow digital adoption by traditional businesses.

1.4. Social Inequalities

Significant gaps remain in access to economic opportunities. Women, ethnic minorities, and persons with disabilities face barriers to labour market entry. Female labour force participation is **34%**, well below male participation (56%). A pronounced **digital divide** restricts disadvantaged communities' access to online learning, jobs, and innovation opportunities.









1.5. Environmental Challenges

Centar Sarajevo is one of Europe's most polluted urban areas in winter, with high particulate matter from residential heating and traffic. Other environmental pressures include:

- Limited green spaces due to urban sprawl.
- Insufficient waste management and low recycling rates.
- Vulnerability to floods and landslides, with infrastructure not fully adapted to climate change impacts.

1.6. Entrepreneurial Ecosystem – Key Barriers

While municipal support for entrepreneurship has expanded in recent years, systemic challenges remain:

-  **People** – shortage of skilled talent, limited entrepreneurial education, weak networking platforms, and low public awareness of entrepreneurship as a viable career.
-  **Finance** – scarce startup funding, complex grant procedures, low visibility of incentives.
-  **Bureaucracy** – lengthy registration and permitting processes, lack of a functional “one-stop shop.”
-  **Physical Infrastructure** – limited co-working, innovation hubs, and accelerators.
-  **Digital Infrastructure** – low digital literacy and insufficient support for technology adoption.
-  **Cultural Factors** – societal preference for secure employment, low tolerance for failure, persistent gender inequality.

2. THE PLANNING PROCESS

2.1. Strategic Importance and Opportunities

Centar Sarajevo's location, institutional role, and international connectivity position it to become a **model of inclusive, green, and innovation-led urban development**.

Addressing youth unemployment, reversing brain drain, investing in skills, modernising infrastructure, and embedding sustainability into policy are key to unlocking this potential. The Integrated Action Plan seeks to build on existing initiatives and partnerships, leveraging local assets and transnational learning to foster a resilient, competitive, and inclusive economy.

2.2. Urban Local Group (ULG)

The **Urban Local Group (ULG)** was established at the outset of the C4TALENT project to ensure that the development of the Integrated Action Plan (IAP) for Centar Sarajevo was **participatory, inclusive, and firmly rooted in local realities**. Members were selected for their relevance to entrepreneurship, talent development, digital innovation, and inclusive local economic growth.

The ULG brings together a cross-section of stakeholders, including:

Municipal departments

– particularly the Local Economic Development (LED) Department, providing policy leadership and implementation capacity.

Business support organisations

– such as the Chamber of Commerce, linking SMEs and startups with resources.

Creative industries and innovation hubs

– contributing expertise in cultural entrepreneurship and digital transformation.

Educational institutions

– notably the University of Sarajevo's Faculty of Economics, integrating academic knowledge and research.

Civil society and NGOs

– including youth innovation organisations ensuring inclusion of underrepresented groups.

Private sector entrepreneurs

– offering first-hand perspectives from business practice.

As the project progressed, the ULG formed **thematic sub-groups** to focus on key priorities:

- 01 **Skills Development and Training**
- 02 **Digital Infrastructure**
- 03 **Green and Creative Entrepreneurship**

This structure enabled deeper dialogue, targeted problem-solving, and more specific contributions to IAP design. The ULG acted not only as a consultative body, but as a **co-creator** of actions, helping to build ownership, trust, and commitment to implementation.

2.3. Methodology

The IAP development process followed the **URBACT integrated action planning cycle**, enriched by tools, peer learning, and transnational exchange offered through the C4TALENT network. The methodology combined **diagnosis, co-creation, and testing** in five structured stages:



Initial Mapping and Diagnosis (Mar–May 2024)

- Collected baseline data on entrepreneurship, creative industries, and digital infrastructure.
- Analysed socioeconomic trends, skills gaps, and environmental constraints.

Stakeholder Engagement and ULG Formation (May–Jul 2024)



- Convened a diverse Urban Local Group, ensuring representation from all relevant sectors.
- Facilitated early-stage workshops to share perspectives and align on shared priorities.



Visioning and Co-Design (Aug–Dec 2024)

- Used URBACT tools such as **Problem Tree Analysis**, **Timeline Mapping**, and **Stakeholder Mapping**.
- Developed objectives and priority areas collaboratively within the ULG.



Testing Actions (Feb–Apr 2025)

- Piloted a **green and creative entrepreneurship hackathon** to test assumptions and methods.
- Extracted lessons to refine planned interventions, particularly in mentorship and early-stage business support.



Finalisation and Validation (May–Jun 2025)

- Integrated feedback from ULG members and municipal leadership.
- Secured alignment with existing municipal strategies and funding frameworks.

Throughout the process, **transnational learning** played a key role. Study visits, peer reviews, and partner exchanges influenced several actions, from the **Help Desk and Peer Mentoring model** to the **Digital Business Performance Platform** and **municipal asset mapping for coworking spaces**.

3. INTERVENTION LOGIC AND INTEGRATED APPROACH

3.1. Vision Definition

The shared vision emerging from the participatory process is clear:

Centar Sarajevo will be a dynamic hub for innovation, entrepreneurship, and sustainable growth — a place where ambitious minds have the resources, skills, and networks to succeed, and where economic development goes hand-in-hand with social inclusion and environmental responsibility.

This vision translates into four guiding principles:

1. Inclusivity – ensuring equal access to opportunities for youth, women, minorities, and marginalized groups.
2. Innovation – fostering creative, digital, and green business models that can compete regionally and globally.
3. Sustainability – embedding environmental consciousness in all development actions.
4. Collaboration – promoting strong partnerships between public institutions, private sector, academia, and civil society.

The ULG process ensured that the vision is **owned by the community**, aligned with local realities, and ambitious enough to position Centar Sarajevo as a **model of integrated, innovation-led urban development** in the Western Balkans.

3.2. Centar Sarajevo – Intervention Logic Overview

This visual summarizes the logical flow from identified challenges to strategic objectives and concrete intervention areas within the Centar Sarajevo Integrated Action Plan (IAP).

Challenges / Problems	Objectives	Intervention Areas & Actions	Estimated cost
High youth unemployment, brain drain, skills gap, and social inequality.	Increase expertise and skills among entrepreneurs.	Help Desk mentoring; entrepreneurship training; startup mentoring.	15.000,00 €
Complex bureaucracy, lengthy business registration and licensing procedures.	Improve user experience by reducing bureaucratic barriers.	Streamline processes; digital one-stop shop; staff training.	2.000,00 €
Limited access to finance for startups and SMEs.	Improve access to financial resources.	Inventory unused municipal assets; new grant/loan schemes.	43.000,00 €
Insufficient physical and digital infrastructure; low digital literacy.	Upgrade and expand physical and digital infrastructure.	Co-working hub expansion; collaborative LAB; digital infrastructure upgrade; Digital Lab facilities.	40.000,00 €
Lack of public visibility and limited recognition of entrepreneurship as a viable career path among youth and the general population.	Promote entrepreneurship awareness through events and branding initiatives.	Inof days, ideathons, promotional events, CEE branding.	25.000,00 €

4. ACTIVITY PLAN

4.1. Centar Sarajevo – Summary Action Table

This table consolidates the key actions from all intervention areas of the Integrated Action Plan, summarizing their objectives, outputs, intended outcomes, responsible organisations, and timelines.

Intervention Area / Objective	Action	Output	Intended Outcome	Responsible Organisation
SO1 Increase skills among entrepreneurs	Help Desk sessions – mentoring program	Min. 12 workshops	Peer knowledge sharing and improved business performance	MCS-LED
	Entrepreneurship training & workshops	Min. 12 workshops	Entrepreneurs equipped with business skills	MCS-LED
	Startup training & mentoring	30 participants trained	Participants launch and sustain businesses	MCS-LED
	Training for public administration staff	15 staff trained	Improved municipal support to entrepreneurs	MCS

SO2 Improve access to finance	Inventory of unused municipal assets	Database of assets	Affordable spaces reduce startup operating costs	MCS-LED
SO3 Upgrade physical infrastructure	Co-working & innovation hub expansion	Think tank & LAB operational	Increased collaboration and innovation capacity	MCS & Pivot
SO4 Upgrade digital infrastructure	Analytical platform for business performance tracking	Operational platform	Better data for policy & entrepreneur support	MCS-LED
	Digital Lab facilities	Upgraded internet, cloud services, tools	Enhanced digital capabilities for entrepreneurs	MCS-LED
SO5 Sensitization of the public to the values of entrepreneurship	Public awareness campaign	Campaign strategy + media outreach	10% increase in applications for support calls	MCS

4.2. Review of the Integrated Approach

The **Integrated Action Plan (IAP)** for Centar Sarajevo applies the URBACT principle of integration by aligning **policy, stakeholder engagement, and sustainability** in a coherent framework that addresses the city's economic, social, and environmental priorities.

POLICY INTEGRATION

The IAP builds directly on existing municipal, cantonal, and national strategies, including the **Development Strategy of the Municipality of Centar Sarajevo (2021–2027)** and the **Law on Stimulating the Development of Small Businesses**. It ensures complementarity with EU accession priorities, particularly in **entrepreneurship, digitalization, and green transition**. Each intervention area is designed to reinforce strategic objectives, from reducing bureaucratic barriers to expanding digital and physical infrastructure for business growth.

STAKEHOLDER INTEGRATION

The **Urban Local Group (ULG)** acts as the central mechanism for multi-actor collaboration, bringing together public authorities, the private sector, academia, civil society, and entrepreneurs. This participatory structure ensures that actions reflect diverse needs, foster shared ownership, and mobilize local resources. Partnerships extend beyond the ULG, engaging regional institutions, donor agencies, and transnational networks to strengthen delivery capacity.

THEMATIC INTEGRATION

The plan links **economic competitiveness**, **social inclusion**, and **environmental responsibility**. Entrepreneurial development is approached not as an isolated economic goal, but as a driver of wider societal change:

- **Economic** – skills training, financial access, infrastructure upgrades.
- **Social** – inclusion of youth, women, and marginalized groups; public sensitization to entrepreneurship.
- **Environmental** – green business models, reduced CO₂ emissions, and improved urban resilience.

SPATIAL INTEGRATION

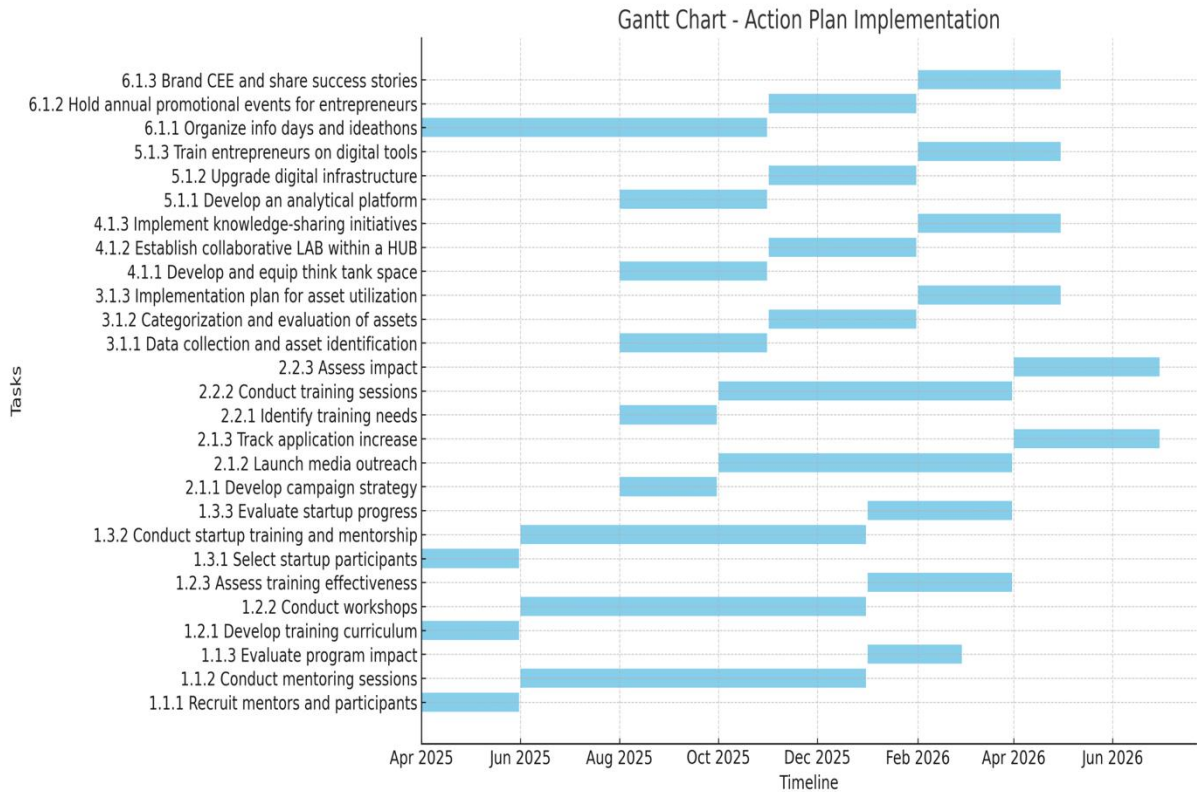
Actions target both the urban core and peripheral neighbourhoods of Centar Sarajevo, ensuring benefits are geographically balanced. Physical interventions (e.g., co-working hub expansion) are coupled with digital platforms to reach wider audiences, including remote and disadvantaged communities.

TRANSNATIONAL INTEGRATION

Through the **C4TALENT** network, the municipality has incorporated tested European good practices—such as mentoring systems, municipal asset re-use, and entrepreneurial storytelling—adapting them to local conditions. This ensures the plan is informed by both global standards and local realities.

5. IMPLEMENTATION FRAMEWORK

5.1. Gantt



5.2. Funding and Resourcing

1 **Municipal Budget Allocation**

The Municipality of Centar Sarajevo will integrate IAP activities into its annual and multi-year budgets, covering operational costs, project delivery, and stakeholder engagement.

2 **National and EU Funding**

The LED Service will pursue funding from EU programmes (Horizon Europe, ESF, Erasmus+), IPA funds, and national grants for local economic development, innovation, and digitalization.

3 **Public–Private Partnerships (PPPs)**

Partnerships with the private sector will be pursued for co-financing, in-kind support, and sponsorships—particularly for infrastructure upgrades, innovation hubs, and promotional events.

4 **Donor and NGO Contributions**

International development agencies and NGOs will be approached to fund targeted initiatives, especially those linked to youth entrepreneurship, green transition, and inclusion.

5 **Non-Financial Resources**

Stakeholder expertise, volunteer mentoring, access to premises, and digital tools will complement financial inputs.

5.3. Monitoring Framework and Process

The LED Service will operate a structured **monitoring and reporting system** to ensure transparency and adaptive management:

Reporting Schedule

- **Quarterly progress reports** to the Municipal Council and ULG, including key achievements, challenges, financial status, and stakeholder feedback.
- **Annual review** to assess cumulative progress and recommend adjustments.

Key Performance Indicators (KPIs)

Linked to each Specific Objective, e.g.:

- **SO1** – Number of trained entrepreneurs launching businesses (Target: 15 by 2026).
- **SO2** – Reduction in business registration time from 15 to 7 days.
- **SO3** – Increase in startups receiving municipal support from 20/year to 50/year.
- **SO4** – Expansion from 1 to 3 operational co-working spaces.
- **SO5** – Growth in entrepreneurs using upgraded digital tools from 30 to 100.


Monitoring Tools

- Digital platform for tracking business performance and project milestones.
- Surveys of entrepreneurs, public sector staff, and event participants.
- Data from municipal systems on registrations, permits, and grant applications.

Risk Management

Risk assessment will be updated annually, focusing on:

- **Administrative risks** (delays in approvals, interdepartmental coordination).
- **Financial risks** (funding shortages, delayed disbursements).
- **Operational risks** (low participation, resistance to new tools).

 **Mitigation measures** include clear workflows, multi-source funding strategies, early procurement planning, and flexible rescheduling of non-essential activities when necessary.