

LOCAL SELF-GOVERNANCE DEVELOPMENT STRATEGY IN BiH

Prepared by:

Expert team of the Project «Designing Local Self-Governance Strategy in BiH by Key Domestic Actors»

Approved by:

Partner Group for Local Governance Development in BiH

Adopted by:

Association of Cities and Municipalities of the Republic of Srpska

Association of Cities and Municipalities of BiH Federation

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From the review by Davorin Paveli , MSc:

Local Self-Governance Development Strategy in BiH is the first comprehensive and excellently structured document that sets a basis for successful local self-governance building and improvement, as well as for the development of local communities. It represents an extraordinary platform for consolidating of a significant number of partial initiatives into a structured unity by enabling their integration and giving them a final meaning through clearly defined goals.

From the review by Ugo Vlasisavljevi , PhD :

The duty was done in such a comprehensive manner given the highest or the ultimate point of development that is set with this plan, which is the vision of the situation regarding local self-governance in a long-term perspective reaching as far as 2020. Such a perspective involves a need for taking into account, as early as at the present moment, all, even the smallest details in building of what was dubbed in the documents as “the new quality of life in BiH”.

From the review by Zlata Ploštajner , MA:

The document, developed in the field of formulating the integral strategy of local governance and self-governance by the experts and practitioners from throughout Bosnia and Herzegovina, is an exceptional achievement. The task of the highest political authorities in Bosnia and Herzegovina is to consider the prepared strategy as a starting point for building of the system of local self-governance in Bosnia and Herzegovina. The more the state is ready to accept the hand reached out of the civil society, and the more the organized civil society continues to apply the same enthusiasm that they showed in their work so far to the process of implementation of the prepared strategy, the more will the positive effects of the reform, that could be already seen in certain aspects in several local self-governances in Bosnia and Herzegovina, be visible to as many citizens as possible.

INTRODUCTION

Local Self-Governance Development Strategy in BiH represents a key result of the Project **Designing Local Self-Governance Development Strategy in BiH by Key Domestic Actors**.¹ The key actors included the Partner Group for Local Governance Development², made of the leading municipal and non-governmental organizations, and an Expert Team, almost completely made of practitioners who achieved respectable results in promoting local governance and self-governance in BiH. The Strategic Plan is based on a critical, comprehensive and detailed situation analysis³, adopted by the Partner Group in May 2005.

The Strategic Plan starts with a SWOT analysis, like a bridge between the current situation, diagnosed through the analysis, and a desired future situation, projected by this plan. The signposts of that future are determined as a development vision, set in the horizon of 2020, strategic goals and objectives, as well as a number of individual, mutually adjusted projects leading toward achievement of the defined goals and accomplishing the scheduled vision.

At the very center of the development vision is a **new local self-governance that is seen by the citizens both as their right and their obligation to manage the local development and affairs in a responsible and pro-active manner, on the principles of the European Charter of Local Self-Governance, thus achieving a new quality of life, both in their local community and in the whole of BiH**. A few most important, strategic orientations, defined as seven strategic goals lead to such local self-governance; they include: **an essential and simultaneously functional and fiscal decentralization, ensuring modern leadership, competent and motivated staff, significantly improved quality and cost-effectiveness of services, increase in direct participation of citizens and civil society organizations in public affairs, partnership and responsibility of all levels of government and a productive mutual cooperation of local units, actively participating in regional networks and initiatives**.

Each of these goals has been elaborated as a number of operational objectives, which were specified, determined from the point of view of time, and defined so as to enable to measure how their progress. For each goal and objective, a connection was explicitly shown with the problems identified during the previous situation analysis, which made possible high level of consistency between two previous project stages, i.e. analysis and design. Also, for each strategic goal, a number of mutually adjusted projects have been defined, thus providing a firm operational connection between the design and implementation stages, the latter ensuing after accepting the strategic document.

Some defined projects are fundamental in their character, because they imply the development of new models (e.g. development of a model of multi-type local self-governance units, or the

1 The Project was financed by the Open Society Fund and Municipality Development Project (SDC and Intercooperation), designed and implemented by Agency EDA from Banja Luka.

2 Chairman of the Partner Group is Mr. Dragoljub Davidovi , Mayor of Banja Luka, and Co-Chairman is Mr. Fadil Šero, Executive Director of the Centre for Civil Society Promotion from Sarajevo.

3 The complete situation analysis of the local governance and self-governance in BiH was published in the magazine Local Self-Governance, May 2005, Sarajevo

development of an integral model of distribution of public revenues, etc.), which recommend and elaborate on the introduction of qualitatively new policies and practices in BiH in the field of public governance. Proposing of such new solutions are always preceded by serious policy surveys and analyses (on the most important internal variables and experiences of other countries), and by testing of designed solutions (simulation of results on a carefully selected sample) followed by the elaboration of an application model, suitable for application in our specific conditions. Within each strategic goal, the projects of elaboration of legislative solutions have been especially singled out, which will help make the new, mutually harmonized solutions fit into the existing legal framework, producing its necessary adjustments.

Numerically expressed, **seven strategic goals** are transformed into **thirty one operational objectives**, dynamically disbursed over the period of 2007-2012 taking into account their interactions. For realization of these goals and objectives implementation of **sixty two projects** organized in following **four main categories** was planned: policy projects, capacity building projects, projects for introduction of management instruments and legislation adjustment projects.

The fact that this strategic document is entirely a team⁴ result, a product of intensive team effort to which all the members gave their best, sharing all the knowledge they had on local self-governance, thus accomplishing an exceptional synergetic effects, adds special value to this project.

Competent and creative part of the work in preparation of the Development Strategy was successfully finalized and in accordance with planned time-table which is the general conclusion of all those who reacted since the document was published⁵. Here we emphasize very positive critiques received by Zlata Plostajner, an expert on local self-governance from Slovenia, Ugo Vlasisavljevic, professor of the Faculty of Philosophy from Sarajevo and Davorin Pavelic, an expert on strategic planning⁶.

This draft of the Development Strategy was unanimously adopted in 3rd meeting of Partner Group for Local Governance Development (held in a broader composition on 9 December 2005) and completed by suggestions of the members and other stakeholders. It is planned that this joint initiative of the Partner Group and both associations of the cities and municipalities in BiH⁷ be elaborated by respective entity ministries (Ministry for Public Administration and Local Self-Governance in RS and Ministry of justice in FBiH) and prepared for adoption in entity governments and parliaments. Simultaneously, the same activities should be done by the central

4 Team comprised of (by alphabetical order): Aleksandar Dragani , M.A., Brankica Radulovi , Elmir Srkalovi , Fadil Sero M.A., Igor Stojanovi , Ljubiša Markovi , Milenko Krajišnik M.A., Ranko Karapetrovi , Stevo Pucar M.A., Zdravko Miović M.A., prof. Zdravko Zlokapa, Ph.D., and Željko Varunek

5 The first full version of the Strategy Document was published in the first 2006. issue on monthly magazine Local Self-Governance, Sarajevo, January 2006.

6 Reviews made by Ugo Vlasisavljevic and Davorin Pavelic were published in the magazine Local Self-Governance, Sarajevo, February 2006.

7 At the moment of final preparation of the Strategy for publishing (May 2006) the Presidency of RS Association of Cities and Municipalities was already unanimously adopted the strategy (in 21st meeting held on 28 March in Modrica). The Presidency of the FBiH Association has scheduled the discussion and adopting of this document for the agenda of the first next session.

BiH institution through the Coordination Office for Public Administration Reform established by the BiH Council of Ministers. If all mentioned actors responsibly and timely fulfill their tasks the Local Self-Governance Development Strategy should be adopted by two entity parliaments before the general elections scheduled for autumn 2006 as well as by BiH Parliamentary Assembly before the end of 2006. This is of great importance since it is planned to start with the Strategy implementation as of beginning of 2007.

Banja Luka, May 2006.

Zdravko Miović, project leader

1. SWOT ANALYSIS OF THE LOCAL SELF-GOVERNANCE IN BIH

A SWOT analysis (the analysis of strengths, weaknesses, opportunities and threats) methodologically represents the bridge between a current situation, defined by the situation analysis, and wished future situation, designed by this document. It is completely taken from the document «Situation Analysis of the Local Governance and Self-governance in B&H», adopted at the meeting of the Partner Group for Local Governance Development in B&H, 17. 05. 2005. The document was published in the magazine “Local Self-Governance”, May 2005.

Since functional and fiscal decentralization, on the one hand, and local governance modernization, on the other hand, represent relatively integrated subparts, SWOT analyses are presented separately, for each side of the same phenomenon – local self-governance B&H –following its dynamic strategic dimension

1.1 SWOT analysis for functional and fiscal decentralization

Streinghts:

- High level of harmonization of interests of municipalities and consensus of local authorities throughout BiH regarding requirements for a balanced functional and fiscal decentralization
- The local level is the only government level in BiH with a tradition and continuity in functioning
- Br ko District, as a domestic example of positive and swift effects of functional and fiscal decentralization
- Municipal practices in exercising powers, service provision and efficient utilization of available financial resources are the best compared to other levels of government
- Constant exposure of local authorities to evaluation and control by citizens / users of services
- The European Charter of Local Self-Governance has been ratified in BiH and its incorporation in local legislation started

Weaknesses:

- Inadequate and uneven treatment of local self-governance in BiH legal system, incompatible with the European paradigm
- Centralization of competencies at the level of entities and cantons
- Inadequate and frequently unclear and non-precise distribution of competencies between the local and other levels of authority

- Very uneven territorial structure of local self-governance colliding with non-flexible, mono-type structure of competencies
- There is no difference in the legal status of municipalities, with simultaneous huge differences in the level of urbanization and infrastructure development
- Discrepancy between the laws on local self-governance and other laws regulating competencies
- Inadequacy of revenues – basic principles on adequate control of property and assets for performing municipal affairs have not been elaborated
- Disparity between financial capabilities of municipalities on the one hand and their responsibilities and the needs on the other hand
- Very modest level of own revenues of municipalities, with prevailing common revenues and revenues controlled by higher level of authorities
- The current system of collection of municipal revenues designed in such a way that municipalities cannot have any influence on increase in efficiency
- The current distribution system is discouraging for development of municipalities
- The current distribution of competencies and fiscal instruments blocks municipalities in attracting investments, economic development, etc.
- Misbalance of the system of financing municipalities – there is no system of fiscal unification
- Inadequately developed financial management and system of multi-year financial planning in municipalities
- Lack of cooperation and self-organization of municipalities in order to influence policy designers (including tax policy) in BiH
- Autocratic tendencies in municipalities, inclination toward closeness and complacency, especially pronounced during the last war
- Existence of established formal and informal elites in municipalities trying to keep their advantageous position

Opportunities:

- Full implementation of the European Charter of Local Self-Governance and Good European Practices with regard to the competencies of local self-governance
- Full implementation of the European Charter principles with regard to financing
- A pro-active approach of the local level to the ongoing reform of public governance in BiH
- Coordinated functional and fiscal decentralization, with the utilization of available experiences (learned and not-learned lessons) in the countries accessing to the EU (Slovenia, Hungary, etc.)
- Creating a model of flexible competence structure of local self-governance
- Creating a modern territorial organization, by using available regional and transitional experiences (learned and not-learned lessons)

- Quick and full transfer of assets to municipalities
- A pro-active approach of the local level to the elaboration of the VAT concept, especially in the sphere of distribution of assets to cities and municipalities
- Pronounced support of key donors and international partners in strengthening the position of municipalities
- Developing the system of fiscal equalization
- Introduction of local taxes
- Forming capital markets for municipalities, increasing offer of credit lines for municipalities
- Public-Private Partnership in local economic development, capital investments, public utility infrastructure and services...

Threats:

- Traditional understanding of local self-governance as an “extended arm of the state”
- Unwillingness of central, entities’ and cantonal authorities, but also by international actors in BiH to carry out real functional and fiscal decentralization
- Partial and selective application of the European Charter of Local Self-Governance, in the way that suits higher levels of authority
- Danger of implementing functional decentralization without an appropriate and timely fiscal decentralization
- Current fiscal centralization
- Slow reforms of tax policy relating to taxes belonging to municipalities
- Continuation of the practice of avoiding to consult municipalities about financing-related issues
- Insufficient predictability and transparency of allocation of resources to municipalities from the higher level
- Frequent changes and instability of certain municipal revenues, and impossibility to have a more efficient financial planning
- Continued practice of financing jobs and needs that are not within jurisdiction of municipalities or for which they have not been allocated resources
- Continued practice of stripping municipalities of their assets and stalling transfer of assets to municipalities
- Conducting the process of privatization of public utilities companies only or prevalingly by higher levels of authority

1.2 SWOT analysis for modernization of local governance and self-governance

Streights:

- Growing group of municipalities – leaders of changes
- Increasing interest of municipalities in modernization of governance
- Good municipal practices and innovative solutions in quality management, user orientation, accomplishment of citizen participation, using Information Technologies, etc.
- Growing group of practitioners, experts and organizations with respectable results in introducing good governance at the local level
- Created solid domestic non-governmental and consultant organizations, specialized in providing services of training and local governance development
- Examples of good cooperation between local authorities and domestic non-governmental organizations
- Tradition of realizing citizen participation through local communities

Weaknesses:

- Strategic documents for public administration reform and informatization of the society do not address the area of local governance and self-governance
- Current legislative solutions do not provide for employment and adequate rewarding of quality personnel in local governance
- Weak institutional support to human resource management at the local level
- Current organizational structure in municipal administrations non tailored to modernization requirements
- Lack of understanding, lack of knowledge and fear of changes in municipalities themselves
- Unfavorable age structure of employees, surplus employees with outdated knowledge and skills, bureaucratic mentality and ‘a clerk’s’ approach, lack of quality staff and contemporary knowledge in adopting the European standards and inclusion in information society
- Lack of internal systems of performance evaluation and promotion of employees
- Huge deficiency of managerial knowledge and skills in municipal government
- Lack of key managerial instruments in municipalities (development-related, regional, urban plans)
- Gap between user-oriented, quality, IT-equipped municipal administrations on the one hand and majority municipalities on the other hand that are still predominantly bureaucratic
- Inadequate level of provision of IT equipment and program support in a number of municipal administrations in BiH

- Poor level of information and insufficiently built capability of citizens for active participation, on the other hand
- Using small number of mechanisms for direct participation of citizens, with very modest /impact

Opportunities:

- Full application of the European Charter of Local Self-Governance and European standards for public governance
- Harmonizing domestic legislation with the European legislation, adopting electronic legislation
- All-embracing promotion and building of good governance mechanisms at all levels of authorities in BiH, both at the legislative and practical plan
- Organized technical and financial support to introduction of quality management systems (ISO, CAF, etc.), e-government...
- Introducing a benchmarking model (comparison and learning from best practices)
- Creation of centers for human resource management in local governance and centers for training of public servants in municipalities
- Creation of “knowledge centers” for development of local governance and self-governance
- Re-qualification, additional training and specialized training programs for the local governance employees
- Introduction of professional, management jobs and positions in local governance, using successful experiences of other countries
- Horizontal and vertical netting (between municipalities, with other bodies and organizations, with other levels of government...)
- Local governance becomes an increasingly attractive market for producers of electronic equipment and program support (a better and less costly offer)
- Outsourcing
- Partnership of the public, private and non-governmental sector in modernization of local governance, development of local communities, civil society building
- Creative use of regional experiences
- Pronounced support of key donors and international partners to introduction of good governance principles and mechanisms at the local level and to strengthening the position of municipalities

Threats:

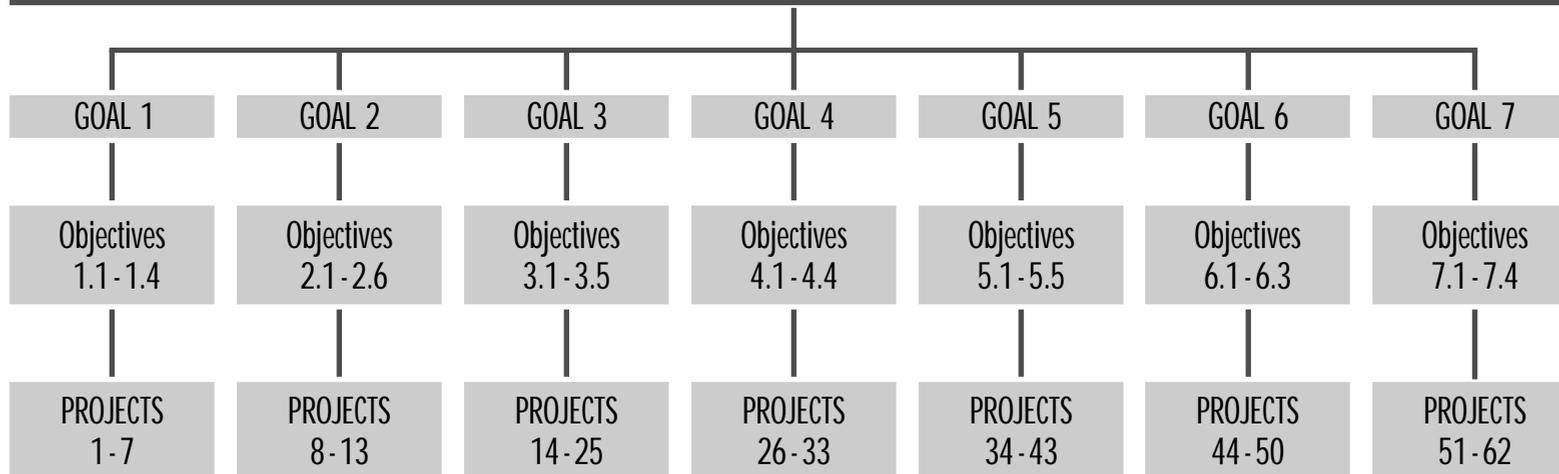
- Cultural heritage is in many ways incompatible with ongoing contemporary democratic changes
- Inertia regarding relying on a higher level of government and continuation of practice of neglecting the local level...
- Lack of domestic ownership and leadership in designing and implementing the local governance reform in BiH
- Too narrow, too technical understanding of modernization of governance as solely technical-technological endeavor
- Continuation of ad hoc approach in modernization of municipalities
- Diversified corruption mechanisms in which a part of the local authorities are involved too, and due to which local population are very much distrustful in all levels of government, including the local level
- Political struggles and negative general environment may result in the weariness of the best, in reducing rather than the expansion of the group of change leaders
- Political pressures to keep the existing situation for as long as possible, in order to maintain full subordination of local politicians to party leaderships,
- Existence of established formal and informal elites in municipalities that try to preserve their advantageous position...
- Inflow of insufficiently qualitative and drain of capable staff from municipal governments
- Deterioration of social and economic conditions may decrease already small possibilities of municipalities to invest in their human resources.

2. DEVELOPMENT VISION, STRATEGIC GOALS AND OPERATION OBJECTIVES



LOCAL SELF-GOVERNANCE DEVELOPMENT STRATEGY IN BiH

Development vision by 2020



DEVELOPMENT VISION BY 2020:

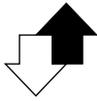
The mission of local self-governance is satisfaction of the needs of citizens and constant improvement of life quality in local community. Local self-governance 2020 enables active and organized citizens to select capable and responsible authorities, with which they, in partnership, effectively and efficiently manage the development of their local community. Such local governance is equally perceived by the citizens as their right and their obligation to actively contribute toward improving the quality of life in their community. New local self-governance will be a synonym for responsible and pro-active management of local development and local affairs, on the principles of the European Charter of Local Self-Governance. Such capable and responsible local authorities build partnership with private and non-governmental sectors and productively cooperate with other levels of authority and other local units in the country and the region. This is an idea of the way in which to accomplish the new local self-governance, the key values of which are openness and new political culture in an environment of the developed civil society.

GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6	GOAL 7
Accomplish essential functional decentralization	At the same time accomplish an appropriate fiscal decentralization	Ensure modern leadership and professional, competent and motivated staff	Ensure constant improvement of quality and cost-effectiveness of service provision	Attain a high level of citizen participation in public affairs	Ensure responsible and unified performing of public affairs by all levels of government in local community	Develop productive cooperation between units of local self-governance in the country and the region



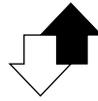
STRATEGIC GOAL 1

Accomplish essential functional decentralization,
which makes possible and encourages harmonized development of local communities and constant improvement of life quality in local community



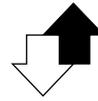
OBJECTIVE 1.1

Model of multi-type local units elaborated (by the end of 2008), tested (by the end of 2010), and practically introduced (by the end of 2012)



OBJECTIVE 1.2

Scope of basic rights and duties of local self-governance practically enhanced and adjusted to the requirements of the European Charter and local needs (by 2012)



OBJECTIVE 1.3

Local units started with the practice of transferring competencies to other levels, starting with 2009



OBJECTIVE 1.4

Key management instruments (development, city-planning, environmental, etc. plans) designed and implemented in all local units, by 2012



PROJECTS



1. Capacity building of teams for conducting policy surveys related to the implementation of the Local Self-Governance Development Strategy in BiH
2. Establishing specialized knowledge centers (Think Tanks) for local (self)governance
3. Development of the model of multi-type units of local self-governance with the system of criteria and procedures for obtaining an appropriate legal status and scope of competencies (basic model, simulation, applicative model)
4. Development of the model of decentralization of basic rights and competencies according to sectors (education, health protection, social protection, public utility services, local development, environmental protection, etc.)
5. Support to introduction of key management instruments (development-related, city-planning, environmental, etc. plans) in local units
6. Support to capacity building of local units for assuming new competencies
7. Elaboration of legislative solutions for accomplishing Strategic Goal 1

STRATEGIC GOAL 1

Accomplish essential functional decentralization, that makes possible and encourages harmonized development of local communities and constant improvement of life quality in local community

The main problem that we intend to address.

A significant lack of independence or total reliance of the local level on the entity level (in the RS) and from the cantonal level (in FBiH) have been found in the situation analysis, caused by limiting the level of their own and increasing the level of delegated duties, and by unclear and imprecise distribution of distributed competencies. The problem is aggravated through a rigid, monotype structure of local competencies and non-differentiated legal status of local self-governance units, in a situation that is characterized by very uneven territorial structure of local self-governance.

What is implied under this goal (goal elaboration):

Accomplishing essential functional decentralization implies such a re-distribution of competencies between the higher and the local levels of government, which will comply with the requirements of the European Charter on Local Self-Governance⁸ and which will enable the local government bodies to manage all local public affairs and local development in an independent, responsible and pro-active manner, actively participating in performing other public duties, to the extent in which these duties have an impact on local life and local population interests. Accomplishment of this goal is vital for achieving of a harmonized development of local communities and constant improvement of life quality.

Which are the most important expected results:

With significant enlargement of the level of independent responsibilities and capacity-building of local units for their efficient performance (especially with regards to creating and application of ruling instruments), a set of solutions should encompass creation of multi-type local units, with differentiated legal status and pronounced practice of mutual functional connection and association for the purpose of efficient performance of public affairs.

8 That local government bodies «regulate and manage a significant part of public affairs, based on their own responsibility and in the interest of local population», starting from the subsidiarity principle toward those to which the public affairs will be »as a rule, primarily, executed by those authorities that are the closest to the citizens«. The rights entrusted to local authorities should »as a rule be full and exclusive ...«. European Charter on Local Self-Governance, publication of Council of Europe and the OSCE Mission in BiH, 2003, p. 14

Time frame:

The basic solution models are expected to be developed and tested by 2010, and the solutions to be practically introduced by the end of 2012. Full positive effects of accomplishing this strategic goal were planned for about 2015.

Elaboration of strategic goal 1:

Strategic goal 1 will be accomplished if the following operational goals are implemented in a timely manner:

- 1.1. Multi-type local units model elaborated (by the end of 2008), tested (by the end of 2010), and practically introduced (by the end of 2012).
- 1.2. The level of main rights and duties of local self-governance practically enhanced and adjusted to the requirements of the European Charter and tailored to local needs, by 2012.
- 1.3. Local units started with the practice of transferring responsibilities to other levels, until 2009;
- 1.4. Key management instruments (development, city planning, ecological... plans) created and implemented in all local units, by 2012.

Operational objective 1.1.

Model of multi-type local units elaborated (by the end of 2008), tested (by the end of 2010), and practically implemented (by the end of 2012)

Reason:

The situation analysis has determined that a monotype structure of competencies of local self-governance units (all local units have the same competencies regardless of big differences pertaining to the number of inhabitants, degree of urbanization, etc.) represents a rigid framework limiting the development of local communities. On the other hand, surveys and experiences of other countries have shown that, seeking an ideal territorial organization was a Utopia (as there is no ideal size of local unit), in which the concept of a monotype structure of competencies would be justified. There is a need for creating and introduction of such a model of competencies structure of local units in which the existing limitations would be significantly overcome and an unimpeded development of local communities ensured.

Elaboration on the objective:

This objective implies developing an appropriate theoretic model of multi-type units of local self-governance, and its subsequent practical application. Introduction of new solutions in terms of the structure of local units competencies and territorial organization in BiH, is by many tokens, more sensitive and risky compared to other countries. Therefore, creation and introduction of a new model of multi-type local units (with appropriate, different scope of competencies) should be

based on serious examinations of internal variables and foreign experiences and solutions. A new model, therefore, needs to be carefully and flexibly developed, and then tested (with simulations on the model, in order to reduce experimenting in reality to the minimum) and practically introduced, so as to minimize the negative effects and resistances and maximize expected positive effects.

Most important expected results:

- Appropriate *policy* surveys and *policy* studies...
- Developed main (theoretical) model(s) of multi-type units of local self-governance with defined legal status and appropriate competencies.
- Developed systems of criteria and procedures for achieving an appropriate legal status and scope of responsibility.
- Simulation of behaviour of the theoretical model on a representative sample of municipalities in BiH.
- Improved model, adjusted for practical application.
- Elaborated and adopted legislative solutions that make possible model application.
- New model, having been practically implemented, produces positive results in application.

Time frame:

The plan is for the key surveys and comparative studies, as a basis for the development of the new model, to be completed by the end of 2007, and for the main theoretical model to be finalized by the end of 2008. Elaboration on the basic model (with appropriate criteria, procedures, etc.), simulations of behaviour in real-life situations in BiH and adjustments of the model, should be completed by the end of 2010, and full application of the model is expected by year 2012.

Projects contributing to accomplishment of the objective:

- Capacity building of teams for conducting *policy* surveys related to the implementation of the Local Self-Governance Development in BiH.
- Establishing of specialized knowledge centers (Think Tank) for local (self)governance.
- Development of the model of multi-type units of local self-governance with the system of criteria and procedures for obtaining an appropriate legal status and scope of competencies (basic model, simulations, applicative model).
- Elaboration on legislative solutions contributing toward accomplishing of the strategic goal of functional decentralization.

Operational Objective 1.2.

Scope of basic rights and duties of local self-governance practically enhanced and adjusted to the requirements of the European Charter and tailored to local needs, by 2012. The elaboration of this objective is done together with the next operational objective.

Operational Objective 1.3.

Local units started the practice of transferring competencies to other levels, by 2009

Rationale:

The main problem lies in the significant narrowing of basic rights and autonomous affairs of local self-governance, contrary to the requirements and recommendations comprised in the European Charter on Local Self-Governance. Paradoxically, the municipalities in FBiH perform most of their self-governance (original) responsibilities as transferred (e.g. culture, tourism, public utilities, care of the local land,...), i.e. under a full and strict control from the top (from the level of cantons). With reducing the scope of their own original responsibilities and enhancing the scope of transferred responsibilities, higher levels in both entities place the autonomy of the local level in a serious jeopardy, keeping a strong supervision function for themselves as well as the right to divest the municipalities, at any moment, of the responsibilities entrusted to them and return them under their own jurisdiction. On the other hand, municipalities frequently take over responsibility for the affairs that the higher bodies cannot or do not want deal with (care for the displaced persons, returnees, families of killed soldiers, etc.) without appropriate instruments and means...

Elaboration of the objective:

The best remedy for local self-governance deformities is comprised in **a consistent application of the European Charter, with due respect to local tradition, local needs and peculiarities**. It means practical expanding of the scope of basic rights and responsibilities of the local self-governance in BiH, by applying the basic principle of distribution of responsibilities according to which public affairs are performed by those authorities that are the closest to the citizens. The elaboration of this and other relevant principles of the European Charter will be done by sectors, on the one hand, and in full conformity with the new model of multi-type local units. As the application of the subsidiarity principle is a two-way process, elaboration and application of the model also implies transferring of certain responsibilities from the local to the other levels, in accordance with specific local needs and capacities. As in the case with the previous objective, new models need to be carefully and flexibly developed, then tested on simulations on models, and practically implemented so as to minimize the negative effects and resistances and maximize the expected positive effects.

Most important expected results:

- Appropriate *policy* surveys and *policy* studies...
- Developed models of decentralization of basic rights and responsibilities by sectors (education, health protection, social protection, public utilities, local development, environmental issues...).
- Simulation of behaviors of theoretical models on the representative sample of municipalities in BiH.
- Improved models, adjusted for practical application.
- Elaborated and adopted legislative solutions that enable model application.
- Support to capacity building of local units for assuming new responsibilities.
- Practically implemented new models produce positive results in application.

Time frame:

Key surveys and comparative studies, as a basis for the development of new models, are planned to be completed by the end of 2008, and appropriate models should be developed by the end of 2009. Behaviour simulation in real-life situations in BiH and model adjustments should be completed by the end of 2010, and the model fully applied by 2012. The practice of transferring responsibilities from the local to other levels is estimated to begin somewhat earlier, in 2009.

Projects contributing to accomplishing of the objective:

- Capacity building of teams for conducting *policy* surveys related to the implementation of the Local Self-Governance Development Strategy in BiH.
- Establishing specialized knowledge centers (Think Tank) for local (self) governance.
- Development of the model of decentralization of main rights and responsibilities by sectors (education, health protection, social protection, public utilities, local development, environmental issues...).
- Elaboration of legislative solutions contributing to accomplishing of the strategic goal pertaining to functional decentralization.

Operational objective 1.4.

Key management instruments (development, city-planning, environmental, etc. plans) designed and implemented in all local units, by 2012

Rationale:

During the situation analysis, the lack of quality «soft» development infrastructure and instruments for local units development was diagnosed. It was found that municipalities were not sufficiently covered both regarding the strategic development plans (only half of municipalities designed and adopted strategic development plan in the last 10 years), and in spatial and city

planning plans (again, only about half municipalities have adopted those plans), and the problems of negligence, hierarchical disharmony of plans, lack of quality support by urbanism institutes and design bureaus are pronounced, with only passive participation of citizens and other local actors in plan designing processes.

Elaboration of the objective:

This objective implies **capacity building of local units for assuming key responsibilities in terms of local development management**. It includes a system, organized and quality support to local units during creation and introduction of most important mid-term and long-term plan instruments, ranging from local development plans, through regional (planning) documents, to environment protection plans. Special attention will be paid to local units, which, for objective reasons, cannot build sufficient capacities for development management.

Most important expected results:

- Upgraded methodologies for making plan instruments, especially in terms of ensuring active participation of key local actors.
- Local development teams sufficiently enabled to design and implement the lacking plan instruments.
- Improved capacities of domestic professional organizations in providing the planning services for the local level.
- Key plans in all local units are being implemented and produce positive effects.

Time frame:

The intensive work on improving the appropriate methodologies and capacity building of local development teams and domestic professional organization is planned for 2007 and 2008. After that, the focus of support will be on creating and adopting key plan instruments in local units. It is estimated that this objective can be accomplished by 2012.

Projects contributing to accomplishing of the objective:

- Support to introduction of key management instruments (development, city-planning, environmental, etc. plans) in local units.
- Support to capacity building of local units for assuming new responsibilities.
- Elaboration of legislative solutions enabling application of the model.

STRATEGIC GOAL 2

At the same time accomplish an appropriate fiscal decentralization, so that the local self-governance bodies are provided with financial and material resources, commensurate with the duties that they perform, to be controlled and managed by them in an independent and responsible manner



OBJECTIVE 2.1

Ensured key participation of local units in managing local resources, starting with 2008



OBJECTIVE 2.2

Increased share of revenues of local units primarily by increasing the level of own revenues



OBJECTIVE 2.3

Increased share of local self-governance in total public expenditure in BiH, so that by 2015, it amounts to about 1/3, according to the level and the rate of functional decentralization



OBJECTIVE 2.4

Local units have free access to capital markets for capital investments, starting from 2007



OBJECTIVE 2.5

Developed and introduced efficient financial instruments for ensuring both basic functions and development of the local units that are developed at a slower rate, by the end of 2010



OBJECTIVE 2.6

Ensured quality financial management and multi-year planning in all local units, starting from 2007



PROJECTS

8. Creation of standardized databases on economic and social indicators on local units, with financial ranking and comparison (benchmarking)
9. Development of new integral model of distribution of public revenues adjusted to the model of functional decentralization (including both vertical and horizontal distribution)
10. Development of a new model of local resources control and management
11. Building of an accountable financial management in local units
12. Development of the environment and instruments for financing capital investments
13. Elaboration of legislative solutions for accomplishing of Strategic Goal 2

STRATEGIC GOAL 2

Accomplish a concurrent fiscal decentralization, so that the local self-governance bodies are provided with the financial and material resources, commensurate with the duties that they perform, to be controlled and managed by them independently and responsibly

The main problem that we intend to address:

The situation analysis has shown that local governments lack adequate financial and material resources necessary both for quality performing of duties within their scope of authority and for the development of local community in conformity with the needs of its citizens. Such a situation is a result of an inadequate system of distribution of resources between higher and lower levels of authority, low level and insufficiently elaborated system of own revenues, and lack of developed capital markets, which is a pre-condition for quality budget planning in longer time intervals. Property, being a material resource necessary for discharging local units' functions, is frequently not at all or only partly, in their ownership. To make things worse, local units almost do not have any influence whatsoever on local resources management, and the local community frequently does not have any benefit in terms of using those resources. Lack of quality legal framework in this field creates big problems in functioning of local units and is an obstacle for efficient use of local resources. Fiscal reforms going on in BiH are further compromising the financial capability of municipalities. It is especially important for the functional decentralization to go hand in hand with adequate fiscal decentralization, proportionally to the responsibilities discharged by the municipalities.

What do we imply under this objective (goal elaboration):

This objective implies **such a fiscal decentralization that will, both in terms of time and scope, be harmonized with re-distribution of competencies between higher and lower levels of power and that will enable the local communities to have a sufficient level of revenues and adequate property in order to be able to efficiently perform the functions vested in them.** Local government bodies should independently and responsibly manage their own revenues and assets and actively participate in decision-making on common revenues and their allocation, together with higher levels of authority. Local units should have a free access to capital markets, and incentive-providing system of horizontal distribution should provide for efficient financial instruments for ensuring basic functions, as well as the function of development of those local units that develop at a slower rate. Without accomplishment of this goal it is not possible to achieve other goals, and especially the one related to essential functional decentralization.

Which are the most important expected results:

By defining the types and modalities of distribution of revenues, with especially elaborated concept for own and common revenues, as well as with resolution of the issue of ownership of property of local units and by creating a developed capital markets, conditions would be created for securing adequate financial and material resources. Capable and responsible financial management in local units should ensure efficient management of those resources, in that way, providing for a successful and quality work of local units in accordance with the responsibilities and a sustainable development of local communities tailored to the needs of citizens.

Time frame:

Property issues, issues related to local resources management and free access to capital markets are of urgent character. In terms of key system solutions of fiscal decentralization, the main solution models are expected to be elaborated/developed and tested by 2010, and practical application of solutions is expected in the time period by the end of 2012, according to the dynamic of functional decentralization. Full positive effects of accomplishment of this strategic goal are planned for about 2015.

Elaboration of strategic goal 2:

Strategic goal 2 will be accomplished conditional upon timely realization of the following operational objectives:

- 2.1. Ensured key participation of local units regarding control of local resources, by 2008.
- 2.2. Increased level of revenues to local units, primarily by increasing the level of own revenue.
- 2.3. Increased share of local self-governance in total public expenditures in BiH so that by 2015 it amounts to about 1/3, according to the scope and rate of functional decentralization.
- 2.4. Local units have free access to capital markets for capital investments, by 2007.
- 2.5. Developed and introduced efficient financial instruments for ensuring both main functions and development of the local units that are developed at a slower rate, by the end of 2010.
- 2.6. Ensured quality financial management and financial planning for over several years, in all local units, by 2007.

Operational objective 2.1.

Ensured key participation of local units in managing local resources, starting from 2008.

Rationale:

The situation analysis has found that local units do not have enough resources for performing the functions that are originally theirs. Property, as a material resource necessary for discharging the local units' function, is frequently not at all or only partly their ownership. Likewise, except for the city construction land, local units formally and practically do not have any influence on managing resources that are located in their territories, so that they do not make any revenues on that basis, nor can they use them to resolve the development problems. On the contrary, they very frequently suffer direct damage caused by exploitation of those resources.

Elaboration of the objective:

This objective implies **ensuring key participation of local units in managing local resources, by taking over ownership of the property that is necessary for discharging local units' functions and by taking a significant part in managing and controlling the natural resources located in their respective communities.** The property necessary for discharging the local units' functions must be the ownership of those units, in order to enable them to use this property efficiently, maintain and upgrade it in a legal manner. The key participation of local units in managing and controlling the local resources should contribute toward more economic and more adequate use of those resources on the one hand, and to increasing the revenues and resolving the development problems of the local community on the other hand.

Most important expected results:

- Establishing a database on economic and social indicators of local units (with inventory-taking of property and local resources).
- Developed model of control and management of local resources.
- Property transferred into the ownership of local units in accordance with assigned responsibilities.
- Efficient using of available resources produces positive effects in local community.

Time frame:

Realization of this objective is planned to start immediately after adopting the strategy, which should produce most important effects by 2008.

Projects contributing to accomplishing of the objective:

- Creation of standardized databases on economic and social indicators of local units, with financial ranking and comparison (benchmarking).
- Development of the new model of local resources management and control of local resources.
- Elaboration of legislative solutions that enable accomplishing of this operational objective.

Operational objective 2.2.

Increased level of revenues of local units primarily by increasing the level of own revenues
The elaboration of this objective is done together with the next operational objective.

Operational objective 2.3.

Increased level of local self-governance in total public expenditures in BiH, so that by 2015, it amounts to about 1/3, according to the level and the rate of functional decentralization

Rationale:

In the present conditions, the local units in Bosnia and Herzegovina do not have sufficient level of revenues that would ensure unobstructed performing of functions within their jurisdiction, especially in terms of the development needs. On the other hand, the level of participation of local units in public expenditure is disproportionately low (it ranges between 1/12 and 1/6), compared with the current responsibilities, especially in terms of what the citizens expect and require from the local governance. In such circumstances, improvement of quality of services provided to citizens and the development on the whole cannot emerge in priority activities of local units. With such a situation, functional decentralization is practically not possible in the field of financing local units, without significant increase in the level of revenues that should be allocated to municipalities and in share of local self-governance.

Elaboration of the objective:

These complementary goals imply **significant decrease of financial reliance of local units from hierarchically higher levels, increasing financial certainty and providing stable financing of local units in accordance with the current and future responsibilities**. In order for financing to be stable and viable and to enable the local units to perform efficient financial planning, the financial level of reliance of municipalities on higher levels of authorities should be as low as possible, and the financial certainty substantially improved. This can be achieved by increasing the level of revenues that belong to local units, primarily by increasing their own revenues.

Most important expected results:

- Appropriate *policy* surveys and *policy* studies
- Developed and tested new integral model of distribution of public revenues in BiH, adjusted to the model of functional decentralization, with especially elaborated and tested system of own revenues of local units
- Elaborated and adopted legislative solutions that enable the model application.
- Practically realized new model produces positive results in application.
- Improved method of collection of own revenues of local units.
- Increased share of local self-governance in total public spending proportionally to the distribution of responsibilities.
- Increased overall level of financial accountability for collection of public revenues, as well as the level of financial discipline.

Time frame:

The overall time frame, starting with surveys and comparative analyses, through model development and testing and finally, full application, will be completely harmonized with the rate of development of the model of functional decentralization. The plan is to develop the theoretic model by the end of 2009. Elaboration of the basic model and adjustments should be completed by the end of 2010, and the model should be fully applied by 2012.

Projects that should contribute to accomplishing of the objective:

- Designing standardized databases on economic and social indicators of local units, with financial ranking and comparison (benchmarking).
- Development of new integral model of distribution of public revenues harmonized with the functional decentralization model (includes both vertical and horizontal distribution).
- Elaboration of legislative solutions making possible accomplishment of this operational objective.

Operational objective 2.4

Local units have free access to capital markets for capital investments, starting from 2007*Rationale:*

Based on the analysis of the capital markets in the area of BiH, we can say that it is insufficiently developed and that there are no qualitative mechanisms providing for free access to capital. Due to limitation of the market and legislation regulating the possibilities of municipalities to take debts, and also of very rigid practices of competent ministries, the local units cannot plan their capital budgets or perform their projections for a number of years, based on the resources that are in part collected in the capital markets too. Saying that, the right to borrowing, which is one of the principles of the European Charter on Local Self-Governance, is being neglected. Developed capital markets and free access represent a necessary precondition for development and efficient using of resources and a means enabling the local units to provide funding for financing capital projects of vital importance for the local community. This mechanism will increasingly gain in importance in BiH as the inflow of donor resources in local units is reduced.

Elaboration of the objective:

This objective implies constant development of capital markets, which should enable easy and prompt availability of resources for realization of key capital projects for creditworthy local units. In this way the local units can perform budget projections for longer time periods and plan priority investments. Proper functioning of the market implies existence of various developed financial institutions (banks, specialized financial institutions, for example, for financing public utility activities, etc.), as well as the developed and introduced appropriate instruments and mechanisms (securities, different forms of placement of assets) of its functioning. There has to be a form of control of lower to higher levels of government, but it also should be directed to facilitating the access of a local unit to capital markets, if it fulfils conditions for future indebtedness, i.e. if it is creditworthy.

Most important expected results:

- Developed capital markets which enables easy accessibility of resources for creditworthy local units.
- Financial institutions created special credit programs for support of capital projects.
- Developed and introduced special financial instruments and mechanisms for financing capital projects.
- Removed barriers and introduced simple procedures in the process of provision of funds for creditworthy municipalities.
- Harmonized legislative solutions regulating the financing of local units and possibility of indebtedness.

Time frame:

The plan is to facilitate and provide free access to capital markets for local units as early as 2007.

Projects contributing to accomplishment of the objective:

- Development of the environment and instruments for financing capital investments.
- Developing responsible financial management in local units.
- Elaboration of legislative solutions for accomplishment of this strategic goal.

Operational objective 2.5.

Developed and introduced financial instruments for ensuring both basic functions and the development of those local units that are developed at a slower rate (by the end of 2010)

Rationale:

The situation analysis has determined that due to differences existing between local units (different fiscal capacities, as the result of different levels of economic development and the result of a number of other factors) and lack of harmonized distribution system (both vertical and horizontal "fiscal equalization"), resulted in the lack of sufficient level of funds for performing the basic functions of all local units and for ensuring their development up to a certain level. Paradoxically, the current distribution system in the RS encourages the municipalities to become or remain undeveloped. The new concept of distribution of resources should ensure the development of those local units that are developing at a slower rate, through "balanced allocation of resources", and by introducing solutions that will encourage them to more quickly achieve higher levels of development.

Elaboration on the objective:

This objective implies ensuring such an allocation of resources and appropriate financial instruments that will enable financing of all basic functions from within the competencies of local units, as well as their development, taking special account of those areas that are developing more slowly, due to a number of aggravating circumstances. The creation of a new model of distribution, brought in line with the functional decentralization model, which comprises equalization of the level of revenues received by different levels of authority and revenues received by local units, is very complex and critical task which has to be based on serious surveys of internal variables and foreign experiences and solutions.

Most important expected results:

- Developed distribution model of public revenues which includes both vertical and horizontal distribution (laid down clear formulae for distribution of resources).
- Developed instruments of "fiscal equalization".
- Secured sufficient level of resources to all local units for performing basic functions (in accordance with entrusted responsibilities) and development, so as to enable the development of the local units that are developed at a slower rate .

Time frame:

The plan is to develop and introduce efficient financial instruments for ensuring basic functions and development of local units that are developed more slowly, by the end of 2010.

The projects contributing to the accomplishment of the objective:

- Designing of standardized databases on local units' economic and social indicators, with financial ranking and comparison (benchmarking).
- Development of a new integral model of distribution of public revenues harmonized with the model of functional decentralization (it includes both vertical and horizontal distribution).
- Development of a new model of control and management of local resources.
- Elaboration of legislative solutions for accomplishing Strategic Goal 2.

Operational objective 2.6.

Ensured quality financial management and financial planning for a number of years, in all local units

Rationale:

Having analyzed the situation in local units in terms of skill of the staff and quality of financial funds management, it can be concluded that there are significant differences brought about primarily by the degree of development and the size of municipalities. The work of organizational units performing financial operations is dependent on the skill and experience of the staff, whereas the efficiency in using and quality in managing resources depends on the knowledge that the top management has of this field. In developed areas the staff structure is relatively adequate, while small and poor municipalities, especially those that are remote from larger centers, lack staff. There is a significant number of local units that award great importance to the development of financial management (organizing and supporting various forms of education in this field), and only an insignificant number has the system of more-than-one-year planning, partly introduced, which is a pre-condition for development and the basis for the realization of priority capital projects (in many municipalities the development strategies have been developed and plans and projects defined, that were not projected in the budgets).

Elaboration of the objective:

The accomplishment of this objective should ensure quality and efficient management of the funds in local units and provide for financial planning over a longer time period, which is especially important for the capital projects. The program of specialized training should be elaborated in order to make possible inclusion of various local units in certain phases of that program, and develop the appropriate tools/programs for financial planning for longer periods. It is necessary to make sure that the financial management has enough capacities to perform budgeting for periods longer than one year in our specific environment and to financially project, in local units' budgets, part of the plans, programs and projects defined in the development strategy, in this way ensuring consistency in implementing the adopted development documents.

Most important expected results:

- Performed analysis of the needs in terms of financial management in local units with precisely defined needs for training in this field.
- Developed and carried out special training programs for efficient financial management.
- Developed programs / tools for financial planning for periods longer than one year.
- Introduced system of planning and management for periods longer than one year.
- Accomplished improvements in financial planning and management produce positive effects in the functioning of local units and development of local communities.

Time schedule:

Quality financial management and financial planning for periods longer than one year, are planned to be implemented in continuity in all local units by 2007.

Project contributing to the accomplishment of the objective:

- Building of an accountable financial management in local units.
- Creating standardized databases on economic and social indicators of local units, with financial ranking and comparison (benchmarking).
- Development of the environment and the instruments for financing capital investments.
- Development of modular programs and specialized centers for training the management, elected representatives and local administration staff.

STRATEGIC GOAL 3

Ensure modern leadership and professional, competent and motivated staff working in local administration, and dedicated to accomplishing the mission and the vision of new local self-governance development



OBJECTIVE 3.1

Defined and promoted role of modern leadership in management of local units by the end of 2010



OBJECTIVE 3.2

Developed modern programs and built domestic capacities for training and professional development of management and staff working in local units, by the end of 2009



OBJECTIVE 3.3

Developed and promoted modern systems of financial and other motivation of staff in local governance, until 2008



OBJECTIVE 3.4

All local units have adopted annual and medium-term plans of human resource development, with planned assets (at least 1% of the municipal budget starting from 2009, and at least 2% starting from 2012)



OBJECTIVE 3.5

Defined and promoted new organization of local governance, based on the process approach and teamwork, in accordance with the rate of functional decentralization



PROJECTS

14. Defining the role and characteristics of modern leadership in management of local units
15. Promotion of new concept of modern leadership of local governance in BiH
16. Promotion of tools for running of local governance in a modern way (CAF, etc.)
17. Dynamic analysis of the needs for education and training of management, elected representatives and local governance staff
18. Innovating programs of institutions of high education on a new concept of managing public affairs at the local level
19. Development of modular programs and specialized centers for training of management, elected representatives and local governance staff
20. Development of the motivation system of local governance staff on contemporary concepts (performance-based management, etc.)
21. Development of new organization of local governance, based on the process approach, team work and project management
22. Support to local units in strategic human resource management
23. Technical and financial support to the process of decreasing staff in local governance
24. Benchmarking actions (the best mayor, the best public servant, etc.)
25. Elaboration of legislative solutions for accomplishing Strategic Goal 3

STRATEGIC GOAL 3

Ensure modern leadership and professional, competent and motivated staff working in local administration, dedicated to accomplishing of the mission and the vision of the new local self-governance development

The basic problem that we intend to address:

The acute problems, identified during the analysis, were the lack of leader capabilities, managerial skills and expertise of local units leaderships. The situation regarding the administrative staff is not better, because inadequately motivated older clerks are dominating in the structure, with, most frequently, outdated knowledge. The lack of internal evaluation and staff promotion system is also evident. Human resources management in BiH municipalities is mostly reduced to simple recording of staff. On the other hand, an appropriate educational infrastructure in the environment has not been created. The existing organizational solutions, based on rigid concepts of classic hierarchical organization, do not correspond with the new vision of local self-governance development and accomplishing of key responsibilities by modern local administration.

What we imply by this objective:

By this objective we primarily imply the system ensuring of such a leadership in local units that is capable of guiding the organization, developing and communicating the vision, the mission and the values, developing and implementing the management system in the municipality, motivating and supporting the people in the organization and managing the relations with the environment. Also, ensuring "high quality staff, capable and competent", as required by the European Charter on Local Self-Governance. This also implies the development of contemporary systems of material and immaterial motivation of the staff working in local administration. All these changes will be accompanied with the creation of a new organization of local administration, based on the process approach, team work and project management.

Which are the most important expected results:

Significant improvement of the leadership potentials, professionalism, competency and motivation on the local level is expected. Also, domestic capacities sufficiently built for training, capable of supporting the local units in the realization of annual and mid-term human resources development plans, contemporary system of financial and other motivation of employees in the local administration, as well as new organization of local administration, adjusted to the new concept of local self-governance.

Time frame:

The role of the modern leadership has been planned to be defined and promoted by the end of 2010, legislative and institutional solutions are planned to be accomplished by the end of 2008, i.e. end of 2009, and defining and promoting of new organization of local administration should be carried out in accordance with the rate of accomplishing functional decentralization.

Elaboration of Strategic Goal 3:

Strategic goal 3 will be accomplished conditional upon the timely fulfillment of the following operational objectives:

3.1 Defined and promoted role of modern leadership in managing local units, by the end of 2010.

3.2 Developed modern programs and built domestic capacities for training and professional development of local units' leadership and staff, by the end of 2009.

3.3 Developed and promoted modern systems of financial and other motivation of the staff working in the local administration, by 2008.

3.4 All local units have adopted annual and mid-term human resources development plans, with the planned resources (at least 1% of the municipal budget by 2009, and at least 2% of the budget by 2010).

3.5 Defined and promoted new organization of local administration, based on the process approach and teamwork, in accordance with the rate of functional decentralization.

Operational objective 3.1

Defined and promoted role of modern leadership in management of local units, by the end of 2010

Rationale:

The experience of development of leading municipalities in BiH, and in other places in the world has shown that leadership capabilities of their leaders has a decisive role for their success. The situation analysis has determined that little attention is paid to this phenomenon in BiH, so that the role of modern leadership is neglected both system-wise and practically. Significant number of municipal leaderships in BiH lack leader capabilities, management skills and knowledge in administration of local units. According to the surveys, there are about 2650 people in BiH performing the leadership functions in BiH municipalities, without a real opportunity to gain necessary knowledge and skills for managing local units.

Elaboration of the objective:

This objective implies elaboration, promotion and introduction of the modern leadership principle in administration of local units in BiH. As there is a years-long tradition in the understanding that the local units in BiH are not the ones that have the initiative, but that they only execute the orders of the state, there is a big job ahead to change the minds of those who lead the BiH municipalities. The defining and promoting of the role of modern leadership in managing local units should be based on successful domestic and foreign solutions, and on promotion and application of developed methods and management techniques.

Most important expected results:

- Examined domestic and foreign experiences and solutions in the field of leadership in local administration.
- Defined and promoted role of modern leadership in BiH local governance.
- Developed and applied modern leadership tools.
- The role of modern leadership broadly accepted in BiH local units.

Time frame:

The role of modern leadership in BiH local administration is planned to be defined by the end of 2007, based on previously conducted surveys of domestic and foreign experiences and local peculiarities. Promotion and implementation of this concept is planned for the period from 2007 to 2010.

Projects contributing to the accomplishment of the objective:

- Defining the role and the characteristics of modern leadership in management of local units
- Promotion of the new concept of modern leadership in BiH local governance.
- Promotion of modern local governance management tools (CAF, etc.).
- Dynamic analysis of the needs for education and training of leadership, of elected representatives, and local administration staff.
- Innovating the programs of institutions of high education on the new concept of managing public affairs at the local level.

Operational objective 3.2

Developed modern programs and built domestic capacities for training and professional development of management and staff working in local units, by the end of 2009

Rationale:

The analysis has demonstrated that there is no appropriate educational infrastructure or the specialized training program that would continuously keep the pace with the needs of local administration. In the field of training and specialized training, the whole problem is left to donors' projects and entrepreneurship of a few organizations from non-governmental sector, with significant differences in the approach to changes and improvements.

Elaboration of the objective:

This objective implies building of the domestic educational infrastructure as a necessary precondition for continuous improvement of leadership capabilities and managerial competencies

of municipal leaderships, as well as raising the level of professionalism and competency of the local administration staff.

Most important expected results:

- Examined needs for training and education of local administration leadership and staff.
- Innovated programs of institutions of high education in terms of public affairs management at the local level.
- Designed modular programs of training for various profiles in local administration.
- Established specialized training centres for local administration.
- Adopted and accomplished annual and mid-term plans of human resources development in local units.

Time frame:

Examining the needs for training and education of local administration is planned by the end of 2007, creation of educational infrastructure from the end of 2007 to the end of 2009, so that by the end of 2012, annual and mid-term plans of local units in terms of human resources development are carried out.

Projects contributing to goal accomplishment:

- Dynamic analysis of the needs for education and training of leadership, elected representatives and local administration staff.
- Innovating the programs of institutions of high education on the new concept of managing the public affairs at the local level .
- Development of modular programs and specialized centres for training of leaderships, elected representatives and local administration staff .

Operational objective 3.3

Developed and promoted modern systems of financial and other motivation of staff in local governance, by 2008

Rationale:

The current legislative solutions, addressed in the analysis, do not provide for creation of contemporary systems of financial or any other motivation of the staff working in the local administration. In BiH municipalities, there are relatively few internal evaluation systems of working contribution and promotion of the municipal administration staff. In the situation where the possibilities for using external material incentives are very limited, most mayors practically do not use the potential of the so-called internal motivation, which is based on supporting the goals and trusting their correctness and importance, putting the accent on in achieving the results and success of organizations, etc.

Elaboration of the objective:

This objective implies building and application of qualitatively new legislative and practical solutions in terms of financial and other motivation of the employees working in the local administration. These solutions will be based on modern concepts (such as performance-based-management) that have already been tried in administrations characterized by high efficiency, satisfied staff and citizens as users of services provided by the local administration.

Most important expected results:

- Examined domestic and foreign experiences in the field of motivation systems and possibilities for application in BiH local administration.
- Designed and tested model of the system of financial and other motivation of the staff working in BiH local administration.
- The model of system of financial and other motivation of the staff working in the local administration, improved and promoted.
- The new motivation system produces positive effects in application.

Time frame:

The survey and basic model development can be completed by the end of 2007, and system promotion and introduction by the end of 2008.

Projects contributing to the accomplishment of the objective:

- Development of the motivation system for local administration staff on modern concepts (performance-based-management, etc.).
- Support to local units in strategic management of human resources .
- Benchmarking actions (the best mayor, the best officer, etc.).
- Elaboration of legislative solutions for accomplishing Strategic Goal 3.

Operational objective 3.4

All local units have adopted annual and medium-term plans of human resource development, with planned assets (at least 1% of the municipal budget starting from 2009, and at least 2% starting from 2012)

Rationale:

The analysis has shown that there is mostly no human resources development policy in BiH municipalities, or the training and education programs for leadership and staff and that the resources allocated for these activities are quite insignificant. Experiences of developed regions demonstrate that qualitative human resources development management in local administration is

a pre-condition for responsible and proactive management of local community development. Human resources management, as a very important field in municipal administration in general, is quite neglected and is mainly reduced to keeping of a list of staff. Having in mind that annual and mid-term plans for human resources development are one of the most important instruments for human resources management, their absence represents a serious jeopardy for the possibility for professional development of the leadership and local administration staff.

Elaboration of the objective:

This objective implies that in every unit a policy is defined and practice introduced of annual and mid-term planning of human resources development, with appropriate education and specialization training plans. The key preconditions comprise creation and introduction of an appropriate methodology of planning and capacity building of local units for application of the methodology, on the one hand, and planning appropriate resources, on the other hand. Gradual increase in allocation of resources for these purposes is planned, in order to fulfill material preconditions, as of 2012, for employment of highly qualified, competent and motivated staff, as required by the European Charter.

Most important expected results:

- Appropriate methodology of planning the development human resources in local administration designed, tested and promoted.
- Capacities of the local units built for application of the methodology.
- Policies and appropriate human resources development plans in all local units defined and adopted.
- Significantly increased allocation of resources for human resources development, up to the level that enables employment of highly qualified, competent and motivated staff.
- Recommendations for improving the legislation regulating the issue of human resources development in the local BiH administration provided.

Time frame:

Designing and testing of the methodology are planned to be carried out by the beginning of 2008, and its promotion and capacity building of local units for its implementation, by the beginning of 2009. All local units are expected to make and adopt annual and mid-term plans of human resources development by year 2012. Increase in resources allocated for these purposes is planned in the minimum level of 1% of the budget in 2009, up to the minimum amount of 2% in 2012, as a rule. Projects contributing to accomplishing of the objective:

- Promotion of tools for modern local governance management (CAF, etc.).
- Dynamic analysis of the needs for education and training of staff, elected representatives and local administration staff.
- Development of modular programs and specialized centres for training of leadership, elected representatives and local administration staff.
- Support to local units in strategic management of human resources.
- Elaboration of legislative solution for accomplishment of the Strategic Goal 3.

Operational objective 3.5

Defined and promoted new organization of local governance, based on the process approach and teamwork, in accordance with the rate of functional decentralization.

Rationale:

The existing organization of local governance is based on a bureaucratic concept, with rigid hierarchical structure, characterizes by lack of access, poor interactions between organizational parts, lack of innovative initiatives and user orientation. By way of an illustration, the administration seems like a maze to the user. Besides improvements in work, based on application of Information and communication technologies, cumbersome administrative machinery is kept. The process approach, teamwork and project management are especially neglected as fundamental concepts on which contemporary, user-oriented organization is based, suitable for responsible and proactive development management.

Elaboration of the objective:

This objective implies establishing of new organization of local administration, which will make easier accomplishing of key roles of the new local self-governance in terms of local development and local affairs management. The new organization will be directed toward accomplishing of set goals, it will be user-oriented, based on the process approach, teamwork and project management, less costly and with greater effects. It will include substantially less employees than it has been the case until now, organized in teams, with intensive interactions. Also, it will use all advantages and opportunities arising from the intensive development of electronic governance.

Most important expected results:

- Surveys conducted and new model of local administration organization developed, with variations reflecting local peculiarities.
- New organizational model tested and promoted.
- Local units enabled for creation and application of new organizational solutions.
- New organizational solutions produce positive solutions in the form of greater effects with smaller expenses.

Time frame:

The pace at which this goal will be accomplished is completely guided by the rate of accomplishing functional and fiscal decentralization. Basic elaboration solutions are expected to be developed and tested by 2010, and solutions to be practically in place in the period from the end of 2012. Full positive effects of accomplishment of this strategic goal are planned for around year 2015.

Projects contributing to accomplishing of the objective:

- Promotion of the new concept of modern leadership in BiH local governance
- Promotion of tools for modern local governance management (CAF, etc.).
- Development of modular programs and specialized training centers for training of leaderships, elected representatives and local administration staff.
- Development of the motivation system of local administration staff on contemporary concepts (performance-based-management, etc.).
- Development of new organization of local administration based on the process approach, team work and project management.
- Support to local units in strategic human resources management.
- Technical and financial support to the process of reducing staff in local administration.
- Elaboration of the legislative solutions for accomplishing Strategic Goal 3.

STRATEGIC GOAL 4

Ensure constant improvement of quality and cost-effectiveness of service provision of local governance in satisfying the needs of citizens



OBJECTIVE 4.1

Developed practice of functional netting of local units in joint exercising of competencies, until 2011



OBJECTIVE 4.2

Introduced appropriate quality management systems in organizations that provide public services at the local level, until 2010



OBJECTIVE 4.3

Providing public services at the local level, on the concept of partnership of public, private and non-governmental sectors and based on modern solutions in managing public affairs (New Public Management), dynamically, from 2007 to 2012



OBJECTIVE 4.4

Developed practice of electronic provision of services on the concept of e-governance in BiH (according to the realization rate of the Action Plan of Information Society Development in BiH)



PROJECTS



26. Development of the model of joint exercising of competencies by local units
27. Support to introduction of the quality management system in organizations providing public services at the local level
28. Stimulating simplification in the work of local governance
29. Development of the model of public service provision on a new concept of public affairs management (New Public Management, Outsourcing, etc.)
30. The model of ranking of local units according to quality and cost-effectiveness of service provision
31. Development of the methodology for computing the cost of public services at the local level
32. E-governance projects for the local level (according to the Action Plan of Development of Information Society in BiH)
33. Elaboration of legislative solutions for accomplishing Strategic Goal 4

STRATEGIC GOAL 4:

Ensure constant improvement of quality and cost-effectiveness of services provided by the local governance for satisfying the needs of citizens

The main problem that we intend to address:

A number of analyses have shown that the services for the provision of which local administration is responsible, especially public utility services, are of a disputable quality and frequently burdened with unnecessary expenses. Those services cause dissatisfaction with citizens and other users, on the one hand, and on the other hand, result in low level of collection of dues, which closes the negative circle of quality and cost-effectiveness of services. The situation with administrative services is no better, primarily due to exceedingly complicated procedures resulting in waste of time, increased expenses and justified dissatisfaction of users. Citizens and other users most frequently do not have an opportunity to influence the quality or price of service, and service providers are not interested or educated enough to improve quality and cost-effectiveness of services. Certain positive examples of some local administrations introducing the quality management system are still sporadic and mainly limited to administrative services. A special problem is presented by the lack of practice of netting of local units for joint exercising of responsibilities, in a situation where a number of units simply cannot provide sufficient capacity for economic and quality provision of services.

What we imply under this objective :

Under this objective we imply establishing of a sustainable improvement process and introduction of appropriate systems that will ensure continuous improvements in terms of quality and cost-effectiveness of services that are the responsibility of the local government. This includes, inter alia, establishing of clear and precise procedures for managing most important service provision processes and application of new management principles, cost-effectiveness of services, communication with users of services, measuring their satisfaction and constant improvement of quality and cost-effectiveness of service provision. In terms of the concept, this will also include introduction of the new approach and solution in public affairs management (New Public Management) to the end of better discharging of responsibilities by local self-governance units and better addressing of public affairs. Also, meeting the requests for provision of better and more economic services will result in significantly larger degree of functional netting of local units.

Which are the most important expected results :

- Implementation of the good governance principles and mechanisms in local self-governance units.
- Developed practice of functional netting of local units.
- Implementation of the quality management system in the organizations providing administrative and public utility services at the local level in majority local self-governance units.

- Provision of better and less costly services, in partnership of the public, private and non-governmental sectors.
- Local self-governance provided with adequate level of informatization, with applied new solutions in terms of e-governance.

Time frame :

Appropriate quality management systems are planned to be introduced by 2010, and new solutions in public affairs management (New Public Management, Outsourcing) gradually introduced in the period from 2007 to 2012. The rate of introduction of electronic governance is dependent upon the rate of realization of the Action Plan for Development of Information Society in BiH.

Elaboration on Strategic Goal 4 :

Strategic Goal 4 will be accomplished conditional upon timely fulfillment of the following operational objectives :

4.1. Developed practice of functional netting of local units in joint exercising of competencies, by 2011.

4.2. Appropriate quality management systems introduced in organizations providing public services at the local level, by 2010.

4.3. Providing public services at the local level, on the concept of partnership of public, private and non-governmental sectors and contemporary solutions in public affairs management (New Public Management) - dynamically, from 2007 to 2012.

4.4. Practice of electronic provision of services developed, on the concept of e-governance, by 2015.

Operational objective 4.1

Developed practice of functional netting of local units in joint exercising of competencies, by 2011

Rationale:

The existing territorial organization, on the one hand, and particular level of services that can guarantee cost-effectiveness and quality, on the other hand, frequently do not go hand in hand in practice. A whole range of local units simply lacks basic preconditions necessary for provision of economical and quality services (too small internal market of services, low financial and administrative capacities, etc.). This problem is particularly expressed with public utilities and in small, insufficiently developed local units. The practice of functional netting of local units in joint exercising of responsibilities, which is a way for most of those problems to be resolved, is not developed, and there are no incentive-providing or coercive mechanism for development of such a cooperation.

Elaboration of the objective:

Functional netting of local units in a joint exercising of responsibilities is necessary in order to perform certain tasks and discharge certain responsibilities in a more economical and better way. Accomplishment of this objective implies identification of key responsibilities and local capacities in the field (such as waste disposal, water supply, etc., but also administrative tasks), defining of obligatory standards and conditions for provision of appropriate services, application of both stimulating and coercive mechanisms for functional netting, etc.

Most important expected results:

- Appropriate surveys carried out and the model of joint discharging of responsibilities developed and tested
- Obligatory standards and conditions for discharging critical responsibilities defined
- Both stimulating and coercive mechanisms for functional netting developed
- Local units carry out functional netting providing better and less costly services to users.

Time frame:

The appropriate surveys and model development (with standards, conditions, mechanisms, etc.) are expected to be complete by 2009, and the practice of functional netting of local units in joint discharging of responsibilities to reach a developed form by 2011.

Projects contributing to the accomplishment of the objective:

- Development of the model of joint exercise of responsibilities of local units.
- Development of the model of provision of public services on a new concept of public affairs management (New Public Management, Outsourcing...).
- The model of local units ranking according to quality and cost-effectiveness of service provision (benchmarking).
- Development of the methodology for calculating the cost of public services at the local level.
- Elaboration of the legislative solutions for accomplishing Strategic Goal 4.

Operational objective 4.2

Introduced appropriate quality management systems in organizations that provide public services at the local level, by 2010.

Rationale:

The situation analysis has shown significant differences regarding the quality of meeting standards comprised in the basic European principles of public governance, ISO 9001:2000 quality system, i.e. the methodology of quality according to CAF method, between small number of municipal administrations that are reformed from within and the majority of municipal administrations that are still bureaucratic and unreformed. The situation is even worse in other organizations providing public services at the local level, where there are not even elementary signs of quality management. In such a situation, accomplishing quality and cost-effectiveness of services are only sporadic cases, left to individual initiatives.

Elaboration of the objective:

Under this objective we imply system-wise effort to introduce the values, principles and mechanisms of modern management of quality of services and the overall operation, in organizations that are involved in providing public services at the local level. Practically, the purpose of this objective is to try to use and increase the the benefit of accomplished best practices in local units management, by extending such an approach and positive effects derived from it to other local administrations and other organizations providing public services at the local level. The goal is to establish a system environment, quality-oriented, on the one hand, and on the other hand, a viable quality management process in the organizations, by putting an emphasis on the principles of user-orientation, leadership roles, active participation of employees, process and system approach, etc.

Most important expected results:

- Introducing of a new system of values in organizations providing services at the local level.
- Improving work quality in organizations providing public services at the local level .
- Improving the quality of public services at the local level.
- Larger influence of citizens and other users to service provision.
- Bigger satisfaction of public services users.

Time frame:

Intensified activities on the implementation of this objective will practically start immediately after adoption of the strategy. The plan is, after the preparations during 2007, in the period from 2007 to 2010, to introduce appropriate systems in all interested local units and organizations.

Projects contributing to accomplishment of the objective:

- Support to the introduction of the quality management system in the organizations providing public services at the local level.
- Stimulating simplified work of local governance.
- Development of the model of provision of public services on the new concept of public affairs management (New Public Management, Outsourcing...).
- The model of ranking of local units according to quality and cost of service provision (benchmarking).
- Elaboration of legislative solutions for accomplishing Strategic Goal 4.

Operational objective 4.3.

Providing public services at the local level, on the concept of partnership of public, private and non-governmental sectors and based on modern solutions in managing public affairs (New Public Management), from 2007 to 2012

Rationale:

Direct service provision by the public sector, mainly through the public enterprises, has shown and keeps showing large disadvantages, reflected primarily in bureaucratic inefficiency, lack of care for quality and cost-effectiveness of services (the consequence of public monopoly), constant exposure to danger of politicization, etc. Individual efforts at provision of service in partnership with public and non-governmental sectors take place within international support projects, without real and system-based adjustment and assuming contemporary concepts and solutions in managing public affairs.

Elaboration of the objective:

Public affairs management nowadays requires doing away with monopolies and introducing competition and cooperation in all segments of public services provision. The point here is to introduce market mechanisms and practical solutions tried within the new concept of public affairs management (New Public Management, Outsourcing), without giving in to the faddy trend of absolute domination of the private sector. Abolishing of the monopoly of state companies in public services provision does not imply that this monopoly will be now in hands of private companies, but it includes establishing an optimum balance between them. With provision of better and less costly services to citizens and other users, accomplishing of this objective should provide for new opportunities for the development of private and non-governmental sectors. Also, this would make available the resources of local administrations and enable the accomplishment of key tasks of new local self-governance.

Most important expected results:

- Established transparent and efficient mechanisms of cooperation of the public with private and non-governmental sectors in provision of public services.
- New solutions in provision of public services at the local level tested and introduced.
- Private and non-governmental sectors demonstrate competitive capability in service provision.
- Less costly and better public services provided at the local level.
- Increased transparency and decreased corruption at the local level.

Time frame:

Appropriate initial solutions and elaboration of the model are planned to be carried out during 2007 and 2008, and new solutions introduced gradually by 2012, at which point complex evaluation of application of new solutions should be completed, and consequently, approach re-designed.

Projects contributing to accomplishing of the objective:

- Development of the model for provision of public services on the new concept of public affairs management (New Public Management, Outsourcing...).
- The model of ranking of local units according to quality and cost-effectiveness in provision of services (benchmarking).
- Development of the methodology for calculating cost of public services provided at the local level.
- Elaboration of legislative solutions for accomplishing Strategic Goal 4.

Operational objective 4.4

Developed practice of electronic provision of services on the concept of e-governance, by 2015*Rationale:*

The situation analysis has demonstrated neglect of municipal level of government in terms of its inclusion in strategic documents for development of information society and electronic governance in BiH, as well as that the current legislative solutions for local governance and self-governance have disregarded the intensive development of information and communication technologies and the concept of e-governance as a key development trend and opportunity. Likewise, a lack of IT workplaces and organizational units, the lack of IT experts and IT and communications skills in local governance and a low level of IT literacy in a number of BiH municipalities have been identified. To this, we should add inadequate level of equipping with IT equipment in a number of municipal administrations in BiH, and a big gap between small number of municipalities taking a lead in introduction of e-governance and majority of municipalities lagging behind in this respect.

Elaboration of the objective:

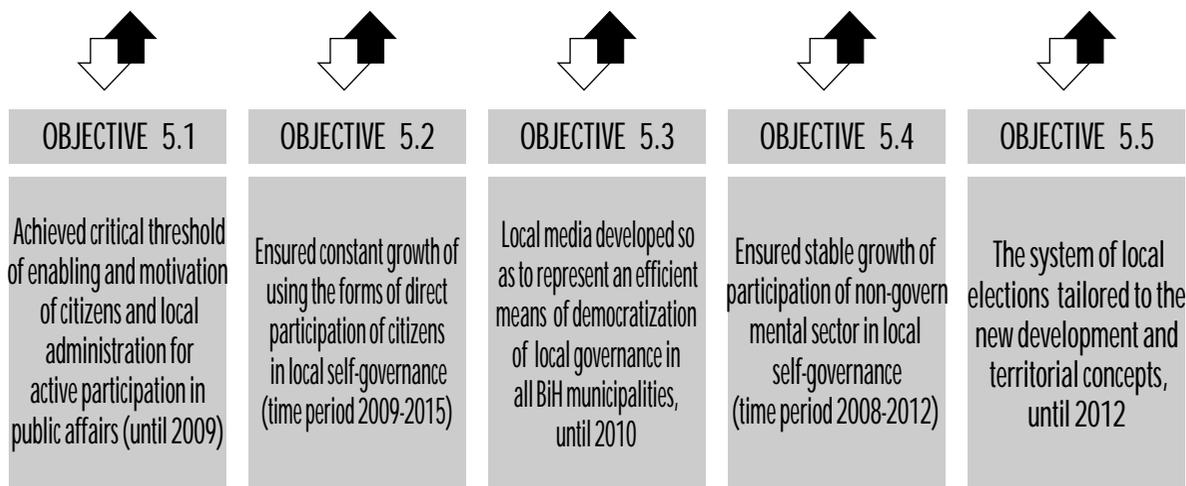
This objective implies significant progress in informatization and introduction of e-governance in local administrations in BiH, in accordance with the rate of implementation of adopted Strategy and the Action Plan for Information Society Development in BiH.

Note:

Having in mind that standardization and creation of uniform solutions in the field of informatization and introduction of e-governance for all levels of government in BiH is extremely important, this objective does not need to be especially operationalized; instead, its fitting into an already developed strategy, action plan and projects relating to introduction of e-governance has been envisaged. If there are significant delays or abandoning in the implementation of these documents, a subsequent elaboration of this operational objective will be necessary, along with appropriate projects.

STRATEGIC GOAL 5

Attain a high level of citizen participation in public affairs



PROJECTS

34. Information and education campaign for active participation of citizens in local decision-making
35. Development and promotion of instruments for citizen participation monitoring and evaluation in local decision-making
36. Defining and promoting an active role of local communities in managing local affairs and local development
37. Promotion of efficiency of direct citizen participation mechanisms in local self-governance, defining the basic list of issues and decisions for which the direct participation of citizens is obligatory
38. Creating a supportive environment for sustainable development of non-governmental sector
39. Promotion of partnership of public, non-governmental and private sectors in the development of local communities
40. Interactive surveys of the level of development of local media and their influence
41. Capacity building of local media in the function of democratization of local governance
42. Adjusting of electoral legislation to the new development concept of local self-governance
43. Elaboration of legislative solutions for accomplishing Strategic Goal 5

STRATEGIC GOAL 5

Accomplishing high level of citizens' participation in public affairs so that the citizens exert a significant influence on making public decisions, on quality of their lives and lives of their co-citizens in general

The main problem that we intend to address:

A survey that has been completed recently regarding the real obstacles to citizens' participation in public life in BiH has demonstrated both the lack of essential commitment of the authorities (including the local authorities), to involve the citizens in decision-making processes, and insufficient understanding on the part of citizens themselves of their own role and responsibility in managing local communities. Low level of participation of citizens in decision-making processes result in making of the decisions that do not correspond to the real needs of the community, on the one hand, and on the other hand, lack of trust of the public in the work of elected representatives and municipal administration. Formal and essential improvement of participation and influence of citizens in public affairs discharged at the local level is the most important and urgent challenge for local self-governance, as the government level that is the closest and most accountable to citizens.

What do we imply under this objective (elaboration of the objective):

Accomplishing a high level of citizen participation means building of the local level of the government in which active presence of citizens in decision-making processes is real, certain and viable. Accomplishment of this objective should gradually contribute to confidence building between the citizens and local authorities and to building of a new political culture, characterized by strengthened role and direct influence of citizens and numerous various groups that advocate for specific interests of the community.

Which are the most important expected results:

Most important expected results include the following: building of an affirmative legislative framework, open and transparent local authorities, accessible and efficient mechanisms of direct citizens participation, interested and capable citizens and proactive organization of civic society.

Time frame:

In the first two years (2007 and 2008), the focus will be on capacities building and enhancing the interest of citizens and local authorities in active citizens' participation in public affairs, with the concurrent building of an appropriate institutional framework. After that (from 2009), the focus will be on securing sustainability and constant improvement of participation of citizens and non-governmental sectors in local self-governance. Full effects of the implementation of this goal are expected for the period 2012-2015.

Elaboration of Strategic Goal 5

Strategic Goal 5 will be accomplished conditional upon the timely execution of the following operational objectives:

5.1 Achieved critical threshold of enabling and motivating the citizens and local administration for active participation in public affairs (by 2009).

5.2 Ensured constant growth of using the forms of direct participation of citizens in local self-governance (period 2009 - 2015) .

5.3 Ensured stable growth of participation of non-governmental sector in local self-governance (period 2008 - 2012).

5.4 Local media developed so as to represent an efficient means of democratization of local management in all BiH municipalities, by 2010.

5.5 The system of local elections tailored to the new development and territorial principle of local self-governance, by 2012.

Operational objective 5.1

Achieved critical threshold of enabling and motivating the citizens and local administration for active participation in public affairs (by 2009)

Rationale:

The BH society is still confronting big problems in building of a citizen as a basic element of both the democratic society and local authorities, genuinely committed to the listening to the needs of the citizens. There is a big percentage of citizens who actually have never even tried to participate in making local decisions (except for the elections process) due to essential lack of understanding of the process itself. On the other hand, the staff in local authorities, mainly inherited from the previously system, do their job in an old, outdated, bureaucratic manner, failing to understand and recognize that the administration is there for the citizens and not vice versa.

Elaboration of the objective:

This objective implies capacity building and positive changing of views of both the citizens and local authorities of the participation of the public in decision-making at the local level. This is some sort of information and educative campaign aimed at establishing a critical level of social consciousness on the importance of citizens' participation, and creating of "a critical mass" of competent and interested key players (citizens and local administration), which will practically demonstrate the advantages of active and based-on-partnership approach of local authorities toward the citizens and non-governmental sector. Finally, this is also about important improvement of management processes at the local level, aiming at ensuring participation of citizens and civic society organizations.

Most important expected results:

- Increased level of understanding of citizens in terms of importance and the manner of their participation in decision-making (indicators: number of citizens in public debates, number of citizens' initiatives toward local authorities, efficiency of functioning of local communities, number of citizens' motions/questions addressed to councilors, etc.).
- Change of local administration orientation - from bureaucracy toward the citizens (indicators: quality of presented information in public debates on budget planning, participation of citizens in creating development plans of municipalities, number of adopted citizens' proposals submitted to local authorities, existence of formal feedback information toward citizens regarding their initiatives/questions, citizens' comments on the work of officers, etc.).
- Decreased level of corruption in the work of local authorities (indicators: number of citizens' complaints regarding presence of corruption, independent reports on existence of corruption, local authorities' reactions on cases of existence of corruption, etc.).

Time frame:

The biggest part of information and educational activities are expected to be developed and implemented by the end of 2008. Until that point, improvements in the management processes are also expected to take place, so that as soon as in 2009, a progress in essential participation of citizens in decision-making at the local level can be identified.

Projects contributing to accomplishing of the objective:

- Information and educational campaign for active participation of citizens in local decision-making.
- Development and promotion of instruments for following and evaluation of participation of citizens in local decision-making.

Operational objective 5.2

Ensured constant growth of using the forms of direct participation of citizens in local self-governance (the period 2009 - 2015)*Rationale:*

Dominant resorting to indirect forms and neglectable use of forms of direct participation of citizens in decision-making processes at the local level are the characteristics of the current situation. Speaking of BiH, indirect forms of participation of citizens in decision-making (via elected representatives) prevail, both in terms of legislation and practice, over the forms of direct participation. The current legislative framework is not restrictive, but it is not encouraging either in terms of direct participation of citizens in decision-making. The functionality of the existing mechanisms of direct participation is also questionable. There are few good local practices when it comes to direct participation of citizens in management processes, which is more the results of the initiative and strategic orientation of local leadership, than of an organized, system effort to create

attractive forms and viable mechanisms for citizen participation, in accordance with the contemporary European solutions.

Elaboration of the objective:

Under this goal we imply legislative and practical completion and equalization of the decision-making system at the local level by developing the forms of direct participation of citizens in local self-governance. On the legislative front, it means creation of such a legal framework that will affirm and ensure appropriate role and mechanisms of direct participation of citizens in accordance with the best European standards. On the practical front, it implies essential change of views and behaviour patterns of all players, starting with the authorities to the citizens themselves. Constant growth of using the forms of direct participation of citizens in local self-governance should especially contribute to more responsible management of local development and constant improvement of quality of life in the local community.

Most important expected results:

- Elaborated legal framework that affirms and ensures active role and mechanisms of direct participation of citizens in public affairs at the local level.
- Local communities function more efficiently and have an important role in the work of local self-governance.
- Functionality of the existing forms of direct participation significantly improved.
- New forms and mechanisms of citizen participation in public affairs introduced.
- The monitoring systems show the constantly increasing use and effects of direct participation of citizens in local self-governance.

Time frame:

Elaboration of the legal framework and direct participation mechanisms will be complete by 2009. Solutions will be implemented and upgraded as of 2009, with the application of an appropriate effect monitoring and evaluation system. A full effect of accomplishment of this goal is expected for about 2015.

Projects contributing to the accomplishment of the objective:

- Defining and promoting of active role of local communities in managing local affairs and local development.
- Improving the efficiency of direct participation mechanisms for citizens in local self-governance.
- Defining the basic list of questions and answers for which direct participation of citizens is obligatory.
- Development and promotion of monitoring and evaluation instruments for citizen participation in local decision-making.
- Elaboration of legislative solutions for accomplishing Strategic Goal 5.

Operational objective 5.3

Ensured stable growth of participation of non-governmental sector in local self-governance (period 2008 - 2012)

Rationale:

The non-governmental sector is an important segment of democratic society, which works on advocating for interests of citizens in various fields - starting from human rights to independent analyses of the topical issues. Although in BiH, there is an evident intensive growth of the non-governmental sector, non-governmental organizations are still not sufficiently recognized as partners in management at the local level. The cooperation between the local authorities and non-governmental organizations has not yet been regulated in a system manner, it varies from municipality to municipality, with the success mainly deriving from short-term efforts and understanding of local leadership. Examples of developed and regulated procedures of cooperation between non-governmental organizations and local authorities are scarce. Cooperation with the authorities is mainly carried out in the field of provision of welfare services to citizens, so that there are many opportunities that are left unused, especially considering planning, research, advocating and regional integrations. Development and using civic society potentials is especially important in multi-ethnic and multicultural areas, and BiH is certainly the one.

Elaboration of the objective:

This objective implies establishing partnership and sustainable forms of cooperation, regulated in a system manner, between the local authorities and non-governmental organizations. This primarily implies quality filling in the gaps noted in legislation, referring to regulating the cooperation between the public and non-governmental sectors, inclusion of non-governmental organizations in management processes in local self-governance, transparent regulating of access of non-governmental organizations to public resources, capacities and responsibility building of partners, etc. Also, we here imply creation of pre-conditions and mechanisms for sustainable development of non-governmental organizations on the one hand, and strengthening capacities and cooperation within the non-governmental sector, on the other hand.

Steady growth of participation of non-governmental sector will significantly contribute to creation of the environment of a developed civic society and to using of creative potential represented by self-organizing of citizens in local community.

Most important expected results:

- Legally and in a system manner, regulated cooperation between the non-governmental sector and local authorities .
- Transparent systems and procedures of using public resources by the non-governmental and public sectors.
- Municipalities plan long-term programs in which the civil society is active .

- Improved image of local authorities, as well as their better rating in accessing donors' resources and capital markets.
- Trust of the public in the work of non-governmental organizations built.
- Monitoring systems show stable growth of using and effects of participation of non-governmental sector in local self-governance.

Time frame:

By 2008 we expect to complete the legal framework for cooperation of the local authorities and the non-governmental sector as well as the systems and procedures for using public funds. Implementation and improving the solutions will be carried out starting from 2008, with the application of appropriate system of monitoring and evaluation of effects. Full effects of accomplishing of this objective are expected for about 2012.

Projects contributing to accomplishment of the objective:

- Creation of the encouraging environment for sustainable development of the non-governmental sector.
- Promotion of partnership of the public, non-governmental and private sectors in the development of local communities.
- Development and promotion of the instruments for monitoring and evaluation of participation of citizens in local decision-making.
- Elaboration of legislative solutions for accomplishment of Strategic Goal 5.

Operational objective 5.4

Local media developed so as to represent an efficient means of democratization of local governance in all BiH municipalities, by 2010

Rationale:

There is an extensive network in BiH of commercial electronic media, and at the same time, only few local media are truly dedicated to their mission. Local media and reporters are very often under the pressure of local rulers and, therefore, not in the position to perform their basic function, which is a criticism of work of local authorities, listening to and disclosing the public opinion, revealing different local political behind-the-scenes games and democratization of local political scene. Some municipalities even do not have a single local media.

Elaboration on the objective:

Accomplishment of this objective should provide for transforming the passive attitude of citizens in their active participation in the life of local community, significantly upgrading the democratic control of evolving of political decision-making process at the local level. The local media should become genuine local forums, the critical voice of the public and an independent factor in articulating political requests and channeling the energy of both formal and informal groups.

Most important expected results:

- Creation of local media networks and strengthening the independence of media.
- Improved information flow through political process, better information provision to local communities inhabitants on local events and their greater inclusion in decision-making processes at the local level.
- Increased transparency of all political and economic activities of local communities and democratization of relations within them.
- Intensified communication between citizens and local authorities via the local media.
- More important role of the public in formulating local policies.

Time frame:

Due to its multiple positive influence on accomplishing of the overall strategy, the implementation of this objective should start immediately, by investigating the level of development and priority needs in development of the local media. Support to the development and netting of the local media, based on findings of this survey, will be intensified during years 2008 and 2009, in order to make sure that the realization of the objective is completed by 2010.

Project contributing toward accomplishing of the objective:

- Interactive surveys of the level of development of the local media and their influence (on the attitude of the citizens toward the local community, making and implementing political decisions, decrease of corruption, (dis)integration of local communities, etc.).
- Building of capacities of the local media in the function of democratization of local governance.

Operational objective 5.5

The system of local elections tailored to the new development and territorial concepts (period until 2012)*Rationale:*

The existing system of local elections is adjusted to the monotype structure of local self-governance units and reflects the current political culture and practice, characterized by rigid, hierarchical territorial organization, with powerful role of political parties and their headquarters. The bearers of local self-governance in municipalities and towns sustain constant and powerful pressures and influences from party policy, and the key issues of local life and development are heavily politicized. On the other hand, the legal framework for local elections is quite complicated as it includes different elections systems and procedures in the RS, the FBiH and Brcko District. One of the biggest implications of that is the increasing loss of confidence that the citizens have in the elections system - in 2004, about 30% less voters turned out for elections compared to 2000. These percentages, and especially the trend that is shown, more and more seriously compromise the legitimacy of elected representatives.

Elaboration of the objective:

This objective implies essential adjusting of the elections legislation (along with all other changes of the legislative framework) to the new development concept of local self-governance, primarily to the multitype model of local units. The new solutions should harmonize the currently different elections systems and procedures in different parts of BiH, in this way providing for higher equality the value of voters' votes in local units of different size and ensuring better distribution of mandates in local representative bodies. The key contribution should be in decreasing politicization of local elections procedure and the key issues of regulating the local life and development, as well as in ensuring bigger influences of individual persons and personal reputation than the party influence in the elections and post-elections processes. This should also result in the re-building of the trust of citizens in the elections process and elected local authorities.

Most important expected results:

- Improved Elections Law of BiH and relevant entities' laws in accordance with the new concept of local self-governance.
- Reducing politicization and "party-deals" at the local level.
- Decreasing the number and consequences of crises in representative and executive local bodies (stabilization of local leadership).
- Enhanced responsibility of elected representatives toward the citizens.
- Larger percentage of citizens' turnout for local elections.

Time frame:

As it is expected that the development and testing of key new models of local self-governance be complete by 2010, the plan is to complete improvement of the elections system by 2012, in order to be able to use new solutions in local elections in 2012.

Projects contributin to accomplishing of the objective:

- Adjusting of the elections legislative to the new development concept of local self-governance.

STRATEGIC GOAL 6

Ensure responsible and unified performing of public affairs
in local community through partnership of local self-governance and other levels of authority



OBJECTIVE 6.1

Harmonized and completed distribution of state assets necessary for efficient performing of competencies, by the end of 2008 (after that it should be dynamically harmonized with functional decentralization)



OBJECTIVE 6.2

The priority areas of life „covered,, by harmonized plan documents, which will be developed in joint activities by all levels of authority, responsible for their implementation, until 2010



OBJECTIVE 6.3

Significantly improved communication of the authorities with the users as well as communication between different bodies and levels of authorities, by 2010



PROJECTS

44. Prior inventory-taking of the property and adequate analysis of ownership, using and condition of the state property on the whole
45. Development of the model for distribution of property according to competencies, with appropriate registration of disposal rights
46. Defining priority areas with the analysis of their „covering,, with plan documents
47. Development of an integral model of enacting plan documents through joint activities of all levels of authority
48. Development of monitoring and evaluation methodologies for application of plan documents and informing the public
49. Development and application of the participatory planning and implementation of decisions, with regular surveys on user satisfaction with the quality of work and services of the authorities
50. Elaboration of legislative solutions for accomplishing Strategic Goal 6

STRATEGIC GOAL 6

Through partnership of local self-governance and other levels of authority ensure responsible and unified performing of public affairs in local community

The main problem that we intend to address:

The situation analysis has identified the absence of cooperation of higher levels of authorities with local self-governance and insufficient interest on the part of higher levels of authorities in problems faced by the local self-governance. The problem is further deteriorated by the lack of plan documents at higher levels, by predominantly hierarchical attitude of higher levels of authority toward local self-governance, and taking over of local self-governance property by higher levels of authority, the latter enforcing that through laws enacted by them without taking into account the interests of the participants at the low level or the opinion of local authorities bodies.

What do we imply under this goal (goal elaboration):

The partnership of local self-governance and other levels of government implies constituting new relations between various levels of authorities that will work together in accomplishing their own competencies and responsibilities, with "joint and several" liability for the overall attitude of the authorities (of all levels) toward the citizens and other entities. Such a relation must especially be pronounced at the stage of making decisions, primarily those decisions concerning the plan documents and the regulations providing for the relations in certain areas, and also at the stage of their realization. Accomplishing of this goal is crucial for fulfillment of a responsible, effective and efficient unity of the authorities and its responsibility for constitutional and other responsibilities provided under the law.

Which are the most important expected results:

Along with providing necessary resources and distribution of state assets to those levels of authority that need them for responsible and effective fulfillment of their responsibilities, and making of agreed and accepted plan documents, new ways of communication between local self-governance and other levels of authority will be formed, based on partnership, and not only on hierarchical superordination/subordination. This will be significantly reflected in the quality of public administration, and, ultimately, on the quality of life and satisfaction of citizens.

Time frame:

The agreed and accepted distribution of state property is planned to be complete by the end of 2008, and the plan documents in priority life areas to be enacted by the end of 2010, based on which partnership, as a new form of communication, can be expected to be affirmed by 2010.

Elaboration of strategic goal 6:

Strategic goal 6 will be accomplished conditional upon effecting the following operational objectives, within the planned time lines:

6.1. Agreed and completed distribution of state assets necessary for efficient performing of competencies (by the end of 2008), and which is, after that, dynamically harmonized with functional decentralization).

6.2. The priority areas of life "covered" by harmonized plan documents, which will be developed in joint activities by all levels of authority, responsible for their implementation, (by the end of 2010).

6.3. Significantly improved communication with the users and communication among different bodies and levels of authority, (by 2010).

Operational objective 6.1

Agreed and completed distribution of the state property necessary for efficient performing of competencies, by the end of 2008 (after that it should be harmonized in terms of deadlines with functional decentralization)

Rationale:

The situation analysis has determined that a significant part of assets of local self-governance units was confiscated by higher levels of authority, including the assets necessary for performing the competencies of the local self-governance. In this way, local self-governance was left without the assets necessary for its quality and efficient functioning and performing of a substantial part of services, especially public utility services. All levels of authorities should join their efforts in order to carry out the necessary distribution of assets according to real responsibilities and competencies of each individual level, whereby the capacities of local self-governance will be significantly strengthened, and consequently, the possibility of better provision of services from within their responsibility enhanced.

Elaboration of the objective:

This objective implies allocation of state property according to its purpose and the responsibilities of certain levels of government, in order to make sure the appropriate assets is placed at the disposal of the government level that is responsible for a function for the execution of which that property is used. In this way, more economical using of property and its better maintenance will be ensured. It is especially important that the allocation is done with the agreement of all levels of authorities, rather than hierarchically, thus influencing increased responsibility of all participants in this process. This is the way for the authorities in general to achieve more with the same level of property.

Most important expected results:

- Consolidated inventory of assets and appropriate analysis of ownership, using and the condition of the state property on the whole.
- Criteria developed for allocation of assets according to responsibilities and the results of its application simulated.
- Elaborated and adopted legislative solutions that ensure the application of the criteria, that were improved on the basis of simulation results;
- New solutions implemented in practice.

Time frame:

The consolidated inventory and an appropriate analysis of ownership, using and the condition of state property are planned to be completed by mid-2007, and the criteria for allocation of assets according to responsibilities and simulating the results of their application completed by the end of 2007. Legislative solutions should be adopted by mid-2008, and new solutions practically implemented by the end of 2008; after that the time frame would be harmonized with the dynamics of functional decentralization.

Projects contributing to the accomplishment of the objective:

- Prior inventory-taking of property and appropriate analysis of ownership, using and the condition of the state property on the whole.
- Development of the model for allocation of property according to responsibilities, with appropriate registration of disposition right.
- Elaboration of legislative solutions for accomplishing Strategic Goal 6.

Operational objective 6.2

The priority areas of life "covered" by harmonized plan documents, which will be developed in joint activities by all levels of authority, responsible for their enacting, by 2010.

Rationale:

The situation analysis has identified the absence of local approach in the work of administration, which particularly makes the work of local self-governance difficult, because local self-governance has to work following the instructions from higher authority levels, without any possibility to influence the solutions imposed on them. This decreases the motivation of local self-governance in terms of the plan approach to problem resolution and makes impossible strategic planning. Such an uncertainty compromises legal certainty, due to which the current situation should be changed.

Elaboration of the objective:

This objective implies "covering" of the priority fields of life with agreed plan documents and subsequent coordinated work of all levels of government according to adopted plans. This would provide for preconditions for harmonized, responsible and effective discharging of responsibilities of all levels of government, to the end of strengthening independence, authority and responsibility of local self-governance for performing its various responsibilities.

Most important expected results:

- The priority fields of life defined and their "coverage" with appropriate plan documents identified.
- Developed procedures for making of plan documents.
- Designed and adopted plan documents in priority life areas.
- The public regularly informed about the implementation of the public documents.
- Increased responsibility of the authorities for their work through evaluation of execution of plan documents.

Time frame:

Defining of the priority areas of life and analysis of their "coverage" with plan documents are planned to be completed by the end of 2007, and the procedures for adopting plan documents through joint activities all levels of government will be developed by the end of 2008. The plan documents will be enacted by the end of 2010, after which their implementation and regular analysis within the deadlines specified in plan documents will begin.

Projects contributing to the accomplishment of the objective:

- Defining priority fields with the analysis of the level of their "coverage" with plan documents.
- Development of the integral model of passing plan documents through a joint effort of all levels of authority.
- Development of the methodology for monitoring and evaluation of plan documents implementation and informing the public.
- Development and application of the participatory planning and decision implementation methodology, with regular surveying satisfaction of users with the quality of work and services provided by the authorities.
- Elaboration of legislative solutions for accomplishing Strategic Goal 6.

Operational objective 6.3

Significantly improved communication between authorities with the users and the communication between different bodies and levels of authorities, by 2010.

Rationale:

The analysis has confirmed that the communication of the authorities and the users, or the communication between different bodies and levels of government is not at the level that makes possible an efficient and responsible work of the authorities, which especially relates to higher levels of authority. The local self-governance, as the level of power closest to the citizens, is very often subject to the requests that are not within its jurisdiction, and this is due to limited access of higher levels of authority, not only for the citizens but also for local self-governance. The communication forms required to establish a more efficient work of the authorities, have not been introduced, which results in the pronounced lack of interest of higher levels of authorities in problems of citizens, and in problems of local self-governance. There is a need for that communication to improve, with a particular accent on the need for that communication to contribute toward affirmation of partner relation of different levels of government in providing services, but also the individual responsibilities for exercising own competencies.

Explanation of the objective:

This objective implies significant improvement of communication between the authorities and the users and communication between different bodies and levels of government, through quality change of the way the authorities treat the users, and the change of mutual relations of different bodies and levels of government. This refers both to the stage of making decisions, and the stage of implementation of decisions, and implies an open attitude of the authorities and their partnership with citizens, stakeholders and other interested parties, but also, among themselves. Saying that, it is necessary to affirm using of the new methods and technologies that are in the function of improving communication.

Most important expected results:

- Developed and applied methodology of participatory planning and implementation of decisions.
- Developed mechanisms of regular checking satisfaction of users with the quality of work and services of the authorities.
- Developed new, partner relations of communication between various levels of government on the one hand, and between the authorities and the citizens on the other hand.
- Developed and elaborated legislative solutions that enable application of the new model of communication and cooperation.
- New solutions produce positive results in application.

Time frame:

New models / methodologies are planned to be developed by the end of 2007, legislative solutions to be elaborated by the end of 2008 and adopted during 2009, so that the new models are practically implemented at the beginning of 2010.

Projects contributing to accomplishing of the objective:

- Development of the integral model of adopting plan documents through a joint efforts of all levels of government.
- Development of the methodology for monitoring and evaluation of application of plan documents and informing the public.
- Development and application of the methodology for participatory planning and implementation of decisions, with regular checking the satisfaction of users with the quality of work and services provided by the authorities.
- Elaboration of legislative solutions for accomplishing Strategic Goal 6.

STRATEGIC GOAL 7

Develop productive cooperation in accomplishing common interests of units of local self-governance in the country and the region



OBJECTIVE 7.1

Local governance in BiH actively included in regional networks of information of local governance and actively participates in regional initiatives, projects and associations, starting from 2007



OBJECTIVE 7.2

Association/associations of cities and municipalities enabled for analyzing and proposing legislative and practical solutions and for public advocacy in the best interest of local self-governance units, until 2008



OBJECTIVE 7.3

Benchmarking activities (the best practices, learning from the best, etc.) established as a permanent mechanism of innovative cooperation between local units, until 2008



OBJECTIVE 7.4

Developed capacities and local diplomacy practice in the function of peace and development



PROJECTS

51. Creation and development of the local governance database in BiH within the LOGIN Network
52. Measuring and comparison of quality of local life in BiH
53. Capacity building of local and regional teams for preparation and implementation of the projects for CARD and INTEREG III
54. Promotion of regional projects and initiatives for the local level in BiH
55. Capacity building of associations of cities and municipalities for pro-active participation in regional associations
56. Capacity building of associations of cities and municipalities for the analysis and proposal of legislative and practical solutions and public advocacy
57. Days of local self-governance in BiH
58. BiH host to the Regional Days of Local Self-Governance
59. The best local governance practices in BiH
60. Municipality Competitiveness Catalogue
61. Support to connecting with the cities and municipalities in the region
62. Elaboration of legislative solutions for achieving Strategic Goal 7

STRATEGIC GOAL 7

Develop productive mutual cooperation of the local self-governance units in the country and the region

The main problem that we intend to address:

Although they share similar problems and interests, the cooperation between the local units in BiH is still sporadic, most frequently initiated by international projects or closed within the narrow, sub-regional frameworks. The situation with their associations is similar - they still seem to be supported from the outside (from the donors) than from the inside (municipalities and cities), without sufficient capacity and influence on resolving sets of problems related to the position and the role of local self-governance both in the entities and BiH. The participation in regional networks and initiatives is also passive; those networks contain a number of development, still unused opportunities for our local self-governance.

What do we imply under this objective:

Under this objective we imply creation of innovative mechanisms of cooperation and capacity-building of local units and their associations for productive mutual cooperation and proactive participation in regional networks and initiatives. The point is to significantly improve and expand a number of established forms and mechanisms of cooperation, to build a respectable capacity and influence of association of cities and municipalities, and, speaking of local units and their associations, to use the opportunities inherent in the concept and the process of European integrations.

Which are the most important expected results :

- Capacities of associations of cities and municipalities built for the analysis and proposal of both legislative and practical solutions and for public advocacy
- Significantly strengthened position and role of local self-governance in relations with other levels of government in BiH
- Viable innovative mechanisms of cooperation between local units in BiH established
- Local self-governance in BiH capable of active participation in regional networks and initiatives
- Cities and municipalities in BiH intensively cooperate with the municipalities and the towns in the region.

Time frame :

The work on this strategic goal is expected to begin already at the stage of strategy operationalization, due to the preconditions that already exist (interest of the associations, the activities of exchange of the best practices started, regional initiatives, projects and networks...).

Elaboration of Strategic Goal 7:

Strategic goal 7 will be accomplished conditional upon timely fulfillment of the following operational objectives :

7.1. Local governance in BiH actively involved in regional information networks of local administration (e.g. LOGIN) and actively participates in regional initiatives, projects (INTERREG III) and associations (NALAS), starting from 2007.

7.2. Association/associations of cities and municipalities capable for analysis of and proposing legislative and practical solutions and for public advocating in the best interest of local self-governance units, by 2008.

7.3. Benchmarking activities (best practices, learning from the best, etc.) established as a permanent mechanism of innovative cooperation between local units, by 2008.

7.4. Both capacities and the practice of local diplomacy developed, in the function of peace and development.

Operational objective 7.1

Local governance in BiH actively involved in regional networks of information on local governance (e.g. LOGIN) and takes active part in regional initiatives, projects (CARDS, INTERREG III) and associations (NALAS), starting from 2007

Rationale:

Local governance in BiH is not included in the regional networks for sharing information that support development efforts of local self-governance units and transfer experience and practices from other countries in the region. Also, the involvement in regional projects and initiatives that would bring certain benefits to local units and facilitate their economic and social development, is not at the appropriate level.

Explanation of the objective:

This objective implies capacity building of local units and their associations for proactive participation in regional networks, projects and initiatives. Significantly more active involvement in regional initiatives and projects is necessary in order to facilitate and speed up the development of our local governance and local communities, by using experiences and practices of the countries in the region and available regional funds.

Most important expected results:

- BiH involved in regional network of information LOGIN that provides a platform for exchange of information on local governance in more than 10 countries
- Association / associations of cities and municipalities actively involved in regional association NALAS
- Local units and their associations enabled for involvement in regional initiatives and projects and using of regional funds (CARDS, INTEREG III...)

Time frame:

The realization of this operational objective is planned to start in 2007, due to its special interest in the context of open negotiations accession to EU.

Projects contributing to accomplishing of the objective:

- Designing and developing the database of local governance in BiH within the LOGIN Network
- Measuring and comparing local life quality in BiH
- Capacity building of local and regional teams for the preparation and implementation of the projects for CARDS and INTEREG III
- Promotion of regional projects and initiatives for the local level in BiH
- Capacity building of association of cities and municipalities for proactive participation in regional associations.

Operational objective 7.2

Association/associations of cities and municipalities enabled for analyzing and proposing of legislative and practical solutions and public advocacy in the best interest of local self-governance units, by 2008.

Rationale:

Associations of cities and municipalities are, as rule, one of the most efficient forms of cooperation between the local units and articulating of their common interests toward the higher levels. The existing entity's associations in BiH have not still imposed themselves to a sufficient degree, as respectable actors in proposing legislative solutions and public advocacy that would significantly improve the position and the role of local self-governance. One of the important reasons is in lack of capacities and support for such affairs.

Explanation of the objective:

This objective implies capacity building of associations of cities and municipalities for accomplishing their key role in terms of the analysis and proposing legislative and practical solutions and public advocacy in the best interest of local self-governance units in BiH. This is practically about forming of interdisciplinary teams of experts, mastering of the methodologies of policy analyses and preparation of legislative and practical solutions, and adopting the public advocacy concepts and techniques.

Most important expected results:

- Associations established the network of interdisciplinary teams of experts for analysis and proposing of legislative and practical solutions
- The teams mastered the policy analysis methods and the methods of preparation of legislative and practical solutions in the area of local self-governance
- Teams and associations adopted the public advocacy concepts and techniques
- The associations propose legislative and practical solutions important for functioning and development of local self-governance and manage to procure their adoption, through public advocacy.

Time frame:

This operational objective is planned to be realized by 2008, having in mind current circumstances and projects that currently support its realization as well as the projects that would help complete the started process.

Projects contributing to the accomplishing of the objective:

- Capacity building of association of cities and municipalities for analysis and proposing of both legislative and practical solutions and for public advocacy
- Capacity building of teams for conducting policy surveys related to the implementation of the Local Self-Governance Development Strategy in BiH
- Establishing of specialized knowledge centres (Think Tank) for local (self)governance
- Elaboration of legislative solutions for accomplishing Strategic Goal 7

Operational objective 7.3

Benchmarking activities (best practices, learning from the best, etc.) established as a permanent mechanisms of innovative cooperation between the local units, by 2008

Rationale:

Over the last few years a number of good practices and innovative solutions regarding provision of services, planning of development, citizens' participation, etc., have been developed in municipalities. The process was begun by a few municipalities, either as independent projects or as part of the support by international projects, and other municipalities practically spontaneously started, learning from them, to adjust and take over the solutions. Very soon, the donors noticed and assisted these activities, launching a number of benchmarking initiatives (best practices, electing the best, etc.). Domestic actors have been significantly involved in these initiatives. The key issue is how to provide expansion and viability of these and similar initiatives, that contribute to decreasing of the obvious gap between the leading, user-oriented local administrations in BiH and the majority that are still predominantly bureaucratic.

Explanation of the objective:

By this objective we imply active promotion of benchmarking concept, as an efficient means for improvement and introduction of the changes that are necessary for providing modern public services and the reform of value systems. This is the fastest and least costly way to transfer positive experiences and skills gained in some local units, to other units, in order to reduce differences and improve the level of functioning of local self-governance on the whole. It is important from the strategic point of view for the benchmarking activities to move from the stage of prevailing donor's support and management to the stage of viability and domestic management, in order to become the permanent mechanism of innovative cooperation between the local units.

Most important expected results :

- Ensured prevalingly domestic ownership, financing and running the benchmarking activities related to local governance (Best practices of local goverannce in BiH, Beacon scheme, CAF methodology, etc.).
- Introduced mechanisms of constant measuring and comparison of local life quality in BiH
- Ensured constant exchange of innovative practical solutions and mutual learning between the BiH local solutions.
- Reducing mutual qualitative differences in functioning and improved the overall level of functioning of local self-governance in BiH.
- BiH assuming the position of regional leader in promotion of benchmarking activities related to local governance.

Time frame:

Given the solid existing level of starting assumptions, and the importance of this concept in raising the overall capacity of local self-governance, the realization of this objective is planned to begin immediately after adopting the strategy, with visible positive effects likely to occur as soon as from 2008.

Projects contributing to accomplishing of goal:

- Measuring and comparison of local life quality in BiH
- Days of local self-governance in BiH
- BiH host to Regional Days of Local Self-Governance
- Best practices of local governance in BiH
- Municipality competitiveness catalogue.

Operational objective 7.4

Developed capacities and local diplomacy practice in the function of peace and development

Rationale:

The cities and municipalities in BiH and their associations do not sufficiently use the opportunities comprised in the globalization and European integration processes, especially the new role that the local diplomacy can achieve by contributing to the stable peace and development.

Elaboration of the objective:

By this objective we imply capacity building of cities and municipalities and their associations for accomplishing of a new role of local diplomacy by which the internationalization of local activities is performed, through mutual cooperation with cities and municipalities from other countries, for the purpose of shared and overall benefits. This is about approaching and associating of local self-governance units from different countries for the purpose of economic and cultural cooperation and mutual understanding, especially having in mind the factors of social, economic and political transformation faced by the countries in transition.

Most important expected results:

- Improved capacities of cities and municipalities and of their associations for international netting.
- Increased number of accomplished connections with the cities and municipalities from other countries, with positive economic and social effects in local communities.
- Easier integration process of BiH into EU.

Time frame:

The activities on accomplishing of this objective are planned to build up and keep the pace with the rate of integration of BiH to EU.

Projects contributing to accomplishing of the objective:

- Capacity building of local and regional teams for preparation and implementation of the projects for CARDS and INTEREG III.
- Promotion of regional projects and initiatives for the local level in BiH.
- Capacity building of associations of cities and municipalities for proactive participation in regional associations.
- BiH host to Regional days of local self-governance.
- Support to association process with the cities and municipalities in the region.
- Elaboration of legislative solutions for accomplishing Strategic Goal 7.

Strategic plan of local self-governance in B&H -Matrix of development

DEVELOPMENT VISION BY 2020:

The mission of local self-governance is satisfaction of the needs of citizens and constant improvement of life quality in local community. Local self-governance 2020 enables active and organized citizens to select capable and responsible authorities, with which they, in partnership, effectively and efficiently manage the development of their local community. Such local governance is equally perceived by the citizens as their right and their obligation to actively contribute toward improving the quality of life in their community. New local self-governance will be a synonym for responsible and pro-active management of local development and local affairs, on the principles of the European Charter of Local Self-Governance. Such capable and responsible local authorities build partnership with private and non-governmental sectors and productively cooperate with other levels of authority and other local units in the country and the region. This is an idea of the way in which to accomplish the new local self-governance, the key values of which are openness and new political culture in an environment of the developed civil society.

GOALS	OBJECTIVES	PROJECTS
<p>1. Accomplish essential functional decentralization, which makes possible and encourages harmonized development of local communities and constant improvement of life quality in local community</p>	<p>1.1. Model of multi-type local units elaborated (by the end of 2008), tested (by the end of 2010), and practically introduced (by the end of 2012). 1.2. Scope of basic rights and duties of local self-governance practically enhanced and adjusted to the requirements of the European Charter and local needs (by 2012). 1.3. Local units started with the practice of transferring competencies to other levels, starting with 2009. 1.4. Key management instruments (development, city-planning, environmental, etc. plans) designed and implemented in all local units, by 2012.</p>	<p>1.Capacity building of teams for conducting policy surveys related to the implementation of the Local Self-Governance Development Strategy in BiH 2.Establishing specialized knowledge centers (Think Tanks) for local (self)governance 3.Development of the model of multi-type units of local self-governance with the system of criteria and procedures for obtaining an appropriate legal status and scope of competencies (basic model, simulation, applicative model) 4.Development of the model of decentralization of basic rights and competencies according to sectors (education, health protection, social protection, public utility services, local development, environmental protection, etc.) 5.Support to introduction of key management instruments (development-related, city-planning, environmental, etc. plans) in local units 6.Support to capacity building of local units for assuming new competencies 7.Elaboration of legislative solutions for accomplishing Strategic Goal 1</p>

GOALS	OBJECTIVES	PROJECTS
<p>2. At the same time accomplish an appropriate fiscal decentralization, so that the local self-governance bodies are provided with financial and material resources, commensurate with the duties that they perform, to be controlled and managed by them in an independent and responsible manner</p>	<p>2.1. Ensured key participation of local units in managing local resources, starting with 2008, 2.2. Increased share of revenues of local units primarily by increasing the level of own revenues 2.3 Increased share of local self-governance in total public expenditure in BiH, so that by 2015, it amounts to about 1/3, according to the level and the rate of functional decentralization 2.4 Local units have free access to capital markets for capital investments, starting from 2007 2.5 Developed and introduced efficient financial instruments for ensuring both basic functions and development of the local units that are developed at a slower rate, by the end of 2010 2.6 Ensured quality financial management, multi-year planning in all local units, starting from 2007.</p>	<p>8. Creation of standardized databases on economic and social indicators on local units, with financial ranking and comparison (benchmarking) 9. Development of new integral model of distribution of public revenues adjusted to the model of functional decentralization (including both vertical and horizontal distribution) 10. Development of a new model of local resources control and management 11. Building of an accountable financial management in local units 12. Development of the environment and instruments for financing capital investments 13. Elaboration of legislative solutions for accomplishing of Strategic Goal 2</p>
<p>3. Ensure modern leadership and professional, competent and motivated staff working in local administration, and dedicated to accomplishing the mission and the vision of new local self-governance development</p>	<p>3.1. Defined and promoted role of modern leadership in management of local units by the end of 2010 3.2. Developed modern programs and built domestic capacities for training and professional development of management and staff working in local units, by the end of 2009 3.3. Developed and promoted modern systems of financial and other motivation of staff in local governance, until 2008 3.4. All local units have adopted annual and medium-term plans of human resource development, with planned assets (at least 1% of the municipal budget starting from 2009, and at least 2% starting from 2012) 3.5 Defined and promoted new organization of local governance, based on the process approach and teamwork, in accordance with the rate of functional decentralization</p>	<p>14. Defining the role and characteristics of modern leadership in management of local units 15. Promotion of new concept of modern leadership of local governance in BiH 16. Promotion of tools for running of local governance in a modern way (CAF, etc.) 17. Dynamic analysis of the needs for education and training of management, elected representatives and local governance staff 18. Innovating programs of institutions of high education on a new concept of managing public affairs at the local level 19. Development of modular programs and specialized centers for training of management, elected representatives and local governance staff 20. Development of the motivation system of local governance staff on contemporary concepts (performance-based management, etc.) 21. Development of new organization of local governance, based on the process approach, team work and project management 22. Support to local units in strategic human resource 23. Technical and financial support to the process of decreasing staff in local governance 24. Benchmarking actions (the best mayor, etc.) 25. Elaboration of legislative solutions for accomplishing Goal 3</p>

GOALS	OBJECTIVES	PROJECTS
<p>4.Ensure constant improvement of quality and cost-effectiveness of service provision of local governance in satisfying the needs of citizens</p>	<p>4.1. Developed practice of functional netting of local units in joint exercising of competencies, until 2011</p> <p>4.2. Introduced appropriate quality management systems in organizations that provide public services at the local level, until 2010</p> <p>4.3. Providing public services at the local level, on the concept of partnership of public, private and non-governmental sectors and based on modern solutions in managing public affairs (New Public Management), dynamically, from 2007 to 2012</p> <p>4.4. Developed practice of electronic provision of services on the concept of e-governance in BiH (according to the realization rate of the Action Plan of Information Society Development in BiH).</p>	<p>26. Development of the model of joint exercising of competencies by local units</p> <p>27. Support to introduction of the quality management system in organizations providing public services at the local level</p> <p>28. Stimulating simplification in the work of local governance</p> <p>29. Development of public service provision on a new concept of public affairs management</p> <p>30. The model of ranking of local units according to quality and cost-effectiveness of service provision</p> <p>31. Development of the methodology for computing the cost of public services at the local level</p> <p>32. E-governance projects for the local level</p> <p>33. Elaboration of legislative solutions for accomplishing Strategic Goal 4</p>
<p>5.Attain a high level of citizen participation in public affairs</p>	<p>5.1. Achieved critical threshold of enabling and motivation of citizens and local administration for active participation in public affairs (until 2009).</p> <p>5.2.Ensured constant growth of using the forms of direct participation of citizens in local self-governance (time period 2009-2015)</p> <p>5.3.Ensured stable growth of participation of non-governmental sector in local self-governance (time period 2008-2012)</p> <p>5.4.Local media developed so as to represent an efficient means of democratization of local governance in all BiH municipalities, until 2010</p> <p>5.5.The system of local elections tailored to the new development and territorial concepts, until 2012</p>	<p>34. Information and education campaign for active participation of citizens in local decision-making</p> <p>35. Development and promotion of instruments for citizen participation monitoring and evaluation in local decision-making</p> <p>36. Defining and promoting an active role of local communities in managing local affairs and local development</p> <p>37. Promotion of efficiency of direct citizen participation mechanisms in local self-governance, defining the basic list of issues and decisions for which the direct participation of citizens is obligatory</p> <p>38. Creating a supportive environment for sustainable development of non-governmental sector</p> <p>39. Promotion of partnership of public, non-governmental and private sectors in the development of local communities</p> <p>40. Interactive surveys of the level of development of local media and their influence</p> <p>41. Capacity building of local media in the function of democratization of local governance</p> <p>42. Adjusting of electoral legislation to the new development concept of local self-governance</p> <p>43. Elaboration of legislative solutions for accomplishing Strategic Goal 5</p>

GOALS	OBJECTIVES	PROJECTS
<p>6. Ensure responsible and unified performing of public affairs in local community through partnership of local self-governance and other levels of authority</p>	<p>6.1. Harmonized and completed distribution of state assets necessary for efficient performing of competencies, by the end of 2008 (after that it should be dynamically harmonized with functional decentralization)</p> <p>6.2. The priority areas of life “covered” by harmonized plan documents, which will be developed in joint activities by all levels of authority, responsible for their implementation, until 2010.</p> <p>6.3. Significantly improved communication of the authorities with the users as well as communication between different bodies and levels of authorities, by 2010.</p>	<p>44. Prior inventory-taking of the property and adequate analysis of ownership, using and condition of the state property on the whole</p> <p>45. Development of the model for distribution of property according to competencies, with appropriate registration of disposal rights</p> <p>46. Defining priority areas with the analysis of their “covering” with plan documents</p> <p>47. Development of an integral model of enacting plan documents through joint activities of levels of authority</p> <p>48. Development of monitoring and evaluation methodologies for application of plan documents and informing the public</p> <p>49. Development and application of the participatory planning and implementation of decisions, with regular surveys on user satisfaction with the quality of work and services of the authorities</p> <p>50. Elaboration of legislative solutions for accomplishing Strategic Goal 6</p>
<p>7. Develop productive cooperation in accomplishing common interests of units of local self-governance in the country and the region</p>	<p>7.1. Local governance in BiH actively included in regional networks of information of local governance and actively participates in regional initiatives, projects and associations, starting from 2007</p> <p>7.2. Association/associations of cities and municipalities enabled for analyzing and proposing legislative and practical solutions and for public advocacy in the best interest of local self-governance units, until 2008</p> <p>7.3. Benchmarking activities (the best practices, learning from the best, etc.) established as a permanent mechanism of innovative cooperation between local units, until 2008</p> <p>7.4. Developed capacities and local diplomacy practice in the function of peace and development</p>	<p>51. Creation and development of the local governance database in BiH within the LOGIN Network</p> <p>52. Measuring and comparison of quality of local life in BiH</p> <p>53. Capacity building of local and regional teams for preparation and implementation of the projects for CARD and INTEREG III</p> <p>54. Promotion of regional projects and initiatives for the local level in BiH</p> <p>55. Capacity building of associations of cities and municipalities for pro-active participation in regional associations</p> <p>56. Capacity building of associations of cities and municipalities for the analysis and proposal of legislative and practical solutions and public advocacy</p> <p>57. Days of local self-governance in BiH</p> <p>58. BiH host to the Regional Days of Local Self-Governance</p> <p>59. The best local governance practices in BiH</p> <p>60. Municipality Competitiveness Catalogue</p> <p>61. Support to connecting with the cities and municipalities in the region</p> <p>62. Elaboration of legislative solutions for achieving Strategic Goal 7</p>

3. THE STRATEGY IMPLEMENTATION PLAN

3.1 Initial matrix of actors and roles in strategy implementation

Actors:	Roles:	Participation in implementation	Participation in financing	Participation in monitoring and evaluation
<i>Cities and municipalities</i>		<ul style="list-style-type: none"> - Direct users of capacity-building and introduction of instruments projects - Provide information and opinions for policy projects and adjustment of regulations 	<ul style="list-style-type: none"> - Partly, for capacity-building (15%) and introduction of instruments (20%) projects 	<ul style="list-style-type: none"> - Directly for co-financed projects - Through associations and the PG for strategy
<i>Responsible ministries</i>		<ul style="list-style-type: none"> - Partners in and users of policy projects, capacity building and introduction of instruments - Implement the projects of regulations adjustment 	<ul style="list-style-type: none"> - Partly for policy projects (30%), capacity-building projects (20%) and introduction of instruments (10%), fully for adjustment of regulations (100%) 	<ul style="list-style-type: none"> - Directly for co-financed projects - Through special bodies for monitoring the implementation in the entities - Through PG for strategy
<i>Office for Reform of Public Administration at the Council of Ministers</i>		<ul style="list-style-type: none"> - Partner for the realization of policy projects and other projects of interest for reform of public administration in BiH - Implements projects of designing solutions and adjustment of regulations at the level of BiH 		<ul style="list-style-type: none"> - Directly for projects of interest for reform of public administration - Through PG for strategy
<i>Donors</i>		<ul style="list-style-type: none"> - Provide international expert assistance if necessary 	<ul style="list-style-type: none"> - Prevaillingly for policy projects (70%), capacity-building projects (65%) and introduction of instruments projects (70%) 	<ul style="list-style-type: none"> - Directly for co-financed projects - Through PG for strategy
<i>International organizations focusing on local governance</i>		<ul style="list-style-type: none"> - Provide international expert assistance if necessary 	<ul style="list-style-type: none"> - Raising funds for implementation of the strategy 	<ul style="list-style-type: none"> - Directly for relevant projects - Through PG for strategy
<i>Associations of cities and municipalities</i>		<ul style="list-style-type: none"> - Partners in implementation of appropriate projects - Users of the capacity-building projects as part of Strategic goal 7 		<ul style="list-style-type: none"> - Through PG for strategy
<i>Public services providers at the local level</i>		<ul style="list-style-type: none"> - Users of appropriate capacity-building and introduction of instruments projects, as part of Strategic Goals 3 and 4 	<ul style="list-style-type: none"> - Co-financing of relevant projects 	<ul style="list-style-type: none"> - Directly for co-financed projects

<i>Non-governmental organizations</i>	<ul style="list-style-type: none"> - Provide expert assistance / implement projects in the areas where they can demonstrate relevant expert references - Users of part of the projects (especially within Strategic Goal 5) 	<ul style="list-style-type: none"> - Preparation of bases for M&E for relevant projects - Through PG for strategy
<i>Specialized research, educational and consultant organizations</i>	<ul style="list-style-type: none"> - Provide expert assistance / implement projects in the areas in which they can demonstrate relevant expert references - Users of parts of the projects within Strategic Goals 1 and 3 	<ul style="list-style-type: none"> - Preparation of bases for M&E for relevant projects - Through PG for strategy
<i>EDA Expert team</i>	<ul style="list-style-type: none"> - Elaborates project tasks 	<ul style="list-style-type: none"> - Preparation of bases for M&E strategies - Preparation of proposals for updating the strategy
<i>Partner Group for development of local governance</i>		<ul style="list-style-type: none"> - Monitors and evaluates implementation of the strategy - Adopts proposals for updating the strategy

3.2 General plan of implementation by strategic goals

The Plan of Implementation–Functional Decentralization

Strategic goal 1: Accomplish essential functional decentralization															
Projects by groups	The time of implementation												Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012								
<u>Policy projects:</u>													Donors	70%	Specialized organizations, city associations and ministries
3. Development of the model of multi-type units of local self-governance ...															
4. Development of the model of decentralization													Dom. governments	30%	
<u>Capacity building:</u>													Donors	60%	Specialized organizations
1. Capacity building of teams for conducting policy surveys															
2. Establishing specialized knowledge centers (Think Tanks)															
6. Support to capacity building of local units for assuming new competencies													Dom. Governments	40%	
<u>Introduction of instruments:</u>													Donors	70%	Specialized organizations, city associations, municipalities and cities
5. Support to introduction of key management instruments													Municipalities	30%	
Elaboration of legislative solutions													Dom. governments	100%	Ministries, Public Admin. Reform office and city associations

Strategic goal 2: Accomplish fiscal decentralization

Projects by groups	The time of implementation												Potential financiers	(%)	Potential implementors			
	2006		2007		2008		2009		2010		2011					2012		
<u>Policy projects:</u>																Donors	70%	Specialized organizations, city associations and ministries
10. Development of a new model of local resources control and management																		
9. Development of new integral model of distribution of public revenues ...																		
<u>Capacity building:</u>																Donors	65%	Specialized organizations, municipalities and cities, city associations
11. Building of an accountable financial management in local units																		
<u>Introduction of instruments:</u>																Donors	70%	Specialized organizations, city associations, ministries, municipalities and cities
12. Development of the environment and instruments for financing capital investments																		
8. Creation of standardized databases																		
Elaboration of legislative solutions																Dom. governments	100%	Ministries, Public Admin. Reform office and city associations

The Plan of Implementation – Leadership and Human resources

Strategic goal 3: Modern leadership and professional, competent and motivated staff															
Projects by groups	The time of implementation												Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012								
<u>Policy projects:</u>													Donors	70%	Specialized organizations, city associations and ministries
14. Defining the role and characteristics of modern leadership															
17. Dynamic analysis of the needs for education and training															
20. Development of the motivation system of local governance staff															
21. Development of new organization of local governance													Dom. governments	30%	
<u>Capacity building:</u>															
18. Innovating programs of institutions of high education													Donors	65%	Specialized organizations and ministries
19. Development of modular programs and specialized centers for training															
23. Technical and financial support to the process of decreasing staff in local governance															
<u>Introduction of instruments:</u>													Donors	65%	Specialized organizations, city associations, municipalities and cities
15. Promotion of new concept of modern leadership of local governance in BiH															
22. Support to local units in strategic human resource management													Municipalities	35%	
24. Benchmarking actions															
Elaboration of legislative solutions													Dom. governments	100%	Ministries, Public Admin. Reform office and city associations

Strategic goal 4: Constant improvement of quality and cost-effectiveness of service provision															
Projects by groups	The time of implementation												Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012								
<u>Policy projects:</u>													Donors	70%	Specialized organizations, city associations and ministries
29. Development of the model of public service provision on a new concept															
26. Development of the model of joint exercising of competencies by local units															
30. The model of ranking of local units according to quality and cost-effectiveness													Dom. governments	30%	
<u>Capacity building:</u>													Donors	70%	According to E-governance Program
32. E-governance projects for the local level															
28. Stimulating simplification in the work of local governance															
<u>Introduction of instruments:</u>													Donors	65%	Specialized organizations, city associations, municipalities and cities
27. Support to introduction of the quality management system															
31. Development of the methodology for computing the cost of services													Municipalities	35%	
Elaboration of legislative solutions													Dom. governments	100%	Ministries, Public Admin. Reform office and city associations

The Plan of Implementation– Citizen Participation

Strategic goal 5: High level of citizen participation

Projects by groups	The time of implementation								Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012				
<u>Policy projects:</u>									Donors	80%	Specialized organizations, NGOs
40. Surveys of development and influence of local media											
36. Defining and promoting an active role of local communities									Dom. governments	20%	
<u>Capacity building:</u>									Donors	80%	Specialized organizations, NGOs, city associations, ministries, municipalities and cities
38. Creating a supportive environment for sustainable development of non-governmental sector											
34. Information and education campaign for active participation of citizens in local decision-making											
37. Promotion of efficiency of direct citizen participation mechanisms											
41. Capacity building of local media in the function of democratization of local governance									Municipalities	20%	
<u>Introduction of instruments:</u>									Donors	70%	Specialized organizations, NGOs, city associations, municipalities and cities
35. Development and promotion of instruments for citizen participation monitoring											
39. Promotion of partnership of public, non-governmental and private sector									Municipalities	30%	
Elaboration of legislative solutions									Dom. governments	100%	Ministries, Public Admin. Reform office and city associations
42. Adjusting of electoral legislation to the new development concept of local self-governance											
43. Elaboration of legislative solutions for accomplishing Strategic Goal 5											

The Plan of Implementation– Partnership with higher levels of authority

Strategic goal 6: Ensure responsible and unified performing of public affairs in local community															
Projects by groups	The time of implementation												Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012								
<u>Policy projects:</u>															
44. Prior inventory-taking of the property and adequate analysis of ownership													Donors	65%	Governments at all levels
46. Defining priority areas with the analysis of their “coverage” with plan documents															
45. Development of the model for distribution of property according to competencies													Dom. governments	35%	
<u>Introduction of instruments:</u>															
49. Development and application of the participatory planning and implementation of decisions													Donors	70%	Specialized organizations, city associations, ministries, municipalities and cities
47. Development of an integral model of enacting plan documents															
48. Development of an integral model of monitoring and evaluation of enacting plan documents													Municipalities	30%	
Elaboration of legislative solutions													Dom. governments	100%	Ministries, Public Admin. Reform office and city associations

The Plan of Implementation – Intermunicipal Cooperation

Strategic goal 7: Productive cooperation of units of local self-governance in the country and the region										
Projects by groups	The time of implementation							Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012			
<u>Policy projects:</u>								Donors	80%	Specialized organizations
52. Measuring and comparison of quality of local life in BiH								Dom. governments	20%	
<u>Capacity building:</u>								Donors	70%	Specialized organizations
55. Capacity building of associations of cities and municipalities for regional										
56. Capacity building of associations of cities and municipalities for the analysis										
54. Promotion of regional projects and initiatives for the local level in BiH										
53. Capacity building of teams for CARD and INTEREG III								Municipalities	30%	
61. Support to connecting with the cities and municipalities in the region										
<u>Introduction of instruments:</u>								Donors	65%	Specialized organizations, city associations, ministries, municipalities and cities
51. Creation and development of the database within the LOGIN Network										
59. The best local governance practices in BiH										
60. Municipality Competitiveness Catalogue										
57. Days of local self-governance in BiH								Dom. governments	35%	
58. BiH host to the Regional Days of Local Self-Governance										
Elaboration of legislative solutions								Dom. governments	100%	Ministries, Public Admin. Reform office and city associations

3.3 General plan of implementation by types of project

The Plan of Implementation– Policy Projects

Projects	The time of implementation												Potential financiers	(%)	Potential implementors
	2006	2007	2008	2009	2010	2011	2012								
3. 3. Development of the model of multi-type units of local self-governance ...													Donors	70%	Specialized organizations, city associations and ministries
4. Development of the model of decentralization													Dom. governments	30%	
10. Development of a new model of local resources control and management													Donors	70%	Specialized organizations, city associations and ministries
9. Development of new integral model of distribution of public revenues ...													Dom. governments	30%	
14. Defining the role and characteristics of modern leadership													Donors	70%	Specialized organizations, city associations and ministries
17. Dynamic analysis of the needs for education and training															
20. Development of the motivation system of local governance staff ...													Dom. governments	30%	
21. Development of new organization of local governance															
29. Development of the model of public service provision on a new concept													Donors	70%	Specialized organizations, city associations and ministries
26. Development of the model of joint exercising of competencies by local units															
30. The model of ranking of local units according to quality and cost-effectiveness													Dom. governments	30%	
40. Surveys of development and influence of local media													Donors	80%	Specialized organizations, NGOs
36. Defining and promoting an active role of local communities															
44. Prior inventory-taking of the property and adequate analysis of ownership													Donors	65%	Governments at all levels
46. Defining priority areas with the analysis of their "coverage" with plan documents															
45. Development of the model for distribution of property according to competencies													Dom. governments	35%	
52. Measuring and comparison of quality of local life in BiH													Donors	80%	Specialized organizations
													Dom. Gov.	20%	



Anex I:
Action plans for part of projects that start in 2007.

<p>Strategic goal: 1. Accomplish essential functional decentralization, which makes possible and encourages harmonized development of local communities and constant improvement of life quality in local community</p>	<p>Operational objective: 1.1. Model of multi-type local units elaborated (by the end of 2008), tested (by the end of 2010) and practically implemented (by the end of 2012)</p>
<p>PROJECT NO. 3: Development of the model of multi-type units of local self-governance with the system of criteria and procedures for achieving an appropriate legal status and scope of responsibilities</p>	
<p>Brief description of the project: The project has an essential character, because it implies creating and implementation of the new basic model of local self-governance, based on the concept of multi-type local units (instead of the current concept of mono-type municipality), with appropriate different scopes of responsibility and legal status. The development of the new solutions should take into account the most important internal variables and applicable foreign experiences. The system of criteria and procedures for achieving the appropriate legal status and scope of responsibilities should be an integral part of this.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Comparative <i>policy</i> surveys ✓ Developed basic (theoretic) model (models) of multi-type units ✓ Developed systems of criteria and procedures for accomplishing the appropriate legal status and scope of responsibilities ✓ Scenario for simulation of behaviour of the theoretic model on the representative sample of BiH municipalities 	<p>Implementation period: 11/2006-09/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Lack of specialized centers of knowledge for local self-governance ✓ Designing too complex (complicated) solutions, inappropriate for application
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the project and survey teams, adopting appropriate methodology ✓ Forming of the appropriate coordination body of representatives of all levels of government ✓ Selection of key internal variables for survey and appropriate foreign experiences ✓ Conducting appropriate policy surveys ✓ Developing the variants of the basic model ✓ Selection of the main variant ✓ Development of the system of criteria and procedures ✓ Selection of appropriate sample ✓ Making of simulation scenarios 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Conducting projects and surveys</p>
<p>Associations of cities and municipalities</p>	<p>Partners in project implementation</p>
<p>Domestic authorities (all levels)</p>	<p>Facilitation of implementation and active participation in selection of solutions</p>
<p>Donors</p>	<p>Financial support, monitoring</p>

<p>Strategic goal: 1. Accomplish essential functional decentralization, which makes possible and encourages harmonized development of local communities and constant improvement of life quality in local community</p>	<p>Operational objective: 1.4 Key management instruments (development, city-planning, environmental, etc. Plans) designed and implemented in all local units, by 2012.</p>
<p>PROJECT NO. 5: Support to introduction of key management instruments in local units</p>	
<p>Brief description of the project: Focusing on capacity building of local units for proactive and responsible management of development of local communities, the project includes a system, organized and qualitative support to local units when creating and introducing the most important mid-term and long-term plan instruments, starting with the local development plans, through spatial and plan documents, to the environmental plans. The technical support should combine the modern methodological principles in a harmonious way, applicable in all local units, with specific characteristics of each individual environments. The financial support should be primarily focused on places that develop at a slower rate.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Designed key plans in local units (at least 50 municipalities and 80 plans included) ✓ Ensured active participation of key local actors in making of the plan documents ✓ Improved capacities of domestic professional organizations in providing planning services at the local level 	<p>Implementation period: 03/2007-09/2010.</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Bureaucratic approach in municipalities and too technical approach from professional organizations ✓ Passive participation of citizens and other local actors in designing plans ✓ Insufficient capacities and quality of expert domestic and foreign support
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Situation analysis, in terms of plan instruments, using methodologies and capacities for designing and implementation of plans ✓ Forming «critical mass» of domestic professional organizations and experts for technical support to making of plans, including the practitioners from local units ✓ Selection and promotion of appropriate planning methodologies, with creating the universal e-support ✓ Implementation of the pilot stage of support to local units ✓ Analysis of learned lessons in pilot stage and upgrading support ✓ Organizing technical support to making of plans in all interested local units ✓ Analysis of situation and typical problems in implementation of plans ✓ Organizing technical support in order to make plans in all interested local units 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Local authorities</p>	<p>Main users and partners</p>
<p>Other levels of authorities</p>	<p>Facilitation of implementation and financial support</p>
<p>Professional organizations and experts</p>	<p>Expertise, provision of services in project implementation</p>
<p>Entities' development funds / regional development agencies</p>	<p>Elaboration of projects and implementation management</p>
<p>Citizens and other local actors</p>	<p>Active participation in making and implementation of plans</p>
<p>Donors</p>	<p>Financial support, monitoring</p>

<p>Strategic goal: 2. Accomplish concurrent appropriate fiscal decentralization, so that the local self-governance bodies are provided with financial and material resources, commensurate with the duties they perform, to be controlled and managed by them in an independent and responsible manner.</p>	<p>Operational objective: 2.1. Ensured key participation of local units in managing local resources, starting from 2008.</p>
<p>PROJECT NO. 10: Development of the new model of control and managing of local resources</p>	
<p>Brief description of the project: The project is of urgent character. It implies development and introduction of a new model of controlling and managing local resources, with ensuring key participation of local units. With this, material preconditions will be created for responsible management of local development and much more efficient implementation of municipal strategic plans, based on the sustainable development concept. During project implementation, the maximum coordination with projects no. 44 («Prior inventory-taking of assets...») and 45 («Development of the model for distribution of assets according to responsibilities...») should be ensured, achieving a high level of concurrence between all interested levels of government based on analyzed facts and criteria.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Appropriate analyses of legislative framework and the actual situation regarding using local resources ✓ Appropriate inventory of local resources ✓ Developed and accepted system of the criteria for distribution of right of disposal and management of local resources ✓ Developed basic model (models) of controlling and management of local resources, with appropriate simulations ✓ The system of recommendations for legislative and practical introduction of new solutions 	<p>Implementation period: 11/2006-12/2007.</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Poor statistical bases for making necessary analyses ✓ Resistance by hierarchically higher levels of government toward changes in relations with regards to control and management of resources
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the project team and creating appropriate methodology ✓ Forming of an appropriate body of representatives of interested parties and levels of government (for coordination and discussing the findings and recommendations of the project team) ✓ Preparation of the initial inventory of local resources ✓ Implementing appropriate policy analyses ✓ Development and verification of criteria systems... ✓ Development of the variants of the basic model, with appropriate simulations ✓ Selection of the main variant, with achieving a high level of concurrence between the interested parties ✓ Making and verification of the system of recommendations for introducing new solutions ✓ Making and implementation of public advocacy plan 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Implementation of projects and surveys</p>
<p>Representatives of interested bodies and levels of government</p>	<p>Partners in project implementation, active participation in selection of solution</p>
<p>Donors</p>	<p>Financial support, supervision</p>

<p>Strategic goal: 3. Ensure modern leadership and professional and motivated staff</p>	<p>Operational objective: 3.1 Defined and promoted role of modern leadership in local units by the end of 2010.</p>
<p>PROJECT NO.14: Defining the role and characteristics of modern leadership in managing local units</p>	
<p>Brief description of the project: The project should create the conceptual basis for running local units, based on modern world knowledge and domestic experience. Surveying the role and characteristics that lead to success, i.e. failure should comprise all key areas of running and management of municipality starting from the development vision to the relation with employees and citizens. Based on such an analysis, the new concept would represent a basis for improving the work of municipal leaderships in BiH. It directly precedes the project no. 15 («Promotion of the new concept of modern leadership...»).</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Situation analysis in terms of the role of municipal leaderships in BiH in development of municipalities ✓ Comparative overview of best practices in BiH and the world ✓ The new concept of modern leadership in local BiH administration, with recommendations for its promotion and introduction 	<p>Implementation period: 04/2007-04/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ «Mechanical» transferring of concepts and practices (without taking into account local peculiarities)
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the project team and designing appropriate methodology and instruments ✓ Collecting and processing data and making situation analyses in terms of the role of municipal leaderships in development of BiH municipalities ✓ Collecting information on and analyses of best practices analyses in BiH and the rest of the world ✓ Making of a new concept of modern leadership in BiH local administration ✓ Designing recommendations for promotion and introduction of the new concept 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Implementation of projects and surveys</p>
<p>Leading municipalities in BiH</p>	<p>Active participation in project implementation</p>
<p>Associations of cities and municipalities</p>	<p>Active participation in implementation</p>
<p>Ministries of Governance</p>	<p>Active participation in implementation</p>
<p>Local units</p>	<p>Users of project results</p>
<p>Donors</p>	<p>Financial support, supervision</p>

<p>Strategic goal: 3.Ensure modern leadership and professional and motivated staff</p>	<p>Operational objective: 3.2 Developed modern programs and built domestic capacities for training and professional development of leadership and staff working in local units, by the end of 2009;</p>
<p>PROJECT NO. 17: Dynamic analysis of the needs for education and training of leadership, elected representatives and staff working in local administration</p>	
<p>Brief description of the project: The Project should determine the needs and shortages in knowledge and skills of leaderships, elected representatives and the staff working in local administration in BiH, as a basis for subsequent making of programs of their education and training (projects no. 18 and 19). In doing that, the designed methodology and instruments of survey and analysis should be adjusted for their multiple application, in periodic intervals extending over several years, in order to innovate the education and training programs in a continuous manner.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Designed methodology and instruments for survey and analyses of the needs ✓ Made analysis of situation of knowledge and skills, with the review of needs for education and training ✓ Associations of cities and municipalities enabled for surveys and analyses ✓ Recommendations for education and training programs 	<p>Implementation period: 02/2007-06/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Surplus of academic and shortage of action approach in survey and analysis ✓ Initial capacity of the association
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the project team ✓ Making of the methodology and instruments for survey ✓ Collecting and processing of data ✓ Organizing focus groups ✓ Making of overview of available training and education programs ✓ Drafting analysis ✓ Organizing expert discussions on the findings and draft analysis ✓ Making of the final version of the analysis with overview of needs ✓ Making of operational recommendations for training and education programs ✓ Designing operational manual for conducting surveys and analyses along with concurrent capacity building of associations of cities and municipalities for periodic surveys and analyses 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Conducting projects and expertise</p>
<p>Organizations involved in education and training</p>	<p>Users and partners in defining solutions</p>
<p>Associations of cities and municipalities</p>	<p>Users and partners in defining solutions</p>
<p>Donors</p>	<p>Financial support, supervision</p>

<p>Strategic goal: 3. Ensure modern leadership and professional, competent and motivated staff working in local administration, dedicated to accomplishing the mission and the vision of new local self-governance development</p>	<p>Operational objective: 3.3 Developed and promoted modern systems of financial and other motivation of staff working in local administration, by 2008.</p>
<p>PROJECT NO. 20: Development of the system of motivation of staff working in the local governance on modern concepts</p>	
<p>Brief description of the project: The project is of urgent character. It implies development and preparation for application of qualitatively new conceptual, practical and legislative solutions for achieving and maintaining a high level of motivation of local administration staff. The new solutions should combine in a harmonious way the internal (intrinsic) motivation with the instruments of external, material motivation, which will, to a much higher degree than was the case until now, be related to individual and organizational results (performance-based management). The application of new solutions should result in much higher level of satisfaction of employees, on the one hand and of the citizens and users of services on the other hand.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Analyses of legislative framework and the actual situation regarding motivation of the staff working in local governance ✓ Comparative reviews of motivation instruments (used in BiH and developed in other countries) ✓ Review of best practices, suitable for application in BiH ✓ Developed basic model (models) of motivation system, with appropriate simulations ✓ The system of recommendations and activities for legislative and practical introduction of new solutions 	<p>Implementation period: 02/2007-03/2008.</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Fitting the new solutions in the overall system of public governance in BiH
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the project team and designing adequate methodology ✓ Forming of an appropriate body of representatives of interested bodies and levels of government (for coordination and discussing findings and recommendations of the project team) ✓ Development of comparative overviews of motivation instruments and reviews of best practices ✓ Implementing the appropriate policy analyses ✓ Development of the basic model variants, with appropriate simulations ✓ Selection of the main variant, with achieving the high degree of agreement between the interested actors ✓ Development and verification of the system of recommendations for introducing new solutions ✓ Development and implementation of the plan of capacities building for application of new solutions ✓ Development and implementation of the public advocacy plan 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations and experts</p>	<p>Roll-out of the projects and surveys, capacity building for application of new solutions</p>
<p>Associations of cities and municipalities</p>	<p>Partners in project implementation, active participation in selection of solution</p>
<p>Other levels of government</p>	<p>Facilitation of project implementation</p>
<p>Donors (FOD, SDC, etc.)</p>	<p>Financial support, supervision</p>

<p>Strategic goal:</p> <p>4. Ensure constant improvement of quality and cost-effectiveness of service provision of local governance in satisfying the needs of citizens</p>	<p>Operational objective:</p> <p>4.2. Introduced appropriate quality management systems in organizations that provide public services at the local level, by 2010</p>
<p>PROJECT NO. 27: Support to introduction of the quality management systems in the organizations that provide public services at the local level</p>	
<p>Brief description of the project:</p> <p>Following-up on the initial good experiences of leading municipal administrations, the project should ensure expanding the practice of introduction of the quality management systems to other municipal administrations and to other organizations involved in provision of public services at the local level. The project implies establishing of the sustainable quality management in public organizations, on the principles of user orientation, the role of leadership, active participation of employees, process and system approach, etc. Coordination between this project and projects no. 16 («Promotion of tools for modern running of local governance») and no. 29 («Development of the model on the concept of new management of public affairs») should be ensured.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Introduced appropriate quality management systems in the organizations that provide public services at the local level (at least 40 municipalities and at least 80 organizations included) ✓ Local teams enabled for maintenance and constant improvement of quality management systems ✓ Improved capacities of domestic professional organizations and experts 	<p>Implementation period: 07/2006 – 12/2010</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Superficial approach to introduction of the quality system (certificates more important than the process and system viability) ✓ Resistance characteristic for monopolistic public organizations (companies)
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of «critical mass» of domestic professional organizations and experts ✓ Selection and promotion of appropriate quality management systems, along with creating universal e-support ✓ Investigating interest in municipalities and organizations ✓ Providing direct expert support (training and consulting) to groups of municipalities and organizations ✓ Analysis of learned lessons and improving support ✓ Organizing expert support for other interested municipalities and organizations 	
<p>Key potential participants:</p> <p>Specialized organizations</p> <p>Municipal administrations</p> <p>Organizations providing public services at the local level</p> <p>Associations of cities and municipalities</p> <p>Domestic authorities (higher levels)</p> <p>Donors</p>	<p>Role in the project:</p> <p>Expert support (training and consulting)</p> <p>Active participation in system introduction</p> <p>Active participation in system introduction</p> <p>Partner in project implementation</p> <p>Support in implementation/establishing of standards</p> <p>Financial support, monitoring</p>

<p>Strategic goal: 5. Attain a high level of citizen participation in public affairs, so that the citizens have an important impact on making public decisions and, generally, in quality of their lives and lives of their co-citizens</p>	<p>Operational objective: 5.1 Accomplished critical threshold of capacity and motivation of citizens and local administration for active participation in public affairs</p>
<p>PROJECT NO. 34: Information and education campaign for active participation of citizens in local decision-making</p>	
<p>Brief description of the project: The project focuses on enhancing public awareness (citizens, business, public servants, civil society) in BiH on the importance and ways of participation in local self-governance through public campaigns, transfer of knowledge and improvement of education system. The intention is to raise the level of interest of citizens, in a short term, for issues of participation and their willingness to work concretely, with the concurrent support of local self-governance units to practically demonstrate their essential commitment to inclusion of citizens in decision-making processes. Also, a long-term intention is to induce and support the interest of the young in the issues of local decision-making, and cooperation with local authorities by including this issue into the regular education process.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ More than 1000 000 BiH citizens informed on the importance and forms of their own direct participation in local decision-making ✓ Most municipalities in BiH have adopted plans for continuous informing the citizens on participation issues ✓ Topics on the participation of citizens in local self-governance are part of the curricula in BiH 	<p>Implementation period: 01/2007 – 12/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Political stability and will to improve the education programs ✓ Essential commitment of local self-governance levels to support the citizens' participation
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Designing information for informing the public and their systematizing in appropriate forms (printed materials, electronic format, etc.) ✓ Finalizing policy proposals for improving the knowledge on education and support to the work of education ministries in the RS and BiH ✓ Designing and implementation of an extensive media campaign ✓ Support to local self-governance units in development and implementation of the plans for informing the citizens (strengthening awareness and capacities of the local self-governance officials – seminars and printed materials, designing the municipal plans of getting closer to citizens – days of open doors, lectures in LCs, printed materials of municipalities, municipalities' web sites, etc.) 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Citizens in BiH</p>	<p>Users</p>
<p>Local administrations</p>	<p>Users and partners in implementation of part of the activities</p>
<p>Civil society</p>	<p>Users and implementation partners</p>
<p>Media (electronic and printed)</p>	<p>Partners and communication channel with citizens as well as users of the project</p>
<p>Higher levels of government (entities' education ministries)</p>	<p>Partner and financial support</p>
<p>Donors</p>	<p>Financial support and supervision</p>

<p>Strategic goal: 5. Attain a high level of citizen participation in public affairs</p>	<p>Operational objective: 5.4 Local media developed so as to represent an efficient means of democratization of local governance in all BiH municipalities, by 2010</p>
<p>PROJECT NO. 41: Interactive researches of the level of development of local media and their influence on democratization of local administration in BiH</p>	
<p>Brief description of the project: The Project has the investigating and preparatory character at the same time. A range of researches and analyses of key aspects of influences of local media (on the relation of citizens toward the local community, passing and implementing political decisions, decreasing corruption, (dis)integration of local communities...) are necessary to make the issue of development of local media part of the agenda of local authorities and donor community on the one hand, and to diagnose critical points and create quality bases for capacities building of local media in the function of democratization of local administration (project no. 42), on the other hand.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Research methodology and instruments ✓ The actual situation regarding level of development of local media established, with SWOT analysis ✓ A number of analyses of impacts of local media ✓ Issue of development of local media on the agenda of domestic authorities and donors ✓ Elaborated recommendations for capacity building of local media 	<p>Implementation period: 03/2007-10/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Lack of similar researches relating to local media in BiH ✓ Placing too much emphasis on the aspect of economic viability of local media as a designer and implementer of public policies in BiH
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the research team ✓ Prior investigations and defining the areas and issues of research ✓ Designing methodology and instruments of survey ✓ Conducting surveys ✓ Processing and analysis of results ✓ Organizing public debates on findings of the surveys ✓ Preparation of the public advocacy plan ✓ Elaboration of recommendations for capacity building of local media 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Conducting projects</p>
<p>Associations of cities and municipalities</p>	<p>Partners in promotion of the findings and in public advocacy</p>
<p>Local, cantonal, entities' and the state governments</p>	<p>Facilitation of implementation and using of project results, participation in financing</p>
<p>Donors</p>	<p>Financing and supervision</p>

<p>Strategic goal: 6. Ensure responsible and unified performing of public affairs of all levels of government in local community</p>	<p>Operational objective: 6.1. Harmonized and completed distribution of state assets necessary for efficient performing of responsibilities, by the end of 2008.</p>
<p>PROJECT NO44.: Prior inventory-taking of assets and appropriate analysis of ownership, using and condition of the state property as a whole</p>	
<p>Brief description of the project: The project is of urgent character. It implies inventory-taking and an appropriate complex analysis of property that is the subject of all titles of ownership, i.e. right of usage, by the state, entities, Brcko District, cantons, cities and municipalities. The records on the property have not been updated and do not represent a valid basis for controlling property, especially after the changes implemented unilaterally by making legal solutions through which title holders were changed in favor of higher levels of authorities, mostly to the detriment of municipalities. Unified records of the property in state ownership (including all levels of government) based on the updated information is an important preconditions for the next step – development of the model for distribution of property according to responsibilities (Project no. 45).</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Updated information in land registries and the cadastre on state property and the usage right on real estate with title holders ✓ Developed unified registry of ownership and rights of usage with the information on the real estate, its ownership and title holders of ownership and usage. ✓ Conflicts, i.e. misunderstandings regarding the ownership, i.e. usage rights resolved. 	<p>Implementation period: 02/2007 - 02/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Lack of records, i.e. their not being up-to-date and lack of documentation based on which the current factual situation has been established ✓ Ignoring the importance and urgency of the project by higher levels of government ✓ Neglecting property as a resource, especially by higher levels of authority
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming the unit for project management, designing unified methodology and coordination ✓ Designing and promotion of unified methodology ✓ Updating records on real estate with established rights ✓ Analysis of factual situation with regards to updated records ✓ Making and using unified softwares for establishing unified records ✓ Establishing unified records ✓ The Council of Ministers issues a decision on implementation of these activities with the program and the timeframe for activities, as well as with responsibilities 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Council of Ministers</p>	<p>Forming a unit for project implementation; Making a decision on establishing unified records of real estate in BiH along with the program and timeframe for activities</p>
<p>State, entities', cantonal, local authorities and the District Government</p>	<p>Updating information and analysis of the factual situation with regards to updated records</p>
<p>Professional organizations and experts</p>	<p>Making and introducing unified softwares for establishing unified records</p>
<p>All levels of government</p>	<p>Establishing and maintaining unified records</p>

<p>Strategic goal: 6 6. Ensure responsible and unified performing of public affairs by all levels of Government in the local community</p>	<p>Operational objective: 6.2. Priority life areas «covered» by harmonized plan documents, which will be developed in joint activities by all levels of authority, responsible for their implementation.</p>
<p>PROJECT NO. 46: Defining priority areas with the analysis of their «covering» by the plan documentation.</p>	
<p>Brief description of the project: The project implies defining the priority areas that have to be «covered» with harmonized plan documents by all levels of government (space, resources, economic areas, education, health, etc.). After defining the areas, the appropriate analyses should verify the level of «covering» of these areas by the current plan documentation and define the areas which lack plan documentation. The project represents a precondition for the implementation of project no. 47 (Development of the integral model of making plan documents...).</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Defined priority areas that need to be «covered» with harmonized plan documents of all levels of government ✓ Made identification as to which priority areas are, and which are not, «covered» with harmonized plan documents 	<p>Implementation period: 06/2007 - 06/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Breadth of the task and difficulties in coordinating its implementation ✓ Lack of readiness and capacity of the authorities in terms of a plan approach ✓ Inadequate defining of priority areas.
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Forming of the project team and designing appropriate methodology ✓ Forming of the appropriate coordination body of representatives of all levels of government ✓ Analysis of solutions (best practices) in selected comparable countries ✓ Defining priority areas that need to be «covered» ✓ Situation analysis of the state of «covering» with plan documentation in priority areas ✓ Making of the activities plan regarding «covering» of the priority areas with plan documentation 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Running of the project, making the methodology, professional support, unifying findings, etc.</p>
<p>Representatives of all levels of government</p>	<p>Participation in defining priority areas.</p>
<p>State, entities', cantonal, local authorities and authorities of the District</p>	<p>Making situation analysis within the scope of respective responsibilities</p>
<p>Council of Ministers</p>	<p>Legislative regulation of this project</p>
<p>Interested donors</p>	<p>Financing and supervision</p>

Strategic goal:

7. Develop productive cooperation in accomplishing common interests of units of local self-governance in the country and the region

Operational objective:

7.1. Local governance in BiH actively included in regional networks of information of local governance (e.g. LOGIN) and actively participates in regional initiatives, projects (CARDS, INTERREG III) and associations (NALAS), by 2007

PROJECT NO. 51: Creating and developing the database of local governance in BiH as part of the Network LOGIN

Brief description of the project:

The aim of the project is to try to create and develop the mechanism of sharing information, practices and knowledge for the local self-governance units and associations of cities and municipalities, both in the country and in the region. It is necessary to create a database of all relevant documents in relation to local governance in BiH in the local and English languages that will be available on the Internet. Inclusion of the database in the regional network LOGIN will result in sharing information with local administrations in the region, and thus lead to productive mutual cooperation.

Expected results:

- ✓ Unified available documentation in the area of local governance
- ✓ Database created of all relevant documents in both the local and English language
- ✓ The database included in LOGIN network and cooperation and mutual sharing of information established
- ✓ LOGIN database accepted as an external source of information for local governance in BiH

Implementation period: 07/2006 – 06/2008

Main risks:

- ✓ Poor information basis in certain units of local governance – lack of access to database
- ✓ The existing knowledge and skills of municipal officers and impossibility to work with the database
- ✓ Lack of understanding of the authorities regarding providing the documentation basis

Main activities:

- ✓ Forming of the project team and defining methodology
- ✓ Analysis and collecting all relevant documents for functioning of local administration in BiH
- ✓ Standardization of documents in bilingual format (local language and English)
- ✓ Creating the database and inputting documents
- ✓ Inclusion of database in LOGIN Network
- ✓ Promotion to the end of more active inclusion of units of local governance and associations in the regional network of information

Key potential participants:**Role in the project:**

Specialized organizations	Implementing projects and designing solutions
Associations of cities and municipalities	Implementation partners
Cities and municipalities	Active participation in regional exchange of information and in LOGIN Network/users of results
Domestic authorities (higher levels)	Submitting documentation/support to implementation
Donors	Financial support, monitoring

<p>Strategic goal: 7. Develop productive cooperation between the units of local self-governance in country and in the region</p>	<p>Operational objective: 7.2 Association/associations of cities and municipalities enabled for analyzing and proposing legislative and practical solutions and public advocacy in the best interest of units of local self-governance, by 2008.</p>
<p>PROJECT NO.56: Capacity building of associations of cities and municipalities for analysis and proposing legislative and practical solutions and public advocacy</p>	
<p>Brief description of the project: With this project, selected teams of associations of cities and municipalities (with competent and interested experts-associates) should be enabled for proactive approach in the most important segment of their activity – the so-called <i>policy</i> activity (analysis and proposing of legislative and practical solutions, including public advocacy). It is very important that the project covers the people working on practical issues in the relevant ministries, as well as the experts from other relevant institutions. During designing and implementation of the project, coordination should be especially accomplished with Project no. 1 («Enabling teams for conducting policy survey...»). The teams that are enabled by way of this project should practically be able to implement the majority work in the projects related to adjustment of regulations.</p>	
<p>Expected results:</p> <ul style="list-style-type: none"> ✓ Capacity building program ✓ Associations' teams enabled for policy activity ✓ Experts from relevant ministries and other institutions enabled for policy activity ✓ Developed priority sample examples of policy activity ✓ Established productive cooperation between the associations and responsible ministries in implementing policy activity 	<p>Implementation period: 03/2007-02/2008</p> <p>Main risks:</p> <ul style="list-style-type: none"> ✓ Initial capacities of associations ✓ Available expert support ✓ (Lack of) interest of relevant ministries
<p>Main activities:</p> <ul style="list-style-type: none"> ✓ Analysis of the needs and interest ✓ Preparation of capacity building programs ✓ Forming joint teams for training ✓ Implementing capacity building programs (initial capacity building) ✓ Processing selected policy problems (with tutor's help) ✓ Completing the capacity building programs ✓ Elaboration of the forms of cooperation between associations and relevant ministries in the implementation of policy activity 	
<p>Key potential participants:</p>	<p>Role in the project:</p>
<p>Specialized organizations</p>	<p>Expert support (training and consulting)</p>
<p>Associations of cities and municipalities</p>	<p>Partners in organization and users of results</p>
<p>Responsible ministries</p>	<p>Partners in organization and users of results</p>
<p>Donors</p>	<p>Financing and supervision</p>