



Koninkrijk der Nederlanden



GOVERNANCE ACCOUNTABILITY PROJECT, PHASE II (GAP2)

THIRTEENTH QUARTERLY PROGRESS REPORT

For the period January 2011 through March 2011

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GAP2

Excellence in Local Governance

“With dedication and expertise, promoting excellence in local governance now and for the future.”

GOVERNANCE ACCOUNTABILITY PROJECT, PHASE II (GAP2)

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LIST OF ACRONYMS

CDPC	Community Development Planning Committee
CIP	Capital Improvement Plan (or Planning)
CIPS	Citizen Identification Protection System (BiH government body; after Fall 2008 named IDDEEA)
CPF	Capital Projects Fund
COE	Council of Europe
CSC	Citizen Service Center
CSPC	Civil Society Promotion Centre
DfID	UK Department for International Development
EC	European Commission
EKN	Embassy of the Kingdom of the Netherlands in Bosnia-Herzegovina
FBiH	Federation of Bosnia and Herzegovina
GAP2	Governance Accountability Project, Phase II
GIS	Geographic Information System
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (a technical assistance agency of the Federal Republic of Germany)
IABS	Integrated Accounting and Budgeting System [Software]
IDDEEA	Agency for Identification Documents, Registry and Data Exchange of BiH (former CIPS)
ILDLP	Integrated Local Development Project, a UNDP/Swiss Development Agency Program
IPA	EU Instrument for Pre-Accession Funding
ISO	International Organization for Standardization
IT	Information Technology
JMC	Joint Management Committee (USAID, Sida, EKN)
KRA	Key Results Area
LAN	Local Area Network
LEAP	Local Environmental Action Plan
LED	Local Economic Development
LI	Local Interventions
LSG	Local Self-Government
MA	Municipal Assembly (in the RS)
MAP	Municipal Action Plan
MC	Municipal Council (in FBiH)
MCI	Municipal Capacity Index
MOF	Ministry of Finance
MOJ	Ministry of Justice
MOLSG	Ministry of Local Self-Governance (RS)
MOU	Memorandum of Understanding
MTS	Municipal Training System Project, a UNDP/Sida project
MZ	Mjesna Zajednica (local community), a subdivision of a municipality
NGO	Non-Governmental Organization
OSCE	Organization for Security and Cooperation in Europe
OHR	Office of the High Representative
PCM	EU-standard Project Cycle Management
PERA	Peoples' Empowerment in Rural Areas, a Sida program
PMP	Performance Monitoring Plan
PPP	(MS) Power Point Presentation
POI	Public outreach initiative
RS	Republic of Srpska
RSNA	Republic of Srpska National Assembly (parliament)
Sida	Swedish International Development Cooperation Agency
SIPU	Swedish Institute for Public Administration
SOW	Scope of Work (or Statement of Work)
SNV	Netherlands Development Network

SPIRA	Streamlining Permits and Inspection Regimes Activities, a USAID program
STTA	Short-Term Technical Assistance (or Short-Term Technical Advisor)
TA	Technical Assistance
TARA	Tax Administration and Reform Activity, a USAID program
TCN	Third country national
UI	Urban Institute
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UPP	Urban Planning and Permitting
UPC	Urban Permitting Center
USAID	United States Agency for International Development
VNG	International Cooperation Agency of the Association of Netherlands Municipalities
WG	Working group

EXECUTIVE SUMMARY

During this quarter, GAP2 moved forward with implementation of its Year 4 work plan that was submitted to the JMC in November 2010. In February, the project received a formal modification to its scope of work, adding a number of new tasks and eliminating several that were no longer feasible. GAP2 held a work planning workshop in February to discuss the detailed implementation approach for the new activities and how best to integrate them with ongoing “core” activities. A revised Year 4 work plan was submitted to the JMC in mid-March.

In addition to its core activities, GAP2 now seeks to improve municipal management of communal service provision, the functioning of urban planning offices, implementation of municipal youth strategies, and implementation of the State Law on Gender Equality in select pilot municipalities. The modification also includes technical assistance to improve program budgeting at the local level and prepare pilot FBiH municipalities for the introduction of treasury operations as required by the Law on Treasury. The modification also reinforced the fact that ensuring sustainability of GAP2 initiatives will be a priority for the project in its final two years. During Year 4, GAP2 will draft a comprehensive exit strategy, formally identifying and preparing various stakeholders to assume ownership of ongoing GAP2 activities following the project’s closure. Working through an MOU, GAP2 will collaborate closely with the Sida-funded Capacity Development of Municipal Associations (CDMA) project, to prepare the two entity Associations of Cities and Municipalities to take over several GAP2 products/activities over the next two years. The team will also gauge the interest of mayors in participating in informal meetings where they will be able to express common municipal interests regardless of their party or entity affiliation. If interest is high, then GAP2 will organize forums for cooperation.

A number of the project’s new activities were also initiated in this reporting period and are included in the following detailed activity report.

Local Interventions

As noted above, in this quarter, the Local Interventions team began implementation of the new tasks added to GAP2’s scope of work. GAP2 will need to select pilot municipalities to receive targeted assistance in urban planning, program budgeting, communal service provision, treasury operations, youth, and gender. Therefore, initial activities focused on the design of relevant selection criteria and the screening of all partner municipalities in order to short-list candidates for inclusion in various in-depth needs assessments. The assessments will help the project determine the ideal pilot municipalities where success in the targeted areas can most likely be achieved in the remaining two years of the project. Once ideal pilot municipalities are identified, they will be submitted to the JMC for approval.

Under local interventions core assistance and MAP project implementation a total of 219 participants, of which 50 per cent were women, attended training events delivered by GAP2 on Local Environment Action Plans, Instrument of Pre-Accession Assistance, document tracking and document imaging, complaints procedure, and advanced features of IABS, including treasury.

Cohort 4 MAP scopes of work were prepared, approved by the JMC, and subsequently signed by GAP2 and partner Mayors; marking an important project milestone. Now the project can launch direct assistance to the final cohort of GAP2 MAP municipalities. GAP2 reform enabling material assistance allocated to implement the MAP projects set forth in the SOWs is approximately 964,101KM. An additional 104,854KM has been earmarked by beneficiary municipalities as cost-sharing.

Two highly visible and important openings took place during the reporting period – on January 12, the new municipal building and CSC/UPC in Fojnica was inaugurated and on February 22, the UPC in Jablanica was opened. Citizens and the local officials praised the GAP2 donors' contributions and GAP2's achievements in improving the municipal services.

Intense construction work for Cohort 3 capital projects was underway this quarter, and with the exception of Gračanica and Šipovo municipalities, all works are on schedule. These two municipalities will seek no cost extensions due to construction delays.

Nine Cohort 4 CIP municipalities – Bosanska Krupa, Domaljevac-Šamac, Ljubinje, Novi Travnik, Sapna, Vitez, Čapljina, Kotor Varoš, and Žepče – have selected their projects to be co-financed by GAP2. Environmental and financial management assessments were then conducted, and the municipalities have prepared and submitted project proposals to GAP2. Cohort 4 CDPC activities have been accelerated; all municipalities have adopted necessary documentation and have initiated media campaigns.

Policy Interventions

The policy interventions team continued work on activities specified in the Year 4 work plan. During this quarter, activities were concentrated on the Republic of Srpska (RS) Code of Inter-Governmental Relations, where productive meetings were held with stakeholders. The policy team also continued to advocate for key legislation, namely the Vital Records legislation, Law on Forests, and the FBiH Law on Employees in Local Self-Government. As a result, these laws were recognized by the new FBiH Government as high priority issues.

The policy team continued to work with local NGO BH Expert to gather data for the analysis of revenues in the RS. BH Expert is currently developing the PIT revenue sharing model and is expected to present its findings to the RS MOF in April/May.

The GAP2 COP and fiscal and policy advisor met with the RS Minister of Finance, Mr. Tegeltija, whereby the Minister agreed to initiate the drafting of the Law on Financing of LSG. GAP2 asked the Ministry to appoint members to a working group, and the project is awaiting a response. A meeting was held with the MOF Treasury Department to seek input regarding the introduction of treasury requirements and guidelines recommendations. Additionally, members of the policy and local interventions teams attended a series of workshops on municipal treasury operations that were organized by the FBiH Association and GIZ.

Monitoring and Evaluation

In this reporting period, GAP2 organized the last P-BMP survey for legacy municipalities related to municipal services. Based on the findings from P-BMP, GAP2 legacy municipalities significantly increased their efficiency in providing municipal services as measured by the Municipal Services Efficiency Index. Cohort 1 municipalities increased their efficiency by three times, while Cohort 2 municipalities increased their efficiency by 50 percent. Collectively, the waiting time for municipal services was reduced by more than 30 percent and by 10 percent in Cohort 1 and Cohort 2 municipalities, respectively. For some types of services, such as issuing of vital records, waiting time was reduced to 4 to 5 minutes, five times faster than the average as compared to the baseline.

Project Operations

During this reporting period, there have been several staffing changes. At the end of March, the JMC approved the promotion of Operations Director Dzenita Kolja to Deputy Chief of Party. Several positions, including a senior driver in Sarajevo and project administrator in Mostar were terminated as of January 15. The communications officer/interpreter position again became a full-time position starting March 1. With the addition of new activities to the project's SOW, the senior citizens' services specialist position again became full-time as of March 1.

ABOUT THE PROJECT

The Governance Accountability Project, Phase II (GAP2) is a \$30 million, five-year program co-financed by the US Agency for International Development (USAID), the Swedish International Development Agency (Sida), and the Embassy of the Kingdom of the Netherlands (EKN). GAP2 is implemented by Chemonics International and its partners, the Urban Institute, VNG International, SIPU International, and the Civil Society Promotion Centre (CSPC).

The purpose of the program is to provide technical assistance to strengthen democratic local governance in Bosnia and Herzegovina by dramatically and visibly improving the ability of municipalities to serve their citizens and to support a policy and fiscal framework which is conducive to accountable, democratic governance.

To achieve these objectives the project is comprised of two major components: *Local Interventions* and *Policy Interventions*. The Local Interventions component provides direct technical and material assistance to 41 legacy and 31 new partner municipalities to improve municipal service delivery, improve administration, and budgeting and financial management, and to improve municipal capacity to administer capital improvement projects. The Policy Interventions component works primarily through the two associations of cities and municipalities to provide technical assistance to parliamentary bodies and ministries at the state, entity, and cantonal levels of government. This component works to strengthen intergovernmental communication, promote responsible fiscal and functional decentralization, and improve municipal advocacy. Supporting these two major components are *Cross-Cutting Initiatives*, including efforts to increase municipal borrowing, develop a consultancy market, and promote gender equity in municipal governance. A robust, performance-based *Monitoring and Evaluation* system, including periodic surveying of citizen attitudes and rigorous analysis of municipal capacities, ensures that GAP2 is measuring progress towards its objectives.

Underlying this approach are four guiding principles. One, *to maintain the momentum of reform* developed under the first phase of GAP2 (2004-2007) and during the first and subsequent years of GAP2's second phase. During the first phase, GAP2 achieved exceptional results in creating a climate for reform, results on which the second phase of this program is building upon and expanding. Two, *to build institutional and technical sustainability* by improving the financial base and know-how in partner municipalities, strengthening their collective advocacy through the municipal associations, and laying the seeds for a dynamic local government consulting market. Third, *to foster local ownership of reform* by providing ample opportunity for stakeholder input into municipal decision-making, providing demand-driven assistance to legacy municipalities, and creating working groups and advisory committees with members from the community and civil society to help ensure that municipalities receive the assistance they need and want to achieve their goals. And four, *to facilitate effective communication* as a means of achieving project goals and institutionalizing reforms. This includes internal communication within municipalities, horizontal communication between municipalities, and vertical communication between municipal and higher levels of government.

As GAP2 strengthens the capacity of local governments to better serve their citizens, it is working towards a more rational and accountable system of governance throughout Bosnia and Herzegovina and pushing the country towards greater EU integration. In the following sections, we present GAP2's latest quarterly report, outlining the activities and accomplishments leading toward fulfillment of the project's goals and objectives.

GAP2'S LEGACY AND NEW MUNICIPALITIES

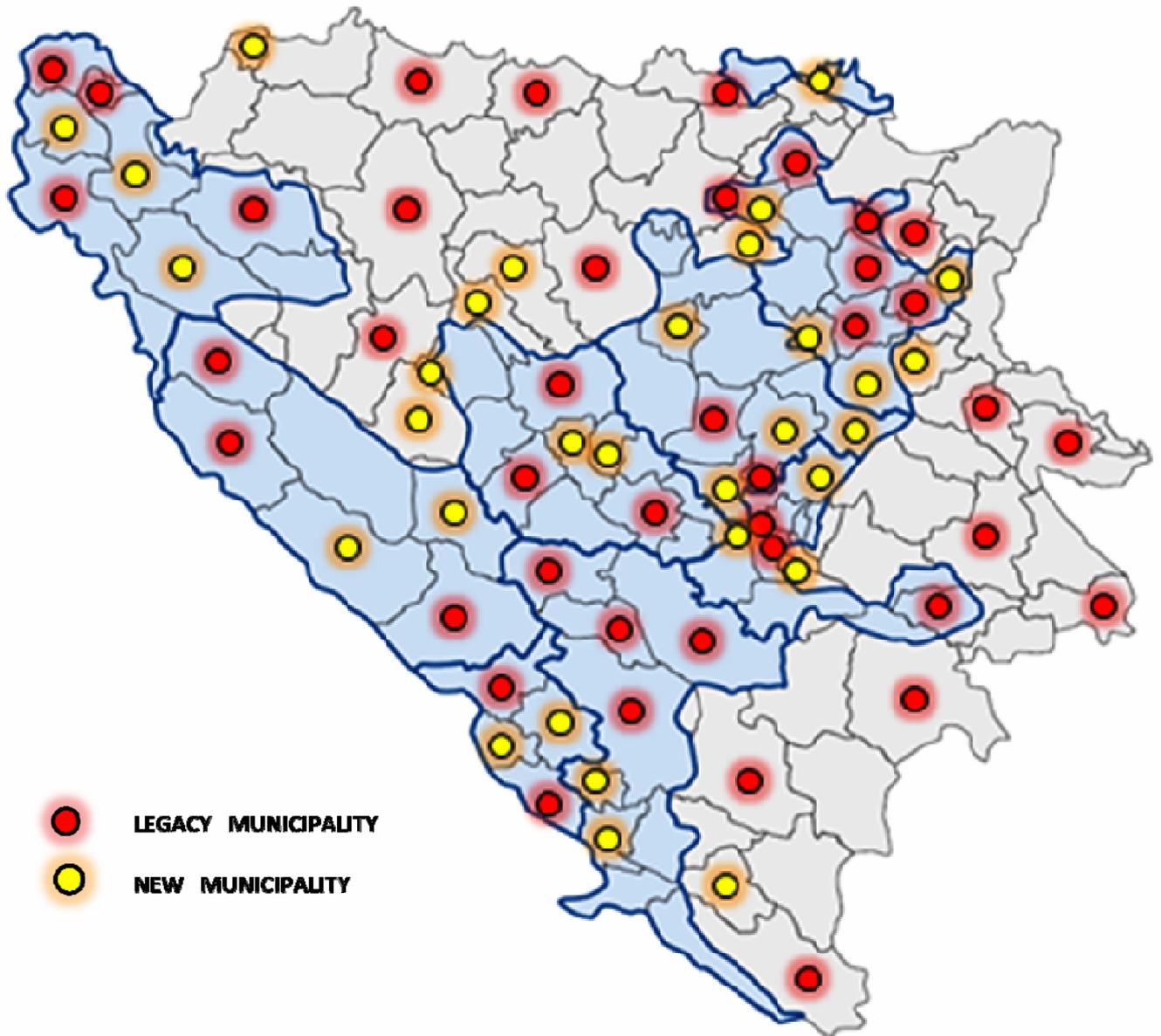


Figure 1 - GAP2 Partner Municipalities

SIGNIFICANT EVENTS OF THE QUARTER

LOCAL INTERVENTIONS:

- JANUARY 5: WORKSHOP IN FOJNICA ON COMPLAINTS PROCEDURE, COMMUNICATION TECHNIQUES, AND ROLE OF ADVISORY BOARD (see page 15);
- JANUARY 12: MAP AND CIP PROJECT INAUGURATION HELD IN FOJNICA MUNICIPALITY (CSC OPENING) (see pages 13 and 20);
- JANUARY 19: LEAP WORKING GROUP WORKSHOP HELD IN ŠIROKI BRIJEG (see page 16);
- JANUARY 25-26: GENDER SENSITIVE BUDGETING TRAINING HELD IN GRAČANICA AND NEVESINJE (see page 18);
- JANUARY 31: BOSANSKI PETROVAC MUNICIPAL COUNCIL ADOPTED INTERNAL COMMUNICATION STRATEGY (see pages 16 and 17);
- FEBRUARY 7-8: 1ST TWO-DAY MAP "IPA TRAINING" WAS HELD FOR ILIDŽA MUNICIPALITY (see page 16);
- FEBRUARY 10: MAP SOW SIGNED IN THE MUNICIPALITIES OF DOMALJEVAC-ŠAMAC AND SAPNA (see page 15);
- FEBRUARY 10-11: WORKSHOPS IN GENDER BUDGETING IN NEVESINJE AND GRAČANICA (see page 18);
- FEBRUARY 11: MAP SOW SIGNED IN THE MUNICIPALITIES OF ŽEPČE AND ŠEKOVIĆI (see page 15);
- FEBRUARY 22: OPENING OF UPC IN JABLANICA TOOK PLACE (see pages 13 and 14);
- FEBRUARY 28: MAP SOW SIGNING IN BOSANSKA KRUPA (see page 15);
- MARCH 1: SIGNED SOW ČAPLJINA (see page 15);
- MARCH 2: SIGNED MAP SOW IN KUPRES, KOTOR VAROŠ, AND KNEŽEVO (see page 15);
- MARCH 3: LEAP WORKING GROUP TRAINING HELD IN ŠEKOVIĆI (see page 16);
- MARCH 3: MAP SOW SIGNING IN KOSTAJNICA (see pages 14 and 15);
- MARCH 4: SIGNED MAP SOW IN GRUDE, NOVI TRAVNIK, VITEZ, VAREŠ AND OLOVO (see page 15);
- MARCH 7: SIGNED MAP SOW IN LJUBINJE (see page 14 and 15);
- MARCH 17: 1ST WORKSHOP ON "DEVELOPMENT OF LOCAL ENVIRONMENTAL ACTION PLAN" WAS HELD FOR OLOVO (see page 16);
- MARCH 17 & 22: TRAINING TO THE ASSOCIATIONS OF CITIES AND MUNICIPALITIES OF THE FEDERATION AND THE RS ON REVENUE DATA-BASE, BUDGET GUIDE AND CONSULTANCY DATABASE (see page 18);
- MARCH 22: FIRST LEAP ADVISORY BOARD WORKSHOP HELD IN ŠIROKI BRIJEG (see page 16);
- 22 AND 31 MARCH: TRAINING ON PRINCIPLES OF MODERN PROJECT MONITORING AND EVALUATION AS WELL AS MODERN PRINCIPLES OF CAPITAL PROJECT MANAGEMENT HELD IN SARAJEVO (see page 18);
- 23 AND 23 MARCH: TWO-DAY MAP "IPA TRAINING" WAS HELD IN KLDANJ (see page 16).

SIGNIFICANT EVENTS OF THE QUARTER

POLICY INTERVENTIONS:

- MEETINGS WITH RS OFFICIALS REGARDING THE CODE ON INTER-GOVERNMENTAL RELATIONS (see page 22);
- MEETINGS WITH THE NEW FBİH GOVERNMENT REPRESENTATIVES, NOTABLY THE MINISTER OF JUSTICE AND THE PRIME MINISTER OF FBİH GOVERNMENT (see page 22);
- LOCAL NGO, BH EXPERT, DEVELOPING THE PIT REVENUE SHARING MODEL; REPORT IS EXPECTED TO BE PRESENTED TO THE RS MOF IN APRIL/MAY (see page 22);
- SUPPORT THE DRAFTING OF RS LAW ON FINANCING OF LOCAL GOVERNMENTS (see page 22);
- ATTENDED, WITH LOCAL INTERVENTIONS TEAM, THE WORKSHOPS ON TREASURY INTRODUCTION ORGANIZED BY THE ASSOCIATION AND GIZ IN ORDER TO GATHER INPUTS FOR THE FRAMEWORK GUIDELINES THAT WILL BE DEVELOPPED FOR MUNICIPALITIES (see pages 22 and 23).

MONITORING AND EVALUATION:

- P-BMP QUARTERLY SURVEY REALTED TO MUNICIPAL SERVICES CONDUCTED (see pages 23 -25).

PROJECT OPERATIONS:

- OPERATIONS DIRECTOR DZENITA KOLJA WAS PROMOTED TO DCOP POSITION (see page 8);
- TWO STAFF MEMBERS LEFT THE PROJECT ON JANUARY 15; TWO LONG-TERM POSITIONS WERE BROUGHT BACK TO FULL TIME. THE NUMBER OF GAP2 STAFF AT THE END REPORTING PERIOD IS 32 (see page 8);
- ONE CONSULTANT FOR PUBLIC PROCUREMENT WAS APPROVED END OF MARCH FOR DURATION OF 25 DAYS DURING 2011 (see page 25);
- TWO VACANCIES WERE ADVERTISED DURING THE REPORTING PERIOD FOR SENIOR YOUTH AND GENDER SPECIALIST AND URBANISM SPECIALIST; RECRUITMENT PROCEDURE HAS BEEN CONDUCTED FOR BOTH POSITIONS, AND NEW STAFF WILL BE HIRED IN APRIL PENDING DONORS' APPROVAL (see page 25);
- MOSTAR OFFICE MOVED TO SMALLER PREMISE IN THE SAME OFFICE SPACE (see page 26).

SECTION I – ACTIVITIES AND RESULTS

A. LOCAL INTERVENTIONS

Municipal Action Plan (MAP) Process

On January 12, the Fojnica Citizen Service Center and new Fojnica municipal building were officially inaugurated, in front of around 1000 citizens and distinguished guests. The CSC is located in new municipal building, reconstruction and equipping of which was made possible



Figure 2 - Messer's Moon, Merdžanić, VanVoorst ribbon cutting for the new Fojnica CSC, January 12



Figure 3 - The new user friendly CSC and municipal building

through GAP2's CIP and MAP assistance (valued at 215,000 KM), combined with 160,000 KM from the OdRaz Foundation and 305,146 KM cost share from the municipality. Following the reconstruction, 16 staff were appointed to work at the citizen service center and info desk, and they attended various workshops to gain new skills on topics including process reengineering, customer service, and use of document tracking and management software, registry software, and info desk software. The municipality has been eager and passionate about its reform efforts which it believes will contribute to better organized and more transparent services, improved internal communication, and a more effective organization of its municipal departments. Furthermore, a coherent IT system allows for better cost-effectiveness of the entire municipal administration. The citizen service center directly serves approximately 12,000 citizens of the Fojnica municipality. Citizens can now go to one place to easily access and receive birth/marriage/death certificates, verification of copies, signature and authorizations, construction and urban permits, and business registration permits and take advantage of a fully equipped info desk that can provide all necessary information to its customers.

On February 22, an urban permit center (UPC) was inaugurated in the MAP legacy municipality of Jablanica. The new, modern UPC, comprised of two large offices and a separate citizens' entrance for urban permitting issues, is located adjacent to the citizens' service center and features modern equipment and well trained staff. The mayor of Jablanica expressed his gratitude to GAP2, and noted that all BiH municipalities and other levels of government should strive to support similar projects.

The mayor of Jablanica said of the new UPC, "GAP2 has been a reliable and trustworthy partner to the municipality of Jablanica for six years, and supported many changes, visible in terms of the way this building now looks, and less visible but substantially important in terms of skills and tools that improve our lives. We have learned to place our focus towards results and measurable improvements in our everyday work, and we are proud to see the change in the way our citizens look upon their local government"

The JMC, represented by H.E. Ambassador van Voorst of the Netherlands and USAID and Sida directors in Bosnia and Herzegovina, attended the opening of the UPC and expressed their satisfaction with the work that has been done to date and their hope for continued improvements in the municipality. Following the ceremony, JMC representatives and GAP2 staff were invited to attend a celebratory municipal council session, featuring a video highlighting the municipality's 2010 achievements.



Figure 4 – Jablanica urban permit center opened on February 22

MAP Scopes of Work Signed for Cohort 4 Municipalities

As noted in the previous quarterly report, MAPs were adopted by the municipal assemblies/councils in the 16 Cohort 4 partner municipalities. During this reporting period, GAP2 assisted the MAP working groups in producing scopes of work (SOW) that outline the roles and responsibilities of GAP2 and the municipality in the implementation of individual MAP projects, delineate timelines, and provide a detailed description of the material and technical assistance that will be provided to support the partner municipality's reform endeavors. In February, the draft SOWs were submitted to the JMC for review and approval.



Figure 5 - Figure: Signing SOW in Kostajnica, March 3



Figure 6 - Signing of SOW in Ljubinje, March 7

With support from the JMC and beneficiary municipalities, GAP2 finalized the SOWs which were subsequently signed by the partner-mayors. The signing of the SOWs represented an important formal step towards the concrete implementation of the demand-driven phase of GAP2's assistance to the final cohort of GAP2 partner municipalities. The Cohort 4 SOW signing ceremonies were held as follows:

- Bosanska Krupa on February 28, Kotor Varoš and Kneževo on March 2, and Kostajnica on March 3;
- Sapna and Domaljevac on February 10 and Šekovici and Žepče on February 11;
- Čapljina on March 1, Kupres on March 2, Grude on March 4, and Ljubinje on March 7; and
- Novi Travnik, Vitez, Olovo, and Vareš on February 4.

Following the signing of the SOW in Ljubinje, the mayor stated: "My gratitude goes to GAP2 and its donors for previous assistance improving the capacity of the municipal administration for offering services at the local level. This is the first project of this type to be implemented in our small municipality that combines a right mix of direct material assistance and capacity building of the local administration. In that sense, we are looking forward to realizing 5 MAP projects that include assistance to different areas in the municipality, and that for sure will build on and expand previous achievements, so important to us as an underdeveloped municipality."

The signing ceremonies were well-covered by media in all four municipalities. The mayors had many praises and positive remarks regarding the donors' assistance to their respective communities.

GAP2 estimates that approximately 964,101 KM in donor funds has now been committed for reform enabling material assistance such as software, hardware, equipment, and training for Cohort 4 through the end of the project. An additional 104,854 KM in cost-sharing will be contributed by the beneficiary municipalities.

Implementation of MAP Projects in Legacy and Cohort 3 Municipalities

Of 174 MAP projects in legacy municipalities, 166 (or 95.6 percent) have been completed to date.

In this reporting period, two MAP projects were completed, dealing with increasing IT management capacity in the municipalities of Rudo and Kakanj. Namely, the relevant municipal IT experts successfully completed courses dealing with IT systems management, thereby enabling them to provide better IT support to backstop service delivery and internal operation of their respective municipalities.

In order to accelerate the finalization of the remaining eight MAP projects in the legacy municipalities, GAP2 has intensified procurement of the software packages for urban permitting and legalization of illegal settlements. Delivery and training should be completed in the next reporting period.

Progress continued in the implementation of MAP projects in the 15 Cohort 3 municipalities, and implementation of some MAP projects also commenced in some of the 16 Cohort 4 municipalities:

- On January 5, GAP2 delivered complaints procedure, communication techniques, and role of advisory board training for the second group of municipal employees (14 participants – 8 men, 6 women) in Fojnica, as part of its MAP project "Building Capacity for Vital Records Sharing."

- On February 7-8 and March 22-23, GAP2 delivered training to Iliđa and Kladanj municipalities, introducing the instrument for pre-accession assistance (21 participants – 11 men, 10 women). The continuation of the training cycle is planned for the next quarter, as well as commencement of the training in Petrovo.
- On March 21, GAP2 delivered a draft report regarding improved permitting functions through department reorganization in Livno. The report is based on comprehensive interviews held in mid-January with the civil servants and municipal management. As stated by the Mayor, “the report identified strengths and weaknesses in the organization of two departments, and the report’s findings underpin the overall conclusions in regards to the improving the functioning of departments. The human resources of the municipality were also analyzed, with the aim to discern positive patterns and provide guidance for reform, drawing on the positive examples of other municipalities”.

Following the preparatory consulting workshops held in January 2011 (17 participants – 11 men, 6 women), on March 22, the first LEAP advisory board meeting / workshop was held in Široki Brijeg. A total of 28 participants (19 men, 9 women) were present, including cantonal representatives, the municipal council president, the deputy cantonal minister for environment, primary and high school teachers, public enterprises representatives, health care center representatives, and professors from Mostar University. Participants discussed development of the LEAP strategy, creation and implementation of the media campaign, SWOT analysis, and creation of the LEAP vision. Participants significantly contributed to the LEAP development process by presenting ideas based on their area of expertise.

At the LEAP event in Široki Brijeg, municipal council President Mr. Nedeljko Boksic stated: “GAP2 is leading a process which is fundamental for the development of Siroki Brijeg in terms of tourism and economy, but more importantly in terms of improving citizens lives, health, and well being.”



Figure 7 - LEAP Workshop Široki Brijeg

Mr. Borislav Zovko Head of municipal Urban Planning department stated: “This is a tremendous step, as you see all our local experts have gathered to support LEAP development. Natural resources of Široki Brijeg deserve a high level of protection, and LEAP is long due in our municipality. Prior to GAP2 partnership, we did not know where to start - the institutes developing LEAP were expensive and sometimes vague in terms of tailoring the strategies. With GAP2’s technical assistance, we are certain our LEAP will secure a healthy and safe environment for Široki Brijeg citizens.”

On March 3 and 17, LEAP technical assistance commenced for the Cohort 4 municipalities of Šekovići and Olovo (10 participants – 8 men, 2 women).

While delivery of assistance regarding improvement of internal communication to the Cohort 3 municipality of Bosanski Petrovac was completed in the previous quarter, on January 31, as a sign of sustainability, the municipal council adopted the municipal communication strategy, which incorporates an internal communication strategy developed with the assistance of GAP2. In addition to improving communication with citizenry, the strategy will

contribute to more organized and synchronized daily performance and improved overall efficiency of the municipal administration.

Additionally, in its effort to support ongoing MAP projects dealing with networking satellite offices and document scanning and imaging, GAP2 provided training to a total of 39 CSC municipal staff (17 men, 22 women).

Evaluation forms were collected for all completed MAP projects in legacy municipalities. MAP projects were evaluated on a scale from 1 (minimum) to 5 (maximum) by trainees and municipal officials, with resulting scores averaging at 4.6.

Improving Communal Service Delivery in Legacy and New Municipalities

During the reporting period, GAP2 developed the criteria for the selection of pilot municipalities, screened all Cohort 1–4 partner municipalities, and selected 20 municipalities (10 from the RS and 10 from the Federation) for participation in an in-depth assessment regarding municipal management of communal services. The process consisted of two phases. First, an initial questionnaire was sent to all partner municipalities in order to evaluate municipal readiness to participate in the project, municipal perception of a need to improve the municipal management of communal services providers, current municipal activism in this field, municipal measurements of citizens satisfaction with communal services, level of municipal interaction with the communal services providers including number of municipal staff dealing with this issues, budgetary support, and the municipal role in project proposals addressing donors funds for communal services improvement.

In the second phase, GAP2 filtered the municipalities which responded to the questionnaire utilizing information available in GAP2's archive, such as size, regional and entity representation, participation in the pilot projects or in MAP, selection of CIP projects addressing communal services improvement, political stability in municipality, level of municipal CSC and urban advisory board activism, and municipal effectiveness in implementation of similar technical assistance packages in the past. As a result, GAP2 selected the following municipalities to be included as part of an in-depth assessment that will take place early next reporting quarter. RS municipalities include: Bosanska Gradiška, Foča, Teslić, Nevesinje, Vlasenica, Srbac, Mrkonjic Grad, Šipovo, and Banja Luka. Federation of BiH municipalities include: Bihać, Cazin, Živinice, Gračanica, Travnik, Žepče, Čelić, Bosanska Krupa, Prozor-Rama, and Livno.

In the previous reporting period, GAP2 had been working with the two entities' municipal associations regarding finalization of transfer of ownership of the consultant database. The FBiH association is in the process of developing their new website which will ultimately include the GAP2-developed consultant database. During development of the technical specification for their new site, the association included a requirement on how GAP2's database will have to be integrated. It is expected that the association will choose the vendor soon and start implementation. A similar process, albeit at an earlier stage of website development, is underway in the RS association. GAP2 has ongoing and routine contact with the associations' personnel and has been coordinating effectively with the Sida-funded CDMA project to ensure the associations have sufficient capacity to assume ownership of the database.

Improving Administration, Budgeting, and Financial Management in Legacy and New Municipalities

As part of its efforts to assess municipal needs regarding the introduction of treasury operations in the FBiH, GAP2 has taken part in a series of workshops on treasury introduction that was organized by the Association of Cities and Municipalities of the FBiH

and GIZ (formerly GTZ). GAP2 learned that municipalities are still facing various problems and uncertainties regarding the Law on Treasury. In addition to valuable information garnered at these workshops, GAP2 has collected relevant treasury-related questionnaires from 46 municipalities. GAP2 plans to conduct an in-depth analysis in 16 of the municipalities in order to select the best 8 to 12 candidates to receive GAP2 assistance for preparing for introduction of treasury operations. While the list is still subject to change, the municipalities presently under consideration for inclusion in the in-depth assessment are: Bosanska Krupa, Bužim, Cazin, Čapljina, Goražde, Gračanica, Gradačac, Jablanica, Kakanj, Konjic, Livno, Travnik, Tuzla, Velika Kladuša, and Vogošća.

GAP2 has delivered additional trainings in advanced features of IABS, including the treasury function, to a total of 34 municipal staff (13 men, 21 women). Following completion of the treasury version of IABS and its provision to GAP2 partner municipalities which occurred in the previous reporting period, five partner municipalities – Travnik, Bihać, Čapljina, Ilijaš, and Cazin – are now using all of the features of the treasury IABS software. Although the necessary software is ready, there are still a number of obstacles to be addressed before municipalities can assume full treasury operations.

On March 3, GAP2 met with representatives of the Sida-funded CDMA project to discuss the best approach for transferring ownership of three important GAP2 products – municipal revenue profiles, the consultant database, and the Budget Guide – to the associations. In line with an approach agreed upon in the meeting, on March 17 in Sarajevo and on March 22 in Banja Luka, GAP2 provided on-site coaching to the respective associations regarding maintaining the Budget Guide, revenue profiles, and consultant database. The associations will need some further assistance in the next reporting period(s) to prepare for full ownership and maintenance of these products.

On January 25-26 and February 10-11, GAP2 organized gender responsive budgeting (GRB) training in order to provide follow-up assistance and ensure sustainability in two gender-budgeting trailblazer municipalities, Gračanica, and Nevesinje. The 40 participants (14 men, 26 women) included members of the municipal working groups for gender budgeting. The two municipalities presented their draft action plans at the training. Gračanica decided their first initiatives would focus on two aspects: women's involvement in sports clubs in the municipality and development of better policies for women in agriculture. In Nevesinje, the preliminary report on current gender issues was developed with very relevant and gender specific data. As a result, they decided that this year the municipality would focus on promoting initiatives that would involve more women in sport-related activities. The municipality also agreed that all of the municipality's strategic documents should be reviewed and modified to ensure alignment with the State Law on Gender Equality and that all municipal budgetary users during the budgetary cycle must submit a report that included gender-segregated data. GAP2 believes the experiences of the two trailblazers, as well as collaboration with UNIFEM and the entity gender centers will be invaluable to the project's forthcoming assistance related to implementation of the State Law on Gender Equality.

On March 22 and 31, in the context of the GAP2 assistance regarding improving public expenditure management, GAP2 delivered training on the principles of modern project monitoring and evaluation as well as modern principles of capital project management and control to the selected pilot municipalities of Mrkonjić Grad, Trebinje, Gračanica, and Travnik. Sixteen participants (8 men, 8 women) contributed to the lively discussion and exchange of ideas. The project received very positive feedback from participants on the quality and usefulness of this workshop. Exposure to modern techniques and new ideas from this workshop will enable participants to more efficiently manage capital projects and improve public expenditure management.

During this reporting period, the pilot municipality of Trebinje prepared its budget containing a graphical presentation of the expenditure side of the budget (i.e. expenditure “pie-charts”). This graphical presentation was included in the municipal assembly session materials with the goal of better informing councilors about the 2011 budget through more transparent and user-friendly budget documents. The assembly passed the budget for 2011, together with the graphical illustration and representation of functional, economic, and organizational classification of the budget.

Additionally, GAP2 developed criteria for the selection of 10 additional pilot municipalities to receive assistance in program budgeting and conducted a large scale needs assessment of the partner municipalities. Questionnaires were disseminated requesting information on transparency of the municipality’s budget documents, existence of budget committees within municipal councils/associations, advanced budgeting skills, municipalities' willingness to implement this activity, and existence of a valid and up-to-date municipal strategic planning document and CIP. Consequently, based on the analysis of the collected information, the municipalities Gradiška, Mrkonjić Grad, Teslić, Bužim, Srbac, Ljubuški, Bugojno, Jablanica, Konjic, Trebinje, Šekovići, Tuzla, Žepče, Banovići, Lopare, Visoko, Goražde, Ilidža, Novo Sarajevo, and Ilijaš have been selected for inclusion in an in-depth assessment of their capacity and willingness for support of program budgeting.

Introduce Modern Planning Principles to Municipal Development

GAP2 developed selection criteria for the pilot municipalities that will receive project assistance in the areas of improved urban planning offices, implementation of youth strategies, and implementation of the State Law on Gender Equality.

On March 7, GAP2 sent a letter to all GAP2 partner municipalities from Cohorts 1–4, informing them about the additional activity areas introduced in the SOW modification. Together with the letter, municipalities were invited to express interest in participating in the activity focused on implementing existing youth strategies. Interested municipalities completed a questionnaire that gauged a number of factors, including municipal willingness to participate in the project, number of youth organizations, and existence of a youth officer/youth commission. All 72 partner municipalities responded to the letter, and 67 municipalities expressed their strong interest and commitment to becoming a GAP2 partner municipality for implementing youth activities. From those 67 municipalities, GAP2 selected 37 to be included in a detailed on-site assessment that will take place during the next reporting period. All 72 partner municipalities also completed a questionnaire intended to assess municipal interest and needs related to implementing the State Law on Gender Equality. Sixty-five of the municipalities expressed interest in being part of the pilot group for gender-focused activities, and GAP2 selected 38 for inclusion in an on-site assessment to be conducted in April and May.

The municipalities selected for inclusion in the in-depth youth and gender assessments are: Kalesija, Čelić, Gradačac, Šekovići, Petrovo, Žepče, Kladanj, Gračanica, City of Banja Luka, Mrkonjić Grad, Gradiška, Srbac, Teslić, Kostajnica, Ribnik, Šipovo, Bihać, Velika Kladuša, Goražde, Fojnica, Vogošća, Rogatica, Foča, Trnovo, Rudo, Vitez, Vareš, Ilidža, Ilijaš, Jablanica, Bugojno, Konjic, Trebinje, Ljubinje, and Nevesinje.

Increasing Capacity of Municipalities to Administer Capital Improvement Projects

During this quarter several meetings were held with Cohort 1 and 2 municipalities – Vogošća, Trebinje, and Nevesinje – concerning completion of their capital projects. The JMC has approved their no-cost extension requests, extending implementation of the projects until approximately the end of May 2011. Given the progress to date, it seems that all projects will be implemented by the extended deadline.

Cohort 4 CIP municipalities have, during this quarter, selected projects to be sent for approval for GAP2 co-financing. Environmental and financial management assessments were conducted in all municipalities, following which staff were trained in project proposal writing. All municipalities have prepared feasible project proposals and have submitted them to GAP2 for approval.

Moreover, during this quarter, Cohort 4 CDPC municipalities have accelerated their CDPC processes in order to be able to select projects for co-financing by mid-2011. Municipal councils have adopted CDPC/CIP decisions and mayors have formed the coordination teams. A two-day training was held in municipalities, and coordination teams have adopted all necessary start-up documentation, including rule books, timeline, application form, criteria, and form of public announcement. Following the training and adoption of necessary documentation, municipalities started their public campaign and collection of the priority project proposals.

Lastly, the City of Mostar concluded an environmental and financial management assessment for its selected capital project, following the extension it received from the JMC. Subsequently, GAP2 delivered training on project proposal writing for two municipal staff. However, their project proposal has yet to be completed as the municipality is working to obtain a bill of quantities for equipment to be purchased for the project. The City of Mostar is currently working on this issue, and once the bill of quantities is provided, the application will be finalized and submitted to GAP2 for approval.

Four opening ceremonies, detailed below, were held in last three months in Fojnica, Novo Sarajevo, Konjic, and Čitluk.

1. As noted on the page 13 above, Fojnica municipality held a big opening event on January 12 for the completion of their capital project, “Interior construction of the new municipality building.” The project has allowed the municipality, for the first time, to own their municipal building premises and have sufficient office space to house all municipal departments within one building.



Fojnica Opening

2. Novo Sarajevo completed a project named “Rehabilitation of the International Children and Youth Centre; Creation of Career Development and Volunteerism Centre”, and held an opening ceremony on March 28. Expansion of the project increased the municipality’s cost-share significantly, from an initial 58.33 percent to 82.14 percent.
3. An opening ceremony for the project “Konjic City Museum” was held on February 3, with representatives from all three donors present. A total of 349,844 KM was invested in the project, 125,000 KM in GAP2 funds and 224,844 KM cost-share provided by the municipality of Konjic. The municipality has demonstrated its support for the sustainability of the museum. The Public Institution People’s University is temporarily



Konjic Museum Opening

managing the museum (one of the university's employees works at the museum), until the next municipal assembly session during which this task will be officially given to the university. The municipality plans to pay for the maintenance and upgrading of the museum through funds it regularly gives to the People's University (funds that will now be increased). In the near future, the municipality plans to organize and fund training for museum's curator as well as employ an additional museum staff member, thereby enabling the museum to extend its

opening hours on weekdays and begin staying open on weekends and holidays.

4. In Čitluk, capital projects entitled "Construction of the Surrounding Area of the High School" and "Construction of a Bus Station in Medjugorje" were completed and opened on January 20, in the presence of many citizens, donor representatives, and GAP2 staff. These projects were successfully completed with a total investment of 294,169 KM, 125,000 KM (42.5 percent) provided by GAP2, and 169,169 KM (57.5 percent) in cost-share provided by the municipality of Čitluk.

B. Policy Interventions

Introduction

The GAP2 Policy Interventions component continued work on activities specified in the Year 4 work plan submitted in November 2010 and initiated new activities as outlined in the February 2011 contract modification. The major tasks that were undertaken during this period include advisory meetings on the RS Code of Inter-Governmental Relations, advocating for key legislation (namely the Vital Records legislation, Law on Forests, and the FBiH Law on Employees in Local Self-Government (LSG)), continued work with local NGO BH Expert on data gathering for the analysis of revenues in the RS, setting the preliminary groundwork for drafting the RS Law on Financing of LSG, and research related to the introduction of treasury operations in the FBiH.

Strengthening Inter-Governmental Communication and the Capacity of Municipalities to Advocate Collectively

On March 3, GAP2's COP and Fiscal and Policy Advisor met with the President of the RS Association of Cities and Municipalities to discuss the Code of Inter-Governmental Relations. The association is willing to cooperate with GAP2 in drafting the Code, motivated in part by the fact that recently passed legislation, such as the Law on Real Rights and the Law on Cadastre, were not drafted in a way that benefit the municipalities to the greatest extent possible. The President of the association agreed that work on the Code is important, and an expert consultant would be beneficial to assist the existing working group. Selection of an appropriate short-term technical expert consultant is currently underway. Following the first meeting of the working group, the RS association requested that municipal governments and 4 ministries—the Ministry of Finance, Ministry of Education and Culture, Ministry for LSG, Ministry of Health and Social Protection—submit lists of the issues that they want to see regulated by the Code.

On March 4, GAP2's COP and Fiscal and Policy Advisor met with the RS Minister for Governance and Local Self-Governance (LSG), Ms. Lejla Resić, and her assistant, Mrs. Milanka Sopin. They are willing to help the RS association in drafting the Code and in

promoting information about the Code to the public. They pointed out the fact that the Law on LSG necessarily obligates higher levels of government to consult municipalities in the legislative process, but that the language as it currently exists is not strong enough. The Ministry is preparing a new Law on LSG that will contain significant changes, and they agreed to add a new paragraph specifying that inter-governmental relationships will be stipulated by the Code.

Policy Initiatives to Advocate for Vital Records Legislation

As outlined in the last Quarterly Report, the Vital Records legislation was passed by the FBiH Government and was forwarded to Parliament for adoption, due in part to the lobbying and advocating activities of GAP2. This legislation was forwarded to Parliament as an urgent procedure, but due to external factors, the legislation was not discussed during the last parliamentary session. Despite this setback, GAP2 continued its advocating and lobbying activities in this quarter. Once the FBiH Government was established following recent elections, the GAP2 policy team initiated several meetings with the new FBiH Minister of Justice and the Prime Minister of FBiH. As a result of these meetings, the FBiH Government determined that the Vital Records legislation does not need to be discussed in parliament again and should instead go directly through parliamentary procedure for adoption. At this time, the Vital Records issue has been incorporated into the official government's document platform.

Policy Initiatives to Operationalize Development Strategies for Pending Legislation

Once the FBiH Government was established following recent elections, the GAP2 policy team contacted the Ministry of Justice and Ministry of Finance in order to advocate for the drafted legislation on LSG that is currently pending entry into parliamentary procedure. During this reporting period, the GAP2 Policy Advisor participated in several meetings with the new Ministers to discuss the procedural dynamics for the pending LSG legislation. The Ministers acknowledged the importance of the issue and recognized that several legislative issues on which GAP2 has worked are currently high priorities for the FBiH Government, including the Law on Forests and the Law on Employees in LSG.

In this quarter, local NGO BH Expert continued development of the Personal Income Tax (PIT) revenue sharing model. As has been the case throughout this process, the GAP2 policy advisor was actively involved and provided necessary expertise. BH Expert's report on the model will be presented to the RS Ministry of Finance in April or May 2011. The goal is that the final results of their report, in collaboration with the RS Ministry of Finance, will greatly inform and influence the future Law on Financing LSG.

GAP2 identified a supportive counterpart in the RS Minister of Finance, Mr. Tegeltija, and initiated meetings and strategy sessions between the COP and Fiscal and Policy Advisor to discuss how best to support drafting the RS Law on Financing of Local Governments. The Minister embraced the idea of drafting the new Law, as he had been in favor of the idea while he was Mayor of Mrkonjić Grad. He noted that while ideally there should be one comprehensive Law regulating revenue sources instead of several disparate laws, the change would need to be made without altering the revenue distribution. GAP2 recommended that the Ministry appoint members to a working group to help push this issue forward.

Support Policy Reform for Introduction of Municipal Treasury Operations

During this reporting period, the GAP2 policy team and FBiH association conducted an unofficial meeting with FBiH MOF Treasury Department staff to seek input regarding the introduction of treasury requirements and guideline recommendations for municipalities. The

meeting was productive, and GAP2 received a range of recommendations that will be integrated into the guidelines being developed for municipalities to smoothly introduce the new treasury system and functions. The MOF also shared documents and bylaws with GAP2 that will be particularly useful for municipalities that will be used as pilots for producing guidelines for other municipalities.

Starting on March 15, members of both GAP2 component teams attended a series of workshops on municipal treasury operations that are being organized by the FBIH Association and GIZ. There are 8 workshops, the last of which is scheduled for April 15. The GAP2 teams will attend all of the workshops in order to better understand and present the legislation’s requirements for introducing treasury operations and to glean information about the current problems that municipalities are facing in the process. The gathered data will serve to inform both components’ activities and framework guidelines that will be developed together with the association for timely distribution to municipalities.

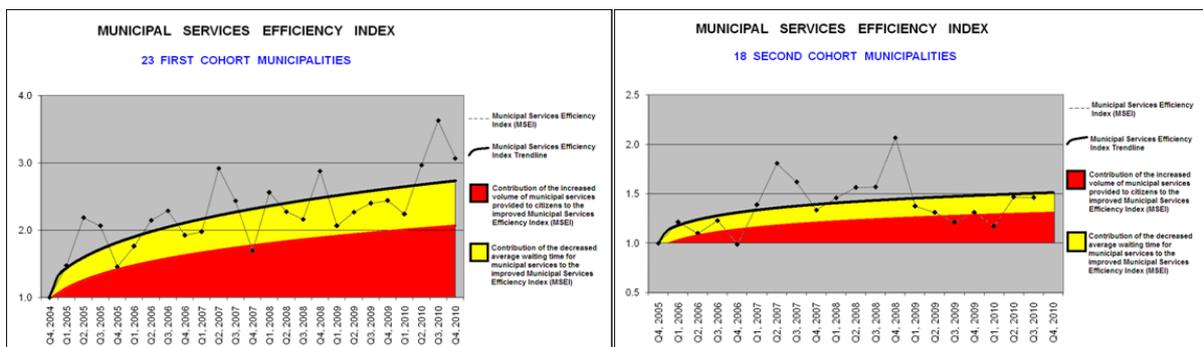
Other issues

On March 4, GAP2’s COP and fiscal and policy advisor met with the Director and Head of the Coordination, Education and Cooperation Department of the RS Gender Centre. The Gender Centre expressed interest and willingness to cooperate with GAP2 activities and shared information about their organization and mission with the GAP2 team (both components) in order to identify areas of overlapping work for potential future collaboration.

C. Monitoring and Evaluation

The last quarterly report noted that GAP2 legacy municipalities increased their MCI composite rating score from 52.6 to 68.1 points, an increase of 29.5 percent. That was the last MCI survey conducted in GAP2 legacy municipalities. In January 2011, GAP2 conducted the last P-BMP survey related to municipal services for legacy municipalities as a final record to complement the MCI data.

Based on the findings from the P-BMP survey, GAP2 legacy municipalities significantly increased their efficiency in providing municipal services as measured by the Municipal Services Efficiency Index. Cohort 1 municipalities increased their efficiency by three times, while Cohort 2 municipalities increased their efficiency by 50 percent.



The wait-time for municipal services was reduced by more than 30 percent among Cohort 1 municipalities, and by 10 percent among the 18 municipalities in Cohort 2. Further, for some

types of services, including the issuing of vital records, the wait-time was reduced to 4-5 minutes, which in this case is five times more efficient compared to the baseline.

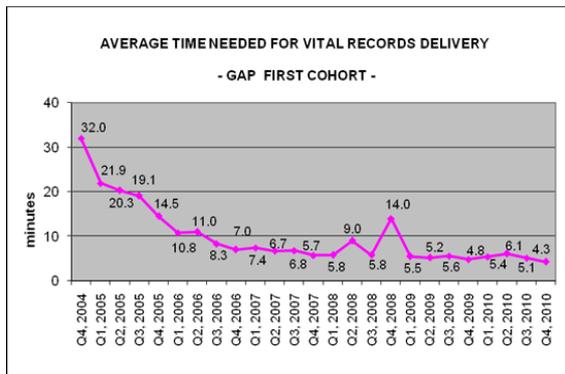


Figure 10

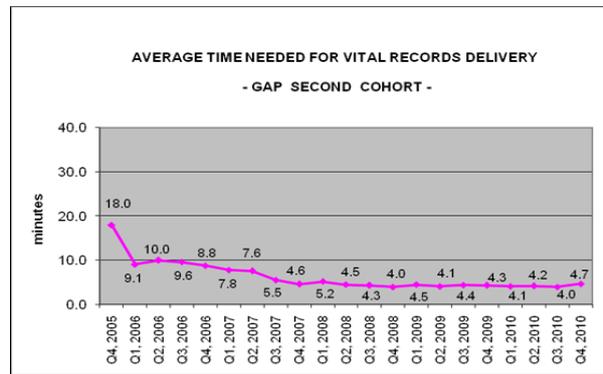


Figure 11

During this reporting period, the volume of municipal services provided to Cohort 1 municipalities doubled, and in Cohort 2 the volume of municipal services provided increased by 30 percent.

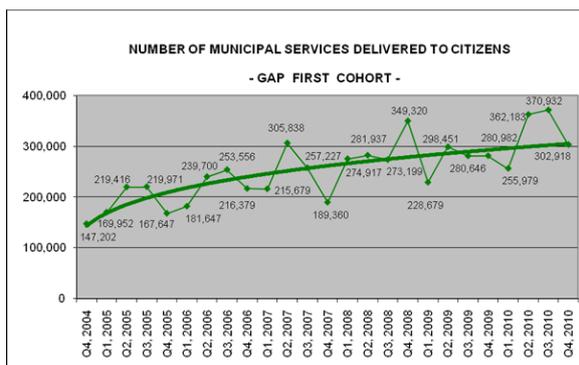


Figure 12

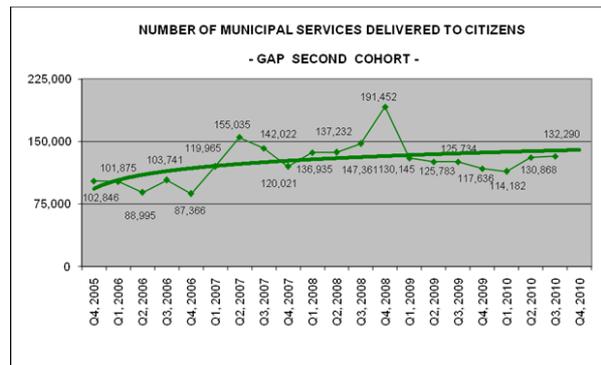


Figure 13

The number of complaints about municipal issues was reduced by 26 percent, and the percentage of complaints resolved increased from 26.2 percent to 58 percent, a significant increase of nearly 32 points. These results in particular display significantly improved accountability of local governance among GAP2 legacy municipalities.

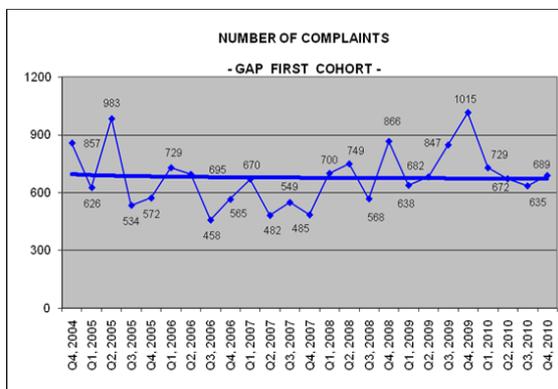


Figure 14

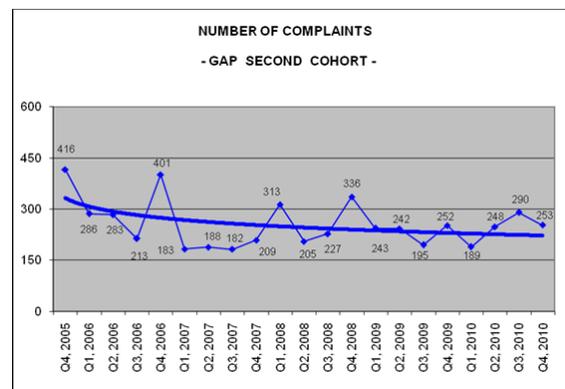


Figure 15

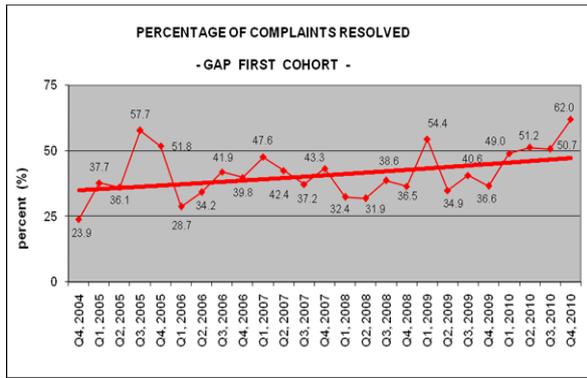


Figure 16

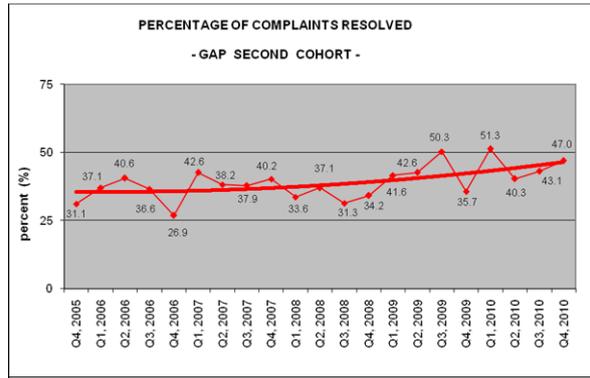


Figure 17

Overall, MCI ratings in legacy municipalities are rising; the number of services provided is increasing; service delivery times are decreasing; the number of complaints is shrinking; and the percentage of resolved complaints is rising. Given these positive changes are happening simultaneously, it is evident that municipal administrations in legacy municipalities are working more efficiently, and municipal leadership is generally more accountable and responsible. As GAP2 core assistance to legacy municipalities comes to an end, it is encouraging to see positive trends across all of these indicators.

D. Project Operations

With the introduction of GAP2's new contract modification, several staff titles were changed in order to more accurately reflect new responsibilities vis-à-vis the new activities, as well as to recognize the professional and technical growth of a number of staff who have served on the project for the last six years. Local Interventions Coordinators Tatjana Muhic, Anita Soče, Siniša Petrović, Tanja Mihajlović, Esad Smajlović, and Halko Basarić were promoted in title to Senior Local Interventions Coordinators; and the Municipal Budget and Treasury Specialist, Anesa Šehalić, was promoted in title to Senior Finance and Budget Specialist. Zlatan Music's title and technical focus shifted from Local Interventions Coordinator to Youth and Gender Strategy Advisor; Muris Čeljo's title shifted from IT/Procurement Specialist to Senior IT/Procurement Specialist; Vlasta Perla's title shifted from HR and Office Manager to HR Specialist/Office Manager; and Mirna Čolić's title shifted from Project Accountant to Finance Manager.

After serving informally in the role for the last year, Operations Director Dzenita Kolja was also promoted to Deputy Chief of Party.

During March, two vacancies were advertised for the new long-term positions of Youth and Gender Specialist and Urbanism Specialist. By the end of the reporting period, more than 80 applications were reviewed for both positions, and interviews were conducted. The recruitment procedure was concluded by the end of March and new staff members will be hired in April pending JMC approval. The number of GAP2 staff at the end of March is 32 (26 professional staff and 6 support staff).

Short-term CCN public procurement expert Mr. Hajrudin Buza was approved by the donors on March 31, for a total of 25 days of LOE during 2011.

The operations team assisted with the organization of one regional workshop during the reporting period - the LI B5 workshop that was held in March in the Hotel Grand and GAP2's conference room.

By the end of January, the GAP2 Mostar office downsized and moved into one of the previous three rooms used in its office. Following the move, the donors approved for surplus office furniture and equipment to be donated to a Social Services Center in Bugojno, an outfit that was previously a recipient of GAP2 CIP support. Following donors' approval, surplus furniture from the Sarajevo office was donated to the elementary school "Dositej Obradović" in Koraj, Milino Selo.

The total mileage for this reporting period was 28,612 kilometers, which comprises a total of 790,803 kilometers from the beginning of this phase of the project.

In the period January 1 to March 31, 2011, GAP2 covered the following events, which were also covered in various local media:

- January 20, 2011 – Opening of CIP project in Citluk, in the presence of the Director of USAID and Sida representative:
http://www.bihgap.ba/dokument_new/CIP%20Citluk.pdf
- January 20, 2011 – Preparation of LEAP with Siroki Brijeg Working Group:
http://www.sirokibrijeg.ba/index.php?option=com_content&task=view&id=1509&Itemid=96
- February 4, 2011 – Opening of CIP, Museum in Konjic, in the presence of the Director of Sida, Director of USAID and Dutch Ambassador:
http://www.bihgap.ba/dokument_new/04022011.pdf
- February 22, 2011 – Opening of UPC in Jablanica Municipality, in the presence of the Director of USAID, Dutch Ambassador and Sida representative:
http://www.bihgap.ba/bs/img_prikaz.asp?galID=galerija/jab2011
- In the period March 9-10, 2011, GAP2 participated in the Regional Municipal Fair – NEXPO, held in Sarajevo: http://www.bihgap.ba/bs/foto_gallery.asp

SECTION II - PERFORMANCE CHALLENGES

Regarding the implementation of capital projects, the City of Mostar failed to prepare the necessary project proposal to continue work with GAP2, as mentioned in GAP2's Quarterly Report #12. Numerous meetings have taken place with city officials, and more intense meetings and visits will be planned in the following month in order to accelerate the process and motivate officials to complete the proposal as soon as possible.

Due to the significant delay in the establishment of the FBiH Government following the BiH elections, the policy team had minimal time and opportunity to liaise with the FBiH MOF regarding their participation in efforts to prepare municipalities for the introduction of treasury operations. Thus, GAP2 focused its efforts in this regard on the association to kick-start the activity. Should the new Minister prove to be interested in this issue, GAP2 and the association will already have made some headway on this issue.

SECTION III - REPORTS AND DELIVERABLES

Date	REPORTS AND/OR DELIVERABLES	CITATION
February 2011	Consultancy Report on Capacity Building in the Field of Gender Responsive Budgeting for Municipalities in BiH	Work Plan, Annex A, PIS #88
February 2011	LEAP media campaign launched, logo and jingle adopted, Široki Brijeg	Work Plan, Annex A, PIS # 2
March 2011	Criteria for assessment of program budgeting municipalities	Work Plan, Annex A, PIS # 48
March 2011	Criteria for assessment of municipalities for targeted youth engagement activities	Work Plan, Annex A, PIS # 70
March 2011	Criteria developed for assessment municipalities for technical assistance to implement the state Law on Gender Equality (LGE) and/or Gender Action Plan	Work Plan, Annex A, PIS # 81
March 2011	Urbanism Management Consulting Report, Livno	Work Plan, Annex A, PIS # 2
March 2011	16 Cohort 4 MAP Scopes of Work	Work Plan, Annex A, PIS # 9
March 2011	Criteria developed for assessment municipalities for technical assistance to improve management of communal services	Work Plan, Annex A, PIS # 22
March 2011	Criteria developed for assessment municipalities for technical assistance in urban planning	Work Plan, Annex A, PIS # 61
Jan-March 2011	Four capital projects were inaugurated in Fojnica, Novo Sarajevo, Konjic and Čitluk	Work Plan, Annex A, PIS # 112

Note: All materials are available in the GAP2 offices.

SECTION IV - MAJOR ACTIVITIES PLANNED FOR NEXT QUARTER

LOCAL INTERVENTIONS

No.	Activity
1	Completion of the remaining MAP projects in legacy municipalities and implementation of the MAP SOWs in Cohort 3 and 4 municipalities
2	Conduct in-depth assessment and select the partner municipalities for improving municipal management of communal services
3	Performance audits and promotion of good practices of the CSC/UPC in Cohorts 3 and 4
4	Develop catalogue of assistance packages outlining specific areas for potential improvement of management of communal services
5	Conduct assessment of municipalities regarding treasury implementation and select partner municipalities
6	Develop users' manual and train in the municipal revenue production in each municipal association
7	Assess and select pilot municipalities for program budgeting, adapt existing methodology to the new partner municipality needs, to extend the assistance beyond initial four trailblazer municipalities
8	Conduct in-depth assessment and select partner municipalities for urban permitting
9	Produce catalogue of GAP2 technical and material assistance packages in urban permitting
10	Conduct in-depth assessment and select partner municipalities for assistance in implementation of youth strategies, sign SOWs with selected partner-municipalities
11	In-depth assessment and select partner municipalities for assistance in implementation of Law on Gender Equality and signing SOWs with the selected partner-municipalities
12	Work on administrative closing of all capital projects that received final payment.
13	Monitor implementation of the remaining capital projects in Cohort III municipalities in order to close them in time
14	Upon approval of the project proposals from CIP IV municipalities, prepare Agreements, provide training in financial and program reporting, and start monitoring project implementation
15	Work intensely with Cohort 4 CDPC municipalities on finalization of their CDPC/CIP activities and selection of the projects to be sent to GAP2 for co-financing approval, including provide training in project proposal writing and assist with proposal preparation
16	Work on finalizing/closing the remaining four capital projects that have not been completed from municipalities Vogošća, Nevesinje, and Trebinje

POLICY INTERVENTIONS

No.	Activity
1	Continue to advocate for the adoption of drafted legislation
2	Work with the municipal associations in presenting and proposing the Code to the new government
3	Support drafting of FBIH Law on Financing
4	Identify stakeholders for the work on the Law on Financing of Local Self-Governments
5	Organize stakeholder meetings to determine members of the working group
6	Organize the working group and hold the kick off meeting
7	Support drafting of treasury implementation guidelines
8	In conjunction with LI team, work with the FBIH association on producing the guidelines to municipalities regarding key problem aspects for the introduction of treasury operations.
9	Selected STTA will incorporate gathered comments into the Code (activity left from Jan-Mar 2011). Together with the RS municipal association, work on legal weight (compliance) of the Code of Intergovernmental Relations in RS and create lobbying strategy
10	Create working group and hold a kick off meeting (activity left from Jan-Mar 2011). Conduct research and prepare all relevant materials deemed necessary by the working group and the association for drafting RS Law on LG financing. Present gathered materials for use by the working group

MONITORING AND EVALUATION

No.	Activity
1	Preparation activities related to attitudinal survey on citizens' satisfaction with municipal services delivery and line services delivery
2	Preparation activities related to the municipal budgets performance indicators survey
3	Regular Semi-Annual P-BMP and MCI Survey

PROJECT OPERATIONS

No.	Activity
1	Monitor project expenditures against the projections to make sure they are in line
2	Continue to provide support to the procurement department
3	Regularly update the new webpage
4	Continue to successfully support all technical components of the project

ANNEX A

PERFORMANCE IMPLEMENTATION SCHEDULE AND PROGRESS

(Please see separate Excel file)

APPENDIX 1 - PROJECT IMPLEMENTATION STATUS

○ NOT YET STARTED
 ● ON SCHEDULE
 ● POSSIBLE ISSUE
 ● DELAY OR ISSUE
 ● COMPLETED

Activities and Tasks	Estimated percentage of completion	Status	Year 4 (2011)												Year 5 (2012)				NOTES	ACTION TAKEN
			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4		
Component 1. Local Interventions																				
Develop and implement municipal action plans (MAPs) in legacy and new municipalities																				
Legacy municipalities																				
1	Conclude administrative close-out of MAP projects for legacy municipalities	60%	●	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX											
Cohort 3 municipalities																				
2	Provide MAP technical assistance, implementation, and training for Cohort 3 municipalities	15%	●	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					
3	Conduct one-on-one training on M&E of technical assistance projects and consultancy management; promoting the consultancy market and assisting partner municipalities in own consultancy management using GAP consultancy management manual	15%	●			XXXX	XXXX	XXXX												
4	Complete procurement of second tranche of hardware, including equipment delivery, installation, training, implementation, and monitoring	0%	○					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
5	Complete procurement of software (including GIS software), including delivery, installation, and 3 levels of training (basic, advanced, and system administration)	0%	○					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					
6	Conduct performance audits and acceptance tests for relevant MAP projects	0%	○									XXXX	XXXX	XXXX						
7	Conclude Cohort 3 MAP projects and public campaigns (opening ceremonies, media coverage, etc.) highlighting MAP results; Score and sign M&E forms for Cohort 3 municipalities to evaluate overall project success	0%	○											XXXX	XXXX	XXXX	XXXX			
8	Conclude administrative close-out of MAP projects for Cohort 3 municipalities	0%	○													XXXX	XXXX			
Cohort 4 municipalities																				
9	Sign SOWs with Cohort 4 municipalities for MAP activities, followed by donor approval	100%	●	XXXX	XXXX															
10	Implement Cohort 4 MAPs, including technical and material assistance preparation, procurement, and delivery	5%	●		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
11	Train Cohort 4 municipalities on development of indicators, assumptions, and risks and implementation of those to existing log frames for project monitoring	0%	○				XXXX	XXXX	XXXX											
12	Conduct one-on-one training for Cohort 4 on M&E of technical assistance projects and consultancy management; promoting the consultancy market, and assisting partner municipalities in own consultancy management using GAP consultancy management manual	0%	○				XXXX	XXXX	XXXX											
13	Conduct one-on-one training for Cohort 4 on M&E of material projects including assessment of project cycle management, performance monitoring, and preparation of M&E plans	0%	○				XXXX	XXXX	XXXX											
14	Complete procurement of hardware, including equipment delivery, installation, training, implementation, and monitoring	0%	○						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
15	Complete procurement of software (including GIS software), including software delivery, installation, and 3 levels of training (basic, advanced, and system administration)	0%	○									XXXX	XXXX	XXXX	XXXX	XXXX				
16	Conclude Cohort 4 MAP projects and public campaigns (opening ceremonies, media coverage, etc.); Municipal workgroups score and sign M&E forms to evaluate overall project implementation success	0%	○													XXXX	XXXX	XXXX		
17	Conclude administrative close-out of MAP projects for Cohort 4 municipalities	0%	○														XXXX	XXXX		
Perform other cross-cutting MAP activities																				
18	Transfer to Municipal Associations the skills and knowledge to use, update, and maintain the consultancy database	100%	●	XXXX	XXXX	XXXX													Continuation of GAP's engagement likely, due to Associations' additional need related to new web-sites of the Associations	

Activities and Tasks	Estimated percentage of completion	Status	Year 4 (2011)												Year 5 (2012)				NOTES	ACTION TAKEN
			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4		
Component 1. Local Interventions																				
Sub-Component A: Improve service delivery in legacy and new municipalities (KRA 1.1)																				
Activity A.1: Enhance performance of municipal citizen services centers (CSCs) and urban permitting centers (UPCs)																				
19	Conduct CSC / UPC performance audits	0%	○						XXXX								XXXX	XXXX		
20	Three regional coordination meetings for CSC/UPC managers and IT administrators for exchange of best practices	0%	○						XXXX	XXXX	XXXX						XXXX	XXXX		
21	Use Municipal Fair, Association-led events, and the Government initiatives to promote the achievements, lessons-learned and importance of constant improvements of the CSC/UPC	0%	○				XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
Activity A.2: Improve municipal management of communal services in select municipalities																				
22	Develop criteria for selection of pilot municipalities; Formulate invitation letter and initial questionnaire; Develop an in-depth questionnaire	100%	●			XXXX														
23	Select approximately 20 municipalities for in-depth assessment	100%	●			XXXX														
24	Conduct in-depth assessment, including analysis of expenditure choices and optimum service standards. Within municipal administration, assess line services for which the municipality is responsible, identifying the main actors and their resources, financial statements, etc. Utilize questionnaires available in the CSCs to assess citizens' expectations regarding line services.	10%	●				XXXX	XXXX												
25	Conduct legal assessment to identify policy reforms necessary to improve municipal management of select communal services	5%	●				XXXX	XXXX												
26	Identify policy reform priorities	0%	○						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					This is ongoing, as obstacles may appear during implementation that were not identified during initial assessment.
27	Apply the standard Associations' procedure in place for initiating legal change (may include, in cooperation with GAP, drafting legislation, etc.)	0%	○							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
28	Select 8 to 10 pilot municipalities (propose, elaborate, to be approved by JMC)	10%	●				XXXX													
29	Prepare SOWs for JMC approval and mayors' signatures	0%	○						XXXX	XXXX										
30	Develop catalogue of assistance packages outlining specific areas for potential improvement produced	0%	○				XXXX	XXXX	XXXX											
31	Conduct baseline customer satisfaction survey and determine performance indicators	0%	○					XXXX	XXXX											
32	Produce municipal action plans for improvement of selected services	0%	○					XXXX	XXXX	XXXX	XXXX									
33	Work with municipalities to implement action plans	0%	○					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
34	Assist municipalities in producing a catalogue of municipal services, indicating the responsible company, its operations method (cost, frequency, contacts, procedure to obtain services and file complaint, etc.)	0%	○						XXXX	XXXX	XXXX	XXXX								
35	Collect and promote achievements and best practices	5%	●			XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		
36	Conduct customer satisfaction survey to measure impact	0%	○															XXXX		

Activities and Tasks	Estimated percentage of completion	Status	Year 4 (2011)												Year 5 (2012)				NOTES	ACTION TAKEN
			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4		
Component 1. Local Interventions																				
Sub-Component B: Improve administration, budgeting, and financial management in legacy and new municipalities (KRA 1.2)																				
Activity B.1: Maximize functionality and use of Integrated Accounting and Budgeting Software (IABS)																				
37	Monitor IABS use, maintenance, and implementation	15%	●	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX				
38	Promote the practice of regular IABS user groups meetings for exchange of experiences and utilization of the system's advanced features	15%	●	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX				
Activity B.2: Prepare select municipalities for introduction of treasury operations																				
39	Assess the willingness of the FBiH MOF to cooperate, and if willing to cooperate, sign MOU with FBiH MOF	15%	●			XXXXX	XXXXX	XXXXX												
40	Work with association on developing the framework documentation / guidelines for introduction of treasury that will be distributed to municipalities	15%	●			XXXXX	XXXXX	XXXXX	XXXXX											
41	Conduct assessment of municipalities regarding treasury implementation	10%	●			XXXXX	XXXXX	XXXXX												
42	Select a maximum of 10 pilot municipalities to receive technical assistance	0%	○					XXXXX												
43	Develop scopes of work, based on assessment result in each selected pilot municipality	0%	○						XXXXX	XXXXX										
44	Adjusting the framework documents for introduction of treasury to the specific needs of the selected partner-municipalities	0%	○							XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX				
45	Provide tailor-made training sessions to each pilot municipality	0%	○							XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	
Activity B.3: Improve budgetary information for municipalities																				
46	Through individual meetings, ensure smooth transfer of ownership of the Budget Guide to an outside agency, likely the Municipal Associations	100%	●			XXXXX	XXXXX													
Activity B.4: Optimize municipal own-source revenue																				
47	Through individual meetings with Municipal Associations, ensure their understanding of the importance of revenue-profile production and motivate their interest in undertaking the capacity for production of individual municipal revenue profiles	100%	●			XXXXX	XXXXX	XXXXX												
48	Develop and deliver User's Manual and training in the municipal revenue profile production in each municipal association (or outside agency)	80%	●					XXXXX	XXXXX											
Activity B.5: Support program and public expenditure management in select municipalities																				
49	Provide the Year III expenditure management trailblazer municipalities with a training in principles of modern project management, and monitoring and evaluation of project implementation. These municipalities (Mrkonjic Grad, Trebinje, Gračanica and Travnik) were selected for this activity last year and have been involved previously in the activities related to graphical budget reporting (expenditure side).	100%	●			XXXXX	XXXXX													
50	Liaise with the municipal associations on exchange of experiences and promotion of the program budgeting from the four Year III program budgeting trailblazer municipalities (Gračanica, Gradačac, Nevesinje, and Sapna) to other municipalities	10%	●			XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX				
51	Develop criteria for selection of 10 pilot municipalities in program budgeting	100%	●			XXXXX	XXXXX	XXXXX												
52	Assess and select (with approval from JMC) 10 pilot municipalities	50%	●				XXXXX	XXXXX	XXXXX											
53	Identify municipal services in each of the selected municipalities that can be shown as programs; Sign SOWs with municipalities.	0%	○						XXXXX	XXXXX	XXXXX									
54	Adapt existing methodology to municipal needs in order to extend program technical assistance beyond initial trailblazer municipalities	10%	●				XXXXX	XXXXX	XXXXX	XXXXX										
55	Identify organizational obstacles in the process of successful implementation of program budgets in accordance with newly adapted methodology and propose organizational changes	0%	○							XXXXX	XXXXX	XXXXX	XXXXX							
56	Provide the selected program budgeting municipalities with a training in principles of modern project management, monitoring and evaluation of project implementation and full usage and advanced application of the reservation IABS module to enhance their expenditure management skills	0%	○								XXXXX	XXXXX	XXXXX	XXXXX						
57	Facilitate exchange of the lessons-learned from the Year III expenditure management trailblazer municipalities onto the program budgeting partner municipalities, via peer-to-peer mentoring and regional events.	0%	○									XXXXX	XXXXX	XXXXX	XXXXX					
58	Train the budget office, heads of municipal departments, municipal councilors, and other relevant budget users in the program budgeting process. This training will be also offered to the four Year III program budgeting trailblazer municipalities.	0%	○										XXXXX	XXXXX						

Activities and Tasks	Estimated percentage of completion	Status	Year 4 (2011)												Year 5 (2012)				NOTES	ACTION TAKEN
			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	Q1	Q2	Q3	Q4		
Component 1. Local Interventions																				
Activity D.2: Fund and oversee implementation of selected capital improvement projects																				
Mostar																				
101	Determine eligibility and conduct feasibility analysis and environmental assessment	90%	●			xxxx													Lack of bill of quantities for equipment to be purchased	
102	Submit project to JMC for approval	0%	○				xxxx													
103	Prepare and sign co-financing agreement. Conduct financial and programmatic reporting and project implementation training	0%	○					xxxx												
104	Oversee implementation of project(s)	0%	○					xxxx	xxxx	xxxx	xxxx	xxxx	xxxx							
Cohort 3																				
105	Oversee implementation of projects	ongoing	●	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx							
Group 1: CIP municipalities																				
106	Select projects to be co-funded by GAP	100%	●	xxxx																
107	Determine eligibility and conduct feasibility analysis and environmental assessment	100%	●		xxxx															
108	Ensure submission of all proposals for consideration	100%	●			xxxx														
109	Ensure finalization of project proposals and submit to JMC for approval	0%	○				xxxx	xxxx												
110	Prepare and sign co-financing agreement. Conduct financial and programmatic reporting and project implementation training	0%	○					xxxx												
111	Oversee implementation of projects	0%	○					xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx			
Cohort 4																				
Group 2: Non-CIP municipalities																				
112	Select projects to be co-funded by GAP	0%	○					xxxx												
113	Determine eligibility and conduct feasibility analysis and environmental assessment	0%	○						xxxx											
114	Ensure finalization of project proposals and submit to JMC for approval	0%	○						xxxx	xxxx										
115	Prepare and sign co-financing agreement. Conduct financial and programmatic reporting and project implementation training	0%	○								xxxx									
116	Oversee implementation of projects	0%	○								xxxx	xxxx	xxxx	xxxx	xxxx					
Activity D.3: Evaluate capital projects																				
Cohort 3																				
117	Evaluate projects following conclusion of direct CIP assistance to Cohort 3 municipalities	0%	○										xxxx	xxxx	xxxx					