LOCAL GOVERNANCE DEVELOPMENT

Project: "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH"

EDA

ENTERPRISE DEVELOPMENT AGENCY

Open Society Fund
Bosnia & Herzegovina

Fond
atvoreno društvo
Bosna i Hercegovina

Open Society Fund BiH / EDA

Statements of the Project participants

Municipality Srebrenik - Mayor Enver Mehmedovic, prof.

Statement about the Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH":

The Project represents a logical and practical need of the municipalities such as Municipality Srebrenik that already showed a new administrative role in local governance in the period of transition as well as the needs of all interested parties in terms of local governance, especially in the sphere of business development and new employment.

The Project has integral value, because during its realization it integrated and co-related not only among executive but also legislative power in the area of legislative role of the Council, public services (especially public supply) and participation of citizens in the decision-making and implementation of local governance project.

Its greatest value lies in a comprehensive engagement and education of all listed local governance sectors and in defining their roles in terms of their action and conduct. Besides giving incentive to local administration, it is very important to emphasize the role and responsibilities of the Council and its members, because so far the work of the Municipal Council only proved to be playing a "half-inert" role in something what was meant to be its real function in local governance. However, I believe that this Project has not achieved positive effects in the legislative authorities' sector as much as it did in the executive sector - therefore in this field a new project should be designed that would put both the Council and its members into the perspective of "the general goal" and not political or individual interests.

Of course, this would help make the work of the executive authorities more efficient and easier.

On the whole, I only have compliments for this Project, because, speaking of the local governance, it made "many things fit into their place".

Mayor of Municipality Laktasi - Ranko Karapetrovic

Evaluation of the Project "Introducing Principles and Mechanisms of Good Local Governance"

Municipality Laktasi, my collaborators and myself are extremely pleased to have participated in the Project "Introducing Principles and Mechanisms of Good Local Governance". For all of us this was an opportunity to acquire new knowledge as to how to establish a good local governance, and also a possibility to pass the knowledge and experience we gained to the others. We did all this in the best faith that local governance should be a true service to the citizens, should be close to the citizens and their needs and requests.

We have assessed that this project helped make a significant progress, and the greatest pleasure that we have is the acknowledgement of the citizens regarding certain innovations that we introduced and progress that we made. We have had an excellent cooperation with Agency "EDA" from Banja Luka and with the Center of Civic Initiatives and we are looking forward to new projects."

Tesanj Municipality Team

The Project of strengthening local administration that we realized in the organization of EDA Banja Luka resulted in the creation of a new, extremely constructive atmosphere which really brought up the team work as one of the best applied methods and rules of work and operation of the overall administration. Really, the greatest value of the whole project is engagement of almost entire administration in its realization, which resulted in new ides, new projects and a new, extremely transparent attitude and responsibility of municipal authorities toward citizens. At the end, our greatest achievement is in the continuity of the project which is proceeding with a new dynamism - we are determined to verify the work of administration and everything that we achieved in this work by adopting ISO 9001 Standard, in which we have already made a significant progress. We owe a great deal of gratitude to those under whose auspices the Project was implemented and especially to EDA Banja Luka, for their excellent approach to all the activities in the project.

Enterprise Development Agency, EDA, Banja Luka

EDA, Enterprise Development Agency, Banja Luka, was founded in summer 1998 as a non-governmental, non-profit organization by 30 local professionals from various fields who constitute the Assembly of the Founders of the Agency. The Agency is run by the Board of Directors made up of five members who represent local businesses and their associations, as well as non-governmental and governmental sector. Mr. Zdravko Miovcic, the coordinator (executive director) of the Agency, is in charge of business operations.

EDA was founded with the initial help from UNDP (United Nations Development Program) and technical help of ILO (International Labor Organization). The Agency is the first operational and financially self-sustainable organization in the field of non-financial, development services in Bosnia and Herzegovina.

EDA is making an effort to contribute to a long-term sustainable economic development and to create opportunities for good employment in Bosnia and Herzegovina, especially in Republika Srpska.

Main Goals of the Agency are the following:

➢ local leader in providing training and consulting services for the development of existing and creating of new businesses
➢ local leader in providing training and consulting services for the development of good governance, especially at the level of local administration.

The Agency is run by the Board of Directors made up of five members representing local businesses and their associations, as well as government and non-government sector. The main operational team is made up of 7 full-time employees: a coordinator (1), experts for the development of local governance, legal aspects, business development, marketing (4), administration (1+1). Besides that, EDA is using a team of 15 external associates, local experts and practitioners from various fields.

Open Society Fund in Bosnia and Herzegovina

Open Society Fund in Bosnia and Herzegovina (OSF BiH) is an independent, non-profit organization founded by George Soros, with a view of promoting the open society values in Bosnia and Herzegovina.

OSF BiH was founded in 1992 when it helped the people in Bosnia and Herzegovina go through the time of war, trying to, as much as this was possible, contribute toward preservation and development of the idea of multi-ethnic and multi-cultural society.

OSF BiH mission is to build a democratic society infrastructure and to insist on the social progress in BiH. The strategy is focused on the following priorities, selected in accordance with the importance of problem areas in the democratization process.

➢ The first priority are the young people, since it is the young people who should stand up for a new, open society. The youth policy and the initiatives for the reform of education have been developed in order to strengthen the position of young people in the society and make their overall development possible.

➢ Developing of an institutional framework for open society through the promotion of rule of law and good governance principles is the second priority.

➢ The third priority covers the area of human rights and basic civil values with a view to initiate the issue of minorities and endangered groups as well as demystification of the civil society concept and its bringing close to the public.

➢ Finally, having in mind that BiH is the greatest beneficiary of international assistance as well as the society that is subject to the biggest divisions in the region, BIH is also a great source of learned lessons for future international support policies related to the entire region of South-East Europe.

Open Society Fund BiH / EDA

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SUMMARY

The following Publication is the "reminder" of the Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BIH". This project, that in many of its aspects a pioneer project, was supported by the Open Society Fund in BiH, designed and implemented by the Enterprise Development Agency - EDA from Banja Luka, in the municipalities Laktasi, Srebrenik and Tesanj, from July 2001 to April 2002.

Usually, what is left behind a project are the results. The summary of the most important results that remained after this project is the following:

➢ Municipality development vision
➢ Local governance missions
➢ Good Local Governance Code
➢ Instruments for evaluating managers, clerks and workers
➢ Standards of work-positions according to services (sectors)
➢ Algorithms of critical processes in the field of physical planning
➢ Procedure of planning the education of local administration staff
➢ Plans for education of the staff working in local governance
➢ Information system - elaborated and improved

This publication, besides parts dealing with the achieved results of the project, is also showing the way how these results were arrived at, from the first design and key concepts on which the project approach was built, through overview of project activities, to the lessons learned from the project.

It is time to start to learn from each other, from good and best local practices. We hope that this project and the publication, which are primarily the result of the good will of the municipalities Laktasi, Srebrenik and Tesanj, with a full support from the Open Society Fund BiH, will be used as an inspiration to others.

Coordinator of the Enterprise Development Agency, EDA Banja Luka
Zdravko Miovčić, M.Sc.

Open Society Fund BiH / EDA

INTRODUCTION

PIONEER TASK IN THE TRANSITION OF LOCAL GOVERNANCE

Bosnia and Herzegovina has to respond to difficult and unique challanges on the road of post-war reconstruction and transition. Transition in particular represents a complex phenomenon that will not just happen by itself, but requires carefully planned and efficiently introduced changes.

When speaking of transition, most frequently the economic dimension of the system is readily tackled, while forgetting the fact that in reality this is all about the transformation of the whole system, and not only of one of its parts, no matter how important that part may be. One the most neglected, or at least one of the aspects of transition that attracted attention the latest, is surely transition of governance at the local level, where the problems arise in their most urgent and concrete aspect, and where possible solutions cannot be awaited long. In simplest terms, this is something that the citizens percieve as their closest and most responsible address.

Here we can find a part of the answer to the question why achieving a transparent, efficient and user-oriented local governance is highlighted as one of the most important and most urgent goals in the strategy of Open Society Fund of Bosnia and Herzegovina. Also, this is a part of the answer to why EDA, a domestic agency that was initially designed to give the support to the development of enterprises and entrepreneurship, decided to answer to that need and expand the field of its creative engagement substantially, in the direction of a selective application of the best management practices in the field of business to the local governance.

The Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH", supported by the BiH Open Society Fund and implemented by Enterprise Development Agency - EDA from Banja Luka in Municipalities Laktaši, Srebrenik and Tešanj, represents a "pilot", or rather, in its many characteristics, a pioneer task. This was the first time an entire project (from its design to its implementation) was run by local non-government organizations (EDA in cooperation with Centers for Civic Initiatives - CCI), having engaged maximum cretive participation of internal municipal teams. The Project was implemented from July 2001 to April 2002.

REASONS AND OBJECTIVES OF THE PROJECT - WHAT WE WANTED TO ACHIEVE

The design of the Project was preceeded by two comprehensive ground researches of needs and state of affairs of the local governance in Bosnia and Herzegovina:

- Investigating needs for the program of public administration in BiH (conducted in 2000 on the sample of four selected municipalities: Bugojno, Gracanica, Kozarska Dubica and Prnjavor), and
- Preliminary diagnosing of the state of local governance in BiH from the point of view of application of good governance principle (done in the first half of 2001 on the sample of 10 municipalities from both entities).

The preliminary research of the state of local governance in Bosnia and Herzegovina showed the main problems listed below, from the point of view of application efficiency, transparency and participation criteria:

- Functioning of local governance in BiH is not goal-oriented (there is no defined vision nor development plans) nor led by good management principles (there was no example found of an explicit code of good management as a system of value toward which local goveranence should be geared). Following inertia from the previous system the functioning of local governance was not primarily focused on users.
- Generally speaking, from the point of view of good governance, the situation is the most fragile in the field of participation, efficiency and transparency. From the point of view of individual functions and services, the situation is particularly unsatisfactory in the fields of ecology, land and phyisical planning, as well as local economy. Nevertheless, significant differences were found between individual municipalities, both in terms of efficiency, transparency and participation, and in terms of development of certain areas, functions and services.
- Even though individual successful cases can be found in almost all of investigated functions, there still remains an important area for their improvement. Taking into account differences between municipalities in terms of application of good governance principle and development of certain fucntions, improvement actions should be designed specifically, having in mind concrete problems and conditions in certain municipalities.
- Neither within local administration bodies (nor at higher administrative levels) teams or organizaitonal parts dealing with issues of upgrading local goverance in a planned and organized manner have been found. On the other hand, the practice of involving citizens and groups of interest from user population in problem resolution and work promotion is rather an exception than a rule.
- A necessary change of concept and orientation of local governance (from prevailingly beaurocaratic organization to the service for citizens) and introduction of a number of changes in operative functioning will encounter several key problems and internal resistance points, out of which the most important are the following: lack of understanding of the need for changes, brought about by "bureaucratic" mentality (at the individual level) and the lack of capacities for changes (at the organizational level). Therefore, it is necessary to engage local goverance managing structures and employees from the very beginning of the improvement project, but it is also necessary to engage the help of experts.

Such findings of preliminary diagnosis resulted in identifiying goals of the "pilot" project that were both ambitious and realistic.

The main goal of the Project is to introduce principles and mechanisms of a transparent, efficient and user-oriented local governance in selected muncipalities of BiH (Laktaši, Modrica[1] , Srebrenik and Tešanj).

The goals of the project are the following:

- Motivating and educating management and local governance staff in selected municipalities to introduce good governance principles and mechanisms;
- Forming and training specialized teams within local governments to introduce good governance principles and mechanisms;
- Design and implementation of a transparent, efficient and user-oriented local governance in priority functions of selected municipalities;
- Creating exemplary, demostrative practices of good governance at the local level, appropriate for further devel-

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[1] Municipality Modrica, facing other internal problems, did not have enough capacities to take an active part in the project

opment in other BiH municipalities;
- Development of a comprehensive methodology for "benchmarking" of local administrations in BiH;
- Strengthening national capacities for improvement of local governance.

BASIC INFORMATION ON SELECTED MUNICIPALITIES

Municipalities - Main Information
In table below information[2] are listed on the municipalities in which the Project was implemented.

Municipality	Size	No. of Inhabitants	Composition of Municipal Assembly/Council	No. of employees in adminstration bodies	Qualifications Structure of Administration Employees
LAKTAŠI	385 km2	39 576	SNSD 14 SDS 6 PDP 2 SPRS 1 SNS 1 PENZ. 1	60	VSS[3]-20 VS-8 SSS-17 NSS-15
SREBRENIK	248 km2	41 196	SDP 14 SDA 7 SBiH 3 LDS 2 PENZ. 1	86	VSS-14 VS-11 SSS-56 NSS-5
MODRIČA	298 km2	31 000	SDS 15 SNSD 4 List for Modriča 4 PDP 2 SPRS 2 PENZ. 1 SNS 1 HDZ 1 Savez za BiH 1	114	VSS-21 VS-12 VKV-2 SSS-37 KV-27 PK-5 NSS-10
TEŠANJ	176 km2	44 200	SDA 10 SDP 9 SBiH 5 PENZ. 1	101	VSS-23 VS-7 SSS-50 NSS-21

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[2] All data are exact for 2001 with the note that the number of inhabitants was arrived at by using certain mathematical-statistical methods, rather than the census.
[3]VSS - University degree, VS - undergraduate degree, SSS - secondary school diploma, NSS - primary school, PS - half-qualified, KV - qualified

C O N C E P T   O F   T H E   P R O J E C T

OUR VISION OF THE PROJECT

Project approach is based on two main models:
- Good local governance model, and
- Change management model.

Good local governance model is represented by the following chart:

Chart of good local governance model

	EFFECTIVITY EFFICIENCY	TRANSPARENCY RESPONSIBILITY	PARTICIPATION
ASSEMBLY/ COUNCIL			
ADMINISTRATION			
PUBLIC SERVICES			
SOCIAL LIFE			
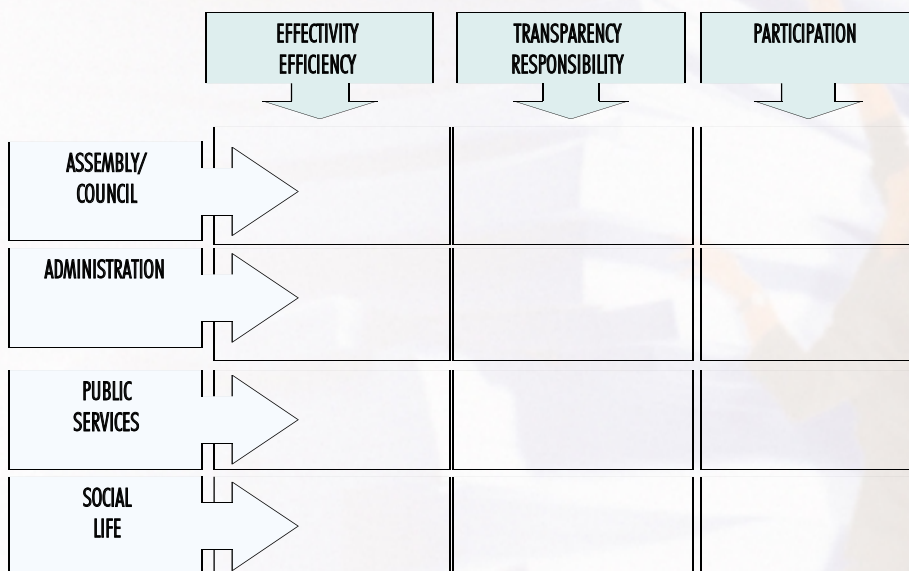
In simplest terms, this is a matrix in which main principles of good governance (efficiency, transparency and participation[3]) are matched against the basic local governance components and areas of responsibility (legislative component - represented by the municipal assembly or council, executive component - represented by municipal ad-mininstration, public service component and social life component in a municipality). The main meaning of this

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[3] Transparency implies public character of work and openness of local government toward following and control in all its segments. Efficiency implies quick, sound, user-oriented and economic performance of tasks and assignments in order to meet the needs in the jurisdiction of local governance. Participation implies organized implementation of influence of citizens and tax-payers to decision-making and services in the field of local governance.

model is in the concept that a good local governance is efficient, transparent and participative, both to a necessery degree and in all its components and areas of responsibility. In other words, a local governance in which there is an obvious discrepancy in application of principles of transparency, efficiency and participation by local governance components is not a good one (if it is only efficient and/or transparent, or if the only developed component is the executive component etc.).

INTRODUCTION OF CHANGES - KEY FACTORS

Introduction of principles and mechanisms of good governance is really all about introducing important changes in local goveranance, primarily changes in the system of values and conduct. This is the reason why the second basic model by which the project was desingned and run is the change management model. The following necessary characteristics of successful change programs were applied:
- Creating the sense of urgency for changes with the project users,
- Developing teams for introduction of changes, i.e. "the critical mass" of people in municipal adminstrations and around them, who are ready and capable of introducing changes,
- Creating the vision of changes and communicating the vision to the citizens,
- Achieving effective, visible and low-profile initial series of success, and
- Creating new culture of behavior.
    Each of these characteristics has been incorporated in design and implementation of the project.

The following chart is a simple representation of the project's concept:

Open Society Fund BiH / EDA
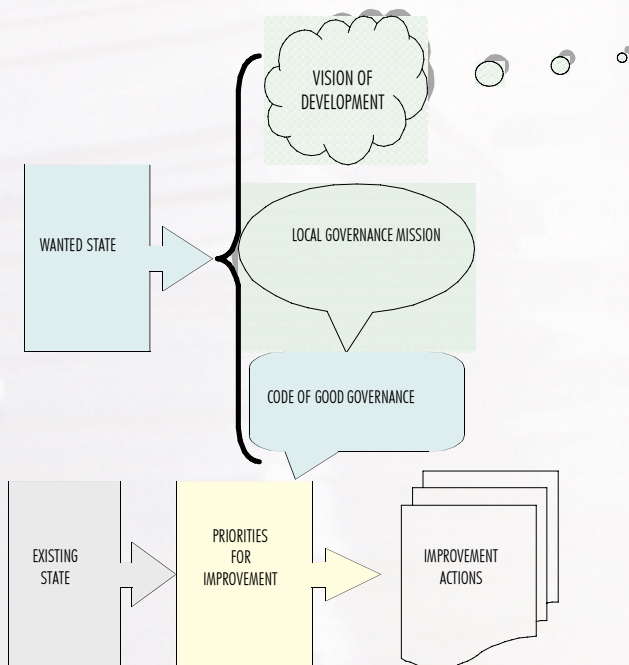
The Project has two basic, almost simultaneous, starting points: present and future states of municipal governance. Immediately after the preliminary diagnosis of the present state and "training at altitudes" of municipal teams for introduction of the principles and mechanisms of local governance and change managements, a perspective from the future is activated - a vision of the municipal development starts to be created, and, based on that, the local governance mission.The development vision and the local governance mission proactively open the space for designing and introducing the new system of values and behaviour in municipal administrations, created in the form of the Good Local Governance Code.

From the linking together of two perspectives (present and wanted future) priorites for improvement in each municipal administration are selected, and, after that improvement actions are developed and implemented.

Additionally, the Project benefits from great possibilities of synergy effects in the form of mutual exchange of the best created practices, so that a good practice, developed in one of muncipial administrations, is made available to others. Minimizing the expenses of developing a solution is combined with and multiplying effects on the other hand. At the same time, this helps initiate and encourage the process of sharing knowledge and development achievements.

PROJECT IMPLEMENTATION-STRUCTURE OF THE TEAM FOR CHANGES

The Project has been developed thanks to a maximum participation of internal municipal teams for introducting changes. The place and the role of these main teams, supported by international experts in accordance with their needs, is represented with the following chart:

IMPLEMENTATION
(STRUCTURE OF THE TEAM FOR CHANGES)

ASSEMBLY / COUNCIL
MAYOR

REPRESENTATIVES
OF CITIZENS,
NGOs and
LOCAL
BUSINESS

EXPERTS

TEAM FOR CHANGES

HEADS OF BRANCHES AND EMPLOYEES
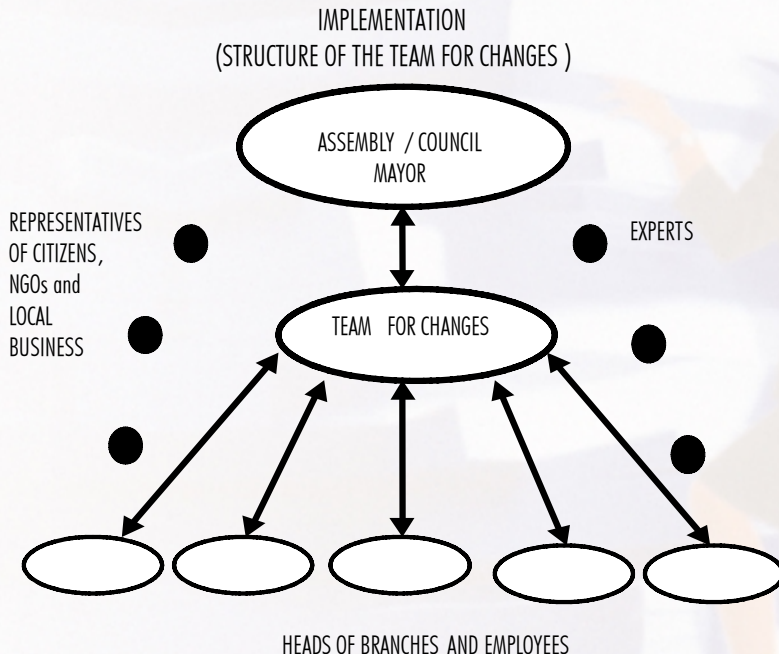
In accordance with the Project requirements and in agreement with mayors, criteria for selection of the members of municipal teams who will be introducing principles and mechanisms of good governance were created. It was foreseen for each municipality to form a team of 10-12 persons, who will attend a joint seminar. Initial discussions were made on creating the teams in each municipality, which should represent a "critical mass" of internal power for introducing principles and mechansims of good governance. While doing that, the concept of creating the entire team at the beginning of the project was changed, and the approach of creation of teams through stages was adopted; more precisely, members of the team are being defined as the project develops and as the priorities in different municipalities become clear.

Concerning motivators, the instruments of the so-called intrinsic motivation were used: challenges of the task itself that needs to be done, attractiveness and visibility of expected results, possibilities of learning, self-affirmation and carrier moves etc.

IMPLEMENTATION

PREPARATORY ACTIVITIES ON PROJECT KICK-OFF

After the first joint meeting of EDA - Enterprise Development Agency and CCI - Center for Civic Initiatives with the Coordinator of the Program on behalf on Open Society Fund (25.06.2001.), preparatory activities to start the Project were undertaken:

- time schedule of realization and outline of the Project activities were agreed upon,
- draft Memorandum on Understanding was developed and agreed upon with the Fund and CCI,
- presenations were arranged for different municipalities,
- presentation material was prepared,
- holding a joint seminar was agreed upon.

Project Presentations

The Project was presented by the representatives of EDA - Enterprise Development Agency, in each individual Municipality. Presentations were attended by the representatives of local authorities, the Fund representative (Bogdan Popovic) and CCI representatives (Igor Stojanovic and Zlatan Ohranovic). Technical equipment and material for presentation were provided by EDA.

No.	Municipality	Date - Time	Place	Presentation by
1.	Modriča	10.07.2001. at 10 o/c	Town Hall	OSF-Bogdan Popović, EDA-Zdravko Miovčić, Slavica Rokvić CCI-Zlatan Ohranović, Igor Stojanović
2.	Srebrenik	10.07.2001. at 13.30	Home of Culture Building	OSF-Bogdan Popović, EDA-Zdravko Miovčić, Slavica Rokvić CCI-Zlatan Ohranović, Igor Stojanovi?
3.	Laktaši	11.07.2001. at 10 o/c	Town Hall	OSF-Bogdan Popović, EDA-Zdravko Miovčić, Slavica Rokvić CCI-Igor Stojanović
4.	Tešanj	12.07.2001. at 11 o/c	Town Hall	OSF-Bogdan Popović, EDA-Slavica Rokvić CCI-Igor Stojanović, Zlatan Ohranovi?

After receiving a green light by the Program Coordinator for both joint seminars to be held at the same time, the plans for seminars "Principles of Good Governance at the Local Level in BiH" and "Change Management and Team Work" were made.

Time and place of holding the seminar were provisonally agreed (from 22 to 24 August 2001, Hotel "Kardial" Banja Vrucica - Teslic).

Extract from the Memorandum of Understanding

Memorandum of Understanding sets forth all important milestones of the project related to the realization, goals and main activities in the Project.

The Memorandum sets forth the relations of understanding of all important issues relating to the participation in projects forming a part of the Local Governance, Self-Governance and Civil Society Program; defines the engagement of all participants in the realization of the project; expresses readiness to fulfill commitments and the intention to have a cooperation between all participants that would contribute toward achieving the project goals. This Memorandum expresses good will and wish on the part of all participants to share the best practices among municipalities, giving incentive to common integration and economic initiatives, as well as the intention to expand the cooperation that was established onto other muncipalities in Bosnia and Herzegovina and in longer terms. (Memorandum of Understanding, Intention - extract)

A number of methodologies for running the selected teams were chosen in order to carry out a successful and complete realization of Project goals, out of which the most important are the following: seminars and training activities, workshop series and the consulting work as a support to municipal teams in resolving the problems of setting a diagnosis.

EXAMPLES OF TRAINING ACTIVITIES

Seminars as introductory activities of training (a sort of "adjustment training of municipal teams") were organized, moderated and run by EDA trainers and collaborators with a view to enhance and promote skills and knowledge of selected teams from local administrations. Planned seminars "Principles of Good Governance at the Local Level in BiH" and "Introducing Changes into Team Work", according to the agreement between the Fund representatives, beneficiaries - local authorities, CCI and EDA, were held together from 22 to 24 August 2001 in Banja Vrucica near Teslic.

Organization and roll-out of joint seminar "Priniciples of Good Governance at the Local Level in BiH"

1. Objective of Seminar: Provide initial "critical mass" of joint understanding, skills and positive attitudes on the part of key actors in selected municipalities on good governance principles, as a first step in the implementation of the Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH". Indirect goal was to create the sense of sharing, both in individual municipal teams, and for the teams to get to know each other and have the sense of esprit de corps.

2. Participants: 5-6 key representatives from municipal administration and municipal assemblies/councils from municipalities Laktaši, Srebrenik, Tešanj and Modrica. Additionnally, 4-5 members of the team for introducing principles of good governances from each municipality.

3. Implemented by: EDA - Enterprise Development Agency, Banja Luka

4. Media Coverage Seminar was covered by the following media: RTRS, Tuzla Canton Radio and TV, as well as presented in agencies' reports and headlines

Program of the Seminar

Date	Time	Contents	Lecturer
22.8.	10,30-11,45	Arrival and putting up of participants	
	12,00-12,30	Introduction — seminar's goals and work methods, introducing seminar's participants	EDA, OSF
	12,30-13,30	Outline of basic principles of good governance at the local level	Zdravko Miovčić, EDA
	13,30-14,00	Signing Memorandum of Undestanding	Mayors, OSF, EDA, CCI
	14,00-16,00	Lunch break	
	16,00-19,00 (break: 17,30-17,45)	Importance and methods of introducing principles of transparency, efficiency and participation in local governance (focus on efficiency)	Jasmin Imamović, Mayor of Tuzla
	19,00-19,30	Discussion on first day topics	
	20,00 -	Joint dinner	
23.8.	9,00-11,15 (break: 10,00-10,15)	Principles of transparency of local governance: importance, indicators, roll-out and monitoring methods	Boris Divjak, Transparency Int.
	11,15-11,30	Break	
	11,30-12,30	Participation: practical experience and examples	Ferhat Mustafić, Mayor of Munic. Gradačac
	12,30-13,15	Preliminary assessment of level of efficiency, transparency and participation in municipalities — workshop	Zdravko Miovčić
	13,15-14,15	Final discussion and evaluation of seminar	Participants

The seminar was also attended by Slavica Rokvic and Miroslav Jerkovic, in charge of the project for procurement and contracting, i.e. information systems, who during the seminar tested instruments for preliminary examination of public procurement and information systems in municipalities. Representatives of the Open Society Fund - Bogdan Popovic and CCI - Igor Stojanovic were observers at the seminar.

The seminar completely met the expectations in terms of direct and indirect goals. Municipality Mayors, Representatives of the Open Society Fund, CCI and EDA coordinator, signed the Memorandum on Understanding showing their interest to participate in the Project and their intention to put as much effort as possible into realization of envisaged goals.

Plan of Joint Seminar "Change Management and Team Work"

1. Objective of the seminar: Provide initial "critical mass" of mutual understanding, skills and positive attitudes on the part of key actors in selected municipalities on change management and team work, as a preparatory step for the implementation of the Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH". Indirect goal of the seminar is to enable the teams to get to know each other and create the basis for the cooperation both on the current project and in other areas.

2. Participants: 5-6 key representatives of municipal administration and municipal assembly/council from Municipalities Laktaši, Srebrenik, Tešanj and Modrica. Additionally, 4-5 members of the team for introducing principles of good governance from each municipality.

3. Implemented by: EDA - Enterprise Development Agency, Banja Luka

4. Media coverage Seminar was covered in media by RTRS, Tuzla Canton Radio and TV, as well as in agency reports and headlines.

Program of the seminar

Day	Time	Contents	Lecturer
23.8.	16,30-17,00	Introduction – seminar goals and work methods	Zdravko Miovčić, EDA
	17,00-18,00	Characteristics of successful change programs	Mirza Kušljugić/ Zdravko Miovčić
	18,00-18,15	Break	
	18,15-19,30	Change Management Process	Jasmin Komić, Faculty of Economics
	20,00-	Dinner and Evening Together	
24.8.	9,00-11,00 (break: 10,00-10,15)	How to Overcome Indvidual and Organizational Resistance to Changes	Damir Miljević
	11,00-11,15	Break	
	11,15-13,15 (break: 12,15-12,30)	Team work: principles and rules of team building and team work	Zdravko Miovčić
	13,15-14,00	Break	
	14,00-15,00	Wrap-up discussion and evaluation of seminar	Participants
	15,00-16,00	Lunch break	
	16,00-17,30	Discussion on Project's future activities	Zdravko Miovčić

Open Society Fund BiH / EDA

All participants of the seminar filled out the evaluation form. The results of evaluation were the following:

Evaluation results per seminars:

No.	Evaluated aspect	Average mark (1 to 10) / percentage (0 to100)	
		"Good governance principles at the local level in BiH"	"Change mangement and team work"
1.	Level of seminar material	7	8,3
2.	Usefulness of seminar material	6,9	8,3
3.	Percentage of new information	43,75%	53,6%
4.	Clarity and Legibility of Seminar Contents	9,1	8,9
5.	Was seminar presented in an interesting manner	8,1	9
6.	Benefit from the seminar	7,5	8,5
7.	Organization of seminar	9,2	9
8.	Quality of lecturers	8,3	8,9
9.	Has seminar met your expectations	7,2	8,4
10.	Recommendation of seminar to others	8,3	9
11.	Interest in participation in future seminars	8,4	8,9

Seminar fulfilled all direct and indirect goals, and judging by the good results shown by the evaluation, it met the expectations of the participants too.

BREAK-DOWN OF WORKSHOPS

A series of workshops was organized, moderated and run by EDA employees and collaborators with the goal of defining:
- Development vision and local governance mission
- Good governance code
- Diagnosis of situation, identification and defining priorities, as well as the action plan for upgrading the work of local administration
- Simplified procedures for removing "bottle necks" in the organization of work of local governance.

Here we shall list basic goals of holding these workshops, and we shall deal with each of them separately in the next section.

➢ Goals of holding workshops "Vision of Municipal Development and Local Governance Mission" are the following:
- to create visions of municipal development and define key elements of local governance mission as a first draft of the wanted state in the implementation of the Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH"
- to ensure motivation of participants to further implement the Project

➢ Goals of the Workshop "Good Governance Code" are the following:

- define key elements of Good Governance Code, as a system of principles and values which helps ensure the functioning of a transparent, efficient and user-oriented local governance,
- clarify methods for elaboration on and introduction of Good Governance Code,
- ensure motivation of participants for further implementation of the Project

➢ Goals of the Workshop "Diagnosis of the Situation, Selection of Priorities and Action Plan for Upgrading Local Governance" are the following:

- identify the diagnosis of the situation (strengths and weaknesses) of the local governance in municipalities Laktaši, Srebrenik and Tešanj,
- start the process of learning and sharing best practices
- Choose priorities for upgrading local governance as a part of the Project "Introducing Principles and Mechanisms of a Transparent, Efficient and User-Oriented Local Governance in BiH"
  Develop action plans for the implementation of improvement

➢ Holding Joint Creative Workshop "Developing Experimental Simplified Procedures for Removing Bottle Necks in Physical Planning"

EXAMPLES OF WORKSHOPS

Holding a series of workshops "Municipal Development Vision and Local Governance Mission"

Each municipality submitted the lists of participants, according to previously agreed criteria:
➢ 10 representatives of municipal administration and assemblies/councils (mayor, deputy mayor, president-chairman of the assembly/council, heads of departments and executives-potential members of the Project Team)
➢ 2-3 representatives of local businessess (private sector)
➢ 2-3 representatives of local NGOs
➢ 2-3 representatives of youth
All workshops were held according to a unique work methodology, with the use of the following methods:
- presentation with overhead projector,
- brainstorming,
- discussions,
- individual presentations,
- group presentations.

Approach to work, which required an active participation of all workshop participants, resulted in their maximum engagement and creation of the sense that it was the municipal teams who created the visions and missions of development of their municipalities, while the workshop leader was just providing a methodological support.

Each workshop was evaluated by its participants, according to a unique methodology of evaluation, the form of which can be seen on the following pages.

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The workshop was not held in Modrica due to the local problems and quite a tense current atmosphere in this Municipality.

Workshop Laktaši

Time and Place	Municipality Laktaši Hall, 06. and 07.09.2001 starting at 13,00h to 16,00h
Facilitator	Zdravko Miovcic, EDA coordinator
Participants	Municipal team joined by local businesses', NGOs, local communities and youth representatives

Workshop Tešanj

Place and Time	Municipality Tešanj Hall, 10. and 11 September 2001 from 12,00 to 15,00h
Voditelj	Zdravko Miovcic, EDA coordinator
Participants	Municipal team who was joined by representatives of local businesses, NGOs, local communities and youth
Media coverage	Media coverage of the workshop was provided by local radio station

Workshop Srebrenik

Place and Time	House of Culture Hall in Srebrenik, on 18 September 2001 from 11,00 to 15,00h
Voditelj	Zdravko Miovcic, EDA coordinator
Participants	Municipal team who was joined by the representatives of local businesses, NGOs, local communities and youth

Results of Workshop The result of the work of the workshop are created visions of municipal development and local governance mission, as a starting material that should be amended or possibly adjusted and which should be presented to as many citizens as possible of Laktaši, Tešanj and Srebrenik. The results of this workshop were delivered to the mayors in writing, in order to convey the vision and the mission to the citizens and prepare presentations on a joint workshop "Good Governance Code". At the same time, collaborators from Centers for Civic Initiatives communicated visions and missions to civil groups in local communities.

Comparative Analysis of Workshop Evaluations (grades from 1 to 5)

No.	Evaluated Aspect	Workshop Laktaši	Workshop Tešanj	Workshop Srebrenik	Average Grade
1.	How useful was it?	4.19	4.68	4.40	4.42
2.	How interesting was it?	4.06	4.77	4.33	4.39
3.	How was it organized?	4.19	4.77	4.47	4.48
4.	How was it run?	4.50	4.91	4.67	4.69
5.	How much are you satisfied with workshop results?	4.25	4.68	4.47	4.47
6.	How much are you satisfied with your participation?	3.81	4.25	3.13	3.73
	Total Average Grade	4.17	4.68	4.25	4.36

Organization and roll-out of common workshop "Good Governance Code"

The workshop was held in Banja Ilidža-Gradacac, from 27 to 28 September 2001.

Leader of the workshop was Zdravko Miovčić, EDA coordinator, and other persons who participated in work as group leaders were the following:

- prof. Slobodan Ćamilović, PhD.
- Jasmin Imamović, B.A. Law - Mayor of Tuzla,
- Sead Čaušević, B.A.Law,
- Slavica Rokvić, B.A.Law,
- prof. Mirza Kušljugić, Phd.

Other attendees in the seminar were:

- Bogdan Popović, Open Society Fund,
- Igor Stojanović, CCI
- Muris Bulić, CCI,
- Branislav Šipka, CCI.

There were 30 participants in the seminar (besides the organizor, leader and Fund representative).

Evaluation of the workshop

During the work on defining the Code elements, the participants were divided into three groups, each considering the elements of Code in the light of one of the principles by which a good local governance is estimated. The following is the results of the work of each group, according to opinions of participants of individual groups and based on uniquely accepted standard evaluation forms.

Comparative evaluation per groups

No.	Aspect	Group Efficiency	Group Transparency	Group Participation	Average Mark
1.	Useful	4.25	4.00	4.71	4.47
2.	Interesting	4.13	3.87	4.86	4.35
3.	Conduct	4.37	4.00	4.86	4.13

nicipality Laktaši - a seperate CD)
- Second, improved view of priorities for improvement of municipal administrations
- Selection of priorities on the example of Municipality Srebrenik by using IF-THEN analysis
- Evaluation of improvement priorities according to the original design of the project (evaluation of importance by participants)
- First draft of action plan.

Besides these, it is worth mentioning the principle results of the workshop:
- A high level of interest and engagement by all workshop participants,
- Started process of exchange of the best practices in work of municipal administrations,
- A high level of quality of presentation of best practices,
- A significant progress made in the team work in municipalities (as a result of working on the project) and team work within the workshop,
- A core of municipal teams trained for application of the methodology for diagnosis of the situation, SWOT analysis and IF-THEN analysis.

Finally, as a first priority for improving the work of municipal adminstrations as a part of the project, the following fields were identified:

Laktaši:

- Information System: design of the system, designing missing software applications, equipment procurement, hiring a system administrator, training of employees
- Organizational improvements with a special focus on human resources management (planning, progressing, motivation and further education)
- Defining internal documents and introducing public procurement procedures according to international standards.

Srebrenik:

- Improvements in the field of human resources management (planning, making progress, motivating and further education)
- Information System: system design, designing the unavailable software applications, equipment procurement, hiring a system administrator, training of staff
- Upgrading the level of internal documents and procedures for public procurement along with training of staff
- Introducing the Concept of Partnership of Public and Private Sector

Tešanj:

- Completion of Information System (project task, software, hardware, connecting, training, internet presenations, decentralization of services for local communities)

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- Organizational improvements and upgrading the level of human resources management (especially the evaluation and motivation system)
- Introducing the concept of partnership of public and private sector
- Upgrading the level of internal documents and procedures for public procurement along with training of staff.

Holding a joint creative workshop "Developing Pilot Simplified Procedures for Removing Bottlenecks in Town Planning"

Goal of the workshop is to remove bottlenecks in performing the most frequent and most complex tasks.

Based on previously identified "bottle necks" in Teslic, on 25 and 26 January 2002. a joint creative workshop was held, with the participation of experts for town planning and office management from the municipalities covered by the project.

The wanted result of the common workshop in which 11 representatives of Municipalities Laktaši, Srebrnik and Tešanj took part, was to develop procedures for performing key tasks from the field of physical/town planning. Those tasks encompassed:

- Issuing Decision on Approval by Town Planning Authorities,
- Issuing Construction Permit,
- Issuing Use Permit, and
- Development of Plan Documentation.

Workshop leader was prof. Slobodan Camilovic, PhD., with Aleksandar Eskic's assistance.

The first part of work, within which the methodology approach was explained, was done as a panel discussion.

In the second part of work, which was carried out in municipal teams, each of the team made an examination of the situation regarding performance of the mentioned tasks (presenting the ways in which it is done in reality).

In the third part selected flow charts were presented for each of the mentioned tasks and their adjustment was done through a joint work of all attendees. Each of the teams adjusted the general flow charts according to their needs, taking into account the differences related to regulations that they apply. After the workshop, during March, all of the present teams completed flow charts with outgoing documentation and described the activities by using the procedure of planning education as a model.

Involvment of the attendees was at a very high level.

The results of the evaluation of the workshop by participants (grades from 1 to 5)

No.	Aspect that was evaluated	Average grade
1.	How useful was it?	4,27
2.	How interesting was it?	4,27
3.	How well was it organized?	4
4.	How was it run?	4,45
5.	How much are you satisfied with results of workshop?	4,09
6.	How much are you satisfied with your participation?	4,27
	Total average grade	**4,23**
A	Possible remarks: ➢ Continuity of such education	
B	Recommendations and suggestions: ✓ Cooperate more frequently	

OVERVIEW OF CONSULTING ACTIVITIES

Consultants engaged by EDA, had a role to work, together with selected municipal teams, on improvements in identification of key areas of activities of the local governance bodies that were deemed important for upgrading the performance of local governance and self-governance.

Prof. Slobodan Camilovic PhD, a full-time professor on the Faculty of Organizational Studies, was given the responsibility for the area of improving the organization of work and human resources management.

Miroslav Jerkovic, graduated engineer of electrotechnical sciences and the director of the Information House "Ekom informatika" was entrusted with the tasks from the field of improvements in the information systems, while Slavica Rokvic, B.A. in Law and holder of UNCTAD/WTO licence for the field of public procurement was given the tasks from the field of public procurement.

At the beginning, the consultants, in cooperation with local municipal teams, familiarized themselves with the found situation. In accordance with the priorities defined by the beneficiaries of the Project services - local authorities, the consultants worked to improve the found situation, each in their own domain, with a view to upgrade the work of local governance according to selected principles. Improvements in the work organization and human resources management as well as in the information system contributes toward enhancement of efficiency of work, while the development of procedures and documents related to public procurement of goods and services and contracting for public works contribute toward the increase in transparency and responsibility.

EXAMPLES OF CONSULTING ACTIVITIES - from consultant's reports

Improvement of organization of work and human resources management

The following activities were done during December in the field of improvement of work organization and human resources management:

- An initial staff evaluation and motivation model was created (in the form of instrument for evaluation of performance, professional and other qualities of management, clerks and other employees) - instruments were presented in the municipality Laktaši and are currently in the stage of completion and testing,
- A form was developed for establishing the standards of work (currently in the stage of testing in Municipality Laktaši)
- A procedure was created for planning the training of employees and the method of its application was agreed for the Municipality Laktaši.

After that, an intensive consulting activity was carried out in Municipality Laktaši on 17 and 18 January 2002, in Municipality Srebrenik on 23 and 24 February 2002, and in Municipality Tešanj on 28 February 2002. According to the work program, the following documents were planned to be discussed and adopted:

- a) Standards for Conducting Works
- b) Instruments for Evaluation of Work Potential and Work Results of
- - Managment
- - Clerks
- - Employees
- c) Education Planning Procedure.

The method of creative workshop was applied.
Leaders of organizational units took an active part in the work of the creative workshop.

Improvements in the Field of Information Systems

Besides improvements of work organization and human resources management, in one of the previous project phases, the area of uprating information systems was selected as priority for all municipalities covered by the Project.

In November, an expert analysis was conducted in the field of information systems, with the diagnosis and the recommendation of priority actions in Municipalities Tešanj, Laktaši and Srebrenik

Based on the situation analysis and the needs for improvement, the following functions for designing were selected (analysis and design systems):

- Writing-room (office management),
- Budget,
- Legal Entities (tax-payers) Monitoring

Also, a technical assistance was provided in the preparation of "small-scale projects" to Municipalities Laktaši and Srebrenik, as these two municipalities decided that additional Fund funds should be allocated for upgrading of the information system.

During December, in the field of information systems, two working versions of the analysis system and the design system for the following functions were completed:
- Writing-room (office management)
- Finances and accounting
  Legal Entities (tax-payers) Monitoring
  Also, the work started on designing the project documentation for the function of budget.

AN EXAMPLE OF A FLOW CHART

Work Process Chart The files

```
  Receipt                          Poste  Central
  certificate   <──────────        Writing-room,
                                    Receiving and
                                    classification of mail

  Informing     <──────────
  the clients
                                    Opening
                                    of cards

                                                 Internal
                                                 delivery book


  Working              Working              Working
  unit 01              unit 02              unit n


                     Resolving
                     the subject


                       Filing
```
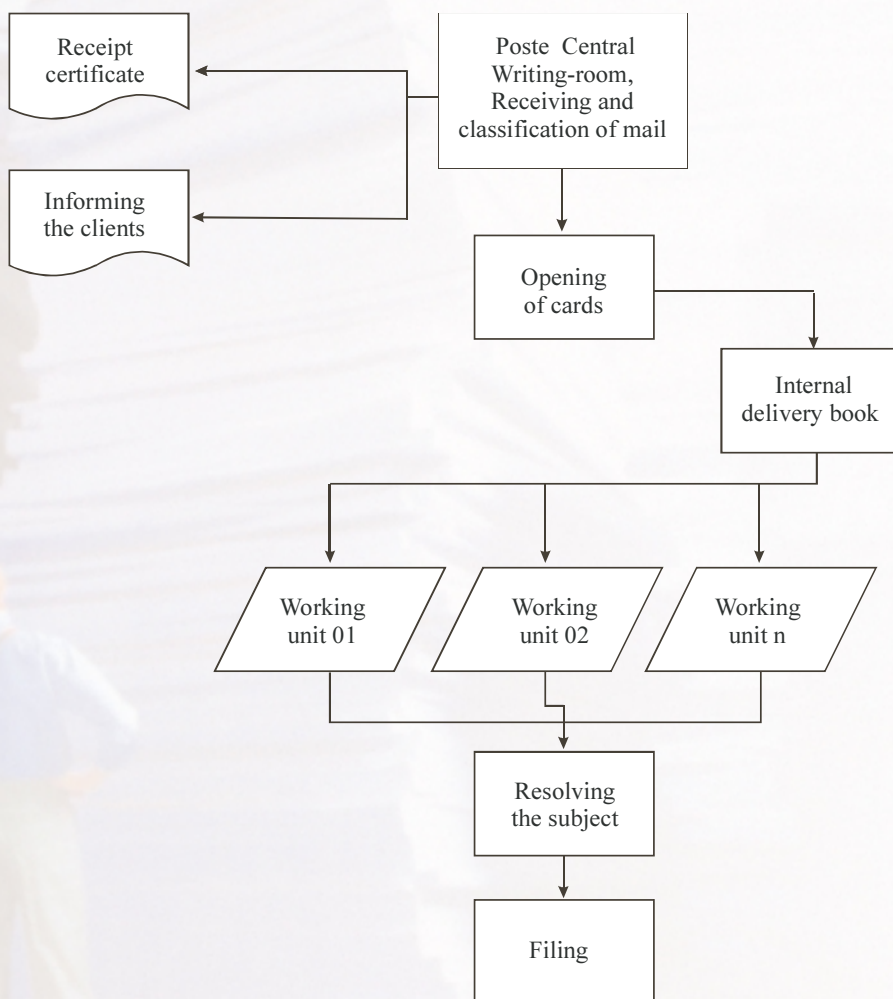
Improvements in the Field of Public Procurement

In this part of the Project an initial meeting was held in the Municipality in November, while at the beginning of December the situation analysis was done in Municipality Srebrenik, which, on behalf of the Municipality, was attended by the heads of departments and assistants who, by nature of their job were involved in public procurement (finance and housing-public utilities).

On that occasion the following was done:
- all existing internal documents relating to public procurement were reviewed,
- "grey areas" and problems in the application of the existing Law on Procedure of Procurement of Goods, Services and Assigning of Work were discussed,
- it was agreed which internal documentation in the field of public procurement should be provided,
- the method of work on developing this documentation was agreed upon.

Based on the previous agreement necessary documents started to be developed and it is expected that its biggest part will be prepared during the month of December.

Situation and practice analysis in the field of public procurement - summary-

1. Situation of public procurement in Municipalities Laktaši and Srebrenik is almost identical, existing differences are almost neglectable, regardless of the difference of the legal basis for regulating of this field.
    According to the answers that were given, the situation of public procurement in Municipality Tešanj is somewhat different, i.e. it can be concluded that the situation is better than in other municipalities covered by the project.
2. Legal basis for regulating this field for the municipalities in Republika Srpska is in the Law on Procedure for Procurement of Goods, Services and Assigning of Work ("Official Gazette of RS" no. 20/01), and for the municipalities in the Fedration Regulation on the Procedure of Procurement of Goods, Services and Assigning of Work ("Official Gazette of Federation of BiH" no. 31/98). Essentially, these two regulations are almost identical.
3. Regardless of existence of basic regulations in this field, in municipalities Laktaši and Srebrenik there is a belief that the legislation is insufficient, because of absence of by-laws (instructions, procedures, forms etc.) that would help carry out public procurement procedures. These Municipalities also believe that a part of existing legislation is not sufficiently clear and that its application causes certain problems in practice. In Municipality Tešanj there are no objections in this regard.
4. There are practically no internal enactment pertaining to public procurement area in the municipalities, and if they exist, they are inadequate and it is suggested that expert help should be enagaged for its development, or more precisely, for their changes and amendments.
5. In Laktaši and Srebrenik there are no specific procurement plans containing the mentioned activities in details, procurement methods and procedures, time schedule of procurement and tasks in terms of specific activities. Municipality Tešanj conveyed the existence of a middle-term and annual Procurement Plan.
6. There are no differences between municipalities with regards to public procurement - subject of procurement is stationary, equipment, work contracting on infrastructure (roads, water supplies, repair of buildings, town arrangement etc.), consultants are hired for designing of projects, plan documentation, supervision etc.

2.3. Invitation to bid for goods procurement (minor procurement, standard goods)

2.4. Goods Procurement Bid Format

2.5. Documentation for Pre-Bidding (Pre-Qualification)

2.6. Information on Selection of Bidder

2.7. Information on Bid Acceptance

2.8. Minutes from Opening Bids

2.9. Report of the Evaluation Commission and Proposal for Conclusion of Contract

2.10. Instruction for bidders

2.11. Sales Agreement

CONSULTING SERVICES

3.1. Letter of Invitation to Submit Bids for Rendering Services

3.2. Contract on Consulting Services

During January drafting documents for public procurement was completed. The set contains 28 different documents (forms, instructions, contracts etc.) which were delivered to the municipalities participating in the Project. A preliminary review of documents was carried out in municipalities and a partial testing in practice, in order to perform preparations for adjustment of final versions of offered documents.

As a part of preparatory activities for carring out training on public procurement, Criteria for Selection of Participants of the seminar were developed and the program of the seminar was prepared.

Public procurement documents developed for all three municipalities participating in the Project were finalized, and for municipalities Srebrenik and Laktaši the consultant for the field of public procurement made necessary adjustments. A procedure of verification of these documents was agreed upon; given the fact that this is the level of internal by-laws (instructions, work procedures etc.) it was agreed that the mayor of each municipality by his own enactment (decision, order) verifies the developed documentation.

During February changes were carried out for holding a joint seminar on the subject "International Public Procurement Standards, Rules and Procedures".

Criteria for selection of seminar attendees -training on public procurment-

The seminar attendees have to fulfill the following criteria:

1. Within their function/position in the local governance they should be responsible and/or participate in decision-making on the budget funds earmarked for public procurement; (mayors, deputy mayors, heads of finance departments, finance officers/staff etc.)

2. Within their function/position they should be directly involved in the procurement and contracting procedure (heads of departments or sections who are usually involoved in public procurment),

3. By the nature of their job they should in whatever way be related to procurement and contracting, such as lawyers who participate in drafting contracts, counsillors for specific issues and the like,

4. Due to specific skills connected to the object of procurement and contracting, they should be usually included in the procurement procedure, as members of the Commission for Opening Bids, i.e. Commission for Evaluation of Bids,

5. They should perform the procurement and contracting tasks independently as   separate assignements or their assignments to these tasks should be envisaged.

Organization and roll-out of the Joint Seminar "International Public Procurement Standards, Rules and Procedures"

Seminar was held in Hotel "Kardial", Banja Vrucica-Teslic, from 11 to 12 March 2002. The seminar was organized by EDA, and the leader and lecturer at the seminar was Slavica Rokvic. Aleksandar Eskic also attended the seminar on behalf of EDA, as an assistant.

Participants

13 participants from all three municipalities (Laktaši, Srebrenik i Tešanj) covered by the Project attended the seminar.

No.	Name and Last Name	Function/position	Municipality
1.	Miralem Unkić	Head of Finance Service	Tešanj
2.	Srkalović Elmir	Head of Town Planning Service	Tešanj
3.	Hakija Užičanin	Mayor	Tešanj
4.	Jasmin Mandžukić	Head of o.v. and d.d. Service	Tešanj
5.	Sead Korajlić	Assistant to the Mayor for capit.	Tešanj
6.	Dragana Majkić	Officer	Laktaši
7.	Jasmin Bijelić	Head of Dep. for Legal-Property A	Srebrenik
8.	Brka Samir	Budget Officer	Tešanj
9.	Snežana Šajinović	Assistant for Budget	Laktaši
10.	Vesna Mirjanić	Head of Finance Dep.	Laktaši
11.	Besima Ajanović	Municipal Attorney	Tešanj
12.	Beazeta Kešetović	Reconstruction Officer	Srebrenik
13.	Samed Džanić	Head of Supervisions Department	Srebrenik

Goals of the Seminar

Provide "critical mass" of employed in each local administration that will be educated in knowledge and implementation of international procurement and contracting procedures, apply learned skills in public procurement services in municipalities, thus increasing tranparency and quality in public procurement.

Conclusion from the seminar

Development of the documentation (28 documents) relating to public procurement, encompassing all three municipalities was completed before holding this seminar. This documentation consists of instructions, standardized forms, minutes, descriptions of procedures etc. and was based on international standards, rules and procedures and harmonized with existing legislation in this area, both in RS and BH Federation. The seminar was a good opportunity for the participants to discuss the prepared documentation, familiarize themselves with international standards and share experience in this field, trying to resolve the problems they encountered in their practise.

It was also agreed in principle that:
- prepared documentation should be verified by the mayor in each municipality,
- public procurement assignments should be defined in each municipality, that will be performed by educated personnel (which is already ongoing in Municipality Laktaši), or that within already existing positions persons should be allocated to be in charge of public procurement assignments (advisory and control function),
- acquired skills, and prepared documentation should be used for realization of "minor projects" financed by the Open Society Fund.

Expert assistance by EDA will be available to the municipalities during realization of mentioned activities.

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R E S U L T S

BREAK-DOWN OF KEY RESULTS

Key changes, that occurred in Municipalities Laktaši, Tešanj and Srebrenik, brought about by the impact of the project, can be summarized in the following way:

➢ Project idea was completely accepted, implementation leaders motivated with necessary skills acquired;
➢ Municipal team for designing and introducing changes (principles and mechanisms of good governance) formed and trained,
➢ Municipal development vision was created and new municipal governance mission defined as well as key local protagonists - vision and mission adopted by municipal assemblies/councils,
➢ Good governance code was defined as a system of values and principles enabling the transition of municipal governance in the field of work and conduct toward a modern and quality service to the citizens, and provision of incentives and guidelines to local economic and social development - Good governance Code was adopted in each municipality by municipal assembly/council,
➢ Existing status of municipal governance was diagnosed and improvement priorities defined,
➢ Key improvement actions were designed (good local governance mechanisms) in the fields of transparency and efficiency,
➢ Public procurement and contracting process was defined in each municipality (internal procedures developed as well as all documents and instructions, staff trained, assignments allocated and organized)
➢ System analysis and system design were developed of four selected functions (budget, accounting and finances, office managment and legal entities monitoring) as a basis for development and introduction of complete program support,
➢ Standards of all assignments in all municipal governments were developed,
➢ Models and instruments of work performance evaluation of managers and executors in municipal governance developed and adopted,
➢ Simplified, and more efficient procedures for removing "bottle-necks" in the critical part of town/physical planning were developed,
➢ Education planning procedure developed and introduced with the annual education plan in municipal governance...

VISIONS

Vision is "a mental picture by which a more attractive future is articulated in a plausible and realistic manner". Its purpose is motivation, bringing toghether of the present and the future, control and initiating changes in a work of an organization. A strategic vision drives people to action and transforms followers into leaders - initiators of changes. It comes out that a vision is a view of the future and accepted belief and the value system by whose articulation an effort is made to win over followers for initiating and implementing changes. Designed visions of municipalities - beneficiaries of the Project - follows below:

VISION OF DEVELOPMENT OF LAKTAŠI

ENTREPRENEUR CENTER OF BiH, IDENTIFIABLE BY DEVELOPED HEALTH AND RECREATIONAL INDUSTRY AND HEALTHY FOOD EXPORT, THE CLEANEST PART OF BiH WITH MODERN SCHOOLS, ABUNDANT SOCIAL LIFE AND UNIQUE OPPORTUNITIES FOR THE YOUNG.

REALIZATION OF THIS VISION IS A COMMON TASK OF LOCAL GOVERNMENT, ENTREPRENEURS, NON-GOVERNMENT ORGANIZATIONS, CITIZENS OF ALL THOSE WHO LIVE HERE AND WANT TO INVEST THEIR KNOWLEDGE AND CAPITAL HERE.

VISION OF DEVELOPMENT OF SREBRENIK

OPEN ENTREPRENEUR COMMUNITY, RECOGNIZABLE BY HEALTHY FOOD EXPORT, DEVELOPED SPORTS AND RECREATIONAL TOURISM AND DEVELOPED INDUSTRIAL ZONE, WITH EVENLY DEVELOPED INFRASTRUCTURE, SO THAT POPULATION OF WORKING AGE MAKES INCOME IN ALL PARTS OF THE MUNICIPALITY CONTRIBUTING TOWARD ECONOMIC AND CULTURAL DEVELOPMENT OF SREBRENIK

THIS VISION IS NOT A POLITICAL PROMISE, BUT A SHARED LONG-TERM TASK OF THE MUNICIPAL GOVERNMENT, ENTREPRENEURS, NON-GOVERNMENT ORGANIZATIONS AND ALL CITIZENS OF SREBRENIK.

VISION OF DEVELOPMENT OF TEŠANJ

UNIQUE ECOLOGICAL AND TOURIST OASIS WITH DEVELOPED URBAN AND RURAL ENTREPRENEURSHIP AND INFRASTRUCTURE, MODERN SCHOOLS AND RICH CULTURAL AND SPORTS LIFE, OPEN WITH GOOD COMMUNICATIONS WITHIN MUNICIPALITY AND WITH THE SURROUNDINGS

REALIZATION OF THIS VISION IS A PRIORITY, LONG-TERM AND COMMON TASK FOR MUNICIPAL GOVERNMENT, ENTREPRENEURS, NON-GOVERNMENT ORGANIZATIONS AND CITIZENS OF TEŠANJ.

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MISSIONS

A mission is a category which is inavoidably referred to when discussing the main premises of strategic management. Normally, the main determination of the mission is connected with a view of essential reason of existence of an organization. More precisely, it is logical that managing an organization requires a significant prior fundamental understanding of its raison d'etre, i.e. the reason of its existence in the given social environment. Designed missions of local administrations of the municipalities - beneficiaries of the Project are stated below:

LOCAL GOVERNANCE MISSION IN LAKTAŠI

Municipal government/administration, in line with its utter commitment to the realization of the vision of development of Laktaši, will make its best efforts, to be, in a dedicated and systematic way:
➢ A SERVICE TO THE CITIZENS, paying full respect to their needs, problems and proposals;
➢
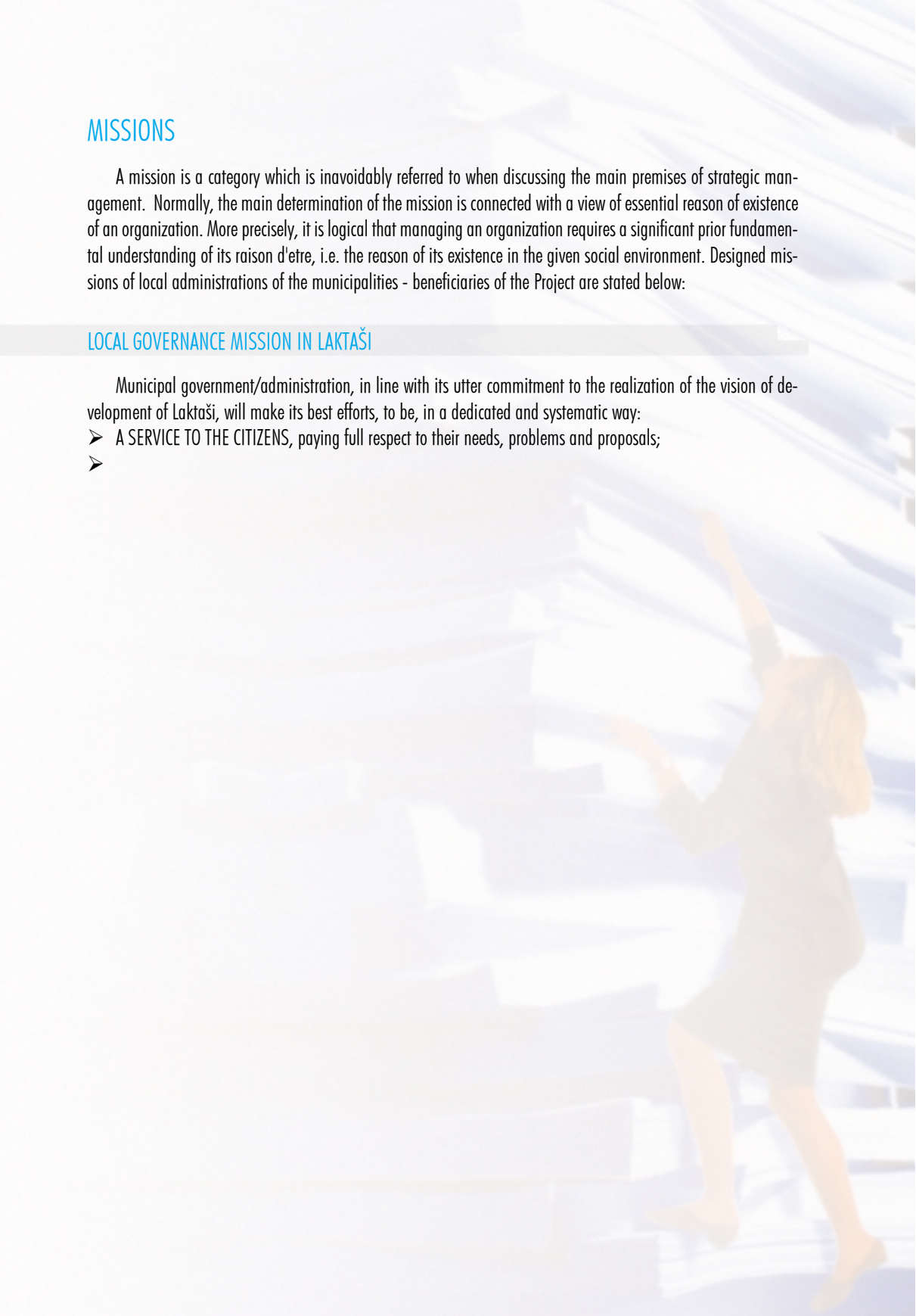
- ➤ DEDICATED TO CREATION OF INCENTIVE-OFFERING BUSINESS ENVIRONMENT AND TRUE PARTNERSHIP OF PUBLIC AND PRIVATE SECTOR in providing for the economic development of Srebrenik;
- ➤ COMMITTED TO ABOLISHING MONOPOLIES AND INTRODUCING COMPETITION PRINCIPLES, primarily in the field of public services;
- ➤ INITIATOR OF a larger participation of citizens in decision-making and resolving the problems in Municipality Srebrenik;
- ➤ COMMITTED TO BUILDING A CIVIL SOCIETY, especially supporting and facilitating creation and development of citizens' associations and non-governmental organizations;
- ➤ DEDICATED TO RESOLVING THE PROBLEMS OF THE YOUNG, especially in the field of quality education, employment opportunities, providing a sound, safe environment and conditions with good prospects for meeting their needs in the field of culture and sports.

MISSION OF LOCAL GOVERNANCE OF TEŠANJ

By accepting the role of a driving and integration force in accomplishing the vision of development of Tešanj, the municipal government will improve its work and resources aiming to be:
- ➤ PRIMARILY IN THE SERVICE OF CITIZENS, resolution of their problems and accepting their initiatives. This, in the first place, implies
- ➤ Promoting EFFICIENCY, both in terms of faster, better quality, more accessible and cheaper services along with a decentralized organization and simplified procedures adjusted to the citizens, and in terms of better resolution to infrastructure and public utilities problems in the whole territory of the municipality,
- ➤ Upgrading TRANSPARENCY, by achieving a full public nature of work, responsibility and control by the citizens,
- ➤ Maximum PARTICIPATION of citizens in decision-making concerning all relevant issues from the competence of municipal governace and development of Tešanj;
- ➤ A TRUE PARTNER TO ENTREPRENEURS AND THEIR ASSOCIATIONS,
- ➤ by creating an incentive-giving economic environmnent and conditions for local economic development,
- ➤ by including entrepreneurs/businessmen as much as possible into plans and implementation of development of Tešanj,
- ➤ by providing, fast, quality and transparent services to entrepreneurs and potential investors in its competence,
- ➤ by supporting and facilitating the realization of their interests at higher levels of power;
- ➤ AN IMPORTANT FACTOR OF BUILDING A CIVIL SOCIETY
- ➤ by creating environment and conditions for development of civil initiatives and work of non-governmental organizations,
- ➤ by resolving the problems of the young and their maximum inovlvement in all aspects of social life of Tešanj.

GOOD LOCAL GOVERNANCE CODE (an extract)

Purpose and goals of the code

Good Local Governance Code in BiH is a set of principles and values that enable the transition of local governance in BiH in the field of work and behaviour toward a modern and quality service for, as well as giving incentive and guidelines to the local economic and social development.

Apart from its declarative aspect, the Code also has a standard-forming role. It helps bridge the gaps concerning partial inadequacy of laws and by-laws by foreseeing new roles of the local governance in the transitional period, without jeopardizing at any moment the main principles of constitutionality and legality that represent an obligatory framework for all other regulated activities.

At the same time, the Code represents the basis for making and applying good local governance mechanisms in municipalities covered by the project.

Application of Good Local Governance Code should play a key role in contributing toward a signinficant enhancement of:

➢ transparency and responsibility of local governance toward the public and tax-payers;
➢ eficciency of work of local governance;
➢ participation of citizens in the decision-making process and work of the local governance.

The Code has a long-term character and is related to accomplishing the defined vision of municipal development and local governance mission.

Basic definitions

In terms of the needs of this Code the local governance is viewed as a whole, by encompassing (1) municipal assembly/council (regulation component), (2) municipal administration (executive component) and public services provided at the local level.

Transparency, in the sense of this Code, implies the public character of work and openness of local governance to following and control in all its segments.

Efficiency implies a fast, quality, user-oriented and economical performance of tasks and assignments in order to meet the needs that are in competence of local governance.

Participation implies organized exercise of influence of citizens and tax-payers on the decision-making and services in the field of local governance.

Basic elements of good local governance code

Good local governance code is exercised by elaboration and application of principles of transparency, efficiency and participation, as basic principles, and responsibility, as an integral principle and value.

PRINCIPLE OF TRANSPARENCY

By elaboration and application of the principle of TRANSPARENCY, a full public character of work is ensured, openness and responsibility of all segments of local governance in all aspects of work and behaviour, in order to strengthen confidence in local administration, to work on prevention of corruption, nepotism, and conflict of interests.

Elaboration and application of TRANSPARENCY principle implies the following activities and ways of behaviour of the local governance:

➢ Local governance is obliged to make sure that the decision-making process is transparent, which includes publishing decisions/plans /programs in the stage of preparation, enactment and realization, informing the public of the basis and the reason for making of the decisions, as well as building mechansims for participation of citizens in making decisions;

➢ Local governance is obliged to ensure the public character in all segments of its work, primarily by:
- publishing the work programs, agendas and reports on the work of municipal assembly/council and all bodies of assembly/councils (committees, boards etc.) in the way that is accessible to a broad public,
- by enabling the organized presence of the citizens in the sessions, as observers,
- by publishing work programs and reports on the work of municipal administration in the way that is accessible to the broadest public,
- by publishing work programs and reports on work of public institutions in the competence of the municipality, in the way accessible to the broadest public.

➢ Local government is obliged to provide public nature of the preparation, adoption and realization of the budget, and particularly to inform the citizens in a continued and detailed manner on realized budget revenue and expenditures, by the rule, every _____ (define the time period) in the manner that is accessible to the broadest public;

➢ Local governance should make sure that public procurement (in the segment of municipal administration and public institutions) are done in accordance with legal and internal regulations, harmonized with international standards, rules and procedures, regarding public procedures and continued public reporting on public procurement processes;

➢ All relevant information on the services provided by the local governance (type of service, way of publication, procedures...) should be accessible to the citizens in an obvious and legible way;

➢ All segments of work of local governance should be open and accessible to all types of revisons and audits, internal as well as external, taken by competent institutions or specifically fomed bodies;

➢ Managers and staff selection and hiring processes in local governance should be done in a public manner, based on previously defined and known selection criteria, equal for everyone;

➢ Local administration should build an active approach in the field of public relations, by providing an equal treatment of all media;

➢ Transparency - public nature in the sense of previous items is provided for in the following ways:
- by internal reporting (information board, instructions, information, visual charts, bullitens etc.),
- by external reporting (electronic media, press, Internet, service telephones...),
- by regular controls and audits of the work of all segments of local governance
- by enabling a direct access for the interested citizens in the work of local governance;
    (In further text of the Code elaboration of efficiency, participation and responsibility principles is given)

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Implementing a good local governance code

After adopting of the Code by municipal assembly/council and its publishing in the way that is accessible to broader public, the implementation of the Code becomes a professional and moral obligation of all assembly/council members, mayors, heads of departments and staff in local governance and public institutions.

Implementation of the Code represents an integral part of annual plans and reports of local governace and public institutions within the jurisdiction of the municipality.

The municipal assembly/council can appoint one of the existing or form a separate commission of the assembly/council for keeping the track of effects of the application of the Code and proposing measures for its improvement.

**Example of the DECISION on Adopting
the Vision of Municipal Development and Mission of Local governance of Municipality Tešanj
and Good Local Governance Code**

I

Documents Vision of Municipal Development and Mission of Local Governance of Municipality Tešanj are herewith enacted as well as the Good Local Governance Code in Bosnia and Herzegovina, and they are incorporated into the documents serving as a basis for planning the development of the Municipality, for development, strengthening and work of municipal administration.

II

By enacting these documents the Municipal Council, the Mayor and Municipal administration shall incorporate the mentioned documents in their work plans, and they shall be obliged to implement them in each segment of its work and activity.

III

On the realization and implementation of these documents the Municipal Council shall conduct a debate at least once a year based on the information of the Mayor of Municipality, and the municipal administration shall incorporate the contents of its work into monthly and periodic reports to the Mayor.

LEGAL BASIS:
Legal ground for passing of this Decision is contained in Article 31 of the Statute of Municipality Tešanj ("Official Gazette of Municipality Tešanj", no. 1/99) which regulates the competencies of the Municipal Council.

EXPLANATION:
Municipal administration has opted for a permanent upgrading of the level of its internal organization and introduction of principles and mechanisms of a transparent, efficient and user-oriented administration in order to make sure it serves the interests of citizens to their best benefit.

In this sense we are primarily committed to an intensive education and upgrading of skills of municipal ad-

ministration with as much participation as possible on the part of citizens, non-governmental and other organiyations, representatives of economy, education, young and all other interested in development of the municipality and strengthening of local administration.

In the array of activities, the project that we realized through five workshops as a municipal team, led by expert team of EDA - Enterprise Development Agency from Banja Luka, and financed by the Open Society Fund is awarded a special place. In these workshops the proposed documents were arrived at through a team work together with other municipalities participating in this pilot project (Srebrenik, Laktaši and Modrica).

In the work of the team of Municipality Tešanj more than 100 attendees participated, in the workshops held in Tešanj (2), Teslic (2) and Gradacac (1). Also, besides experts of Agency EDA, many experts from BiH and abroad were involved in the work of workshops, who by their active participation and running of the workshops pointed at a new way of thinking about the development of lcoal workshops - municipalities, and at the strengthening of local administration through a scientific approach.

Workshops have resulted in the following documents: Vision of Municipal Development and Local Governance Mission, and Good Governance Code.

These documents, besides other activities that have been or will be undertaken by the Municipality as a part of its continued upgrading of skills and strengthening, will significantly contribute toward a better and user-oriented municipal administration - government.

(Decision adopted unanimously in the session of the Municipal Council of Tešanj held on 28 December 2001).

To the mayors and municipal teams a prior note to the staff evaluation forms

In order to enhance the efficiency of work and evaluation of performance of the staff employed in the local administration bodies, the nomenclature was started to be prepared of tasks and work operations that are performed within each of the organizational units.

A special form was prepared for performing of this work, persons who were in charge of filling it out were trained, and the revision of the first draft was done; finally proposed standards have been adopted as working material.

Apart from evaluation of work of individual staff, the developed norms/standards have also been put to function of (1) rationalization of work and (2) creating a basis for development of procedures in accordance with standards of ISO 9000 series.

Conclusions from previous creative workshops organized by EDA triggered off the idea to start developing instruments for staff evaluation. On that occasion it was concluded that, as a sort of consulting assistance, drafts instruments for evalution of work potential and performance of the staff working in municipal administrative bodies should be developed, and adjusted through creative workshops to concrete needs and possibilities.

This was all correctly done and within a very short time as well, which points out at a good potential of employees from administrative bodies and a high livel of their motivation to work on the Project.

Entire staff evaluation process is in the function of realization of the following objectives:

➢ Determining individual performance/work results,
➢ Introducing spirit of competition,
➢ Planning carriers on the basis of individual's work performance and potentials,
➢ Promotion based on work potential and performance,

- ➢ Increasing work productivity and quality,
- ➢ Increasing motivation for work and professional development, and
- ➢ Giving financial rewards in accordance with work results.

What follows are the conditions that should be created in order to accomplish the mentioned objectives:
- ➢ Work standards should be defined for each work place (based on the draft given in the annex),
- ➢ Performance evaluation systemt should be created based on existing regulation,
- ➢ Evaluation attributes, that were given in the form of DRAFT in attached evaluation sheets (instruments),
- ➢ A positive attitude of the managers toward evaluation should be formed, when they establish the performanace evaluation system and adopt the evaluation attributes, and
- ➢ Decision on evalution, setting forth the evalutiaon obligation, competencies and deadlines should be created.

Consequently, attached instruments should be considered only one segment of staff evaluation system. The whole system implies the elaboration of the mentioned bases, which is a very complex and important tasks, on whose quality the development of local administrative activity, quality and quantity of employees' work is very much dependent.

Among the key elements of the good performance of staff are the following: (1) professional potential/skill, (2) personal characteristics, and (3) results of work of all employees in local administration body. For each of mentioned elements it is necessary to define appropriate attributes that were listed in attached instruments in the form of an initial proposal.

Taking into account the differences in contents of assignments, as well as a number of other elements important for evaluation, all employees were categorized into following three groups: (1) managing staff, (2) clerks and (3) other employees.

For this reason, once the final definition of evaluation instruments is done, it is necessary to establish appropriate attributes serving to accomplish the mentioned goals, for each of the groups mentioned above.

- Extracts from the instrument used to evaluate the managing staff -

EVALUATION OF PERFORMANCE, PROFESSIONAL AND OTHER SKILLS OF MANAGING STAFF

Name and Last Name   …………………………………………….

Position   …………………………………………….

Organizational Unit   …………………………………………….

1. PROFESSIONAL POTENTIAL

   1.x. Knowledge of assignments and tasks that he/she is involved in performing
- a) Inadequate knowledge of assignments
- b) Knowledge of majority of assignments, but not to a necessary degree
- c) Good knowledge of all tasks
- d) Superior knowledge of some assignments
- e) Superior knowledge of all assignments

   1.y. Knowledge of other assignments in the administrative bodies
- a) Inadequate knowledge of other assignments
- b) Knowledge of the tasks of one more assignment
- c) Knowledge of tasks of more assignments of importance to his/her work, to a satisfactory degree
- d) Good knowledge of tasks from almost all assignments important for his/her work
- e) Excellent knowledge of tasks of all assignments important for his/her work

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2. PERSONAL CHARACTERISTICS

   2.x. Initiative for introducing new work technology and organization
- a) He/she does not show any initiative in introducing new work techonologies and organization
- b) Ocassionaly gives initiative for introducing new work technologies and organization
- c) Regularly gives initiative and proposes measures for minor improvements of the existing and introduction of new technologies and work organization
- d) He/she is very active when it comes to proposing measures for improving existing technologies and work organization
- e) He/she is exceptionnally active when it comes to proposing concepts and solutions for improving technologies and work organization. His/her suggestions have contributed toward a more significant upgrading of work technology and organization in the administrative body.

     2.y. Independence in work
- a) He/she is not independent in his/her work
- b) He/she sometimes shows inadequate independence in work
- c) He/she shows satisfactory independence in work
- d) He/she often shows above-than-avarage independence in work
- e) He/she constantly shows the largest degree of independence in work,

2.z. Relation with the staff whose work he/she coordinates

a)   He/she always has problems in relation with staff
b)   Occasionally has minor problems in cooperation
c)   Has satisfactory relations with subordinate staff. Very rarely has problems in cooperation.
d)   Has never any problems in relations with subordinate staff. His/her relations are above the average in the respective administrative body.
e)   Has excellent relation with subordinate staff. Enjoys big authority in the group and serves as an example of a good team leader/manager.

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3. PERFORMANCE/WORK RESULTS

3.x. Quality of work
   a) Constantly unsatisfactory
   b) Usually satisfactory
   c) Constantly satisfactory
   d) Sometimes superior
   e) Always superior

3.y. Meeting the deadlines
   a) Always breaks set deadlines
   b) Sometimes does not complete assignments and tasks within set deadlines
   c) Constantly completes assignments and tasks within set deadlines
   d) Frequently finishes tasks before deadlines
   e) Always finishes almost all his/her assignments considerably before deadlines

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Standards

(l a y o u t o f e m p t y f o r m)
Organizational unit.........................
Date of evluation..........2002

WORK STANDARDS

No.	Task	Working Operation	Duration		Frequency	Volume	Remark
			Min	Max			

Frequency in performing tasks
1. Constantly-on a daily basis
2. Occasionally
3. Very rarely

Volume:
1. Very numerous
2. Numerous
3. Few

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Example:

Organizational Unit - Finance and Economy Service of Municipality Tešanj
Date of evaluatiion 26 March 2002

WORK STANDARDS

No.	TASK	Working Operation	Duration Min	Duration Max	Frequency	Volume	Remark
01.	Administrative — technical tasks for needs of Service	1.1. Receiving of daily mail			1	1	The time cannot be determined precisely
		1.2. Registration of outoging documentation in the internal document register of the Service and its filing	2	3	1	1	
		1.3. Keeping records of working hous and use of vacation	3	5	1	1	
		1.4. Making monthly report on realized number of working hours	60	90	2	2	
		1.5. Issuing and keeping records of given trip orders	5	10	2	2	Time cannot be determined precisely
		1.6. Receiving and annoncing client to the Service Manager and passing over of telephone lines			1	1	
02.	Resolving of requests for using a taxi, transport activity and transport for own needs	2.1. Recording the subject into the books and register of approvals for individual activities	3	5	1	2	
		2.2. Checking incoming documents	2	3			
		2.3. Getting a certificate on non-existance of crim. records	3	5			
		2.4. Developing decisions	7	30			
		2.5. Developing permits - chart	5	10			
		2.6. Control and signing	2	3			
		2.7. Decommissioning	2	2			

No.							
03.	Resolving requests from the field of traffic concerning taxi stops and additional marking of taxi vehicles	3.1. Recording requests into the book of issued decision on taxi stops and additional marking of vehicles	3	5	2	2	
		3.2. Work in the commission for issuing decisions on taxi stops	15	30			
		3.3. Developing decisions	7	30			
		3.4. Reviewing and signinge	2	3			
		3.5. Clearing	2	2			
04.	Developing documents arising from the decision on organization and manner of performing transport by taxi	4.1. Making of Regulation on Work and Order, Way of Using of Taxi Stands and Making Report for the Ministry			3	3	Time cannot be determined precisely
		4.2. Developing criteria on distribution of taxi stands and providing documents on taxi stops					
05.	Organization and implementation of the report on construction GRAP -11	5.1. Developing decisions for persons conducting an opinion poll	30	60	3	3	
		5.2. Organization and conducting training for persons implementing opinion poll	90	120			
		5.3. Corrections and making of summary for the whole municipality	60	120			The time cannot be determined precisely
		5.4. Making a report for Federal Statistics Bureau					
06.	Accrual of gross value of production of individual agriculture and non-agriculture activity sector	6.1. Developing decision of forming a commission	15	30	3	3	
		6.2. Work on the ground					The time cannot be determined precisely
		6.3. Developing and fillin out of standard forms					
		6.4. Making minutes and reports for Federal Statistics Bureau					

07.	Evaluation service and other reports according to the Law on Statistic Research	7.1. Receiving incoming documents	3	5	2	3	
		7.2. Identification of municipal evaluators	15	20			
		7.3. Filling out of standard forms	60	120			
		7.4. Making statistics reports	30	60			
08.	Questionnaire on no. of cattle and a quarterly report on cattle butcher	8.1. Receiving incoming documents	2	5	2	3	
		8.2. Developing and filling out of standard forms with municipal evaluators	30	60			
		8.3. Report for the Federal Statistics Bureau	30	60			

One of four algorithms from the field of Physical Planning
- example done by the team from Municipality Tešanj -

LICENSE TO USE - Decision development procedure

OUTPUT DOCUMENTS   INPUT DOCUMENTS

| Receipt of request (writing-room) activities checking enclosures, fees, signatures |
| Peceipt certificate |

| Recording of file -assigning the number and putting a stamp -recording into internal book |
| Internal book |

| Submitting the file into competent service for consideration |
| Internal book |

| Receipt of request in Town Planning Department (officer in charge) |
| File |

| Work on the file (officer in charge) - activities Checking the whole documentaion |
| - Regulations - Law on Physical Planning - Law on Administrative Procedure - files |

| Incomplete documentation -Request to complete documentation |
| Complete documentation - Appointment of the commission -Setting the time -Delivering of decision |
| Decision on appointing commission for technical verification of the facility (Art. 193 of the Law on Physical Planning and Art. 200 of the Law on Administrative Procedure) |

| Conclusion on rejecting request (Art. 67 of the Law on Administrative Procedure) |

| Commission's inspection of the facility |
| Minutes |

| Making the commission's report for technical verification of the facility |

| Commission's expert evaluation |
| Commission's report |

| Developing decision (official in charge) |
| - Report of the commission - Law on Physical Planning, Art. 199 - Law on Administrative Procedure Art. 200) |

NO   YES

| Negative decision (request rejected) |
| License to use |

| Revision and signing (head of service) |

| Signing and submitting the decision |

| Recording (internal book) |

| Filing |

Planning of education

- part of instruction -

2.0. SUBJECT

2.1. This operational procedure establishes activities that are to be performed in the process of education planning of the employed in the municipality ____.

2.2. Implementaion of this proceeding is in the function of realization of goals and tasks from the human resources policy referring to education of human resourcers in the Municipality _____.

2.3. The key goal, to whose realization the application of this operative procedure should contribute, can imply establishing the types and contents of education of the employed in the municipality _____ as well as other elements of the education plan serving the function of creating the plan basis for meeting current and future requirements from the work process.

3.0. AREA OF APPLICATION

3.1. This Operative Procedure is designed for the leadership in the municipality _____, professional staff performing the funciton of instructors and workers under whose supervision separate phases os the education process of employees are being implemented.

4.0. CONNECTION WITH OTHER DOCUMENTS

4.1. Operative procedures:
-   OP . . . .-
-   OP . . . .-

5.0 DEFINITIONS

5.1. Education Plan is a document which defines all elements important for the realizaiton of education of employees, in accordance with the contents of the form contained in the enclosure to this Procedure.

5.2. The leadership in this operative procedure, implies: mayor, deputy mayor, head of service, secretary of Municipal Assembly, Head of Department and Head of Local Office.

5.3. Education is the process of planned and organized gaining of knowledge, skills and habits, the process of encouraging and developing total abilities of an individual.

5.4. Program of education is a document defining all elements of importance for conducting the process of education of employees according to the form that is attached to this procedure.

5.5. Education policy is a group of goals in the field of education that are aimed to be realized in a certain period, as well as a set of tasks, principles and criteria which are in function of realizing these goals.

5.6. Goals of education are statements on expected results, aimed to be realized in the field of education of staff in the municipality _____.

5.7. Principles of education policy are bases (starting points, sources) and ruels for making decisions in the field of education or for performing the educational activity.

5.8. Education policy criteria are evaluation - assessment standards of the values of certain elements affecting the making of a certain decision in the field of education.

6. PROCEDURE

6.1. Process of planning of education consists of the following activities:

➢ Starting procedure for making of education plan
➢ Collecting data
➢ Determining education policy
➢ Drafting the education plan
➢ Identifying the proposal of education plan
➢ Adopting the education plan

Example:
BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
CANTON TUZLA
MUNICIPALITY OF SREBRENIK
Service for general administrative adn communal affairs

PLAN OF EDUCATION OF EMPLOYEES IN 2002

No.	Name of the program	Bearer	Duration (no. of hours and time)	Attendees	Expenses	Remarks
1.	Methodology and importance of planning and reporting in administrative bodies - lecture -	Service for general administrative and communal affairs Lecturer: Federal Ministry of Justice	3 classes September-October 2002	Leaders of the services, coordinators and clerks that are running the proceeding	400,00 KM	
2.	Introduction of quality management in administrative bodies (ISO standards) -lectures and workshops -	Service for budget, business and supervision Lecturer: EDA Banja Luka	May-June 2002 September 2002 -March 2003	Municipal team of leaders	Donation	Program of education within the plan of EDA, Banja Luka

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3.	Introduction of information system for particular organization units and training of users	Company that will be selected in public tender	20-30 classes September-October 2002	Clerks and employees by groups of related affairs	Donation	Training program in continuity with the project realization
4.	Methodology of making a budget - lecture-	Service for budget, Business and Supervision Lecturer: Finance Ministry	3 classes October-December 2002	Leader and employees in the accounting affairs and finances	400,00 KM	
5.	Practical application of ZUP and Regulation on office operations - lecture-	Service for general administrative and communal affairs - Administration inspector - Ministry of Justice-	6 classes August-September 2002	Head of service and the clerks in charge of administrative procedure	1.000,00 KM	
6.	Application of the Law on Physical planning and Law on Construction	Service for physical planning Ministry of physical planning	3 classes September – October 2002	Clerks of the Service for physical planning	500,00 KM	

Proposed by:
Ramiz Suljkanovic,   Date of adoption: 06 May 2002
Chief of Service for general administrative and communal affairs
Responsible for realization:
Ramiz Suljkanovic, Chief of Service for general administrative and communal affairs
Adopted by:
Mayor: Enver Mehmedovic, prof.

Information system

Example (introduction) of situation diagnosis and recommendation for finance department:
System analysis:
FINANCES
- E x a m p l e   o f   C a s h   o n   H a n d

1   CASH ACCOUNT/CASH ON HAND
2   List of data
3   List of input data divided into logical units
    Program Cash Account does not have a separate codebook, because it uses data from the codebooks Chart Account and Clients.
    Entry data are journal entries of receipts and expenditures of the cash account.
4   List of data that is shared with other modules
    Data coming from other modules are the following:
•   From the Journal: code book of the chart account
•   From the Supply Book: client's code book, opened invoices for the client
5   List of data to be sent by journal entry to other modules
    From the module Cash Account the following data are sent to other modules:
•   Into Journal: cumulative journal entry according to the orders to the stated accounts
•   Into Supply Bood: Payments to Supplers according to stated clients and invoices
6   List of modules with contents

In the program Cash Account may exist two modules: Cash Account KM and Foreign currency Cash Account. Principe of the work is the same, only the book entry is performed at different accounts of the cash account. These two cash accounts are separated from each other, actually there is no sharing of information between them.

7   Cash Account KM
    For entry of KM cash account item the following data are required:
•   Date
•   Order
•   Description
•   Receipt
•   Expenditure
•   Debit account
•   Credit account
•   Client's code

Ordinal numbers of receipts and expenditures should be separated and the program itself calculates them based on entered receipts and expenditures. Also, when creating the account, the supplier's account should be stated, that the program will recognize during the entry and offer the selection of client's code and opened items for selceted client. If the user writes any other account, he/she does not have to enter the client's code. In the table the program

itself should calculate the balance (cumulative) based on the transactions concluded up to that moment nad entered receipts and expenditures on every item.
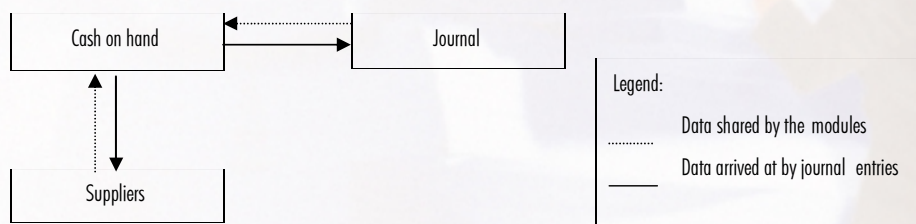
8   Foreign currency Cash Account

For the entry of item foreign currency cash account the following data are required:

- Date
- Order
- Description
- Foreign Currency
- Exchange Rate
- Receipt in Original Currency
- Receipt for Journal Entry
- Expenditure in Original Currency
- Expenditure for Journal Entry
- Debit Account
- Credit Account
- Client's Code

Ordinal numbers of receipts and expenditures should also be separated (like in the KM cash account) and the program itself calculates them based on entered receipts and expenditures. Also, when creating the account, the supplier's account should be stated, that the program will recognize during the entry and offer the selection of client's code and opened items for selceted client. If the user writes any other account, he/she does not have to enter the client's code. In the table the program itself should calculate the balance (cumulative) based on the transactions concluded up to that moment as well as entered receipts and expenditures on every item.

9   Chart relation with other modules

10   Exchange of information (flow and transfer) within the module

Cash account (KM and foreign currency) exchanges data with the Journal and Suppliers' Book as stated before.

11   Statements

12   KM Cash Account

KM cash account should enable the following statements:

- Cash account turnover - should ensure inquiry in the period (from the date - until the date). List should contain the following data:

PERIOD:

Date	Order	No.	Description	Receipt	Expenditure	Balance

TOTAL:

- Balance per accounts - should ensure enquiry In the period (from the date - until the date). List should contain the following data:
PERIOD:

Order	Account	Debit	Credit	Balance

TOTAL: • List of receipts - should ensure the inquiry In the period (from the date - until the date). List should contain the following data:
PERIOD:

Date	No.	Description	Amount

TOTAL: • List of expenditures - List of receipts - should ensure the inquiry In the period (from the date - until the date). List should contain the following data:
PERIOD:

Date	No.	Description	Amount

TOTAL:

13 Foreign currency cash account

Foreign currency cash account should enable the following reports:

- Cash account turnover - should ensure the inquiry In the period (from the date - until the date). List should contain the following data:
PERIOD:

Date	Order	No.	Description	Receipt	Expenditure	Balance

TOTAL:

- Balance per accounts - should ensure the inquiry In the period (from the date - until the date). List should contain the following data:
PERIOD:

Order	Account	Debit	Credit	Balance

TOTAL:

- List of receipts - should ensure the inquiry In the period (from the date - until the date). List should contain the

following data:
PERIOD:

Date	No.	Description	Amount

TOTAL:

- List of expenditures- should ensure the inquiry In the period (from the date - until the date). List should contain the following data:
  PERIOD:

Date	No.	Description	Amount

TOTAL:

LEARNED LESSONS OF THE PROJECT

Key learned lessons of the first phase of the project can be summarized in the following way:

➢ Training of internal municipal teams for introduction of principles and mechanisms of good governance is a very good means if it is used:

a) Purposefully (it is not the purpose for itself, but primarily, the preparation of change "in minds" of the most important people in the municipal governance and their most important local partners)

b) In a timely manner (intensively at the beginning of the project, afterwards as an introduction to phases of the work on resolving real problems)

c) Interactively (minimum of seminar work, maximum of workshops, whenever it is possible use participants from the local governance for presentation of their best experiences)

d) Boarding school like (outside of their place of work)

e) As addition to consulting (for preparation or implementation of solutions).

➢ Consulting for introduction of principles and mechanisms of good governance (otherwise, a missing but very necessary type of technical assistance to local administrations) is an exceptionally efficient means if it is:

a) Support to resolving of real problems,

b) More methodological in character, orientated to systematization and better use of already existing comprehensive knowledge and skills of people who are working in local governance,

c) It is based on the principle of assistance in solving of problems, and not on making of solutions instead of people from local governance.

➢ Creating of vision of municipal development and mission of key actors an at early phase of the project enables:

a) Opportunity for complete and quality cooperation of all interested local partners

b) Creating of new, development-orientated perspective of observing, especially among participants from local governance, otherwise occupied with solving of daily problems

c) Opportunity for very important achievement of consensus,

d) Significantly easier process of introduction of changes in upcoming phases.

➢ It is good to "tie up" the Code of good local governance with the vision and mission because it is just them that are giving complete meaning to the Code. Also, a comprehensive creating of the Code should be given to local participants as much as as possible (including significantly more representatives of the civil society) because by that, besides the quality and reality of the Code, a significantly higher level of obligation for its adoption and implementation is achieved. Adopting of Code in a due time (by consensus at municipal assembly/council) makes easier the upcoming steps of the process.

- ➤ Running of the project on basic principles of change management proved to be a step in the right direction.
- ➤ Success of the project, but also its sustainability, is depending on interest and quality of the internal municipal teams that are engaged in the project. It proved better that those teams are "spontaneously" formed along the process of project, rather than at the very beginning. Problem of their motivation should be solved in a more quality manner.
- ➤ Creative potentials exist which are not enough activated by the previous project. In new project's design solutions for encouraging of the competition spirit should be found (both within particular municipalities and among them) and potential innovations of the local participants.
- ➤ New project should be designed so that it enables achieving of results which will be smaller by volume, but of better quality, more attractive and measurable (so that at the end it is possible to "see and feel" quality improvement in performance of local governance.

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NEXT STEPS

Gained experiences in implementation of the "pilot project' point out to the need for creating of three following main project directions, designed to enable achieving of synergetic effects:

- ➢ I: Finalizing of the process of transformation of local governance in "pilot municipalities' into modern citizens' service , on concepts of managing of quality and partnership of the public and private sector;
- ➢ II: Expanding of approaches and results from the "pilot phase" onto four new municipalities by introducing basic principles and mechanisms of good local governance;
- ➢ III: Popularization of approaches and results from the "pilot phase" onto 15 - 20 new municipalities, in order to provide "critical mass" of the municipalities which started process of transition towards more transparent, efficient and user orientated local governance.