



Koninkrijk der Nederlanden



# GOVERNANCE ACCOUNTABILITY PROJECT, PHASE II (GAP2)

## FOURTEENTH QUARTERLY PROGRESS REPORT

For the period April 2011 through June 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

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CDMA	Capacity Development Municipal Association, a Sida-funded project
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 and Herzegovina
FBiH	Federation of Bosnia and Herzegovina
GAP2	Governance Accountability Project, Phase II
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (the 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
P-BMP	Performance-Based Monitoring Plan
PCM	EU-standard Project Cycle Management
PERA	Peoples' Empowerment in Rural Areas, a Sida program
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
SNV	Netherlands Development Network

SOW	Scope of Work (or Statement of Work)
SOGRS	Association of Cities and Municipalities of Republika Srpska
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
UPC	Urban Permitting Center
UPP	Urban Planning and Permitting
USAID	United States Agency for International Development
VNG	International Cooperation Agency of the Association of Netherlands Municipalities
WG	Working group

## EXECUTIVE SUMMARY

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GAP2 was exceedingly busy this quarter, as many activities from the original SOW are in the final stages of implementation and assessment and selection of pilot municipalities to participate in new activities introduced in GAP2's Year 4 work plan are well underway. Additionally, governments and parliaments were formed in both the FBiH and RS, enabling the GAP2 policy team to intensify its activities.

### Local Interventions

Highlights from this quarter's Local Interventions component include:

- Conclusion of MAP implementation in Cohorts 1 and 2 partner municipalities following completion of the final 8 (of a total of 174) MAP projects. These final eight MAP projects focused on improving urban permitting processes through the installation and training in the use of software to allow for the legalization of illegal settlements.
- From March-May 2011, GAP2 carried out an extensive analysis of all 72 partner municipalities and identified 34 municipalities as suitable beneficiaries for the implementation of new project activities designed to achieve a number of important new project goals as introduced in the Year 4 work plan.
- At its June 27 session, the RS Government formally endorsed the signing of the MOU between the RS Gender Center and GAP2. The MOU, signed subsequently by the two parties, regulates the roles and responsibilities of the each party in order to implement the Law on Gender Equality and subsequent regulations at the local level.
- GAP2 formally transferred ownership of the local government consultancy database, municipal revenue profiles, and the Municipal Budget Guide to the RS and FBiH Associations of Cities and Municipalities at a donor coordination meeting in Sarajevo held on June 8.

Cohort 4 municipalities' CIP project proposals were approved by the JMC, and eight municipalities signed co-financing agreements. Eighteen capital projects, with a total value of KM 2.711 million (KM 1 million financed by GAP2) were launched in the following municipalities: Čapljina, Sapna, Domaljevac, Žepče, Novi Travnik, Vitez, Kotor Varoš, and Bosanska Krupa.

### Policy Interventions

Continuing its work on the activities specified in the Year 4 work plan, highlights from this quarter's Policy Interventions component include:

- The policy team engaged a short-term technical consultant to support the working group to finalize the RS Code of Inter-Governmental Relations.
- In the FBiH, the policy team continued to advocate for the Vital Records Law, Law on Electronic Document, the Law on Forests, the Law on Concessions and the FBiH Law on Employees in Local Self-Government. As a result of GAP2 assistance, the Vital Records legislation and the Law on Concessions are now before Parliament.

- The policy team assisted local consulting firm BH Experts and the RS Association of Cities and Municipalities to analyze municipal revenues in the RS with the aim of developing a municipal revenue allocation model. This analysis was presented at the Second Conference of Deputy Mayors for Finance on June 9-10.
- As a result of a meeting with the GAP2 COP/Policy Director and Fiscal Advisor, the FBiH Minister of Finance Ante Krajina agreed to sign an MOU defining cooperation in the areas of revenue allocation and treasury operations at the municipal level. Specifically, the Ministry of Finance will initiate the creation of a working group that will analyze public revenues in the FBiH and propose legislative improvements.
- GAP2 signed an MOU with the CDMA project on May 11, 2011, outlining how CDMA's work plan for institutional strengthening objectives will be integrated with GAP2's municipal association activities and GAP2's strategy to improve the sustainability of its institutional capacity-building work with municipal associations. The MOU between CDMA and GAP2 marks the completion of a contract deliverable outlined in the GAP2 Contract Modification and Year 4 work plan.

### **Monitoring and Evaluation**

GAP2 completed the P-BMP and MCI Survey and submitted a separate report on the survey. This was the last P-BMP and MCI survey for legacy municipalities and the final results are very favorable. These results are directly linked to GAP2's expected results/deliverables. More details are presented in the Annex D of this report.

GAP2 is also conducting two additional surveys which are directly linked to GAP2's expected results/deliverables. The first survey is the project's annual attitudinal survey (poll) to measure citizens' satisfaction with municipal administrative service delivery. The second survey is related to citizens' satisfaction with communal services (line services) in order to obtain baseline results for the project's new activity introduced in the Year 4 work plan: Improve municipal management of communal services in select municipalities (LI/A2).

Finally, GAP2 is currently conducting its annual survey on municipal budget indicators from the P-BMP and closely connected to the GAP2's expected results/deliverables.

### **Project Operations**

During this reporting period, several staffing changes occurred. Two vacant positions were filled: Mr. Admir Vranić was hired as a Youth and Gender Specialist, and Ms. Subhija Ponjavić, who previously worked for GAP2 in a different capacity, joined the project in the capacity of Urbanism/Spatial Management and Planning Coordinator. Ms. Anita Soče, Mostar Senior Local Interventions Coordinator resigned from GAP2. Her last working day was June 27. Her position will not be filled and the Mostar Municipal Coordinator will assume the duties of the Local Interventions Coordinator. The project does not anticipate Ms. Soče's departure will negatively impact project implementation.

The GAP2 procurement team visited the 41 legacy municipalities and conducted inventory check-ups in order to determine proper usage of GAP2 equipment prior to submitting an approval request to the JMC to formally transfer ownership of the equipment to the municipalities.

## ABOUT THE PROJECT

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The Governance Accountability Project, Phase II (GAP2) is a \$30 million, five-year program co-financed by the U.S. 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, municipal administration, and budgeting and financial management, and to improve municipal capacity to plan for and administer capital improvement projects. A February 2011 SOW modification added activities in select pilot municipalities for improving municipal management of communal service provision, preparing for the introduction of municipal treasury operations in the FBiH, improving spatial and urban planning, helping implement youth engagement strategies, and ensuring successful implementation of the Law on Gender Equality. 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. New activities include addressing policy obstacles to improved municipal management of communal service provision, improved spatial/urban planning, and the introduction of municipal treasury operations in the FBiH; ensuring cooperation with the Sida-funded CDMA project; and developing a comprehensive GAP2 exit strategy. 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 GAP (2004-2007) and during the first and subsequent years of GAP2. During the first phase, GAP 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. Three, *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 PARTNER MUNICIPALITIES

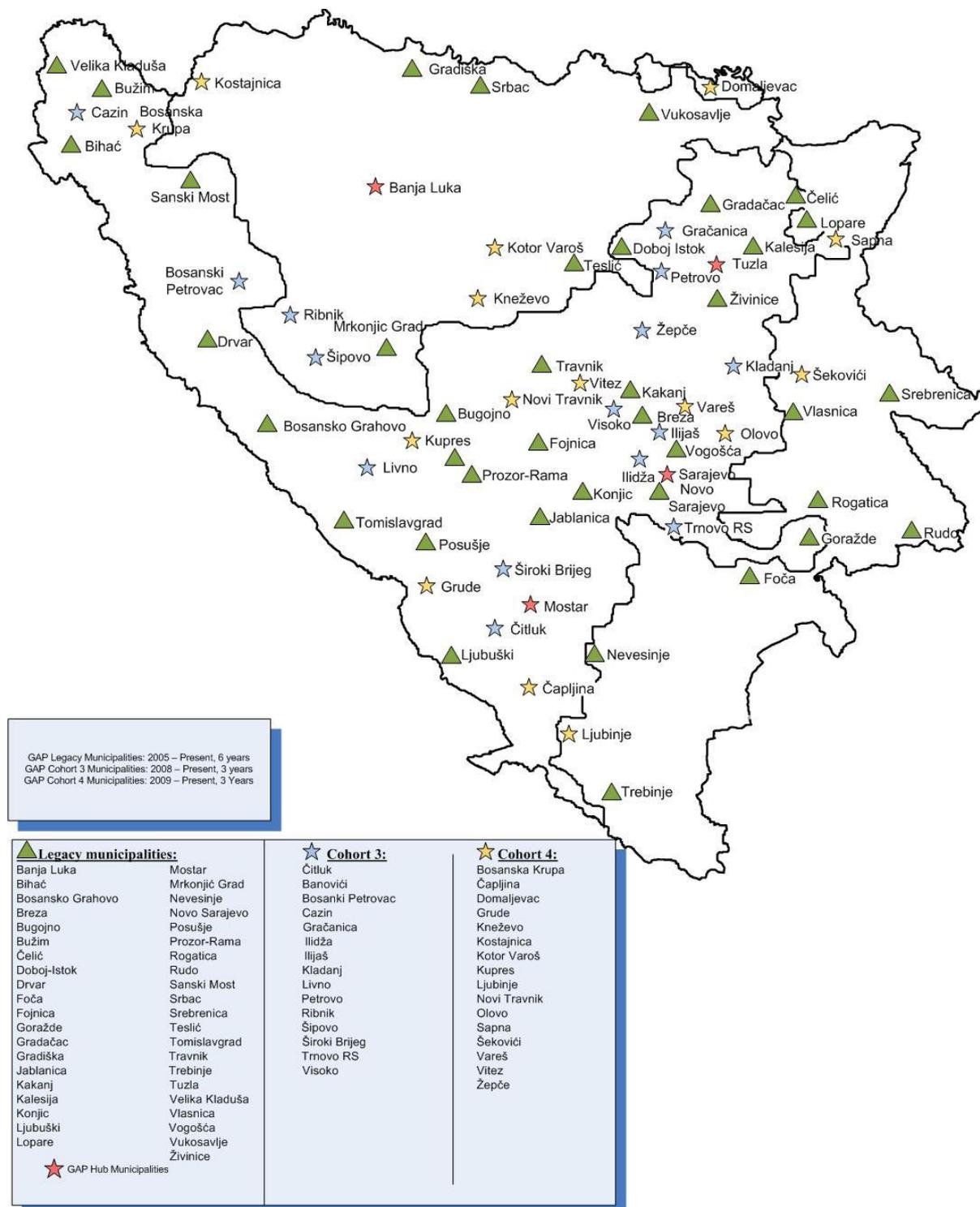


Figure No. 1 GAP2 Partner Municipalities

## SIGNIFICANT EVENTS OF THE QUARTER

### LOCAL INTERVENTIONS:

- APRIL 20: OPENING CEREMONY OF THE RECONSTRUCTED MUNICIPAL BUILDING HELD IN LIVNO MUNICIPALITY (see pages 13 and 18);
- JUNE 18: DONOR COORDINATION MEETING INCLUDING FORMAL HANDOVER OF GAP2 PRODUCTS TO THE TWO ENTITY ASSOCIATIONS OF CITIES AND MUNICIPALITIES (see page 16);
- GAP2 COP VISITED ČAPLJINA, SAPNA, DOMALJEVAC, ŽEPČE, NOVI TRAVNIK, VITEZ, KOTOR VAROŠ, BOSANSKA KRUPA AND SIGNED CAPITAL PROJECTS CO-FIANANCING AGREEMENTS (see page 18).

### POLICY INTERVENTIONS:

- JUNE 10: MEETING WITH THE FBIH MINISTER OF FINANCE WHERE ACTIVITIES RELATED TO THE FUTURE LAW ON FINANCING IN THE FEDERATION AND TREASURY OPERATIONS AT THE MUNICIPAL LEVEL WERE DISCUSSED. IT WAS AGREED TO SIGN A MOU THAT SHOULD REGULATE THE RELATIONSHIP BETWEEN THE MINISTRY AND GAP2 (see pages 19 and 20);
- SELECTION PROCESS FOR STTA, MR. GORAN DUKA, TO HELP FINALIZE THE RS CODE, (see pages 18 and 19);
- MAY 11: MOU BETWEEN GAP2 AND CDMA SIGNED (see page 19).
- MAY 18: VITAL RECORDS LAW ENTERED PARLIAMENTARY PROCEDURE AND WAS DISCUSSED AND ADOPTED IN DRAFT FORM BY HOUSE OF REPRESENTATIVES. HOUSE OF PEOPLES ADOPTED THE DRAFT LAW IN JUNE (see page 19);
- JUNE 22 AND 23: FBIH CIVIL SERVICE AGENCY AND MINISTRY OF JUSTICE HELD A CONFERENCE WITH OSCE SUPPORT TO DISCUSS THE LEGAL FRAMEWORK FOR PUBLIC SECTOR EMPLOYEES (see page 19);
- BH EXPERTS PRESENTED THE MUNICIPAL REVENUE ANALYSIS IN THE RS (see page 19);

### MONITORING AND EVALUATION:

- QUARTERLY P-BMP AND MCI SURVEY CONDUCTED (see page 20);
- ATTITUDINAL SURVEY CONDUCTED IN 80 MUNICIPALITIES (see page 20);
- SURVEY ON MUNICIPAL BUDGETS PERFORMANCE INDICATORS CONDCUTED (see pages 20 and 21).

### PROJECT OPERATIONS:

- TWO NEW TEAM MEMBERS HIRED: ADMIR VRANIĆ, YOUTH AND GENDER SPECIALIST AND SUBHIJA PONJAVIĆ, URBANISM/SPATIAL MANAGEMENT AND PLANNING COORDINATOR (see page 21);
- PROCUREMENT AND INSTALLATION OF OUTSTANDING ITEMS FOR LEGACY MUNICIPALITIES COMPLETED (see page 22);
- INVENTORY CHECK-UP CONDUCTED IN ALL 41 LEGACY MUNICIPALITIES (see page 22);
- TWO VOLUNTEERS, COLLEGE STUDENTS, JOINED GAP2 TO ASSIST WITH CREATION OF DIFFERENT TRACKERS, SPREADSHEETS AND REVIEW OF SUCCESS STORIES (see page 21).

## SECTION I – ACTIVITIES AND RESULTS

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### A. LOCAL INTERVENTIONS

#### Introduction

During this reporting period, the Local Interventions team completed a significant number of activities related to various MAP projects, CSC/UPC performance audits, and improving budget and financial practices. The GAP2 team has also been working with select partner municipalities on detailed SOWs outlining collaboration in the new areas of assistance introduced in the Year 4 work plan. Details of the most important activities are presented below, while the work plan schedule and progress report are detailed in Annex A. All GAP2 trainings and workshops delivered during this reporting period are listed in Annex C.

#### Municipal Action Plan (MAP) Process

From May 30 to June 9, GAP2 completed the installation of permitting/legalization software in GAP2 Cohorts 1 and 2 municipalities Vogošća, Srbac, Ljubuški, Velika Kladuša, Bosansko Grahovo, and Gradiška. This software is now operational, and relevant municipal staff have completed the software user training. This represents the last step in the completion of GAP2's involvement in MAP projects related to improving urban permitting processes in Cohorts 1 and 2 municipalities. The processes will now be automated and streamlined, which in turn will reduce permitting time, improve customer service and staff efficiency. However, the municipality of Posušje has a few outstanding tasks to perform, such as software procurement, before the project is officially completed. Citing financial constraints as the main reason behind this delay, the municipality will continue with implementation and procurement of software as the financial situation improves. GAP2 will continue its presence in the municipality and monitor the progress.

Other than Posušje, Breza is the only remaining legacy municipality which has not formally closed its MAP project (in the area of "Increasing IT Management Capacity"). According to their training schedule, this project will be completed by the end of Q3 2011.

In the past three years of GAP2's MAP assistance, the legacy municipalities significantly improved their services and management capacities in the following areas<sup>1</sup>:

- Electronic Urban Permitting;
- Increasing IT Management Capacity;
- Networking Satellite Offices with the CSC;
- Document Scanning and Imaging, Development of Electronic Library;
- Location marketing – Development of a Plan for Attracting Investments;
- Establishing of the Municipal Unit for Managing Development;
- International Standards in Project Proposal Development; as well as
- Introduction to the Instrument for Pre-Accession Assistance (IPA).

In this reporting period, two MAP projects were successfully completed in the Cohort 3 municipalities, bringing the total of the completed MAP projects in Cohort 3 to nine (out of a total of 62 projects).

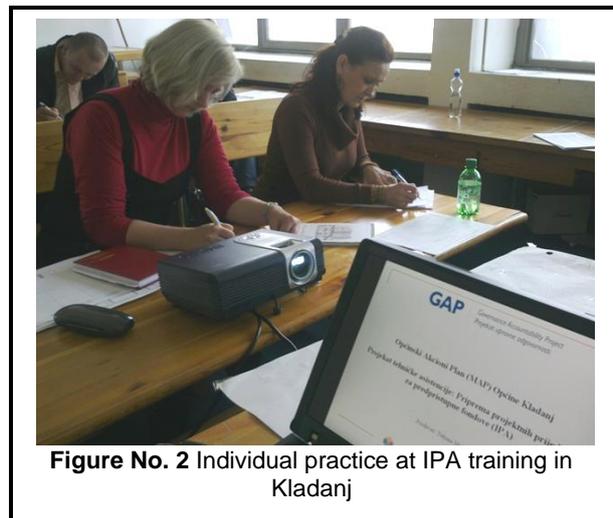
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<sup>1</sup> This list comprises the "most popular" projects, i.e., those which were implemented in more than 10 municipalities.

Of the five priority areas for MAP assistance requested by Cohort 3 municipality Livno, GAP2 completed its work with the municipality to improve planning and permitting functions through department reorganization. The final report, which consists of comprehensive interviews and municipal staff feedback, provides recommendations for the mayor of Livno. The report was praised by municipal managers as an excellent tool for identifying the strengths and weaknesses in the organizational management of human resources in urban planning.

Cohort 3 municipality Kladanj completed a series of on-site workshops involving lectures, demonstration, individual practice, and group practice focusing on one of its MAP priority areas: “Introduction to the Instruments for Pre-Accession Assistance (IPA)”. The training and coaching has enhanced Kladanj’s capacity to develop project proposals for IPA cross-border cooperation programs.

In addition to the completed MAP projects, progress continued in the implementation of MAP projects in Cohorts 3 and 4 partner municipalities. While Annex C provides a comprehensive list of workshops and meetings conducted during the reporting period, the following are illustrative examples of the ongoing MAP training activities:



- Workshops on budget development were held on June 8-10 in Šipovo, Kneževo, and Bosanski Petrovac, and focused on the principles and importance of long-term budget planning and the impact it has on municipal capital improvement plans and strategic documents. The workshops also introduced the concepts and terminology of program budgeting at the local level.
- A workshop was held in Ribnik on June 13 on location-marketing and developing investment attraction plans. The municipality then sent 100 surveys to citizens and SMEs in preparation for the next workshop, which will take place next quarter and focus on problem/project definition and identifying strategic goals.
- In line with Široki Brijeg’s MAP priority project (“Preparation and Implementation of Local Environmental Action Plan” [LEAP]), GAP2 held a LEAP “Snapshot Report” workshop on June 16. The municipality has completed its final vision and SWOT analysis, and has processed 350 responses to its environmental survey, all of which will form the final LEAP. Applications for the projects are being gathered in accordance with the proposed timeline.
- IPA and project proposal drafting trainings continued in Banovići, Petrovo, Ilidža, and Trnovo.

GAP2 continued to assist Grude to improve municipal planning and permitting functions through department reorganization. On-site analysis and 11 interviews with the relevant municipal staff were performed in the department for urbanism and cadastre and the municipal administration. The draft report will be presented to the municipality early next quarter.

Following the initial LEAP workshops conducted early in the quarter, Šekovici and Olovo are now prepared to launch media campaigns and distribute questionnaires in the CSCs and local communities in order to gather data for the baseline for each city's LEAP vision. Both municipalities plan to complete preparation of their LEAPs in time for the planned 2012 budget adoption.

The IABS was installed in Žepče with the first part of trainings held in May.

All one-on-one trainings related to the MAP process have been completed in Cohorts 3 and 4 municipalities. Not only have these trainings led to more efficient and focused implementation of GAP2's material and technical assistance, the municipalities are now also better able to manage potential EU pre-accession funds in their communities.

### **Municipality Selection for New GAP2 Activities**

Following a GAP2 contract modification in Q1 2011, new activity areas were introduced to the project for Years 4 and 5:

- Improve Management of Communal Services in Select Municipalities (Work Plan Activity A.2);
- Prepare Select Municipalities for Introduction of Treasury Operations (Work Plan Activity B.2);
- Support Advanced Program Budgeting and Public Expenditure Management in Select Pilot Municipalities (Work Plan Activity B.5);
- Improve Urban Planning in Select Pilot Municipalities (Work Plan Activity C.1);
- Support Implementation of Youth Strategies in Select Pilot Municipalities (Work Plan Activity C.2); and
- Support Implementation of State Law on Gender Equality in Select Pilot Municipalities (Work Plan Activity C.3).

During this reporting period, the GAP2 Local Interventions team conducted assessments of all 72 partner municipalities in order to select those which will participate in the new activities. The municipalities selected to participate in five of the six new activities were approved by the JMC, and SOW development was initiated during the reporting period (see Table No. 1).

### **Improving Communal Service Delivery**

Under this sub-component's new activity, GAP2 carried out an extensive analysis of all 72 partner municipalities during the reporting period in order to identify the municipalities in which GAP2 will implement pilot project activities in accordance with the Year 4 Work Plan. Using the selection criteria agreed upon in the previous reporting period, GAP2 conducted several rounds of in-depth assessment visits in April and May, amounting to 83 visits overall. These visits were aimed at confirming the information gathered in the earlier stages of the selection process, as well as assessing first-hand the interest and commitment of the mayors and municipal staff. The capacity of relevant municipal employees and resources were assessed as well. In June, the JMC approved GAP2's recommendations regarding the selection of partner municipalities.

GAP2 has developed a catalogue of 13 assistance packages which outlines specific areas for improvement of communal services. The packages were designed based on GAP2's years of experience in providing assistance to municipalities in BiH, as well as the recently completed assessments of the communal services, the results of the initial needs assessment, and the recommendations and ideas raised by the municipalities themselves.

GAP2 will implement up to five activities from the catalogue in each selected municipality, with at least three “core” activities, which include:

- Catalogue of Communal Services;
- Improving Communication: Citizens – Municipality – Communal Service Provider;
- Services in Less than 48 Hours;
- Citizen Participation – Public Communities and Partnership for Improving Communal Services Provision;
- Design and Management of Public Information Campaigns;
- Public Attitudes toward More Efficient Provision of Communal Services and Use of Resources; or
- Municipal Plan of Communication with Communal Services Providers.

Continuing work with the CSCs during this reporting period, GAP2 completed a quarterly CSC performance audit of partner municipalities. The overall conclusion is that the CSCs are highly sustainable, perform well, and have all systems in use, much to the satisfaction of both citizens and employees. Where appropriate, GAP2 advised on areas where improvement was needed and recorded the progress. One illustrative example was the municipality of Žepče which has shown significant success in CSC work during the reporting period. In the previous quarter, an insufficient level of document tracking software use was identified and discussed with the municipality. The latest audit showed a large improvement, due to the recent appointment of a CSC Manager and GAP2’s advice on more active use of DocuNova.

On June 16, GAP2 was one of the principal speakers at the conference “E-government Development – Policies, Practices and Trends in the BiH and the Region”, held in Sarajevo. GAP2 shared knowledge and experience on relations between legislative and institutional frameworks, public policies in BiH, the development of e-government at the local level, and the role of donor organizations in developing the policies and raising the capacity of local governments. GAP2’s efforts and successes were generally praised by many participants and in audience discussions. The overall consensus of the conference was that the municipal level of government is at the forefront of e-governance and efficient service delivery. With more questions raised than answered, the event served as a useful forum for the exchange of ideas on how to accelerate the reform process and overcome various obstacles in e-government at the local, regional, and federal levels of government in BiH.

A few illustrative comments taken from the CSC Book of Impressions:

*“For personnel providing such a quality service, no salary is too high! All the compliments!”* (anonymous, Kotor Varoš)

*“It is first time ever in Banovići to complete all business I need at one place.”* (anonymous, Banovići)

*“I salute the CSC personnel who assist us farmers to get the necessary paperwork!”* (Mr. Edhem Blažević, Vareš)

### **Improving Administration, Budgeting, and Financial Management**

During this reporting period, the JMC approved the selection of 10 partner municipalities for implementation of the new Year 4 work plan activities related to preparations for the introduction of treasury operations (in accordance with the Law on Treasury) and advanced program budgeting and expenditure management. GAP2 has begun to draft SOWs for the selected municipalities.

In May, ahead of the work plan deadline, GAP2 completed framework documentation/guidelines in collaboration with the FBiH Association of Cities and Municipalities for the introduction of treasury system operations at the local government level. The materials were distributed to all the municipalities in the FBiH containing, among

other things, an updated guide for the introduction of the treasury, guidelines for establishment of the registry of budget users, various template documents covering all the necessary steps in the process (i.e., template decisions, instructions, rulebooks) for municipalities to customize for their specific needs, and all relevant laws and sub-legal regulations on the subject.

From April 18-20, GAP2 trained representatives from both Municipal Associations on the development and further application of municipal revenue profiles. GAP2 has developed a user's manual in municipal revenue profile production which was distributed and used at the training sessions. The trainings included practical work on real data and enabled the participants to independently work on production of individual municipal revenue profiles.

The municipal revenue profiles were among the GAP2 products which were formally handed over to both Associations of Cities and Municipalities (RS and FBiH) at a donor coordination meeting in Sarajevo held on June 8.

Regarding the development of the SOWs for support in advanced program budgeting and public expenditure management, GAP2 has been identifying the services to be included in the program budgeting activity. The general finding so far is that all of the selected municipalities will opt for financing in the areas of culture and sport for the pilot projects. For this activity, GAP2 is collaborating with the FBiH Association which, jointly with CDMA, is initiating work in program budgeting at the local level. On April 27, a seminar on program budgeting was held, with GAP2 sharing its experiences from pilot municipalities with CDMA and the FBiH Association.



**Figure No. 3** GAP2 Chief of Party Boris Maslo and Secretary General of the SOGRS Brano Jovičić signing the MOU which formalized the handover of several GAP2 products to the RS Association of Cities and Municipalities

### **Introducing Modern Planning Principles to Municipal Development**

Based on the selection criteria developed in the previous quarter and information gathered from municipalities via questionnaires, GAP2 has identified 20 municipalities as potential recipients of GAP2 assistance in the area of urban and spatial planning. Out of a total of 72 partner municipalities, 66 expressed interest and provided the information needed to be considered. GAP2 reviewed the questionnaires to obtain crucial information about the current status of spatial planning, human and material resources, progress in digitalization, past, current and planned other donor or domestic projects, etc. In addition, GAP2 took into careful consideration other relevant information, such as the history of GAP2's collaboration during the "core" and "MAP" phases. The municipalities of Bihać, Gradiška, Mrkonjić Grad, Teslić, Velika Kladuša, Trebinje, Livno, Čapljina, Posušje, Bugojno, Novi Travnik, Vitez, Ilijaš, Visoko, Breza, Gradačac, Živinice, Gračanica, Srebrenica, and Tuzla have been selected to participate in an in-depth assessment of their capacity and willingness to benefit from support in urban planning. Of these municipalities, 8-12 will be selected to participate in the pilot projects.

GAP2 also selected the partner municipalities for the implementation of youth strategies and strategies regarding the state Law on Gender Equality. After selecting the municipalities, GAP2 staff met with each municipality to discuss the individual scopes of work for these new activities. The SOWs will be finalized with the mayors and municipal staff during the next

quarter. These new initiatives have already gained full support from the mayors of the selected municipalities. GAP2 staff will move forward with the selection of youth for the working groups that will review and refine the existing youth engagement strategies and develop action plans.

On May 24 and June 27, workshops on gender-sensitive budgeting were held in Gračanica and Nevesinje. In Gračanica, it was concluded, based on the assessment and specific segments of the current municipal budget, that no gender discrimination was currently occurring in the agriculture budget allocation. However, the number of female beneficiaries of the sport budget allocation is only 14 percent, showing evidence of lack of gender parity gender discrimination. As a next step, the municipality will look into the matter and define corrective actions (such as introducing activities that will attract more school girls to sport schools and clubs, initiating girl sport-schools, providing free time slots for women’s recreation, etc.) A follow up meeting will be organized during the next quarter. After the specific corrective actions are defined, the mayor will prepare a statement on gender budgeting and define the action plan.

In Nevesinje, the municipal team presented the findings of recent research of pupils in elementary and secondary schools, with the aim to discover the reasons behind poor participation of youth (and especially girls) in sport activities. It was found that the municipality does not distribute its sport budget on an equal and gender sensitive basis and that more than 80 percent of the sport budget is allocated to exclusively male clubs. The municipality recognized a need for making the sport budget more gender sensitive. A gender working group produced an action plan and will work on including a statement from the mayor to serve as a commitment for introducing gender-sensitive budgeting practices in the annual budget cycle.

In addition to the intensive work in the partner municipalities, GAP2 met with relevant stakeholders in the field of enhancing gender and youth policies in BiH including the local gender centers, GIZ, OSCE, and the UN Entity for Gender Equality and the Empowerment of Women (UN Women, formerly UNIFEM) to establish contacts, present our plans, and identify opportunities for collaboration.

The RS Government formally endorsed the signing of the MOU between GAP2 and the RS Gender Center on June 27. The MOU outlines the roles and responsibilities for the forthcoming collaboration on the implementation of the Law on Gender Equality and its regulations at the local level. Additionally, on July 7, the FBiH Government approved the MOU signing between GAP2 and the FBiH Gender Center which lead to the MOU Signing between the two parties.

**Table No. 1 Municipalities Selected for New Activities**

Cohort	Region	Entity	Municipality	A.2	B.2	B.5	C.2	C.3 <sup>2</sup>
1	BL	Fed	Bihać				Yes	Yes
1	SA	Fed	Fojnica				Yes	Yes
1	SA	Fed	Goražde			Yes		Yes

<sup>2</sup> Please note that “A.2” refers to Work Plan activity “Improve municipal management of communal services”, “B.2” to “Preparing select municipalities for introduction of treasury operations”, “B.5” refers to the activity “Support advanced program budgeting and public expenditure management in select pilot municipalities”, “C.2” to “Support implementation of youth strategies in select pilot municipalities” and finally, “C.3” refers to the Work Plan activity “Support implementation of state Law on Gender Equality in select pilot municipalities”.

1	MO	Fed	Jablanica			Yes	Yes	Yes
1	TZ	RS	Lopare			Yes		
1	BL	RS	Mrkonjić Grad	Yes		Yes	Yes	Yes
1	MO	Fed	Prozor/Rama	Yes				
1	MO	RS	Trebinje			Yes	Yes	Yes
1	TZ	Fed	Tuzla		Yes			
2	MO	Fed	Bugojno				Yes	Yes
2	BL	Fed	Bužim		Yes			
2	TZ	Fed	Čelić				Yes	
2	SA	RS	Foča	Yes			Yes	Yes
2	TZ	Fed	Gradačac				Yes	Yes
2	BL	RS	Gradiška			Yes	Yes	Yes
2	SA	Fed	Kakanj		Yes			
2	MO	Fed	Konjic			Yes		
2	MO	RS	Nevesinje	Yes			Yes	Yes
2	BL	RS	Srbac			Yes	Yes	Yes
2	BL	RS	Teslić				Yes	Yes
2	SA	Fed	Travnik	Yes	Yes			
2	SA	Fed	Vogošća					Yes
3	BL	Fed	Cazin	Yes	Yes			
3	TZ	Fed	Gračanica		Yes		Yes	Yes
3	SA	Fed	Ilijaš			Yes	Yes	Yes
3	TZ	Fed	Kladanj				Yes	Yes
3	MO	Fed	Livno	Yes	Yes			
3	BL	RS	Šipovo	Yes				
4	BL	Fed	Bosanska Krupa	Yes	Yes			
4	MO	Fed	Čapljina		Yes			
4	BL	RS	Kostajnica				Yes	Yes
4	MO	RS	Ljubinje				Yes	Yes
4	SA	Fed	Vareš				Yes	Yes
4	TZ	Fed	Žepče		Yes	Yes	Yes	
			<b>Total</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>20</b>	<b>20</b>

## B. POLICY INTERVENTIONS

### Introduction

Throughout the reporting period, the GAP2 Policy Interventions team continued work as specified in the Year 4 work plan and initiated new activities outlined in the February 2011 contract modification. The major tasks that were undertaken during this period include engaging Mr. Goran Duka as a short-term technical consultant to support the working group's finalization of the RS Code of Inter-Governmental Relations. GAP2 also continued advocating for key legislation in the Federation, including: the Vital Records legislation, Law on Forests, and the FBiH Law on Employees in Local Self-Government (LSG), and

continued work with local consulting firm BH Experts on bolstering municipal revenues in the RS. GAP2 also successfully established a cooperative link between GAP2 and the FBiH Ministry of Finance in areas of financing the LSG, developing the municipal-level treasury operations, as well as the completion of documentation for FBiH Treasury, in conjunction with the Local Interventions team and FBiH Association of Cities and Municipalities.

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

Building on activities from the previous quarters, GAP2 conducted a selection process and hired Mr. Goran Duka, a short-term consultant, whose main task will be to directly support the working group during the finalization of the RS Code of Inter-Governmental Relations. Mr. Duka was selected based on his education, extensive experience, and work history demonstrating his unique ability to work with both higher and local level governments. The next meeting of the working group is scheduled for first week in July.

In addition to engaging Mr. Duka, GAP2 signed an MOU with the CDMA project on May 11, 2011. Not only did this event mark a step forward in strengthening municipal capacity, it also marked the completion of a deliverable outlined in the GAP2 contract modification. The signing ceremony between GAP2 and CDMA took place at the donor's conference organized by CDMA where all members of the donor community in BiH gathered to discuss ongoing and future projects. The Policy Interventions team worked closely with CDMA to develop the text of the MOU with the aim to support the FBiH/RS municipal associations while avoiding overlapping activities.

### **Improving Inter-Municipal Communication**

During the reporting period and as the result of the policy team's lobbying activities, the Vital Records Law is now before Parliament. The law was discussed at the May 18 session of the House of Representatives and was adopted in draft form. The House of Peoples adopted the Law in draft form in June 2011. Both houses voted that the public hearing for this Law cannot be longer than 60 days, upon which it will be presented to Parliament for adoption in the proposed form. The GAP2 Policy Interventions team does not anticipate any complications or major issues regarding passage of the law. The policy team will closely follow the public hearing with stakeholders (FBiH Ministry of Justice, FBiH Ministry of Interior, and the FBiH Association of Cities and Municipalities) during the next quarter and help address any confusions or issues that may arise during this process. Once passed, the legislation will open door for electronic exchange of the vital records among BiH municipalities. This will lessen burden on BiH citizens and allow those who migrated from their original residence to obtain vital documents at their present place of living.

### **Operationalizing the Local Self-Governance Development Strategy**

The GAP2 Policy Advisor participated in several meetings with the recently appointed FBiH ministers to discuss the procedural dynamics for the LSG legislation that is currently pending and has not yet been presented to Parliament. The ministers acknowledged the importance of the pending legislation and recognized it as a high priority for the FBiH Government, particularly the Law on Forests and the Law on Employees in LSG. On June 22 and 23, the FBiH Civil Service Agency and FBiH Ministry of Justice, supported by OSCE, organized a conference to discuss the legal framework for public sector employees. Three draft laws were presented for discussion at the conference, including the Law on Employees in LSGs. One of the main conclusions of the conference was that the status of local government employees must be unified, regardless in which canton the municipality belongs.

The Second Conference of RS local government heads of finance was held on June 9 and 10, 2011. Local consulting firm BH Experts presented an analysis on municipal revenue in Republika Srpska, which was developed with GAP2 assistance. While the information was greeted warmly, it was decided that the RS Association of Cities and Municipalities will provide an opinion on the analysis after having an internal discussion on the subject matter with the aim of being better prepared in providing opinions and comments.

In April 2011, GAP2 sent a letter to the FBiH Ministry of Finance asking for a meeting with the minister. The purpose of the meeting was to discuss the support GAP2 is providing to the ministry and to kick start a discussion about working on drafting the FBiH Law on Financing. Due to the importance and magnitude of the law, GAP2 feels that the formulation of a working group for the law must be spearheaded by the ministry in order to demonstrate its support. As such, GAP2 has lobbied since April 2011 for a meeting between the Minister of Finance and the Prime Minister, as well as the staff of the Tax Policy and Public Revenue Department to discuss this law. Due to these efforts, GAP2 finally succeeded in organizing a meeting on June 10. At the meeting, it was agreed that GAP2 and the ministry will sign an MOU that will outline the joint activities regarding future work on the Law on Financing. Following the meeting between the FBiH Minister of Finance and the FBiH Prime Minister, GAP2 held a meeting with the Deputy Minister for Treasury to present the package of documents that was developed and distributed together with the FBiH Association of Cities and Municipalities. The Deputy Minister promised to have his staff go through the materials and come back to GAP2 with comments.

The drafting of an MOU with the ministry is progressing, but there have been some delays due to vacations of key staff from the ministry.

### **Support Policy Reform for Introduction of Municipal Treasury Operations**

The GAP2 Policy Intervention team cooperated closely with the GAP2 Local Interventions team, and with the FBiH Association of Cities and Municipalities to produce a set of documents that will assist FBiH local governments in the introduction of treasury operations. More details can be found in the LI part under Work Plan Activity B.2.

## **C. MONITORING AND EVALUATION**

GAP2 conducted its semi-annual P-BMP and MCI survey in its 72 partner municipalities. The recent survey also marks the last P-BMP survey for legacy partner municipalities. The final results for legacy municipalities are very favorable and in line with the project's expected results and deliverables. More details on these findings can be found in Annex D of this Report. A special report on this survey with records for each performance indicator was submitted to the JMC on May 30, 2011.

In addition to the P-BMP survey, GAP2 began conducting an attitudinal survey during the reporting period and will finalize it during the next quarter. The attitudinal survey is different than the survey conducted in 2009 and in previous years because GAP2 has decided to perform two surveys in place of one. The first survey will gauge citizens' satisfaction with administrative municipal services delivery and is being conducted in all 72 partner municipalities and eight control municipalities (80 municipalities in total). The findings from this survey will be compared to historical data gathered by GAP2. This attitudinal survey will be the final one for legacy municipalities and takes one day to perform in each municipality.

The second attitudinal survey will measure citizens' satisfaction with municipal communal services delivery (line services). The aim of this survey is to establish the baseline data for the new activities specified in the contract modification. This poll is being conducted in nine

partner municipalities that will receive technical assistance over the coming months and year, and three control municipalities (12 municipalities in total). This poll takes two days in each municipality.

GAP2 designed and organized both attitudinal surveys, and all selected pollsters have attended GAP2's training in polling techniques before surveys took place. The findings from the surveys will be reported in a special report and will also be submitted with the next quarterly report.

In addition to the aforementioned surveys, GAP2 is also simultaneously conducting an annual survey on municipal budget performance indicators. The performance indicators being surveyed are directly linked to the SOW expected results/deliverables and can be found below:

- 1.2-2** Percentage change in municipal own-revenue generation (non-tax revenues) adjusted for inflation;
- 1.2-3** Rate of collection for each major revenue source; and
- 1.2-4** Ratio of capital outlays to operating expenditures

GAP2 will report this survey's findings in a special report and in the next quarterly report.

Furthermore, GAP2 developed special capacity indexes for communal services, gender activities, youth activities, and program budgeting to measure the impact of these activities as specified in the contract modification. Baseline data for participating and control municipalities have already been established and impact per the indicators will be surveyed every three months. GAP2 will also develop an Urban/Spatial Management and Development Capacity Index and will establish the baseline data for participating and control municipalities. It is anticipated that the baseline data will be completed during the following quarter.

## **D. PROJECT OPERATIONS**

### **Human Resources**

Anita Soče, Senior Local Interventions Coordinator from the Mostar regional office left the project this quarter. Her departure was self-initiated and voluntary. Her last day on the project was June 27. This position will not be filled as Ms Soče's duties will be covered by the other remaining Senior Local Interventions Coordinator in the Mostar office.

Following initial interviews in March, the second round of interviews for the positions of Youth and Gender Specialist as well as the Spatial/Urbanism Management and Planning Coordinator took place in April. Mr. Admir Vranić was selected and approved for the position of Youth and Gender Specialist. He joined GAP2 on May 4. Advertisements for the Spatial/Urbanism Management and Planning Coordinator position were extended, with some changes to the SOW, and additional interviews were held in May. Following the additional interviews Ms. Subhija Ponjavić was selected for the position and was approved in June. Ms. Ponjavić started work on June 15 as GAP2's Spatial/Urbanism Management and Planning Coordinator.

The number of GAP2 long-term staff at the end of June 2011 is 33 (27 professional staff and six support staff).

Two new STTA positions were approved during the reporting period, including the Legal Advisor for the RS Code and Legal Advisor for e-documents processing. In addition, two volunteers joined GAP during this quarter, Ms. Ann Rogosheske and Mr. Nedim Tufo. Ms. Rogosheske is a US student who comes from the College of Saint Benedict and Saint John University. She will be assisting the GAP2 Interpreter/Communications Officer to identify, edit, and organize articles for publication on the project website or elsewhere, as appropriate. She is located in our Mostar office and will work with GAP2 on a part-time basis until the end of July. Mr. Nedim Tufo, M.Sc. degree candidate from the Faculty of Economy of Sarajevo University joined the GAP2 team on June 27, and will work for GAP2 until the end of August, as a volunteer to assist the Local Interventions team in completing a tracker of the 174 completed MAP projects for legacy municipalities.

Furthermore, GAP2's Administrative Assistant completed a regular bi-annual inventory audit of equipment used in GAP2's four regional offices. All equipment is accounted for and used by assigned personnel.

Finally, results of a recent survey among GAP2 staff on continuing education showed that at the start of the GAP2 project in January 2008, 42 percent of current staff were registered for graduate, post graduate, or doctoral studies at various higher education institutions in BiH and abroad. Out of those, one staff member has been awarded a doctoral degree, two staff received masters, and two staff received bachelor of science degrees. By the end of GAP2 in 2012, the following additional degrees should be obtained by staff: one doctoral, three masters of science, and four bachelor's degrees. This trend underscores the commitment of GAP2 and its donors to local capacity building at the national, local, and personal level.

## **Procurement**

The GAP2 procurement team visited 41 legacy municipalities in order to determine proper usage of project purchased equipment. For equipment valued over \$500, the procurement team checked serial numbers and performed usage tests for software/applications/databases. The findings were as expected; all equipment, including software, databases, and other related applications are functioning and working well.

During the last quarter, GAP2 continued with procurement activities mainly for legacy and Cohort 3 MAP municipalities. All procurements for legacy municipalities are now completed, with the completion of the final procurement of permitting and GIS software. The first phase of procurements for Cohort 3 MAP municipalities was completed during the reporting period as well, and all procured equipment has been delivered. During this process new installations of Datanova and IABS were delivered to two municipalities and another 10 Cohort 3 municipalities will receive antivirus and DocuNova upgrades as well as installations of the documents scanning module for DocuNova. The remaining communication equipment, primarily consisting of telephone switchboards, was purchased for two Cohort 3 municipalities during the reporting period.

Following an internal review of procurement files from 2008-2010 that was conducted in the last quarter, all files have been updated according to recommendations and continue to be compliant with donor rules and regulations.

## SECTION II – PERFORMANCE CHALLENGES

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While the text of an MOU between GAP2 and the FBiH Gender Center was finalized and agreed to in May, formal endorsement from the FBiH Government for signing the MOU was not obtained during the reporting period. The delay in receiving a formal endorsement was due to the belated formation of the FBiH Government, which led the government's sessions agenda to become overloaded. The formal endorsement was on the agenda at several government sessions in July, and was completed/received just after the end of this reporting quarter (but before submission of this report). However, despite the FBiH Government's formal endorsement for the MOU signing, a successful cooperation was developed between the FBiH Gender Center and GAP2.

GAP2 experienced some difficulties in recruiting a suitable person for the Spatial/Urban Management and Planning Coordinator. While the position was filled late in the quarter, in-depth assessments, originally scheduled to be completed during the reporting period, were still ongoing at the time of reporting. The delay in filling the position creates a delay in submitting to the JMC the recommendations about the suitable pilot municipalities. It is anticipated that the recommendations will be provided to the JMC early next quarter, and the proposed timeline for future activities will not be affected by the delay of the report.

The project has found that some Cohort 4 CIP municipalities lack sufficient knowledge and skills related to public procurement, which is affecting some of their GAP2-related tenders. GAP2 is in the process of assessing how best to overcome this problem and work with the municipalities to ensure that project activities and timelines are not adversely affected.

The GAP2 policy team encountered a serious obstacle within work plan Activity C.5. (Law on Financing in FBiH), due to the delay in meeting with the FBiH Minister of Finance regarding signing an MOU and identifying concrete steps to create a working group. The ministry's participation is required because it is responsible for leading this activity. Due to the late creation of FBiH Government and subsequent time constraints on the new minister, it took GAP2 two months to meet with the minister. While this delayed in meeting has affected project implementation timelines, the GAP2 team is working with ministry counterparts to resolve questions and get implementation back on schedule.

Finally, the finalization of the FBiH Code on Inter-governmental Relations has been delayed at the request of the FBiH Prime Minister GAP2 will remain diligent and is in contact with the FBiH Association of Cities and Municipalities so that all parties are prepared to move forward as soon as possible.

## SECTION III – REPORTS AND DELIVERABLES

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Date	REPORTS AND/OR DELIVERABLES	CITATION
April 2011	“Improvement of planning by urbanism department reorganization – Final Report and Recommendations”, completed in Livno	Work Plan, Annex A, PIS # 2
May 2011	Framework documentation / guidelines for introduction of treasury to municipalities in FBiH	Work Plan, Annex A, PIS # 72
May 2011	LEAP Environmental Snapshot Report, Široki Brijeg	Work Plan, Annex A, PIS # 2
May 2011	“Selection of the Partner Municipalities to implement the Project Activities related to Communal Services, Treasury Introduction, Program Budgeting, Youth and Gender Issues”	Work Plan, Annex A, PIS # 26, 39, 49, 71 & 81
May 2011	Signed Memorandum of Understanding for Gender related activities between GAP2 and the RS Government Gender Center (signed June) and the FBiH Gender Center	Work Plan, Annex A, PIS # 82
May 2011	Signed Memorandum of Understanding with the Capacity Development Municipal Association (CDMA) project.	Work Plan, Annex A, PIS # 135
May 2011	Regular P-BMP and MCI Regular Survey Report – April 2011	Work Plan, M&E
June 2011	Catalogue of Assistance Package outlining specific areas for potential improvement in municipal communal services	Work Plan Annex A, PIS # 37
June 2011	User’s Manual in the municipal revenue profile production	Work Plan, Annex A, PIS # 45

Note: All materials are available in the GAP2 offices.

## SECTION IV – MAJOR ACTIVITIES PLANNED FOR NEXT QUARTER

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### LOCAL INTERVENTIONS

No.	Activity
1	Adopt the SOWs for activities introduced in the Year 4 Work Plan and launch related technical assistance
2	Approve the partner-municipalities for urban planning activity and subsequent work. Adopt SOWs and launch technical assistance
3	Procure and implement technical assistance for the MAP projects in Cohort 3 and Cohort 4 municipalities
4	Hold regional coordination meetings for CSC-UPC managers and IT Administrators
5	Exchange experiences and promote the trailblazer program budgeting from to other municipalities
6	Develop youth action plans to implement existing youth engagement strategies
7	Assess capacity for gender-sensitive budgeting in the 20 partner municipalities participating in the LGE activity and select the partners
8	Work on administrative closing of all capital projects that received final payment
9	Monitor implementation of the remaining capital project from Cohort 1 municipalities and projects from Cohort 3 and 4 municipalities
10	Assist Cohort 4 CDPC municipalities with preparation of project proposals
11	Upon approval of the project proposals from Cohort 4 CDPC municipalities, prepare agreements, provide training in financial and program reporting, and start monitoring project implementation

### POLICY INTERVENTIONS

No.	Activity
1	In July: a meeting of the Working group for the RS Code on Inter-governmental Relations is scheduled and confirmed. Newly-engaged STTA will be introduced to the Working Group and will discuss the ideas of local governments for the drafting of the Code, collected with the RS Association of Cities and Municipalities. STTA will also present his proposal and methodology regarding how to approach Code drafting
2	July-September: GAP2 is expecting to sign an MOU with the FBiH Ministry of Finance that will regulate future work on the Law on Financing and also will cover the completed Treasury documentation for local governments that was distributed to municipalities together with the FBiH Association of Cities and Municipalities
3	Continue to advocate for the adoption of drafted legislation
4	Work with the municipal associations in presenting and proposing the FBiH Code on Inter-governmental Relations to the new government

## MONITORING AND EVALUATION

No.	Activity
1	Completing and Reporting Attitudinal Survey 2011
2	Completing and Reporting on the Municipal Budget Performance Indicators Survey
3	Conducting and Reporting on regular P-BMP quarterly survey on performance indicators related to the municipal services

## PROJECT OPERATIONS

No.	Activity
1	Monitor project expenditures against the projections to make sure they are in line with budgeted amounts
2	Finalize Transfer agreements with legacy municipalities for final disposition of equipment
3	Deliver the remaining hardware to C3 municipalities and complete procurements of GIS software and GPS devices
4	Conduct a review of procurement files from 2011
5	Conduct a review of CIP files related to projects from legacy municipalities
6	Perform inventory check up in Cohort 3 municipalities for the equipment procured under core assistance
7	Regularly update the new webpage
8	Continue to successfully support all technical components of the project

**ANNEX A**

**PROJECT IMPLEMENTATION STATUS**

*(Please see separate Excel file)*

**ANNEX B**

**GAP2 LEGACY MUNICIPAL ACTION PLAN  
MATRIX**



**ANNEX C**

**LIST OF TRAININGS CONDUCTED BY GAP2**

**IN Q2, 2011**

**LIST OF TRAININGS CONDUCTED BY GAP2 FROM APRIL 1 TO JUNE 30, 2011**

	Title of training	Subject area	Date of training	City of training	Entity	# of participants	M	F	Component	PIS activity #	Trainer's name	More info about the training can be found on
1	Small Inventory Training	Core activity	5-Apr	Gorazde	FBIH	1	0	1	LI	35	ITINERIS d.o.o.	
2	Transfer of Municipal Revenue Profiles to Association of Cities and Municipalities RS	Cross-cutting MAP activity	18-19 April	Sarajevo	FBIH	1	0	1	LI	18	Anesa Šehalić	
3	Training on Instruments for Pre-Accession Assistance (IPA), first session	MAP activity-C3	19-20 April	Banovići	FBIH	7	3	4	LI	2	Tanja Muhić	
4	Transfer of Municipal Revenue Profiles to Association of Cities and Municipalities FBiH	Cross-cutting MAP activity	20-Apr	Sarajevo	FBIH	1	0	1		18	Anesa Šehalić	
5	Training on Instruments for Pre-Accession Assistance (IPA)	MAP activity-C3	21-Apr	Kladanj	FBIH	11	6	5	LI	2	Tanja Muhić	
6	Fixed Assets Training	Core activity	21-Apr	Olovo	FBIH	1	0	1	LI	35	ITINERIS d.o.o.	
7	Accounts Receivable Training	Core activity	21-Apr	Olovo	FBIH	2	2	0	LI	35	ITINERIS d.o.o.	
8	Final training on Monitoring and Evaluation	MAP activity-C3	12-May	Banovici	FBIH	4	2	2	LI	2	Esad Smajlović	
9	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	17-May	Kotor Varoš	RS	3	2	1	LI	12 & 13	Tanja Mihajlović	
10	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	17-May	Kneževo	RS	7	4	3	LI	12 & 13	Tanja Mihajlović	
11	Final training on Monitoring and Evaluation	MAP activity-C3	18-May	Gracanica	FBIH	7	1	6	LI	3, 12 & 13	Esad Smajlović	
12	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	19-May	Bosanska Krupa	FBIH	4	3	1	LI	12 & 13	Tanja Mihajlović	
13	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	20-May	Kostajnica	RS	4	2	2	LI	12 & 13	Tanja Mihajlović	
14	Training on Monitoring and Evaluation for C4 municipalities	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	23-May	Ljubinje	RS	2	2	0	LI	12 & 13	Halko Basarić	
15	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	23-May	Šipovo	RS	4	2	2	LI	3	Siniša Petrović	
16	Workshop on gender budgeting	Core activity	24-May	Gracanica	FBIH	8	3	5	LI	87	Anesa Šehalić	
17	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	24-May	Ribnik	RS	5	4	1	LI	3	Siniša Petrović	
18	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	24-May	Cazin	FBIH	9	7	2	LI	3	Siniša Petrović	
19	2day workshop on Development of the Plan for Attracting Investments/ Izrada strateškog plana privlačenja investicija, Ribnik	MAP project Location Marketing and Municipal Plans of Attracting Investments Workshop	25-26 May	Ribnik	RS	9	6	3	LI	2	Zlatan Musić	<a href="http://bihgap.ba/dokument_new/maj_2011/eng/Ribnik%20Location%20Marketing[1].pdf">http://bihgap.ba/dokument_new/maj_2011/eng/Ribnik%20Location%20Marketing[1].pdf</a>
20	General Ledger, Budgeting and Accounts Payable Training	Core activity & MAP C4	25-26 May	Tuzla	FBIH	2	0	2	LI	35 & 10	ITINERIS d.o.o.	
21	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	27-May	Bosanski Petrovac	FBIH	6	4	2	LI	3	Siniša Petrović	
22	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	27-May	Grude	FBIH	1	1	0	LI	12 & 13	Anita Soče	
23	IPA training	MAP activity-C3	31-May	Iliđa	FBIH	8	5	3	LI	2	Merdža Handalić	
24	Final training on Monitoring and Evaluation	MAP activity-C3	31-May	Kladanj	FBIH	6	3	3	LI	12 & 13	Esad Smajlović	
25	Training on use of permitting and legalization software	MAP activity-Legacy	31-May	Breza	FBIH	10	2	8	LI	1	GAUSS d.o.o.	

LIST OF TRAININGS CONDUCTED BY GAP2 FROM APRIL 1 TO JUNE 30, 2011

	Title of training	Subject area	Date of training	City of training	Entity	# of participants	M	F	Component	PIS activity #	Trainer's name	More info about the training can be found on
26	Training on use of permitting and legalization software	MAP activity-Legacy	31-May	Goražde	FBIH	5	3	2	LI	1	GAUSS d.o.o.	
27	Training on use of permitting and legalization software	MAP activity-Legacy	31-May	Nevesinje	RS	3	1	2	LI	1	GAUSS d.o.o.	
28	Training on Monitoring and Evaluation for C4 municipalities	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	1-Jun	Čitluk	FBIH	1	1	0	LI	12 & 13	Haliko Basarić	
29	Proposal development per international standards	MAP activity-C3	1-Jun	Trnovo RS	RS	9	2	7	LI	2	Merdža Handalić	
30	Training on use of permitting and legalization software	MAP activity-Legacy	1-Jun	Liubuški	FBIH	3	3	0	LI	1	GAUSS d.o.o.	
31	Training on use of permitting and legalization software	MAP activity-Legacy	1-Jun	Rogatica	RS	4	2	2	LI	1	GAUSS d.o.o.	
32	Training on use of permitting and legalization software	MAP activity-Legacy	1-Jun	Vogošća	FBIH	11	6	5	LI	1	GAUSS d.o.o.	
33	Proposal development per international standards	MAP activity-C3	2-Jun	Ilijaš	FBIH	6	4	2	LI	2	Merdža Handalić	
34	Training on Monitoring and Evaluation for C3 municipalities	MAP activity-C3	3-Jun	Petrovo	RS	7	2	5	LI	3	Esad Smajlović	
35	Training on use of permitting and legalization software	MAP activity-Legacy	3-Jun	Rudo	RS	3	1	2	LI	1	GAUSS d.o.o.	
36	Training on use of permitting and legalization software	MAP activity-Legacy	3-Jun	Trebinje	RS	3	2	1	LI	1	GAUSS d.o.o.	
37	Modul IV MAP training	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	6-Jun	Livno	FBIH	3	3	0	LI	12 & 13	Haliko Basarić	
38	Training on use of permitting and legalization software	MAP activity-Legacy	6-Jun	Srbac	RS	5	2	3	LI	1	GAUSS d.o.o.	
39	Training on use of permitting and legalization software	MAP activity-Legacy	6-Jun	Velika Kladuša	FBIH	9	3	6	LI	1	GAUSS d.o.o.	
40	Proposal development per international standards	MAP activity-C3	7-Jun	Ilijaš	FBIH	9	5	4	LI	2	Merdža Handalić	
41	MAP Module IV workshops on „Consultancy Procedures and Project Implementation, Monitoring and Evaluation“	MAP activity-C4	7-Jun	Sapna	FBIH	6	1	5	LI	12 & 13	Esad Smajlović	
42	Training on use of permitting and legalization software	MAP activity-Legacy	7-Jun	Bužim	FBIH	5	4	1	LI	1	GAUSS d.o.o.	
43	MAP Modul IV training M&E	MAP activity-C3	8-Jun	Trnovo	RS	4	0	4	LI	3	Tatjana Muhic	
44	MAP Modul IV training M&E	MAP activity-C3	8-Jun	Ilijaš	FBIH	5	2	3	LI	3	Tatjana Muhic	
45	Initial Workshop on Mid-term Budget Planning, MAP card	MAP activity C3	8-Jun	Šipovo	RS	6	0	6	LI	2	Anesa Šehalić	
46	MAP Module IV workshops on „Consultancy Procedures and Project Implementation, Monitoring and Evaluation“	MAP activity-C4	8-Jun	Šekovići	RS	4	0	4	LI	12 & 13	Esad Smajlović	
47	MAP Module IV workshops on „Consultancy Procedures and Project Implementation, Monitoring and Evaluation“	MAP activity-C4	9-Jun	Žepče	FBIH	4	1	3	LI	12 & 13	Esad Smajlović	
48	Initial Workshop on Mid-term Budget Planning, MAP card	MAP activity C4	9-Jun	Kneževo	RS	6	5	1	LI	10	Anesa Šehalić	
49	MAP Modul IV training M&E	MAP activity-C3	9-Jun	Iliđa	FBIH	12	4	8	LI	3	Tatjana Muhic	
50	Training on use of permitting and legalization software	MAP activity-Legacy	9-Jun	Bosansko Grahovo	FBIH	3	2	1	LI	1	GAUSS d.o.o.	
51	Training on use of permitting and legalization software	MAP activity-Legacy	9-Jun	Drvar	FBIH	4	2	2	LI	1	GAUSS d.o.o.	
52	Payroll and Cash Receipts Training	Core activity	09 -10 June in Tuzla, 14 April in Olovo, 27 June in Visoko, 5 May in Olovo	Tuzla, Olovo, Visoko	FBIH	7	1	6	LI	35	ITINERIS d.o.o.	
53	Initial Workshop on Mid-term Budget Planning, MAP card	MAP activity C3	10-Jun	Bosanski Petrovac	FBIH	6	2	4	LI	2	Anesa Šehalić	
54	MAP Module IV workshops on „Consultancy Procedures and Project Implementation“	MAP activity-C4	13-Jun	Domaljevac	FBIH	3	1	2	LI	12 & 13	Esad Smajlović	
55	Treasury Training (Old munic.)	Core activity	4-7 April and 13-14 June	Tuzla	FBIH	6	1	5	LI	35	ITINERIS d.o.o.	
56	MAP Modul IV training M&E	MAP activity-C4	14-Jun	Vares	FBIH	8	7	1	LI	12 & 13	Tatjana Muhic	
57	MAP Modul IV training M&E	MAP activity-C4	14-Jun	Vitez	FBIH	6	3	3	LI	12 & 13	Tatjana Muhic	
58	MAP Modul IV training M&E	MAP activity-C4	15-Jun	Novi Travnik	FBIH	5	3	2	LI	12 & 13	Tatjana Muhic	
59	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	15-Jun	Kupres	FBIH	1	1	0	LI	12 & 13	Anita Soče	
60	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	Module IV Training: Consultancy Services; Project Monitoring & Evaluation	15-Jun	Široki Brijeg	FBIH	1	0	1	LI	12 & 13	Anita Soče	

LIST OF TRAININGS CONDUCTED BY GAP2 FROM APRIL 1 TO JUNE 30, 2011

	Title of training	Subject area	Date of training	City of training	Entity	# of participants	M	F	Component	PIS activity #	Trainer's name	More info about the training can be found on
61	MAP Modul IV training M&E	MAP activity-C4	16-Jun	Olovo	FBiH	6	5	1	LI	12 & 13	Tatjana Muhić	
62	LEAP snapshot report workshop	MAP activity-C3	16-Jun	Široki Brijeg	FBiH	5	2	3	LI	2	Zlatan Music	<a href="http://www.sirokibrijeg.ba/index.php?option=com_content&amp;task=blogcategory&amp;id=26&amp;Itemid=354">http://www.sirokibrijeg.ba/index.php?option=com_content&amp;task=blogcategory&amp;id=26&amp;Itemid=354</a>
63	Proposal development per international standards	MAP activity-C3	16-Jun	Trnovo	RS	6	0	6	LI	2	Merdža Handalić	
64	LEAP Workshop on "Vision Creation"	MAP activity-C4	17-Jun	Šekovići	RS	11	3	8	LI	10	Esad Smajlović	
65	MAP Modul IV training M&E	MAP activity-C3	22-Jun	Visoko	FBiH	4	1	3	LI	3	Tatjana Muhić	
66	Treasury Training	Core activity & MAP C4	25-26 June	Tuzla	FBiH	5	0	5	LI	35 & 10	ITINERIS d.o.o.	
67	Proposal development per international standards	MAP activity-C3	28-Jun	Ilijaš	FBiH	7	5	2	LI	2	Merdža Handalić	
68	Workshop on gender budgeting	Core activity	28-Jun	Nevesinje	RS	15	6	9	LI	87	Anesa Sehalić	

## **ANNEX D**

# **MONITORING AND EVALUATION RESULTS**

# ANNEX D

## THE MOST RECENT AND FINAL P-BMP AND MCI RESULTS FOR LEGACY MUNICIPALITIES

The latest P-BMP and MCI surveys were conducted in April and May 2011, covering the period October 1, 2010-March 31, 2011. The majority of GAP2 technical staff participated in data collection, and a significant amount of data was collected, and has been analyzed, processed, and reported on by GAP2's M&E Director.

### OVERVIEW

In general, the survey results show a continuation of the progress we have come to expect across all GAP2 municipalities. The full results of these two surveys are available in a separate report. However, as the legacy municipalities have now been surveyed for the final time, this Annex provides some highlights for the legacy municipalities.

All 41 legacy municipalities increased their composite MCI rating by 29 percent.

The results of the recent P-BMP survey show:

- In Cohort 1 municipalities:
  - the number of complaints decreased by 20 percent;
  - the percentage of complaints resolved increased from 24 to 62 percent;
  - efficiency in providing municipal services increased by three times according to the Municipal Services Efficiency Index; and
  - delivery time for vital records decreased from 32 minutes to 4.3 minutes, or fell by almost eight times.
- In Cohort 2 municipalities:
  - the number of complaints decreased by 60 percent;
  - the percentage of complaints resolved increased from 31 to 47 percent now;
  - efficiency in providing municipal services increased by 50 percent according to the Municipal Services Efficiency Index; and
  - delivery time for vital records decreased from 18 minutes to 4.7 minutes, or fell by almost four times.

## Performance Indicator Data

### 1.1-1 *Number of complaints made by citizens regarding municipality issues*

and

### 1.1-2 *Proportion of complaints submitted to municipalities resolved*

Data for these performance indicators has been collected on a quarterly basis since the beginning of GAP2. As Year 3 foresees the completion of assistance provided to Cohort 1 and 2 municipalities, the data presented below illustrates the final results for these legacy municipalities. GAP2 will, however, continue to monitor progress under these indicators for Cohort 3 and 4 municipalities.

Figure 1 (below) shows the number of complaints, appeals against municipal decisions, and requests for information made by citizens in Cohort 1 municipalities. The data has been disaggregated by source and by the following categories:

- municipal personnel issues;
- urban planning issues;
- public procurement;
- business permitting;
- property related issues;
- municipal inspections;
- other issues.
- social welfare;
- construction permits;
- infrastructure;
- economic-finance related issues;
- war veterans issues;
- cadastre issues; and

The data presented in Figure 2 (below) represents the percentage of complaints resolved for Cohort 1 municipalities. This data has also been disaggregated by category and source. Data concerning the number of resolved complaints complements the statistics on the number of complaints recorded and provides a more realistic picture about municipal attitudes regarding citizens' services and improved accountability of local governments. The results based on these performance indicators should not be interpreted separately, but should instead be studied in terms of trends as analysis of the results and trends across the performance indicators tell more comprehensive story about process.

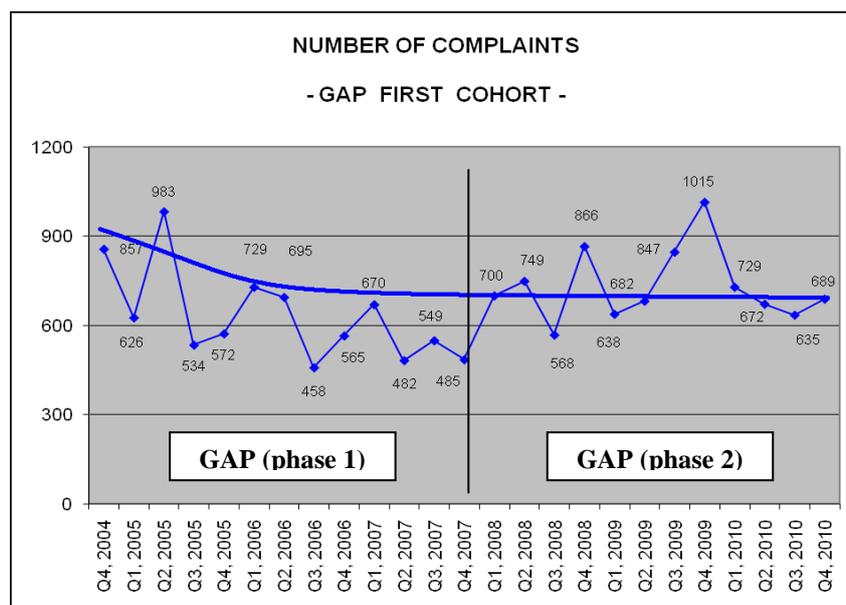


Figure No. 1

The two figures show that the number of complaints among Cohort 1 municipalities fell by 20 percent, while, and more importantly, the percentage of complaints resolved rose by 38 percent (ie. rose from a low of 23.9 percent to 62 percent). This favorable result reflects the significant efforts by Cohort 1 municipalities and the GAP2 project to improve municipal services and accountability.

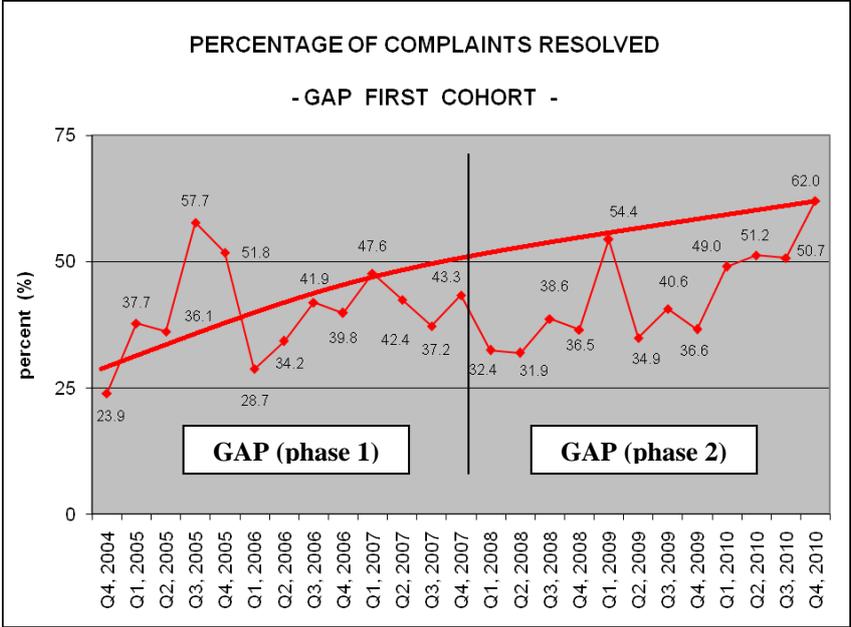


Figure No. 2

A similar situation is found in Cohort 2 municipalities as well (see Figures 3 and 4 below). These municipalities reduced the number of complaints received by citizens and other clients by 60 percent, and increased the percentage of complaints resolved by 16 percent to almost 50 percent. Again, this result reflects the level of effort and collaboration between Cohort 2 municipalities and GAP2.

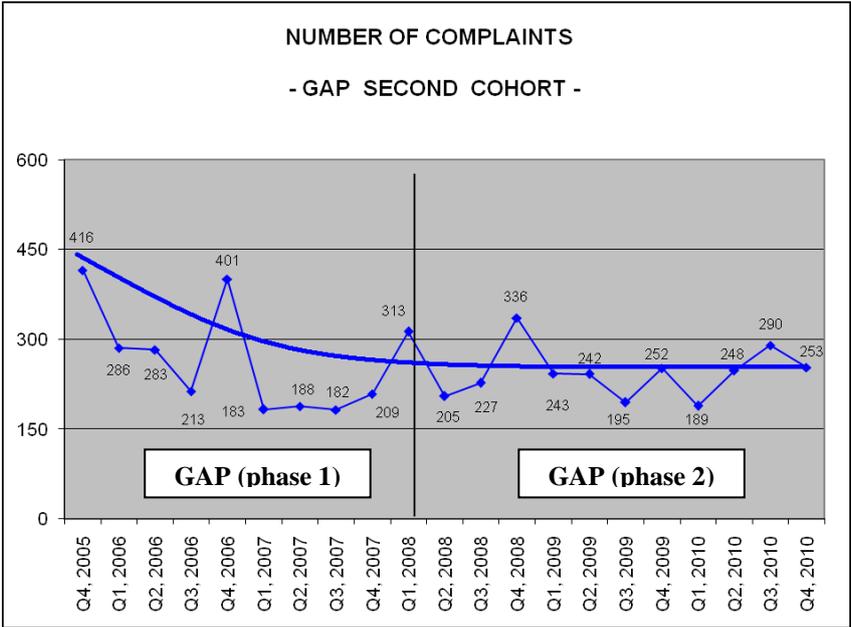


Figure No. 3

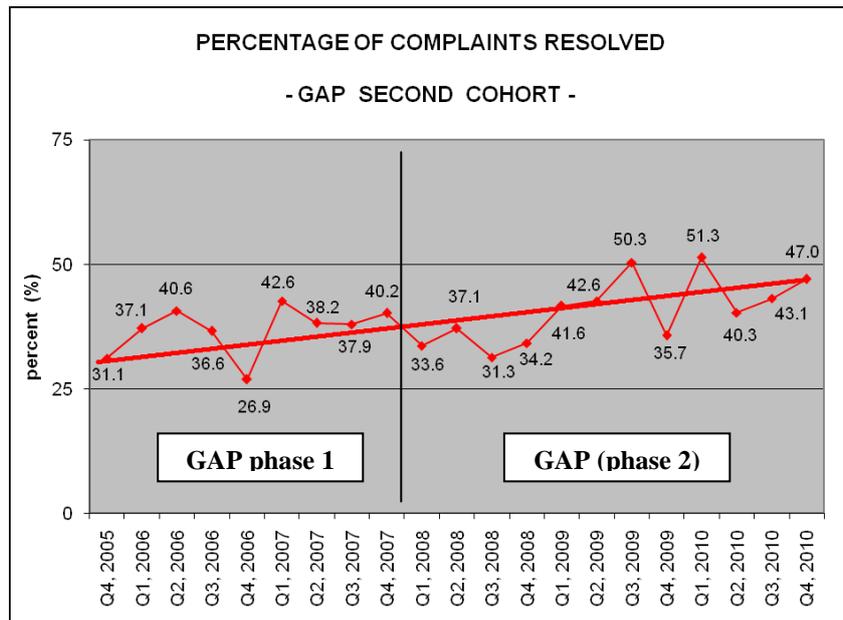


Figure No. 4

### 1.1-3 Municipality is more responsive to delivering services to the public

This performance indicator is a measure of service delivery in partner municipalities. It considers measurements in 12 categories of municipal services:

- birth, death, citizenship and wedding certificates;
- urban planning issues;
- infrastructure issues;
- economic and financial issues;
- war veterans issues;
- cadastre issues; and
- social welfare issues;
- construction permitting;
- business permitting;
- property related issues;
- municipal inspections;
- requests for information.

Assessments for service delivery were performed across all 12 categories based on two criteria. First, the number of services (volume of services provided) provided by the municipality, and second, the average time needed for delivering these services. Based upon this data, GAP2 established a Municipal Services Efficiency Index that measures efficiency improvements in providing municipal services.

Figure 5 shows that efficiency in providing municipal services in Cohort 1 municipalities has improved by almost three times in comparison with baseline data.

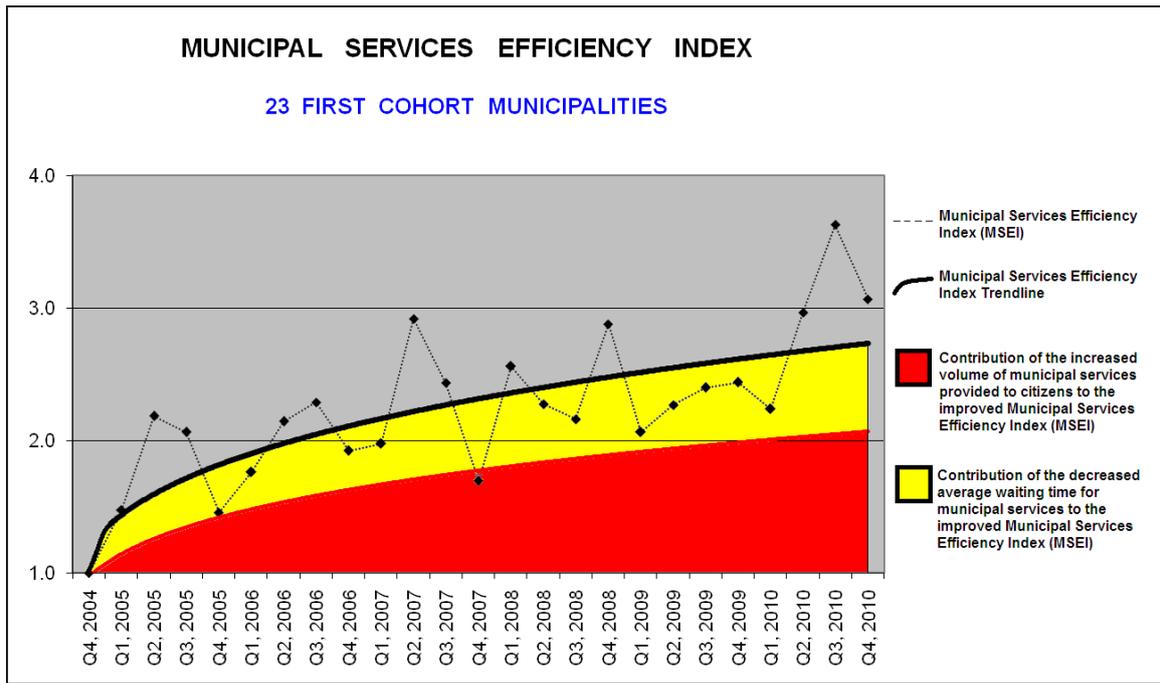


Figure No. 5

Figure 6 shows that efficiency in providing municipal services among the 18 Cohort 2 municipalities increased by more than 50 percent. The increase in efficiency found in both Cohort 1 and 2 municipalities is due to the decrease in the average time needed for services delivery (yellow area) and the simultaneous increase in the volume of services provided (red area).

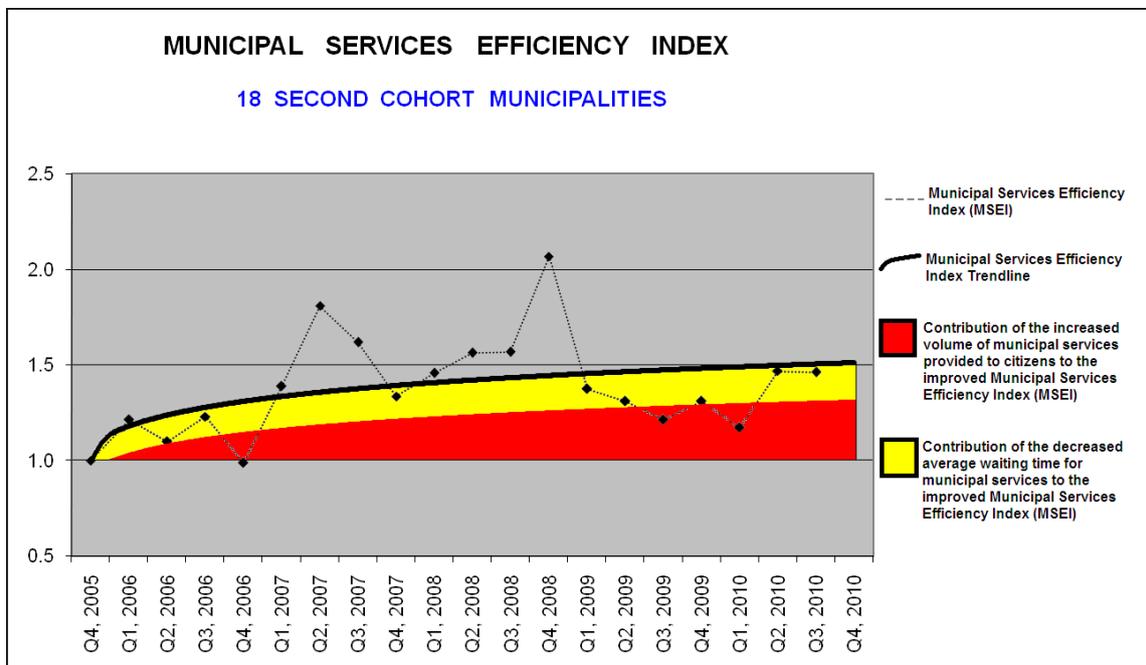


Figure No. 6

Requests for vital records (ie. birth, death, wedding and citizenship certificates) are among the highest of all service requests in each municipal citizen service center. Figures 7 and 8

show that the delivery time for such certificates has decreased to less than five minutes in the last quarterly survey among the legacy municipalities.

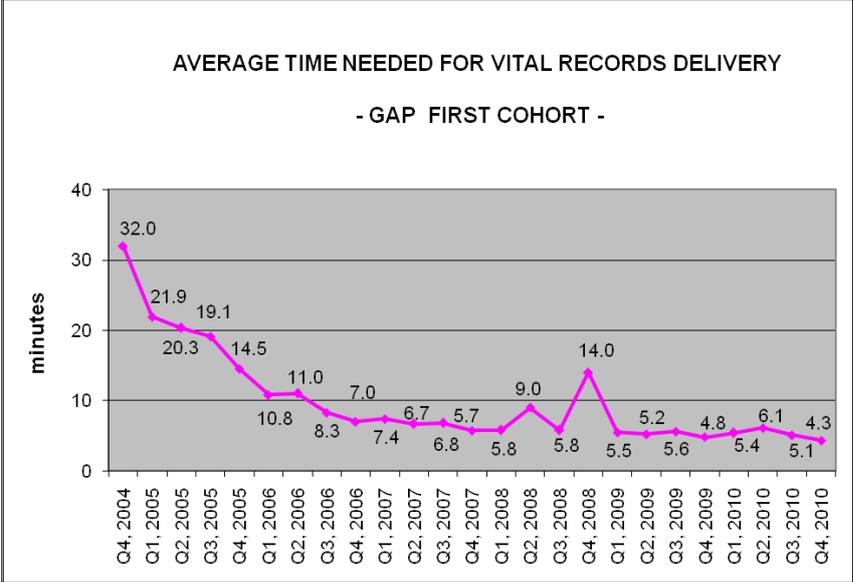


Figure No. 7

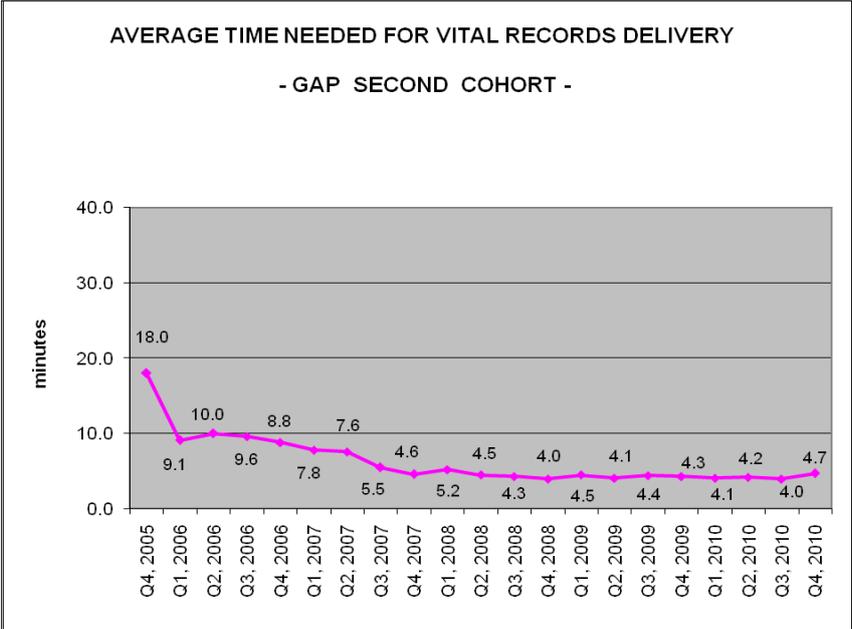


Figure No.8

### Municipal Capacity Index (MCI) Findings

The latest MCI survey shows a significant increase in rating among GAP2 municipalities.

During the period October 1, 2010-March 31, 2011, the 41 legacy municipalities achieved an average rating of 67.6 percent, an increase of almost 29 percent over the baseline data in April 2008.

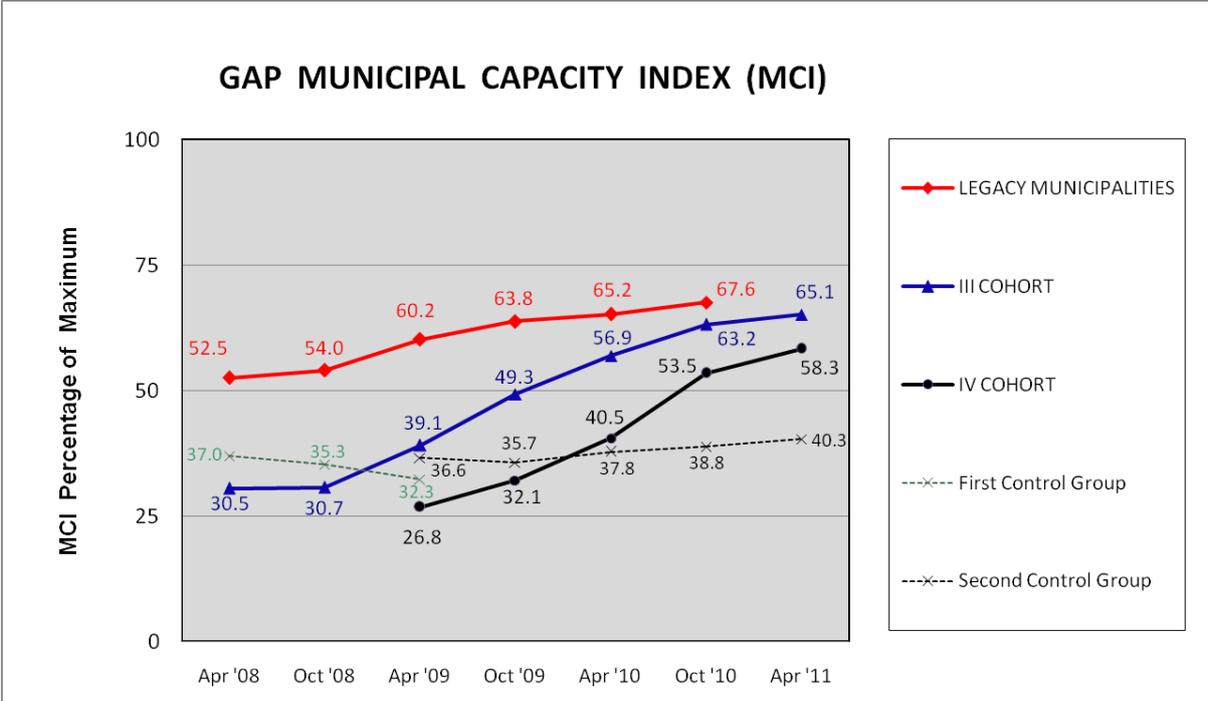


Figure No. 9

**ANNEX E**  
**FINANCIAL REPORTS**

GAP2 Quarterly Finance Report: Actual Expenditures for Apr-Jun 2011\*

Amount Obligated (at time of quarterly report)	Amount Invoiced through Jun 2011*	Percent of Obligation Invoiced*
\$21,340,713	\$19,510,036	91%

Cost Category	Expenditures through Q1 2011	Q2 2011 Expenditures*			Total Accumulated Expenditures	Contract Budget**	Total Funds Remaining in the Contract as of Jun 2011*
		Apr-11	May-11	Jun-11			
I. Salaries	\$ 2,271,587	\$ 44,226	\$ 44,715	\$ 44,100	\$ 2,404,628	\$ 3,289,584	\$ 884,956
II. Fringe Benefits	\$ 1,126,656	\$ 22,031	\$ 22,057	\$ 21,829	\$ 1,192,573	\$ 1,668,891	\$ 476,318
III. Overhead	\$ 1,410,250	\$ 30,531	\$ 30,639	\$ 30,557	\$ 1,501,977	\$ 2,176,710	\$ 674,733
IV. Travel and Transportation	\$ 167,873	\$ 144	\$ 319	\$ 481	\$ 168,817	\$ 203,398	\$ 34,581
V. Allowances	\$ 356,565	\$ 2,341	\$ 2,859	\$ 2,400	\$ 364,165	\$ 433,567	\$ 69,402
VI. Other Direct Costs	\$ 971,203	\$ 14,674	\$ 11,335	\$ 19,544	\$ 1,016,756	\$ 1,222,544	\$ 205,788
VII. Equipment, Vehicles and Freight	\$ 75,143	\$ -	\$ -	\$ -	\$ 75,143	\$ 78,513	\$ 3,370
VIII. Training	\$ 124,769	\$ 388	\$ -	\$ 1,838	\$ 126,995	\$ 168,704	\$ 41,709
IX. Subcontractors	\$ 4,641,550	\$ 63,879	\$ 127,268	\$ 111,909	\$ 4,944,606	\$ 5,735,175	\$ 790,569
X. Material Assistance to Municipalities	\$ 6,257,525	\$ 52,544	\$ 46,795	\$ 39,281	\$ 6,396,145	\$ 8,220,000	\$ 1,823,855
XI. General and Administrative	\$ 783,141	\$ 10,384	\$ 12,869	\$ 10,098	\$ 816,492	\$ 1,042,215	\$ 225,723
XII. Fixed Fee	\$ 478,802	\$ 6,684	\$ 8,426	\$ 7,827	\$ 501,739	\$ 619,683	\$ 117,944
XIII. NICRA Adjustments	\$ 22,962	\$ 5,431	\$ -	\$ -	\$ 28,393	\$ -	\$ (28,393)
<b>Total</b>	<b>\$ 18,665,064</b>	<b>\$ 253,257</b>	<b>\$ 307,282</b>	<b>\$ 289,864</b>	<b>\$ 19,510,036</b>	<b>\$ 24,858,984</b>	<b>\$ 5,348,948</b>

\*June 2011 expenditures are based on preliminary invoice figures.

\*\*The prime contract only provides ceiling amounts for Material Assistance to Municipalities, Fixed Fee, and the total contract value.

## GAP2 Quarterly Expenditures and Forecast through December 2011

Cost Category	Accumulated Expenditures												Projected Expenditures			
	Jan-Mar, 2008	Apr-Jun, 2008	Jul-Sep, 2008	Oct-Dec, 2008	Jan-Mar, 2009	Apr-Jun, 2009	Jul-Sep, 2009	Oct-Dec, 2009	Jan-Mar, 2010	Apr-June, 2010	Jul-Sep, 2010	Oct-Dec, 2010	Jan-Mar, 2011	Apr-Jun*, 2011	Jul-Sep, 2011	Oct-Dec, 2011
<b>Total Salaries</b>	<b>\$173,445</b>	<b>\$166,366</b>	<b>\$174,006</b>	<b>\$175,847</b>	<b>\$162,463.90</b>	<b>\$174,821</b>	<b>\$196,071</b>	<b>\$195,425</b>	<b>\$195,810</b>	<b>\$212,116</b>	<b>\$181,701</b>	<b>\$134,676</b>	<b>\$128,841</b>	<b>\$133,041</b>	<b>\$145,618</b>	<b>\$145,616</b>
Long Term Expatriates	\$23,093	\$37,390	\$37,390	\$37,390	\$51,609	\$61,060	\$66,779	\$64,633	\$65,384	\$53,410	\$27,292	\$26,643	\$26,895	\$28,511	\$27,975	\$27,975
Short Term Expatriates	\$12,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Home Office Professionals	\$27,349	\$0	\$26	\$448	\$1,264	\$5,821	\$0	\$40	\$38	\$12,625	\$0	\$0	\$4,155	\$7	\$793	\$0
Long Term Local Professionals**	\$64,215	\$74,302	\$82,337	\$72,296	\$59,419	\$54,106	\$56,704	\$60,829	\$62,804	\$68,323	\$89,026	\$71,310	\$71,533	\$76,510	\$77,559	\$78,350
Long Term Local Support**	\$46,139	\$54,673	\$54,253	\$48,060	\$47,854	\$49,663	\$52,652	\$55,648	\$56,984	\$55,993	\$48,747	\$30,860	\$25,553	\$28,145	\$25,350	\$25,350
Short Term Local Professionals**	\$0	\$0	\$0	\$17,653	\$2,318	\$4,171	\$19,936	\$14,275	\$10,599	\$21,764	\$16,636	\$5,863	\$705	-\$132	\$13,941	\$13,941
<b>Total Other Costs</b>	<b>\$526,906</b>	<b>\$610,530</b>	<b>\$1,007,578</b>	<b>\$1,267,085</b>	<b>\$1,328,108</b>	<b>\$1,173,464</b>	<b>\$2,028,553</b>	<b>\$2,233,822</b>	<b>\$1,101,167</b>	<b>\$1,143,052</b>	<b>\$1,033,898</b>	<b>\$950,798</b>	<b>\$729,344</b>	<b>\$655,643</b>	<b>\$1,058,144</b>	<b>\$1,222,334</b>
Fringe Benefits (Direct and Indirect)	\$96,731	\$81,298	\$84,348	\$85,551	\$106,729	\$89,041	\$95,088	\$115,604	\$104,710	\$95,166	\$38,340	\$61,367	\$72,684	\$65,917	\$74,589	\$85,264
Overhead	\$117,800	\$97,307	\$103,938	\$103,745	\$105,944	\$105,624	\$118,906	\$126,536	\$123,190	\$130,274	\$96,026	\$87,709	\$93,251	\$91,727	\$106,107	\$112,215
Travel and Transportation	\$34,284	\$8,489	\$24,555	\$3,924	\$694	\$10,665	\$4,097	\$11,793	\$7,047	\$13,887	\$9,693	\$36,639	\$2,378	\$944	\$7,070	\$5,500
Allowances	\$42,369	\$34,242	\$30,529	\$32,364	\$32,522	\$34,557	\$32,018	\$44,150	\$27,424	\$25,520	\$9,182	\$6,965	\$4,724	\$7,600	\$15,303	\$15,303
Other Direct Costs	\$95,270	\$77,155	\$74,442	\$82,264	\$74,769	\$48,088	\$103,230	\$132,336	\$91,311	\$49,905	\$55,419	\$40,351	\$49,446	\$45,553	\$53,008	\$64,484
Equipment, Vehicles, and Freight	\$30,925	\$10,266	\$1,365	\$11,102	\$13,663	\$4,931	\$157	\$1,297	\$2,259	-\$1,207	\$0	\$68	\$34	\$0	\$0	\$0
Training	\$15,221	\$7,414	\$10,078	\$4,872	\$16,588	\$14,858	\$16,480	\$21,217	\$2,420	\$7,641	\$3,785	\$1,095	\$3,100	\$2,226	\$5,515	\$5,515
Materials Assistance to Municipalities	\$0	\$0	\$0	\$576,469	\$567,210	\$461,448	\$1,245,150	\$1,295,850	\$372,604	\$566,403	\$529,771	\$404,619	\$238,002	\$138,620	\$487,132	\$537,059
Subcontractors	\$94,305	\$294,359	\$678,323	\$366,795	\$409,990	\$404,253	\$413,427	\$485,040	\$370,203	\$255,464	\$291,682	\$311,985	\$265,725	\$303,056	\$309,420	\$396,994
<i>Urban Institute</i>	\$0	\$0	\$354,606	\$127,175	\$148,837	\$144,749	\$144,695	\$209,095	\$92,699	\$44,476	\$121,374	\$120,898	\$87,912	\$91,973	\$104,524	\$193,593
<i>VNG International</i>	\$0	\$170,713	\$99,503	\$84,018	\$99,384	\$100,663	\$106,284	\$110,027	\$104,438	\$57,774	\$41,192	\$74,084	\$57,927	\$76,190	\$97,313	\$97,551
<i>SIPU International</i>	\$0	\$0	\$0	\$5,833	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>CSPC</i>	\$94,305	\$123,646	\$224,214	\$149,768	\$161,769	\$158,841	\$162,447	\$165,918	\$173,067	\$153,214	\$129,116	\$117,002	\$119,886	\$134,893	\$107,582	\$105,850
<i>BIH Partners Fund</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>General and Administrative</b>	<b>\$31,516</b>	<b>\$34,960</b>	<b>\$53,171</b>	<b>\$64,932</b>	<b>\$67,076</b>	<b>\$60,673</b>	<b>\$100,108</b>	<b>\$109,316</b>	<b>\$58,364</b>	<b>\$60,983</b>	<b>\$54,702</b>	<b>\$48,722</b>	<b>\$38,618</b>	<b>\$33,351</b>	<b>\$54,169</b>	<b>\$61,558</b>
<b>Fixed Fee</b>	<b>\$21,956</b>	<b>\$24,356</b>	<b>\$36,733</b>	<b>\$39,101</b>	<b>\$40,672</b>	<b>\$37,320</b>	<b>\$56,604</b>	<b>\$62,433</b>	<b>\$36,686</b>	<b>\$36,527</b>	<b>\$32,467</b>	<b>\$29,609</b>	<b>\$24,340</b>	<b>\$22,936</b>	<b>\$32,775</b>	<b>\$37,422</b>
<b>NICRA Adjustments</b>				<b>-\$14,639</b>			<b>\$37,601</b>							<b>\$5,431</b>		
<b>TOTAL</b>	<b>\$753,823</b>	<b>\$836,212</b>	<b>\$1,271,489</b>	<b>\$1,532,326</b>	<b>\$1,598,320</b>	<b>\$1,446,279</b>	<b>\$2,418,937</b>	<b>\$2,600,997</b>	<b>\$1,392,026</b>	<b>\$1,452,677</b>	<b>\$1,302,768</b>	<b>\$1,163,804</b>	<b>\$921,143</b>	<b>\$850,402</b>	<b>\$1,290,706</b>	<b>\$1,466,930</b>

\*Jun 2011 expenditures are based on preliminary invoice figures.

\*\*Projected salary expenditures for local staff are based on conservative exchange rate estimates from BAM to USD.

## **GAP2 OFFICES**

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