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Streamlining Permit and Inspection Regimes Activity (SPIRA)

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Life-of-Project Work Plan and Performance Monitoring Plan

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LIST OF ACRONYMS

AIS	Agency for Information Society
ALPS	Administrative Law and Procedural Systems Project
BiH	Bosnia and Herzegovina
CCA	Cluster Competitiveness Activity
CIPS	Citizens Identification Protection System
CMS	Case Management System
DAI	Development Alternatives Inc.
DFID	Department for International Development (UK)
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIAS	Foreign Investment Advisory Service
FILE	Friendly Investment and Lender Environment Project
GAP	Governance Accountability Project
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IMS	Inspection Management System
KRA	Key Result Area
LAMP	Linking Agricultural Markets to Producers Project
LGSA	Local Government Support Activity
LLC	Limited Liability Company
M&E	Monitoring and Evaluation
MEDI	Micro Enterprise Development Initiative
MIMIS	Municipal Management Information System
OSCE	Organization for Security and Cooperation in Europe
PIR	Project Intermediate Result
PRP	Pledge Registry Project
RDA	Regional Development Agency
RS	Republika Srpska
SiCG	Serbia and Montenegro
SIDA	Swedish International Development Agency
SPIRA	Streamlining Permit and Inspection Regimes Activity
TAMP	Tax Administration Modernization Project
UNDP	United Nations Development Program

SECTION I – INTRODUCTION

This document represents the life-of-project work plan and performance monitoring plan for the Bosnia Streamlining Permits and Inspection Regimes Activity (SPIRA). Section I is the introduction of the project, Section II contains the life-of-project work plan, Section III details the performance monitoring plan and SPIRA’s approach to monitoring and evaluation (M&E). Section IV provides a list of project indicators and Section V provides additional information tracking the project will do. Annexes A – I shows the details of each indicator and the data requirements for all M&E data collection and reporting needs.

A. Contract Background

The USAID-funded Bosnia Streamlining Permits and Inspection Regimes Activity (SPIRA) responds to established deficiencies in the SME environment. Despite significant progress in establishing a market-oriented economy since the Dayton Peace Agreement, BiH businesses still operate in an environment of high costs and high risks. SME competitiveness is obstructed by what the UNDP’s Early Warning System’s regional report labels the “most burdensome permit and inspection regime in the region.” As detailed in numerous studies, business registration and permitting are unduly complicated with numerous steps, redundancies, and long delays to assemble necessary data from a plethora of government agencies that are not networked. Inspections are inefficient and opaque at best, corrupt at worst. This unpredictable, high-cost environment penalizes businesses that operate formally, and encourages some to pay bribes to minimize time lost, and induces others to seek refuge in the shadow economy.

Similar problems exist in related processes having impact on business operations. Obtaining the necessary approvals (urban planning, construction and use) for the construction or remodeling of a facility continues to be an unnecessarily long and difficult process, and is also fraught with uncertainties. Urban planning is often a misnomer in that such plans remain absent or incomplete in many parts of the country. The process of obtaining authorization to do business at a particular location can be lengthy and uncertain.

A State or a Poker Game Machine?

In a recent broadcast on BiH’s NTV Hayat Television, businessman Fahrudin Pecikoza described his own experience: “I registered my firm and came to the end of the process. Thereafter the market inspection made a field visit and told me that the location where my firm was registered is not registered in the cadastre as a business space. Then I asked them: ‘And what now?’ They said: ‘All over again!’ You know, this state is functioning as a poker game machine.”

B. Program Description

The SPIRA project is part of USAID/BiH’s portfolio to achieve Strategic Objective 1 Acceleration of Private Sector Growth.

The purpose of SPIRA is to improve access to the marketplace for Small and Medium Enterprises (SMEs) by reducing administrative barriers to their initiation and operation. SPIRA will remove obstacles facing SMEs in the areas of permits and inspections, with the overarching goal of reducing legal, regulatory and administrative barriers

Small and Medium-Sized Enterprises Defined

For purposes of project implementation, SPIRA applies the same definition of SMEs that was adopted in the *Assessment of the SME Permitting and Inspection Process in Bosnia and Herzegovina*, USAID, October 20, 2004, p. 4, Vol. 1, which was in turn drawn from an EU definition (see www.europa.eu.int/scadplus/leg/en/lvb/n26001.htm.) This applies standards based on the number of employees and the amount of revenue generated.

Microenterprise: fewer than ten employees
Small enterprise: between ten and 49 employees
Medium-sized enterprise: fewer than 250 employees

to SMEs. In pursuing these objectives SPIRA will directly support the integration of the Bosnian economic space into the European Union. SPIRA will support lines of action recommended in the European Charter for Small Enterprises by addressing the following elements: cheaper and faster start-up, an improved legislative and regulatory environment, improved communication between public authorities and the small business sector, stronger and more effective representation of small enterprises at all levels, and improved on-line access to information supporting business processes. In its work supporting streamlined construction permitting, SPIRA will seek the full incorporation of EU construction codes into BiH domestic standards.

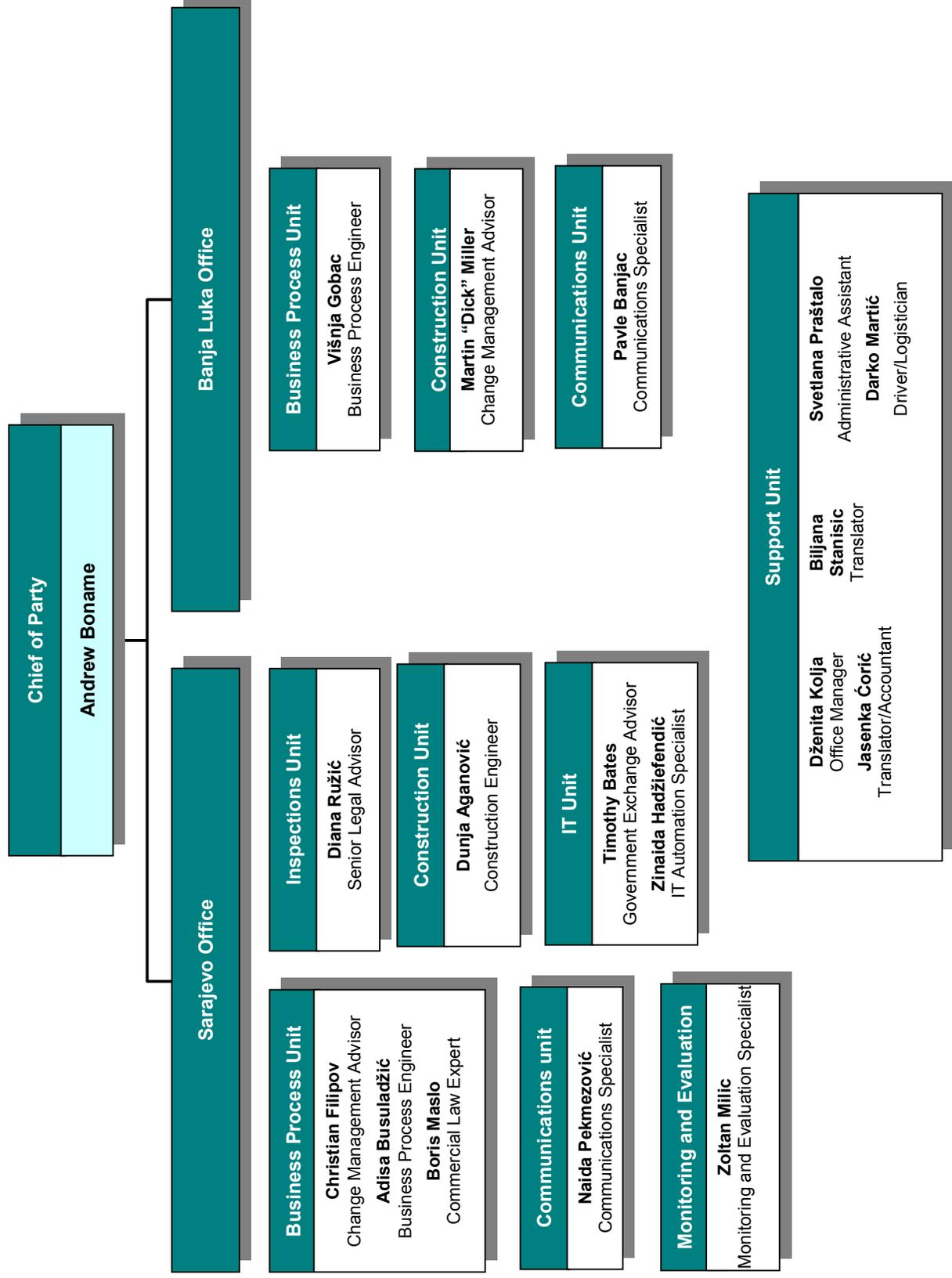
C. Organizational Structure

SPIRA is led by Chief of Party (COP) Andy Boname, and is organized into subject matter units. The business process unit consists of Change Management Adviser Christian Filipov, Business Process Engineer Adisa Busuladžić, and Commercial Law Expert Boris Maslo in Sarajevo and Business Process Engineer Višnja Gobac in Banja Luka. This unit is responsible for all activities that will achieve PIR 1, Business Permit Process Efficiency Increased in both the Federation and RS. The construction unit consists of Construction Engineer Dunja Aganović in Sarajevo, and Construction Management Advisor Martin (Dick) Miller, located in Banja Luka. This unit is responsible for all activities that will achieve PIR 2, Construction Permit Process Streamlined in both the Federation and the RS. The inspection unit consists of Senior Legal Advisor Diana Ružić and COP Andy Boname. This unit is responsible for overseeing activities that will achieve PIR 3, Inspection Procedures Streamlined.

Serving a supportive role are the IT unit, the communications unit, the M&E specialist, and the support unit. Government Exchange Advisor Tim Bates and IT Automation Specialist Zinaida Hadziefendić make up the IT unit in Sarajevo and they serve business start-up, construction permit, and inspection activities in both the Federation and the RS. This unit is responsible for achieving KRA 4, Government Information Exchange Improved. The communications unit is comprised of Pavle Banjac, located in Banja Luka, and Naida Pekmezović, located in Sarajevo. This unit is responsible for all public awareness activities concerning new business start-up, construction permit, and inspection procedures and will oversee achievement of KRA 5, Public Awareness of New Registration, Permit, and Inspection Processes Increased.

M&E Specialist Zoltan Milić is responsible for developing and maintaining the project M&E system, coordinating data collection, and analyzing data for reporting. The support unit is responsible for project support activities including administrative functions, logistics, and event planning. See Exhibit 1 for the SPIRA organizational chart.

Exhibit 1: Bosnia SPIRA Organizational Chart



D. Bosnia SPIRA Results Framework

A results framework is a planning, communications, and management tool. It conveys the development hypothesis implicit in a project's strategy and the cause-effect relationships between key result areas (KRA), project intermediate results (PIR), and the project's objective. Hence, the results framework provides a foundation for work-planning and performance monitoring. By complementing the basic structure of USAID/BiH's strategic objectives (SO) for Bosnia-Herzegovina, the results framework ensures that project activities are designed within USAID/BiH's strategic interests and contribute to mission results.

Bosnia SPIRA is designed to assist USAID/BiH in achieving Strategic Objective 1, Accelerated Development of the Private Sector and, more specifically to achieve intermediate result 1.1 Improved Business Enabling Environment.

A number of USAID/BiH activities and programs in Bosnia-Herzegovina work together in achieving SO 1 results. Bosnia SPIRA focuses on specific barriers to SME growth and thus has a Project Objective (PO) that relates specifically to IR 1.1. The PO, Legal and Regulatory, and Administrative Barriers to SME Growth Reduced is the most ambitious objective the project can effect and for which is it willing to be held accountable within the life of the project. To reach this objective, the project will work through three project intermediate results (PIR).

- PIR 1 Business Permit Process Efficiency Increased
- PIR 2 Construction Permit Procedures Streamlined
- PIR 3 Inspection Procedures Streamlined

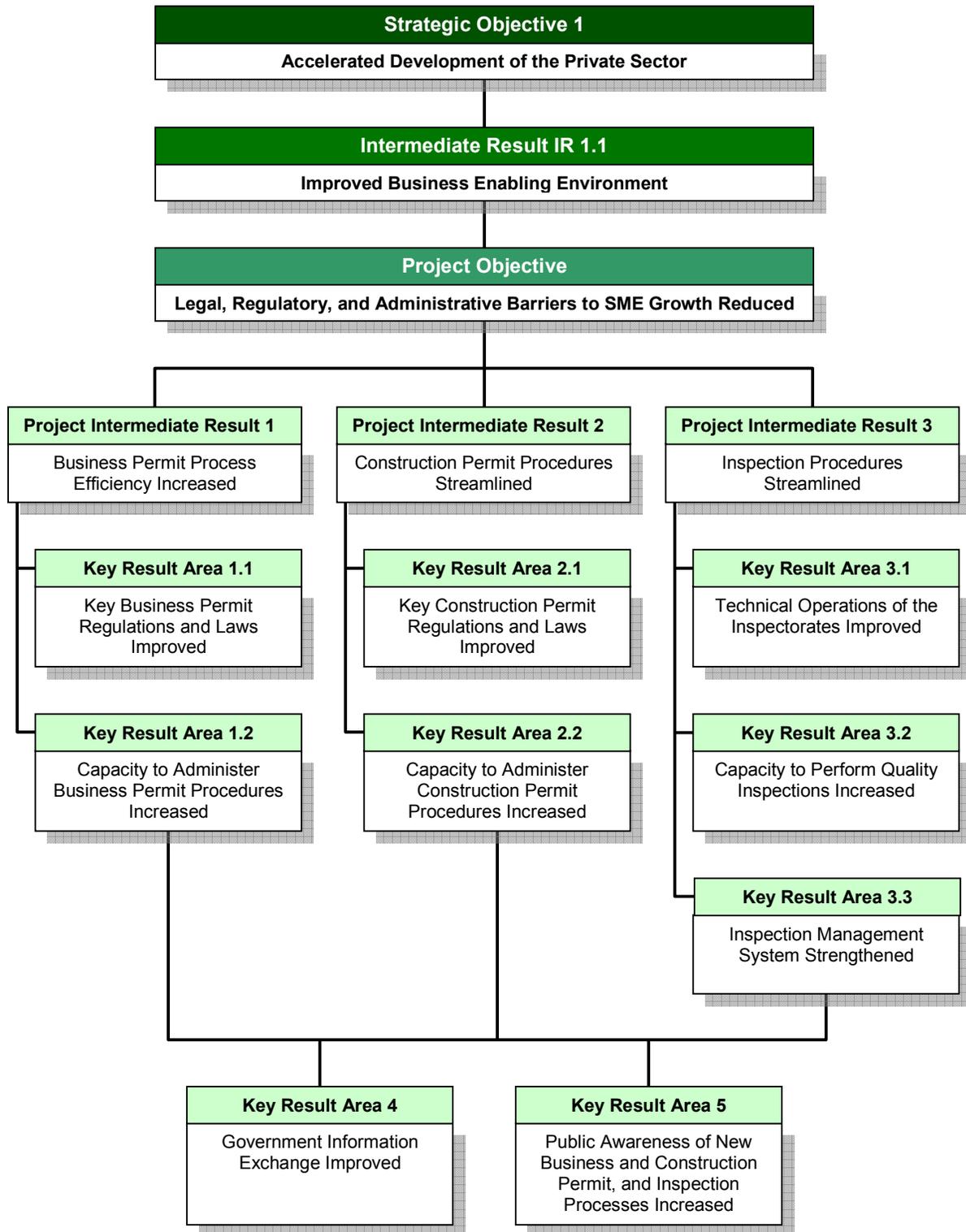
Under the first PIR, the project works to improve key business permit regulations and laws (KRA 1.1) and increase the capacity of government officials to administer business permit procedures (KRA 1.2).

Under the second PIR, the project works to improve key construction permit regulations and laws (KRA 2.1), and increase the capacity of government officials to administer construction permit procedures (KRA 2.2).

Under the third PIR, the project works to improve the technical operations of the inspectorates (KRA 3.1), and increase the quality and accountability of inspection services (KRA 3.2), and strengthen the inspection management system (KRA 3.3).

There are two cross-cutting key result areas (KRAs 4 and 5) which contribute to all PIRs. Under these areas the project works to improve government information exchange in the areas of business registration, construction permitting, and inspections, and increase public awareness of all new permit and inspection processes. The full results framework is illustrated in Exhibit 2.

Exhibit 2: Bosnia SPIRA Results Framework



SECTION II – LIFE-OF-PROJECT WORK PLAN

A. Approach to Bosnia SPIRA

SPIRA approaches the improvement of the legal and regulatory framework governing SMEs holistically as a system, and does not limit itself to institutions or sub-functions. It includes three related components: streamlining of business registration, streamlining the issuance of construction permits (the urban planning approval, the construction permit, and the use/occupancy permit), and streamlining of inspection services. These three components are supported by an IT component that improves the exchange of information and documents between government offices. SPIRA also supports an information management system to allow effective monitoring and control of regulatory inspections.

While SPIRA seeks to create a regulatory environment supportive of a single BiH economic space, the work will be conducted at the “entity” level and below, depending on where legislative jurisdiction appears to be constitutionally vested. SPIRA uses different approaches in the Federation and in the Republika Srpska (RS) because of the differing political and administrative structures and circumstances. In both entities, the project will garner good will through political networking and through each of the entity working groups. In the Federation the project follows a systematic approach of developing relationships with entity partners and the working group, reviewing regulations and laws, recommending changes one-by-one, and supporting the Federation to implement the new procedures. The Federation has an extra layer of administration in the Canton system which grants many autonomous rights to the Cantons and divests the Federation of certain authorities as is stated in the Constitution. Thus, SPIRA needs to work systematically and methodically in the Federation to streamline regulatory processes.

In the RS, SPIRA has developed an excellent working relationship with the new Prime Minister. As elections approach in October 2006, the Prime Minister is especially interested in expedited reform and has pledged to move quickly with SPIRA to streamline processes in the RS. The RS government has agreed to implement a “Guillotine” process by which the government rapidly evaluates its own laws through a series of criteria and amends them, deletes them, or leaves them as is.

The role of the SPIRA team is not to make policy, but to facilitate domestically generated creation, adoption, and implementation of policy that best serves the needs of the BiH business community and each entity’s government regulating business activity. It is not enough to change laws and regulations. To create a sustained environment where the regulatory structure is used to promote business growth in support of the public interest, there must be a profound shift in attitudes and behaviors on both sides of the government/private sector relationship. The SPIRA team will assist the officials and business persons in recreating that relationship, and in revisiting assumptions made in the past that burden policy making today. This will be accomplished through working groups, study trips, a regional conference, and the use of technical expertise from countries that have successfully transitioned from socialist regulatory/administrative environments to free market capitalist economies. And the SPIRA team intends to place special emphasis on the work of other donors that have made in-roads in this field.

B. Collaboration with Other Donors and Projects

Many others donors and other USAID projects have worked and continue to work in the area of economic development and in the promotion of SME growth in BiH.

USAID's portfolio. A sibling project of the SPIRA project, also funded by USAID (and SIDA), is the Governance Accountability Project (GAP) which is currently improving urban planning and increasing efficiency in municipal permitting determinations through computerization and other means. USAID's Administrative Law and Procedural Systems Project (ALPS) worked with the World Bank and prepared an inspector's manual to accompany World Bank training. Additionally, SPIRA will work with USAID's Friendly Investment and Lender Environment (FILE) project, which has developed a Case Management System (CMS) for the BiH court system that manages workflow processes. The same software platform is expected to generate the Inspection Management System (IMS) identified in this work plan. Working with other USAID SO 1 activities, including Cluster Competitiveness Activity (CCA) and Linking Agricultural Markets to Producers (LAMP), SPIRA will contribute to USAID's goal of accelerated growth of the private sector, and support BiH progress toward EU accession. USAID's Micro Enterprise Development Initiative (MEDI) and the Local Government Support Activity (LGSA), along with GAP, have created a number of one-stop shops and provided technology to municipalities, supporting their inclusion in a networking program that SPIRA will undertake. These projects have initiated changes in the public/private sector relationship and otherwise laid groundwork on which SPIRA builds. SPIRA will also seek the involvement of personnel from other USAID-funded projects that have made inroads on data exchange including the Tax Administration Modernization Project (TAMP), and the Pledge Registry Project (PRP).

Other donors. The UK Department for International Development (DfID) is completing a project that has transferred the registration of limited liability and joint stock companies to the commercial courts and to a process that reduces the time necessary for such registration. SPIRA will work with DfID on the pre- and post- registration permitting requirements for these companies and will take on the entire process including registration for craft shops. UNDP's Municipal Management Information System (MIMIS) program works to ease SME start-up process and also networks municipalities, two goals similar to those of the SPIRA project. The World Bank supported drafting groups that generated the Laws on Inspectorates, which, among other things, rationalize and coordinate inspection processes and specifically limit the number of days that businesses will suffer visits from certain key inspections. The Organization for Security and Cooperation in Europe (OSCE) is implementing the new "Beacon Scheme" which encourages municipalities to achieve excellence in three thematic areas, one of which is the promotion of local economic development. The previous cycle for the scheme has closed, but another is anticipated and SPIRA has proposed that it specifically target as one theme the reduction of regulatory burdens to business start-up. GTZ has worked on improving BiH's cadastral land record system, addressing among other things the issue of land registration procedures. The Danish Government is currently supporting economic development in the northwestern region of BiH with 10 million euros.

In this development environment, SPIRA will need to coordinate with other donors and collaborate on key activities. SPIRA will build on the successes of the past, openly acknowledging that we are standing on the shoulders of others, and working side-by-side with those currently pursuing shared goals. We will share any data we collect, as well as our partners and experts. We will allow, encourage, and support others who wish to share their

proposals with the working groups we organize. To the extent permitted by our own regulatory environment, we are willing to share or underwrite costs. We are willing to co-fund and co-organize events. Collaborative action is certain to be more effective than pursuit of a singular agenda in isolation.

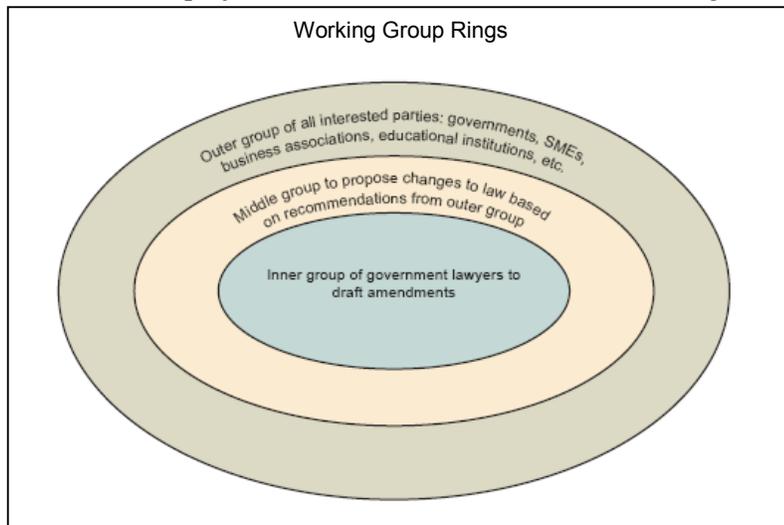
C. Working Groups

SPIRA will form two working groups, one for the Federation and one for the RS, with overlapping membership. SPIRA intends to invite some of the five regional development agencies which each cover territory that straddles the inter-entity boundary line. The working groups will meet individually and jointly to participate together in an event.

Each working group will be divided into three spheres of activity. The outer — and largest ring — will be as inclusive as possible, seeking input from all interested stakeholders or their representatives. A middle ring will be populated by “policy developers”— government officials and business leaders who can work together to filter and rationalize inputs to develop practical solutions. The center group will be small and will be comprised of technicians knowledgeable about local law and legislative drafting who will translate the policies adopted by the working groups into legal language.

Although the project is divided into three project intermediate results, the two working

groups will include representation to cover issues in all five components (result areas). Sub-committees will be formed to cover more specific issues such as cantonal inspections as needed. Having two large working groups that deal with the breadth of issues in SPIRA’s scope of work, enables each working group to engage in larger public education and lobbying efforts in support of reform.



SPIRA is using the following criteria to identify working group members:

- Key government officials and ministers with subject matter jurisdiction over targeted regulations.
- Well known and respected experts on business and construction regulation.
- Organizations that represent large numbers of SME-business persons across a wide geographic or topical range.

- Organizations that who can function as advocates for regulation revision from the private sector.
- Officials directly or indirectly involved in inspection processes.
- Members of the business community with experience with inspection processes.
- Non-business citizen representatives who have an interest in regulatory constraints on construction such as the legal aid NGO, Vaša Prava, or a environmental control NGO.
- Groups nominated by SPIRA partners as having value.

Some members of the working groups may be ad-hoc, working on particular issues at certain phases. SPIRA has not set a cap on the size of each working group and its respective subcommittees, but the use of ad-hoc members may keep the size manageable.

Each office (Banja Luka and Sarajevo) will be responsible for communicating with its working group/subcommittees. The flow of information to and from the working groups will follow roughly this pattern:

- SPIRA will present selected laws and by-laws that impact the various regulatory areas to the working groups along with the results of the process map updating, including the steps and cost in time and money. They will also receive a summary of comments made, regarding possible consolidation or elimination of steps, by persons interviewed or surveyed.
- SPIRA will present the process mapping report to the working group subcommittees and ask them to vet and validate the maps — by identifying additional legal authority, steps, and costs.
- SPIRA will provide examples of alternative regulatory approaches, to include possibilities drawn from Croatia and Serbia/Montenegro.
- SPIRA will ask the subcommittees to recommend revisions to the regulatory framework and seek recommendations as they apply to the laws requiring legislative adoption, by-laws requiring government approval, and administrative improvement that could be adopted within the existing legal framework.
- Outer ring working group recommendations would be referred to the middle ring of policy developers for their review and action. To ensure transparency and participation, the proposals they generate will be sent to the entire working group for comment. After discussion and consensus, the proposals would will be disseminated to the government entities. SPIRA, with USAID guidance, will determine which legislative proposals to pursue and which by-laws and administrative improvements to begin with. This process, along with the law drafting responsibilities, will be applied so that the RS Guillotine program actively substitutes for the general working group activities where feasible, and so that

successful reforms adopted in the RS are subsequently presented for adoption by the Federation and possibly by cantonal governments as well.

- The center ring of the respective subcommittee begins drafting new legislation. Communication between this group and the policy developers would be ongoing during the drafting process.
- Working group members continue to support the revision processes by educating the public and informing their colleagues of the benefits these revisions would hold. Some will act as trainers and information providers during the training and public education phases of the project. Working group members would also be looked to as champions for the adoption of proposed by-laws and administrative changes.

D. The Guillotine Process

The Guillotine process is significant because it allows most of the anticipated results identified in the scope of work for this project to be fast-tracked in the RS. For example, under the Guillotine process, the three-layered working group concept (described above in Section C) has become a system where the outer ring or broadest group of stakeholders is represented through ministry and government inspection service personnel and an extensive group of business representatives. The role of the middle ring of policy developers has been taken on by the Regulatory Reform Council created to support the Guillotine and a subsequent RIA. The Council's Secretariat will be responsible for the policy drafting function, originally the responsibility of the inner ring working group members.

Most importantly, the Guillotine provides for expansive and expeditious regulatory review. Progress in the RS, where SPIRA is employing the Guillotine to achieve regulatory reform in business, construction and inspection, may consequently surpass progress in the Federation. The process of systematically gaining political will, reviewing regulations, laws, and procedures, implementing changes, and building capacity to implement the new procedures is lengthy in the Federation because political will necessary to support change in these three areas is difficult to build across the Federation's fractured jurisdictional landscape. The distinction necessitates distinguishing between the strategies being employed in one entity versus the other, at points in this work plan.

RS and a Partnership for Reform

Early in the project the SPIRA team organized study trips to Zagreb and Belgrade for project team members, who collected information on successful regulatory reforms in the region and identified those responsible — and produced a mapping report on current permitting processes in the BiH that highlighted areas where changes could be achieved, hosted a start-up conference that publicized the need for change, and sponsored a regional conference that presented select regional solutions. A partnership for reform with the RS Government was first established when SPIRA proposed several specific reforms, that had succeeded in Serbia, for immediate adoption here. This was accepted and cooperation has subsequently grown to include an overhaul of regulations affecting businesses.

SPIRA intends to promote the adoption of reforms in the RS and by demonstrating benefits to RS citizens, to gain receptiveness in the Federation. This strategy, of using reforms in the RS to spearhead change throughout the country, should be understood as a fundamental approach to the program of work described in the following pages.

E. Process Mapping for Business and Construction Permitting

The first activity SPIRA will undertake to achieve KRA 1.1 Key Business Permit Regulations and Laws Improved and KRA 2.1 Key Construction Permit Regulations and Laws Improved is to create detailed maps of each process to fully understand what the typical cycle is and where the bottlenecks lie. For the sake of efficiency in this work plan, we have detailed this first activity with regard to both KRA 1.1 and 2.1 as one activity.

- Building on the 2004 assessment report, SPIRA will re-document current processes associated with the same types of business and construction activities in the same municipalities as previously assessed. In the case of construction processing, a small number of “anomalous” cases will be investigated with follow-up field visits by project personnel for the purpose of confirming the completeness of jurisdictional reports.
- Review the legal authority including general procedural laws, substantive laws bearing on particular processes, and by-laws/regulations that cover the various steps involved in the processes in each mapped jurisdiction. This will establish the legal parameters for the processes — what is required and/or allowed. Special attention will be paid to provisions which protect applicants, such as those prescribing a particular interval for decision-making or identifying procedural rights.
- Interview and survey people who have recently been awarded permits from the official registers in the locales under study. The results will serve as baseline data for measuring the time the process takes and how much it costs. Respondents will also be asked which steps they found most difficult and why, which steps they think could be condensed or consolidated, and whether there are any steps or requirements that do not seem to have any justification in serving a public interest.
- Review records. Samples of records will be captured through requests made to persons interviewed and by requesting files held by court and other government offices. The files will illustrate a chronology that details the process in those cases, and will document the actual steps, the cost, the time taken and the manner in which supporting documents were obtained (ex-officio or submitted by the applicant). This method is expected to evidence, in objective terms, the actual processes as applied.

F. Technical Activities by Result

The project’s technical activities will produce results. To plan and manage our activities to produce the maximum impact on the legal, regulatory, and administrative environments for SME growth, we have structured our activities in nine key result areas within the immediate manageable interests of the project. By achieving these lower-level results in combination, we aim to contribute toward the achievement of IR 1.1 Enabling Environment for Business Improved and ultimately SO 1 Acceleration of Private Sector Development.

F1. Business Permit Process Efficiency Increased (PIR 1)

Activities designed to achieve this PIR are two-fold: examine, amend, and implement laws and regulations specific to the business operation and permitting process; and provide training and capacity building to government officials in the implementation of new business permitting procedures. SPIRA will work specifically on two types of small- and medium-sized businesses, craft shops and Limited Liability Companies (LLC). SPIRA will work to redesign the registration process for craft shops, from filing to being open for business. SPIRA will only work on the start-up process for LLCs outside of a company's court registration process, covering pre-registration requirements and post-court registration permitting. DfID's project has been working on streamlining the court application process and the registration of LLCs. The strategy for this PIR is to work with the working groups in each of the entities, assess the process as it stands, make recommendations on how to improve the process, and provide support and training as the government makes the recommended changes. This basic approach is supported by the Guillotine process in the Republika Srpska (RS) and through a variety of knowledge sharing activities, including a regional conference and study tours to Croatia and Serbia to witness their business metamorphoses to demonstrate that determination and the commitment of resources (not "magic") can work.

Resources. The business process unit is responsible for activities under PIR 1. They will be supported by the COP, the IT unit, the communications unit and will use resources provided by the working groups in both entities.

F1a. Key Business Permit Regulations and Laws Improved (KRA 1.1)

Activities under this KRA are specifically focused on the laws, regulations, and procedures governing the business start-up and permit processes for both craft shops and LLCs in both entities.

Activities

Analyze and verify existing process maps. SPIRA will analyze and verify existing "by law" process maps detailing the business registration process for craft shops and LLCs. Additionally, "in practice" process maps will be developed based on feedback from entrepreneurs to identify the actual experiences of entrepreneurs as well as highlight points of regulatory disharmony that create variance for businesses and impose variable costs to businesses depending on location. The focus of the business process unit in this area will be to identify, review and analyze laws, regulations and procedures governing business registration and start-up. *Months 1 - 5*

Compare processes from neighboring countries. For comparative purposes the business process unit will study business registration and start-up processes of countries that have a similar legal foundation such as Croatia and Serbia. *Months 1 - 4*

Obtain feedback from working groups and stakeholders. SPIRA will seek extensive feedback from the working groups and other stakeholders on the process maps, and will brainstorm priority areas for streamlining. The substantive work of the business unit will begin with the formation of working groups in the RS and the Federation to brainstorming priority areas for streamlining. This activity will continue until new legislation is drafted and adopted.

Month 6 – ongoing through Year 2

Develop a list of major constraints impacting businesses in the start-up and permitting areas. This will serve as list of actions to address any immediately removable barriers to business start-up for key business activities. During the implementation of the Guillotine in the RS, the business process unit will liaise with the working groups on identifying and eliminating immediate constraints to business operation, including moving the process of verification of minimum technical requirements to the post-registration stage and shortening the craft shop registration process. The work of the business process unit in this area will be closely associated with the implementation of the Guillotine in the RS. Then the unit will transfer experiences and lessons learned from the work in the RS to implement a similar strategy in the Federation. *Month 6 – 12 in the RS, Year 2 in the Federation*

Develop summary of business start-up procedures. This summary will include the number of steps, documents required, and time needed for business start-up. It will provide an overview for both LLC and craft shops. This information will serve as a baseline for project activities and the M&E system. *Month 6 – ongoing*

Implement the Guillotine process in RS. SPIRA will take advantage of current political will in the RS to improve the climate for business and investment, including implementing the Guillotine process, and will work jointly with FIAS and subcontractor, Jacobs and Associates. The Guillotine process, developed by Jacobs and Associates based on reform experiences from other countries, is a process by which administrative units of the government engage in a systematic review of existing laws, regulations and processes. Laws, regulations and procedures deemed extraneous, costly, and cumbersome are deleted and improved legal requirements are introduced with a government decree. The RS government is committed to implementing the Guillotine process to reform the existing legal framework in the areas of business start-up, construction, and inspection. The business process unit will support FIAS, Jacobs and Associates, and the RS government, in designing and implementing the Guillotine process to effect quick reform. If the implementation of this initiative is successful in the RS, the business process unit will use it as a positive example for discussions with the members of working group, business representatives and government officials in the Federation and will present it as a best-practice example. *Months 7-12*

Develop legislative action plan related to business permitting. Based on the review of legal materials, process maps, constraint lists and experiences gathered in the process of implementing the Guillotine in the RS, the business process unit, together with the working groups, will develop conceptual recommendations regarding improving the legal framework governing business start-up and permitting and will support the working groups in developing proposals for legislative changes. Such recommendations will be formalized in a legislative action plan that will be submitted, possibly in portions, to USAID for approval. SPIRA anticipates that many laws, across 14 jurisdictions: state level, entity level, cantonal level, district level, will require amendments and entirely new laws in the area of permitting will need to be developed and adopted. The business process unit will support the efforts of the working groups in promoting the adoption of the recommended changes through public information sessions, briefing meetings with key counterparts and decision-makers and through other advocacy efforts as opportunities arise and are identified. *Year 2*

Support entities in amending legislation. Once USAID and the SPIRA project counterparts agree on the recommended legislative changes, the business process unit will support the

working groups in drafting new proposed legislation to implement the recommended changes. *Month 6 - ongoing, Years 2 and 3*

Support entities to enact new legislation. Once legislation has been appropriately adopted (at the state, entity or cantonal levels) the SPIRA team will conduct information and advocacy sessions for the private and public sector with the support of the working groups. See activities under KRA 5 for more detail on public awareness campaigns. The business process unit will support legislators and government officials in drafting secondary legislation that facilitates harmonious implementation of the new laws in both entities and across all selected cantons. The business unit will also provide, as needed, support in developing procedures to monitor and evaluate compliance with new procedures. *Month 6 – ongoing, Years 2 and 3*

- | KRA 1.1 First Year Milestones |
|--|
| <ul style="list-style-type: none"> • Process assessment completed • Working groups created • List of immediately removable constraints completed • Legislation on measures for eliminating immediate barriers to business start-up developed and proposed for adoption • Proposal for streamlining craft shop registration and start-up developed and proposed • Regulatory Guillotine process in the RS completed • List of major constraints to business-start up in the RS completed |

Conduct an analysis to determine compliance with new legislation. After the entities have adopted recommended legislation, the business process unit and key working group members will conduct an assessment of the new practices to determine compliance with recommended legislation. If needed, the business process unit and the key working group members will assist the government in developing additional secondary legislation according to international best practices. *Years 3 and 4*

F1b. Capacity to Administer Business Permit Procedures Increased (KRA 1.2)

Activities under this KRA are mostly focused on training, study tours, on-the job assistance, and general capacity building for officials involved in the business registration and permitting process.

Activities

Conduct an assessment of training needs. While reviewing and verifying the business registration process maps, the business process unit will also conduct an assessment of training needs within the various government bodies responsible for business registration and permitting (i.e. the courts, the municipalities, and the cantons). Any opportunities to address low-scale training to address immediate capacity problems related to registration, or permitting will be identified. *Month 6 - ongoing*

Take working groups on a study tour. Key members of the working groups will go on a study tour to Portugal. The study tour will expose participants to business registration and start-up in a European Union (EU) Member State that is a leader in this area. [The Portuguese government issued a decree of that revised Portugal’s company law by introducing a special business registration regime that allows any citizen to create a new business instantly with a single visit to a government office.] *Month 6 – ongoing*

Develop a training plan. The business process unit will develop a training plan based on the general and specific assessments of training needs following adoption of new and revised

legislation. The training plan will be launched as soon as new legislation is adopted and its implementation begins. *Years 2 and 3*

Develop training materials. The business process unit will develop formal training materials focusing on the new business permit processes once the legislation has been revised and implementation of the new procedures starts.

Such training materials will focus on implementing new and revised policy (laws, regulations, procedures), as well as on introducing processes for monitoring and accountability purposes. *Years 2 and 3*

KRA 1.2 First Year Milestones

- Preparation for study tour completed
- Conference on regional best practice solutions completed

Train government representatives and members of the private sector. SPIRA will ultimately train at least 500 government representatives. SPIRA will also provide training to members of the private sector including key businesses and associations. Training participants will be required to attend the full training session and demonstrate that they have absorbed the material, by sharing the lessons learned with colleagues and making presentations on the training subject to their peers. Attendees will be officially certified by SPIRA and if appropriate, such certification may be used to evaluate officials' performance. *Years 2-4*

Develop job aids for government officials administering new procedures. Once new laws and regulations have been adopted and their implementation starts, SPIRA will provide job aids such as job description tables and samples of reports for internal reporting purposes for government officials responsible for implementing the new laws and procedures. For example, SPIRA might help produce "cheat-sheets" which outline the new laws and procedures in a step-by-step, easy to follow way. If needed, the business process unit will also develop hand-outs for newly registered businesses which explain what is required of them by law to pass minimum technical requirements and other permitting requirements. *Years 2-4.*

F2. Construction Permit Procedures Streamlined (PIR 2)

Like PIR 1, activities designed to achieve PIR 2 are two fold: to examine, amend, and implement laws and regulations specific to the construction permitting process; and to provide training and capacity building to government officials in the implementation of new construction permitting procedures. The focus of SPIRA's work is on commercial construction activity, as this relates directly to business operations. However, construction is a business activity in itself, and also reflects investment opportunities in residential as well as other types of projects. For this reason, while the project will be oriented to commercial construction (and track changes in permitting time as it relates to this area) the project will also highlight those activities that have positive impact on business development generally.

SPIRA has identified four phases of construction permitting: pre-permit, urban permit, construction permit, and use/occupancy permit. SPIRA will employ the entity working groups to assess the process as it stands, summarize basic obstacles to an expeditious construction regulation environment, recommend legislative reforms, and, under the new legislation, provide support and training to the responsible government units. SPIRA's activities will be supported by the Guillotine process (in the RS), and accomplished through knowledge sharing activities including a regional conference, study tours, and training.

Resources. A construction unit with members located in both Sarajevo and Banja Luka is responsible for activities under PIR 2. They will be supported by the COP, the IT unit, the communications unit, and resources from the respective entity working groups.

F2a. Key Construction Permit Regulations and Laws Improved (KRA 2.1)

Activities under this KRA are specifically designed to reform the regulations and laws governing the construction permitting processes in the RS and the Federation. The construction unit will review regulations and laws specific to construction permits and recommend that a specific law or regulation is amended, deleted, or kept as is.

Activities

Review and update the understanding of the construction permitting process. SPIRA experts will assemble materials and information that describe the current situation in construction permitting including:

- Collect and analyze the laws that impact the regulation of construction of new or remodeled buildings. Including cantonal laws, there are over 30 separate laws to address.
- Prepare summary descriptions of current construction permit practices as stipulated by law.
- Produce process charts that portray the “actual” permitting process in sampled municipalities.
- Obtain examples of forms and permits that are utilized by issuing local government unit to authorize construction, as well as those notifications used to remedy “illegal” construction instances. *Month 9*

The construction unit will generate a numerical baseline to estimate the average number of days necessary to obtain all permits leading to use/occupation. This number will be derived from statistics reflected in the records of past construction projects related to one or more type of business construction. The unit will identify separate baseline figures for Sarajevo, Zenica, and Banja Luka. *Month 10*

Discuss and disseminate findings with working groups. Materials assembled through the first phase activities will be provided in a series of “luncheon workshops” to enable each working group member to understand the extent of the challenge and be better prepared to conceive and outline essential legislative initiatives to reform the current situation. The SPIRA team will discuss the findings of the first activity with the each of the working groups. *Month 7*

Support the Guillotine process in RS. As described under KRA 1.1, SPIRA’s construction unit will work with the RS to outline and implement the Guillotine process as it may apply to the construction permit process. *Months 9-12*

Draft new or amended legislation for review and approval with working groups. Drawing on findings, including those identified through the Guillotine process, as well as through discussions with the working groups, SPIRA will develop legislative program recommendations. This process will involve

KRA 2.1 First Year Milestones

- Process analysis completed
- Guillotine process implemented in the RS
- Summary recommendations discussed and confirmed through working group involvement
- Draft Legislative Program prepared

synthesizing the legislative and administrative obstacles into an issues summary paper, appointing a group from its membership to prepare an outline of specific legislative points, and appointing a smaller group of legal technicians to draft proposed legal amendments to existing laws. *Month 11 in the RS, month 12 in the Federation*

Assist counterparts to finalize and obtain support for legislative changes. Recognizing that the task of drafting legislation is not sufficient, SPIRA team members will support the working group members to change public attitudes and generate stakeholder support for the changes. SPIRA will actively support public information efforts as described in the activities under KRA 5. Once the proposed items of legislation have been drafted, supportive working group members will function as advocates, using the resources of their associations, companies, government organizations, or professional training to identify and contact target legislators to create a receptive legislative environment. *Year 2*

Green Visions and Labor Inspection Problems

Several years ago the domestic eco-tourism enterprise, Green Visions, had its offices closed by a labor inspection which determined that its office space did not satisfy the formula for the amount of floor space per employee – because the law did not recognize that a business which provides outdoor touring as its product would have few of its employees on the premises. This example reflects both a specific problem with that formula and a general problem in the manner in which regulations are applied by inspectors. With the assistance of our Working Groups, we will identify ways to streamline and rationalize regulatory inspections to address issues that the business community has identified as most problematic, including irrational regulatory provisions; requirements so complex, confounding, and inconsistent that businesses have no hope of achieving compliance; a near total lack of regulatory interest in enterprises outside the formal sector; overly exacting regulatory standards that provide no “tolerances” or minimal exceptions; rent-seeking; and an institutional culture that may perceive inspections as a revenue generating mechanism. As part of our work to promote accountability in inspection processes, we will also emphasize areas where under-enforcement is placing public health and safety at risk.

Confirm or re-design local government record systems in pilot municipalities. Recognizing that the commercial construction permit process is hindered by a lack of development policy planning, inadequate and cumbersome plan review procedures, obsolete records-keeping at the local government level, inadequate inspection resources, and time-consuming consent procedures, the construction unit will identify pilot municipalities in which it will recommend re-design of practices, resources, and systems. Pilot municipality work will be undertaken in association with SPIRA’s IT unit. *Year 2*

Design training programs and draft procedural manuals for officials. To prepare for the training activities detailed below, the construction unit, supported by relevant working group members, will design training programs and prepare procedural manuals that outline new procedures for officials administering construction permits. *Year 3*

F2b. Capacity to Administer Construction Permit Procedures Increased (KRA 2.2)

Activities under this KRA will concentrate on training, targeted study tours, monitoring on-the-job performance, and supportive capacity building for officials involved in the business permit process. Detailed design of training is dependent on the content of new regulations and laws. However, some useful and relevant capacity-building activities in this area can be done directly with the local government units, independent of any new legislative action. Earlier projects such as USAID's MEDI and the LGSA demonstrated that selected municipalities can simplify and improve local capabilities, and this experience can be expanded into improving both business regulation and construction permitting. Currently, the GAP project has targeted 40 additional local government units to receive similar technical assistance. SPIRA will build upon this positive experience through the activities listed below.

Activities

Expose counterparts to a model construction environment through a Study Tour. Selected counterparts will be taken on observe, assess and absorb the construction permitting protocols applied in a model European country (probably Denmark). *Year 2*

Review the activities and accomplishments of previous projects in several sample localities in both the Federation and RS. SPIRA's strategy in reforming the administration of construction permitting will be focused at the local level, although there will be some impact at the cantonal level within the Federation. The construction unit will draw upon the reports of partner projects, notably GAP and MEDI in order to define what will be necessary and what remains to be done to streamline construction regulatory practices and identify target sites. *Year 3*

Prepare model process charts to guide administrative reforms. For the additional local government units that comprise SPIRA's client base, SPIRA will provide model process charts for administrative reforms supplemented by a detailed analysis of records systems, personnel qualifications; planning, transportation and enforcement policies; mapping resources, and the usefulness of forms. This map will be distributed to the working groups, local government officials, and included in training material. *Years 3 and 4*

Prepare local government units for EU accession standards. An important outcome of these activities will be to prepare the state of Bosnia & Herzegovina for accession into the European Community. SPIRA will support this preparation by harmonizing local practices and regulations with EU standards. The team will perform the following tasks:

- Review and translate EU building codes into Bosnian terminology and language.
- Redraft the necessary approval processes, assuming both the adoption of legislation and no adoption.
- Identify training measures and professional certifications that would enhance the capabilities of existing staff
- Identify serious staff inadequacies in terms of numbers and skills
- Identify useful counterpart donor programs whose implementation would help simplify construction regulation (e.g., planning & zoning regulations, subdivision regulations, building codes) *Year 3*

Prepare training modules for direct skill transfer as required by EU accession guidelines. The construction unit will review content of training manuals typically used by local government officials to prepare new training modules for staff. They will develop new training modules and conduct training sessions focused on administrative practices, forms, record-keeping, and case tracking, that will be amenable to electronic data sharing with other levels of government as well as within each local government units. *Years 3 and 4*

F3. Inspection Procedures Streamlined (PIR 3)

Inspection procedures in the Federation and the RS are critically important to the business permit process and the construction permit process, as well as other private sector activities. The current inspection system is cumbersome involving numerous levels of inspectorates, overlapping jurisdiction, and limited capacity to perform quality inspection services. Activities under this PIR will focus on streamlining inspection procedures through improving the laws and regulations to do with inspectorate organization, and inspection standards, building capacity of inspectors to do quality inspections, and developing an integrated

inspection management system. SPIRA targets three inspections considered to be the most problematic for SMEs. These three inspections will be determined by recommendations from the working groups, SPIRA staff, and USAID. This work will build on the World Bank's inspection reforms project as well as the USAID-funded ALPS project.

Resources. The inspection unit, consisting of COP Andy Boname and Senior Legal Advisor Diana Ružić, will lead the inspection activities. They will be supported extensively by the IT unit and the communications unit. Presently, SPIRA's operational tempo in the RS is extremely high and SPIRA is considering additional human resources as a means of improving support to this component.

F3a. Technical Operations of the Inspectorates Improved (KRA 3.1)

Activities under this KRA will deal with helping streamline the Law on Inspectorates, combining entity-level inspectorates into one administrative body, revising administrative procedures, and improving, for the two consolidated entity inspection administrations, the Book(s) of Rules for each inspectorate which governs its operations. These activities will include promoting compliance with the procedures established in the respective Law on Inspectorates, administrative efficiency in planning, scheduling and administering joint inspections across subject areas, and the extent to which the combined inspectorates effectively supervise the delivery of inspections conducted by administrative sub-units.

The work in this area is dependent on the implementation of entity Laws on Inspectorates that create consolidated inspection administrations with managerial control over a range of inspections. This condition has been achieved in the RS, and work has been accelerated through the Guillotine process. In the Federation, the law was adopted but subsequently found to be partially unconstitutional. The reconstruction of the law by Parliament is pending, and a director to the Federation Inspection Administration was finally appointed in June 2006. SPIRA will undertake the work identified below in the FBiH, as well as in the RS, SPIRA will also seek the engagement of several pilot Cantons, which volunteer to create or maintain consolidated inspection services (the finding that the FBiH law was unconstitutional as applied to Cantons means that they are not obligated to do so).

Activities

Conduct a study of the combined inspectorates that are established by the respective entity Laws on Inspectorates. The study will address the operations of the combined inspectorates at the entity level and management practices at the district level, assessing management systems, as well as the conduct of particular inspections. The study will identify excessive burdens, redundancies, and requirements that are not well-grounded in public policy. In the RS, this assessment will be driven by the Guillotine process and by developing an Inspection Management System, which will review the work flow and organization of the inspection services. Analysis of practices will consider both those dictated on paper and what occurs in reality. Because the portion of the Federation Law on Inspectorates deemed unconstitutional was that exercising control over cantonal inspections, SPIRA's work with the Federation will primarily address the Federation level inspection services. Work at the cantonal level would, if at all possible, focus on one or two cantons as pilots in a program of voluntary self-reform.

Months 9 – 12

Assess current regulatory authority and practice through the Guillotine and the design phase of the inspection management system. The authority and practice of the inspection processes will first be assessed through the Guillotine process in the RS, which will generate a detailed listing of all inspection subtypes. The design phase of the Inspection Management System, which will automate inspection workflow and planning, provides an opportunity to conduct a detailed review of how the new Inspection Administration is organizing itself and managing the inspection services. *Months 9 – 12*

Implement the Guillotine process in RS. As described under KRA 1.1, SPIRA will work with the RS to implement the Guillotine process and efficiently streamline laws and regulations related to inspections, in addition to business process and construction laws. *Months 8-12*

Generate sets of recommendations for improved procedures. The Guillotine will result in the identification of specific elements of inspection programs needing streamlining and the research phase of the IMS will reveal precisely how the inspections services are organized and operated. Based on these, SPIRA will identify structural improvements to inspection procedures. Specific areas for recommendations include improvements that can be made in routine practice with no change to legal authority, improvements that can be adopted through the Books of Rules of the combined inspectorates, and amendments that must be achieved through legislation. Legislative proposals will be of two types: legislation that applies to inspection procedures generally and legislation that alters the substantial provisions bearing on particular inspection services. Both sets of legislative revisions will be identified based on their practical relevance across the BiH economic landscape. SPIRA will identify the three most burdensome inspections. The World Bank will be asked to provide its input on the procedural provisions affecting the functions of the combined inspectorates, which were created through its efforts. *Month 12*

Randomized Target Selection

Front and center in SPIRA's proposals for improved inspection procedures will be the random selection of businesses that will be subject to scheduled (planned) inspections. The parameters of the annual and monthly inspection plans will generate a pool of eligible targets and from this particular businesses will be selected randomly, by the automated IMS when it is established. This would eliminate selective enforcement based on political or revenue generation interests.

Disseminate findings to working groups. The inspections unit will disseminate some findings on inspections procedures to the working groups for discussion. In some cases, the need for policy revision will be fully established by the Guillotine or IMS development and the Inspection Administration may be the proponent of the revisions. Recommendations from the working group will be included when drafting proposed revisions to inspection laws, regulations, and procedures. *Month 12*

Support the working groups in drafting revisions consistent with the proposed changes. The inner ring members of the working groups, the legislative drafters, will be asked to take the lead in drafting legislative amendments. Simultaneously, SPIRA will proceed with proposed procedural revisions to the Laws on Inspectorates, reviewed by the World Bank. Separate subcommittees of the working groups will be asked to generate proposed provisions for inclusion in the Books of Rules of the combined inspectorates, and, respectively, to create routine procedures that might be applied within the existing legal/regulatory framework. *Year 2*

Present draft legislation to ministry officials for their review. SPIRA will support the proposed revisions by assisting in the preparation of comments and memoranda describing the intended impact and value of the proposals. The delivery is expected to be accompanied by press releases and an associated public awareness campaign. SPIRA staff will make themselves available to answer questions presented by ministry officials, the entities, and the respective offices of legislative affairs and from parliamentarians. International partners that support SME development are also expected to participate in furthering this legislation. Members of the working groups will be primarily engaged in explaining their work product and informing their colleagues and countrymen of the benefits the changes will provide.

Year 2

Draft revisions to the Books of Rules. Proposed revisions to the Books of Rules, driven by the legislation noted above and the Working Group's proposals, will be delivered to the respective Directors and supporting material provided as well. Proposed modifications in standard procedures, not addressed in the Books of Rules, will be communicated to the Directors or to others. *Year 2, ongoing*

Draft technical manuals. The SPIRA team will draft, with support from working group members, the manuals that will be provided to support the implementation of the three overhauled inspection processes. These manuals will have general application across jurisdictions; will identify changes in substantive requirements, any new procedures, ethics guidance and revised forms for use in generating field reports or follow-up. These manuals will be drafted while the corresponding legislative proposals are pending but will not be finalized until they are enacted. *Year 3*

KRA 3.1 First Year Milestones

- Working groups established
- Launch Inspection Guillotine in the RS
- Review of RS Inspection Procedures complete

F3b. Capacity to Perform Quality Inspections Increased (KRA 3.2)

Activities under this KRA are designed to increase capacity of inspectors to provide quality inspection services to SMEs. Training and certification will be the main activities.

Develop common curriculum. A common curriculum for inspections training will be developed in conjunction with the technical manuals for selected entity level sector specific inspections. The inspections unit will tailor the curriculum to meet needs at local training sites including using local officials as trainers. Because the Director of the RS Inspection Administration has indicated a marked preference for the provision of training that supports all inspection processes, a broad program that covers ethics, inspection procedures, reporting and other administrative requirements, will be included for all inspections. Review of the underlying regulatory base, which defines the substance of the inspections, will be covered for all inspectors in the period following the Guillotine. The inspection manuals, however, will include supplements for the three inspections targeted for focused reform. *Years 2 and 3*

Develop training material. Training material will cover key elements of the respective technical manual such as how to use the manual as a reference guide, how inspector performance will be evaluated in terms of compliance, and how to use new forms. In addition, pamphlets, brochures, informational CDs, and audio/visual presentations will be generated as training aids and published in bulk. These products will be done with support from the communications unit. *Years 2 and 3*

Provide training on the revised provisions. The Inspection unit will train public officials (inspectors, middle, and senior managers) most affected by the changes in procedures, rules and laws. SPIRA will develop training materials, distribute the new technical manuals, and develop a certification program where inspectors will be tested on their acquired knowledge. SPIRA will invite representative professionals associated with business (including business managers and in-house counsel) to participate in these training. We will target the regulated community to promote the exercise of procedural rights by business persons and holding inspectors accountable. Information regarding the mandates of inspectorates/inspections, the rights of businesses and other information bearing on the limits of inspection authority will be communicated to the business community through business associations, RDAs, chambers of commerce, and the employers associations. We will also focus on adjusting inspectors' attitudes, educating them on business rights and the purpose of the inspection as a means towards promoting compliance, not collecting fines, and the requirement that the least onerous sanction necessary should be employed to achieve compliance. *Years 2-4*

KRA 3.2 First Year Milestones

N/A – all training activities are likely to be conducted in years 2 and 3.

Milestones will updated in the 2007 annual work plan.

F3c. Inspection Management System Strengthened (KRA 3.3)

Designing, developing, and implementing a centralized inspection management system at the entity level facilitates the enforcement of procedural provisions in the laws, especially those protecting businesses from inspections beyond a limited number of days per year and a transparent selection process that applies legitimate criteria in identifying businesses for inspections. The system will also support the centralized monitoring of cantonal/district inspection processes. The specifics of the inspection management system will fall under the responsibility of the inspection unit though will be heavily supported by the IT unit to provide the infrastructure for the networked system and manage the design, development and implementation of the software. The system will be designed to pull up all the inspections that a business receives over time, with details addressing the date/time of their inception, duration, type of inspection, personnel involved, the inspectors' findings, decisions taken on violations, whether an appeal is taken, the final outcome, etc. This allows one to generate data regarding the treatment of a business by the combined inspectorate, by a single inspection and even records associated with a single inspector's interaction with a particular business. Data can be aggregated and analyzed to generate background averages associated with the treatment of similar businesses for comparison.

The IMS will provide benefits to the business community in fostering inspector accountability. Through the use of system generated frequency of inspection and random assignment of inspectors, the system can be used to prevent or track retaliatory action by inspectors against complainants. If businesses are randomly scheduled for inspection, it becomes practically impossible to retaliate using this authority. And even if, for some reason, randomness is not adopted, retaliation creates a document trail that is a starting point for a subsequent challenge and investigation. The IMS will also allow business persons to more knowledgeably challenge abuses. SPIRA will work to make the generic data generated from inspection activities, including the types and frequency of penalties imposed for certain types of violations, available to the public — as well as permitting business owners to view all inspection records relating to their own enterprises.

Activities associated with the inspection management system are well underway in the RS and will begin in the Federation once its Inspection Administration becomes operational.

Activities

Review and collect key functions required for the inspection management system. The SPIRA team will consult with working group members, and do research to determine what key functions are required and useful for an inspection management system in the BiH environment. *Month 6 – ongoing*

Identify system owner and operator. While the system specifications are being developed, the SPIRA team must determine who will be the institutional owner and operator of the system. Ideally a State or entity level inspectorate will take ownership of the system, but SPIRA will do capacity assessments of various possible owners and determine which one is the best candidate. This, of course, is dependent on institutional willingness to own and operate the system. *Month 8*

Develop specifications for the inspection management system. Based on the information collected, the inspection unit along with the IT unit will develop detailed specifications for an inspection management system. Key functions will include the ability to randomly select inspection assignments, to track hours and days of inspection time at a specific location, to view complete historical data of each inspector's performance, to view a detailed history of a particular business, and support, by showing possible patterns of behavior, complaints brought against inspectors by the business community. *Month 11*

Select and manage third party development partners. Based on the system development requirements, the IT unit will select and manage local third party development partners to participate in the development of the technical structure and hardware requirements of the system. *Year 1*

Equip inspectorates with hardware and software. Once the system structure is developed, the IT unit will conduct a functional and capacity assessment of inspectorates. The assessment will include hardware capability, proficient inspection record keeping, networking capability, and human capacity to operate the system. Once complete, SPIRA will procure the required IT equipment and install it in selected inspectorates. *Year 2*

Develop technology solution for dissemination of information. At the same time, and based on assessments completed, SPIRA staff along with the identified third party development partners, will develop a technology solution for the dissemination of information. How will data be shared, what will the data sources be, and how will it be networked through the system. Key issues such as complaint mechanisms, user efficiency, historical record sharing, and random selection of inspection assignments will be considered. *Years 2 and 3*

Train government officials to use the system. Members of the working groups will act as trainers, with SPIRA support to integrate inspectors into the automated environment. We will involve the inspectorates in developing the training, and encourage the development of ongoing in-service training programs that promote skills development, identify best practices, update inspectors on law and policy changes, and ensure a lasting capacity for training and professional development. *Years 2 and 3*

Conduct surveys of business communities. SPIRA, following on ALPS' work in this area, will collaborate with entity Chambers of Commerce to institute a periodic survey of businesses regarding their treatment by inspection services and by particular inspectors, if they wish to identify them. This will help in the development of an automated complaint mechanism that will be integral to the inspection management system. The interests of inspectors should also be considered, but the feedback from the business community is critical. This is especially so when complaints are directly or indirectly corroborated by data generated by the IMS, showing a pattern of violations marked against a particular ethnic group or some other discriminatory pattern, action could be justified. *Year 3, ongoing*

Provide institutional capacity building for system implementation. As the inspection management system is implemented, SPIRA will continue to assist inspectorates with capacity building, trouble shooting, and will, evaluate compliance by reviewing IMS records. *Years 3 and 4*

KRA 3.3 First Year Milestones

- IMS designed
- Institutional home from IMS selected
- IMS specifications and design completed

F4. Government Information Exchange Improved (KRA 4)

KRA 4 is a cross-cutting result. Activities designed to achieve this result support the PIRs 1, 2, and 3. Government information exchange through the improvement of IT networking is critical to streamlining and improving business and construction permit procedures as well as inspections. SPIRA will select pilot municipalities to network on the functions and activities of the other components. SPIRA will provide networking hardware and software to generate goodwill, as well as help drive the other parts of the program forward. Technology does not inherently improve bad processes — it just allows those processes to be communicated or conducted faster, so this component must be integrated with the other components. The IT unit will also support all the activities conducted by the other SPIRA units that require technology support. During the Guillotine process in RS, the IT unit will perform some associated IT tasks and will coordinate IT activities between SPIRA teams and Guillotine Secretary IT team. The efficacy of the IT networking activities will depend on the continued availability of a state or entity network infrastructure.

UNDP and Draft Law for Electronic Signatures

UNDP has reportedly drafted a law providing for the acceptance of electronic signatures in BiH. SPIRA will obtain a copy of this draft law and any related to it will be requested at the outset of work in this area. SPIRA personnel will be attending a BiH-wide e-governance conference on 9 and 10 November as part of the effort to identify existing projects in this area. Insofar as is practicable, SPIRA will support the development and adoption of UNDP's draft, seeking inclusion in it elements that would support SPIRA activities. To the extent that requirements are not met there, these will be pursued by SPIRA separately.

Resources. The IT unit will be primarily responsible for the technical aspects of this component but will need significant information and support from the business process unit, the construction unit, and the inspections unit. The IT unit will generally attend events, such as WG meetings/study tours, where the inputs/needs of the other units are identified.

Activities

Participate in re-drafting electronic documents law. The adoption of this legislation will expedite regulatory and other administrative decision-making by allowing electronic

documents to substitute for hard copies. The SPIRA team will help re-draft this law or help push it through the system if it is acceptable to the Entities in its present form. This will require advocacy efforts by the working groups and perhaps assistance from the US Embassy. SPIRA will collaborate with the UNDP and other international organizations who have been working on this legislation.

Select pilot municipalities. The project will select the pilot municipalities in both the RS and the Federation using the following criteria:

- Anticipated USAID technical assistance. Sixty-six municipalities have received or are anticipated to receive technical assistance and some computer equipment from the USAID-funded MEDI, LGSA and GAP Projects. SPIRA will work to complement this technical assistance with networking activities.
- Existence of a “champion,” for the project, either mayor or municipal court president, committed to reform and sharing data.
- Willingness of municipal leadership to embrace administrative process revisions recommended by other components of the project.
- The proximity of the municipality to a broadband data link within CIPS’ network.
- Previous efforts by the municipality to network existing resources within the municipality or outside it including efforts to share data with other municipalities through old-fashioned technology such as fax machines.
- The capacity of the municipality or institution to maintain network resources provided to it.
- Balance of population size and geographic location to allow the team to encounter the broadest range of issues.

IT at the regional conference

The regional conference will include some focus on how IT has been used to make administrative processes more accessible to the business community and to expedite government decision-making bearing on business and construction permitting. In Croatia, an e-governance project called HITRO has put 20 governmental services, many of which having special importance to businesses, on-line. Reportedly, business permitting has been reduced to 8-10 days as a consequence.

Month 12

Determination of which regulatory and administrative aspects can be expedited through networking. Networking some municipalities to their respective cantonal Ministry of Urban Planning will reduce delays in the provision of construction permits (a study conducted by the ALPS project in 2003 found that, with regard to the two municipalities in the Zenica-Doboj Canton that were studied, transmission of documents to the cantonal ministry caused significant delay). These determinations will be reached by the other subject matter units, with the assistance of the entity working groups.

An Example of Networking at Work

If one registers a pledge, there are a series of fields to type data into. The most significant of these fields is, depending on the nature of the registration, a unique number identifying a thing or a person. Assuming one is registering a pledge against a person it should not be necessary to type any identifying information, such as a name, other than that number. The pledge registry operates on the CIPS network. CIPS has the identity information of essentially every adult Bosnian on its server (access to which is “firewalled” from the network). If the data were shared, the PRP server would simply draw the name and other identifying data from CIPS based on the number. There are many other ways that data could be shared across the BiH government to improve efficiency.

Year 2

Conduct an assessment of the municipalities to determine their amenability to networking. The SPIRA team will conduct an assessment of each potential municipality to determine their networking capacity in business permitting, construction permitting, and inspections. The most promising municipalities may have internal Local Area Networks (LANs) in their office buildings. The assessment will include consideration of each municipality's connectivity to the CIPS network. The assessment will include an evaluation of hardware, operating systems, existing network protocols, and application software. *Month 10 – 12*

Assess available data sources in each municipality. The compatibility of the data to be shared is as important as the compatibility of the platforms and communication protocols. Even the quality of the data is a factor to be considered. *Month 10 -12*

Inventory required hardware and software. Once the pilot sites (municipalities and canton/district/entity) are identified, the IT unit will determine what hardware and software patches are necessary, given the existing infrastructure. The project assumes that current CIPS network will be available for this purpose. *Month 10 – 12*

Procure hardware and network equipment for municipalities. The IT unit will supervise the procurement and installation of IT equipment for networking pilot municipalities. The IT unit will provide the municipalities with a framework for procurement as well as detailed technical specifications for equipment that will be part of a municipality's participation in the pilot projects. *Year 2*

Train municipalities in the use of hardware and the network. SPIRA will train a variety of individuals across municipalities, districts, cantons, and entities. The nature of the training may vary broadly. For some it may start with basic computer operation skills, for others, the training may be more sophisticated. In each case the objective will be to provide the complete skill set associated with underlying purpose of the networking that is achieved. This will include the use of standard office suite products, email applications, and possibly a web browser. The specific applications to be employed and the level of proficiency required will be determined in part by what is in use, as found in the assessment of candidate municipalities and institutions. Depending on the capacity of the institutions selected, some training and other resources may necessarily be directed to network maintenance. *Years 2 and 3*

- | |
|--|
| <p>KRA 4 First Year Milestones</p> <ul style="list-style-type: none">• Pilot municipalities selected• Inventory of pilot hardware and software capabilities completed• Networking capacity assessment completed |
|--|

E5. Public Awareness of New Business and Construction Permit and Inspection Processes Increased (KRA 5)

Activities designed to achieve this KRA are also supportive in function. Public awareness activities are an important component of all three line components: business process, construction, and inspections. The general business public must know about the changes in procedures to be able to take advantage of them. Public relations and media campaigns will be critically important to getting the word out about new laws, regulations, and general procedures.

Resources. The SPIRA communications unit is responsible for the public awareness component and will work closely with the business process unit, the construction unit, and

the inspections unit to ensure that public awareness activities are appropriately designed, timed, and targeted.

Activities

Draft communications strategy. The communications unit will develop and continuously update a life-of-project communications strategy. This strategy will contain an approach for project communications, major messages, listed activities, communications products, timeframe for its implementation, and a description of public awareness campaign elements. A draft has already been developed and will be updated to include communications activities around the Guillotine process in the RS. *Month 5, continuous updating*

Organization of a start-up conference. The communications unit will take the lead in organizing a start-up conference where the SPIRA Team will introduce itself and the results of its initial mapping study, and establish a collaborative relationship with existing counterparts.

Produce a first draft of the Entrepreneurs' Roadmap. The goal of this publication will be to serve as detailed guide on costs and steps in business permit and expansion process. The roadmap will increase public awareness and identify most critical and time-consuming steps of the process, as well as provide examples from Croatia and Serbia. The communications unit will provide links from the SPIRA website to other useful links from Croatia and Serbia, and the EU. Public awareness of existing process is crucial for initiation of the public discussion on necessary legal and regulatory reforms. In production of this publication, SPIRA will cooperate with representatives of stakeholders whom the general business community identifies as proactive in SMEs support and growth (focusing on strengthening partnership between public and private sector). The business process unit will identify and select partners in the business community to be supported to lead this initiative, publicize the roadmap, and mobilize political support for reform. This publication will be made available in printed and electronic version to all interested parties countrywide. This will be achieved through appropriate distribution of printed and CD copies through business associations and electronic versions downloadable at SPIRA project and local partners' web sites. *Month 14 or once administrative changes have taken place*

Design posters, leaflets and brochures. These public relations materials identify the rights of citizens and the business community and responsibilities of designate duty bearers. These materials will describe current and updated procedures and recourse mechanisms, as well as benefits achievable by streamlining of permits and inspections regimes. Goal is to create and maintain positive momentum for the implementation of streamlining process and create demand-for-change at country, entity, and local level. The secondary goal is to establish countrywide identity of reforms and field presence which will enable close monitoring of reform process and feedback by timely communication with local beneficiaries. *Ongoing*

Design and implement specific promotional activities for target pilot municipalities. This public awareness campaign will be conducted in cooperation with local partner(s) with appropriate capacity. The campaign dissemination will be through electronic and print media (regional and local), outdoors advertising, with particular focus on public debates and community meetings. These sessions will target local and regional business community, associations, governmental and civic society associations who represent stakeholders and beneficiaries at local/regional level. *Years 2 and 3*

Plan and organize a regional conference. This conference will focus on SME growth and streamlining of business registration and permitting processes. This conference will be a high-level event with planned participation of donor community representatives, BiH stakeholders and regional SMEs' associations and Governments. Goals of this event are to promote the beginning of the reform, its goals, positive effects it would have on the economy of BiH and visible positive examples from neighboring countries. All of the listed benefits will be used as the key elements of future promotional campaign. Conference agenda and budget will be drafted and submitted for USAID approval once training-visits of key stakeholders to Croatia and SiCG are complete. *Month 8*

Design and conduct public awareness campaign on rights and obligations of business community and inspectors. This information will be disseminated to the business community through relevant stakeholders and business associations. Stories from the practice will be made available to media representatives as well, through promotion of firmer cooperation of business associations with media community. SPIRA will cooperate and coordinate its work with journalism schools and NGOs promoting Freedom of Information Access Law throughout the country on rising public awareness on regulatory authority abuses. The goal is to gain public and stakeholder support and initiative for reform process, promote freedom of information as well as to fight corruption and bribery. Public awareness campaigns will be timed to roll out when significant achievements for each of the components, business process, construction permits, and inspection procedures, are expected to occur. This will help maximize public support for future reform. *Month 10 – Year 2*

Design and plan widespread public relations campaign. The campaign will be comprehensive and incorporate information on the business process, construction, and inspections in the promotional activities. A systematic timeframe for release and dissemination of specific promotion materials will be outlined and followed. A list of partner organizations and media will be included in the plan. *Month 8 – Year 2*

KRA 5 First Year Milestones	
• Start-up organized	conference
• Regional organized	conference
• Communications	strategy developed

SECTION III – PERFORMANCE MONITORING PLAN

In this section, we present our approach to performance monitoring, including:

- Our approach to monitoring, evaluation, analysis, and communication
- The design of the monitoring and evaluation (M&E) system
- How we select indicators, collect baseline data, and set targets
- The roles of each team member in collecting, verifying, and analyzing data to inform management decisions and communicate results

A. Approach to Monitoring, Evaluation, Analysis, and Communication

Monitoring progress and evaluating results are key management functions in any performance-based management plan. Performance monitoring is an on-going process that allows managers to determine whether or not an activity is making progress towards its intended results. Performance information plays a critical role in planning and managing decisions. Evaluation is the periodic assessment of a project's relevance, performance, efficiency, and impact—both expected and unexpected—in relation to stated objectives. The strength of monitoring and evaluation lies in its ability to provide timely performance information which enables us to manage for results and to improve project performance.

The SPIRA approach to M&E will focus on collecting information that is that can be corroborated and verified by the relevant documentation obtained from stakeholders. The whole project team will be involved, as the quality of data requires input and work of not only the M&E specialist, but also the subject-matter specialists. This approach is reliable and cost-efficient since the subject-matter specialists liaise regularly with project counterparts and perform field visits to their locations. Therefore, they can collect data for analysis within the scope of their regular activities.

Additionally, analysis and communication are also important elements of performance management. The project will not only collect performance and impact data, it will add value to the raw data by performing appropriate analysis, and providing context for data interpretation, thereby transforming data into information. This transformation must then be communicated in order to have an impact. This is the information value chain that takes data, converts it to information by adding value through analysis, and finally conveys the information through communications (knowledge sharing), and achieves impact once the knowledge is consumed and acted upon.

B. Indicators

As a monitoring tool, life-of-project indicators have been identified for the each result in the results framework including the project objective (PO), the project intermediate results (PIRs), and the key result areas (KRAs). By assigning indicators at each level of the project results framework we are able to monitor whether the development hypothesis is correct; that is, by achieving a combination of lower-level results we achieve higher-level results. The indicators are designed to:

- Capture and communicate major project impacts
- Track implementation progress

- Supply information concerning major activities undertaken through USAID SPIRA technical assistance
- Contribute to USAID's own performance management and reporting needs.

The USAID SPIRA indicators will primarily collect data on activities directly implemented by the project in collaboration with its counterparts, and the impacts of those activities. This principle of manageable interest ensures that the results reported by the project's M&E system are those that are within the project's ability to influence, particularly at the KRA level. The project will also monitor certain international indexes for correlation of trends between measurable project impacts and BiH national-level performance.

To provide the comprehensive coverage needed for project progress review, troubleshooting, and other management tasks, the M&E system will track two general-type indicators: context and performance. Context indicators provide valuable information on environment and general conditions in which the project operates. These indicators, in conjunction with other indicators enable assessment of progress on intermediate objectives. Performance indicators track the immediate inputs and outputs of the project, as well as deliverables. They also provide feedback to managers on project performance and help identify areas where implementation strategies may need to be adjusted. Performance indicators for the monitoring and evaluation (M&E) system are selected based on the overall strategic approach to the project and closely reflect the work plan, capturing the main activities of the project.

Where appropriate, indicators will be disaggregated by subject-matter area (i.e. business permit activities, construction permitting, inspections, IT, and public awareness), administrative body, type of business (LLC or craft shop), and/or gender.

Furthermore, for the purposes of implementing the M&E system effectively, we have divided the list of performance indicators into two categories:

- *Direct performance indicators (performance indicators)*. These performance indicators are a direct result of project activities and we can reasonably expect SPIRA to be completely accountable for these indicators.
- *Tracked performance indicators (tracking indicators)*. These performance indicators are more indirectly related to SPIRA activities. While it is anticipated that these indicators are useful to SPIRA implementation and will measure results that SPIRA is responsible for achieving, the outcomes could be dependent on a number of factors outside SPIRA's control. Therefore, these indicators will be tracked **for internal management purposes**.

C. Baselines and Targets

Upon finalization of the PMP, project staff will begin collecting baseline information for the selected indicators – that is, they will set the value of the indicator prior to project activities. The SPIRA project has already gathered baseline information in two specific areas, namely the average time required for the business and construction permit processes. These baselines are established and published in USAID SPIRA draft report.

Upon approval of PMP, the first few months of M&E activities will focus on baseline data collection and verification. In some instances, the stakeholders may need assistance

organizing to collect the requisite data. Once this is complete, we will analyze the baseline information and work with each technical unit and the stakeholders to set aggressive but realistic life-of-project targets for the indicators. We will review the targets during the first year of project operations to determine if they are realistic, and if not, propose adjustments to them.

We expect that during the first year of the project, much effort will be focused on building relations with our counterparts, reviewing and proposing legislative changes, and following progress on implementation of approved recommendations. Therefore, we expect the greatest impact of the project will come starting towards the second year of operations. Targets set for the indicators, will reflect this trend.

For those indicators where baseline data is currently available, we have included targets on the indicator reference sheets in Annex B.

Contract Mandated Targets
Average time to start-up a business: 30 percent reduction
Average time to obtain relevant commercial construction permits: 50 percent reduction

D. Monitoring and Evaluation (M&E) System Design

The M&E system is designed to involve all technical unit members and plans for use of expertise of stakeholders involved on this project. This approach has several benefits:

Efficiency. Technical units have first-hand knowledge of activities and immediate results in their areas of work, and are best suited to efficiently collect and verify basic M&E data in their respective technical areas.

Ownership. By being involved in project M&E efforts, technical unit members appreciate that the M&E system belongs to the entire project team. This will ensure that the information generated is relevant and consistent with the interests of the project.

Feedback. Having collected and analyzed M&E information, technical unit members will have first-hand information on project progress, and will be able to use M&E information to guide project implementation.

Capacity Building. M&E is a key management skill for project beneficiaries. By being involved in M&E, technical unit members can also transfer M&E skills to SPIRA-identified stakeholders. This approach serves another purpose – monitoring and evaluation is a key management skill necessary for effective government agencies. While counterparts are contributing to the project’s M&E system, they are also acquiring valuable M&E skills.

Our subject matter specialists were consulted extensively during the PMP development process. This knowledge-sharing contributes to efforts of tracking progress toward results and ensures subject-matter specialists’ understanding of their role in this endeavor. The contributions to identifying appropriate indicators were invaluable.

The detailed design of the M&E system is laid out in the indicator reference sheets in Annex B. These sheets detail the precise definition of each indicator, management utility of tracking the information, unit of measure, method of acquisition, frequency of collection, data source,

and project staff member responsible for collecting the data. By specifying each indicator in detail, we can help to ensure that data is handled consistently throughout the life of the project.

The information needed for M&E comes from different sources. We will collect basic M&E data from the various administrative and technical records of the project. We will also consult various government records, statistics, surveys, and databases, USAID and other donor reports and surveys, and NGO reports and surveys as additional sources of data. Information on individual beneficiaries will be collected using specially-designed surveys and focus groups.

It should be noted that there must be a balance between M&E data collection and technical work. Our M&E system is designed such that it will not become a data collection burden for project staff and counterparts, rather it will complement on-going technical activities. Care was taken to eliminate correlated indicators and those that are not indicative of project impact or performance. The project will employ appropriate information technology in M&E system implementation to ease the burden of data entry and management, employing user-friendly software systems for data entry and analysis. Where applicable, the project support staff will participate in data entry to relieve technical staff of these tasks.

D1. Role of the M&E Specialist

The M&E specialist, Zoltan Milic, will be responsible for organizing the processes surrounding data collection. He will ensure project team members have the necessary tools to collect data and that they collect data consistently and at the appropriate frequency. He will verify data quality and analyze and report trends. Annually, he will review the appropriateness of the PMP and make necessary additions or adjustments to the existing indicators. The COP will supervise the overall M&E system.

D2. Responsibilities of USAID Bosnia SPIRA team

The technical units will have a role in primary data collection, review of data reasonableness and quality, and provide input as to the appropriate indicators in those cases where changing circumstances surrounding the project warrant doing so. The team members will be responsible for data collection. M&E Specialist and support staff will provide assistance in data collection and entry if the circumstances and the work load require so. The subject matter specialists, who work with our counterparts closely, are in the most suitable position to acquire necessary data. They will collect data at the appropriate frequency, using standardized methodology to ensure consistency.

D3. Data Elements and Collection

Many of the project's proposed indicators are aggregate indicators, made up of various data elements. These disaggregated data elements make up the lowest level of raw data entry of the M&E system and come directly from the project and its stakeholders. The M&E specialist will work with each unit to design database spreadsheets, forms, and surveys to capture and manage these data elements. USAID may require this nominal data for its own reporting to Washington. SPIRA will maintain an M&E database where disaggregated nominal data can be provided to USAID Mission upon request.

D4. Quality Control

The technical units will provide initial quality control for the various M&E raw data elements. Upon completion of the data entry spreadsheets, each unit examines the quantitative data to identify common errors including logical inconsistencies, out-of-range values, significant departures from trends, or other errors. Should any problem be identified, the M&E specialist will help the technical unit verify data against original sources and other forms of verification that may be required, such as cross-verification from alternate data sources.

The project M&E specialist, Zoltan Milic, is responsible for secondary data quality control, i.e. post data entry. He will perform basic data analysis and tabulation to identify potential erroneous data and design a spot-check system to verify data at their sources, with visits to our government counterparts. When errors are identified early, Mr. Milic can make appropriate corrections by consulting the data source.

D5. Potential for Double Counting

Given the complexity and size of the project and the integrated nature of the work of project teams, the potential for double counting exists. The team will work to minimize potential double counting through close coordination. The M&E specialist will review indicators with each unit and identify areas where overlapping may occur. Once identified, the technical units will work together to determine how the data will be monitored and reported.

Double counting may also occur between USAID SPIRA and other projects operating under SO 1. This can happen when a stakeholder is supported through more than one project, but the impacts of the assistance are not easily attributable to either project. The M&E specialist will identify these situations and work with partner projects to determine if the results may be better reported through one or the other project. However in some situations, it may be appropriate for both projects to monitor the same data. In these cases, the project may still monitor and report on the data but will report the magnitude of potential overlaps. With this information, USAID will be able to adjust for double counting when consolidating indicators from various partners.

D6. Reporting and Review

USAID SPIRA will provide quarterly M&E updates within the context of regular quarterly progress reporting. This regular reporting will include a summary of activities implemented to control, verify, and validate the M&E data being reported, any anomalies discovered, and corrective measures taken to resolve them. Our reports will also provide contextual analysis when factors beyond the project's control affect M&E information. The M&E specialist will ensure that all M&E data and information from the project are easily accessible and readily convertible into USAID own internal reporting systems.

The annual report will contain in-depth analysis of annual progress, an update of annual targets, discussions of progress and hurdles, and a presentation of success stories, lessons learned, and best practices. In addition to providing quantitative data, the technical staff will also provide written narratives covering major achievements during the reporting period and/or major obstacles that hampered progress. A certain amount of anecdotal information will also be provided where applicable.

SECTION IV – INDICATORS

A. Assumptions

In designing the USAID SPIRA M&E system, we focused on indicators within the manageable interest of the activity. This approach allows the project to measure impacts that can be directly attributed to the project. The project’s ability to demonstrate improvement in these measures assumes the following basic assumptions:

- Absence of an unstable socio-political environment such as armed or violent regional and/or local conflicts.
- Generally stable fiscal and monetary policies and macro-economic environment.
- Absence of any sudden supply or demand shocks such as energy price shocks that would interrupt supply and consumption.
- Absence of internationally imposed measures that would have detrimental effect on general political and economic stability in BiH such as internationally imposed sanctions.
- Willingness of key government counterparts in the RS and the Federation to affect reform.

B. Indicators

B1. SO 1 – Accelerated Development of the Private Sector

Indicator 1: Private sector share of GDP.

B2. IR 1 – Improved Business Enabling Environment

Indicator 2: World Bank’s “Doing Business” Indicators Relating to SPIRA Activities:

- Reported duration of process of business startup, and
- Reported duration of process of obtaining construction permits.

B3. PO – Legal, Regulatory, and Administrative Barriers to SME Growth Reduced

Indicator 3: Sectoral Employment.

Indicator 4: Number of new jobs created in the SME sector

B4. PIR 1 – Business Permit Process Efficiency Increased

Indicator 5: Number of new SMEs registered

Indicator 6: Average time for a business (LLC and independent craft shop) to start up

Indicator 7: Percentage of businesses reporting favorable opinion on new permit procedures

Indicator 8: Number of filings for business registration

B5. KRA 1.1 – Key Business Permit Regulations and Laws Improved

Indicator 9: Number of SPIRA-recommended changes to laws and regulations submitted for consideration *

* Several indicators will measure multiple results and data will be disaggregated by subject matter. As such, these indicators are repeated below in association with each result they are expected to measure but will keep the original number assigned.

B6. KRA 1.2 – Capacity to Administer Business Permit Procedures Increased

Indicator 10: Number of officials trained
Indicator 11: Percentage of certified trainees

B7. PIR 2 – Construction Permit Procedures Streamlined

Indicator 12: Average time to obtain relevant commercial construction permits
Indicator 13: Percentage of developers and contractors reporting favorable opinion new construction permitting procedures

B8. KRA 2.1 – Key Construction Permit Regulations and Laws Improved

Indicator 9: Number of SPIRA-recommended changes to laws and regulations submitted for consideration.

B9. KRA 2.2 – Capacity to Administer Construction Permit Procedures Increase

Indicator 10: Number of officials trained
Indicator 11: Percentage of certified trainees

B10. PIR 3 – Inspection Procedures Streamlined

Indicator 14: Inspection manuals completed

B11. KRA 3.1 – Technical Operations of the Inspectorates Improved

Indicator 9: Number of SPIRA-recommended changes to laws and regulations submitted for consideration.
Indicator 15: Ratio of violators receiving initial warnings to those receiving automatic sanctions in the entity level inspectorates

B12. KRA 3.2 – Capacity to Perform Quality Inspections Increased

Indicator 10: Number of officials trained
Indicator 11: Percentage of certified trainees

B13. KRA 3.3 – Inspection Management System Strengthened

Indicator 10: Number of officials trained
Indicator 16: Percentage of inspections done in conjunction with other inspections.
Indicator 17: Random selection of inspection targets

B14. KRA 4 – Government Information Exchange Improved

Indicator 9: Number of SPIRA-recommended changes to laws and regulations submitted for consideration

Indicator 10: Number of officials trained

Indicator 11: Percentage of certified trainees

Indicator 18: Percentage of SPIRA-donated IT equipment in use

Indicator 19: Number of SPIRA pilot municipalities networked

Indicator 20: Number of data sources accessible over network

Indicator 21: Number of business registration pilots networked

Indicator 22: Number of construction pilots networked

Indicator 23: Number of inspection pilots networked

B17. KRA 5 – Public Awareness of Permit and Inspection Processes Increased

Indicator 24: Percentage of stakeholders surveyed aware of new business permit procedures

Indicator 25: Percentage of stakeholders surveyed aware of new construction permit procedures

Indicator 26: Percentage of stakeholders surveyed aware of new inspection procedures.

Indicator 27: Number of SPIRA website hits per reporting period.

SECTION V – ADDITIONAL INFORMATION MONITORING

A. Other Organization’s Surveys

In addition to the indicators described in the previous section, USAID SPIRA will also monitor others’ surveys and indicators of interest which provide information about the context in which the project is operating.

A1. World Bank Doing Business

World Bank’s Doing Business Survey is an excellent objective measure of business regulations and their enforcement and will help the project understand the effect of regulations on legal, regulatory and administrative barriers to SME growth. Certain topics which Doing Business surveys are related to USAID SPIRA. For example, the survey reports the procedures, duration, and costs of starting a business, registering property, or obtaining a license. These are superb context indicators for our project to monitor because in many cases we will be able to compare Doing Business’ data which reports how long it ‘should’ take, as designed by various governments in BiH, with our indicators which report how long it ‘does’ take, as reported by users.

A2. International Monetary Fund (IMF) and World Bank

USAID SPIRA will monitor the IMF and World Bank’s macro-economic statistics. These provide valuable contextual information for our project activities. Further, the private sector share of GDP statistics is chosen as one of the indicators for tracking SO1 on behalf of USAID.

A3. Business Environment in BiH, as Seen By Small and Medium Enterprises

The *Business Barometer* survey, conducted annually by Employers Associations (and co-sponsored by Southeast Europe Enterprise Development- SEED) in both entities is a very valuable resource for USAID SPIRA. The responses of enterprise owners and managers, who are most competent to assess the economic situation for the business environment in the country, present invaluable insights into economic trends and problems in BiH. This survey helps ensure that the positions of the business community are increasingly taken into account. The results of this survey will provide us with information on business-owner’s perception and attitudes on issues of policies, regulations, and governmental accommodation of businesses concerns which may assist SPIRA in focusing efforts in a particular area.

A4. Occasional Surveys and Assessments

At this point in time it is not possible to anticipate the scope of the project’s assistance on key activities. The USAID SPIRA project will conduct appropriate surveys and assessments as the need arises. For example, as information about the effects of secondary legislation becomes available, the project may assist the stakeholders in communicating these changes to target audiences. At the conclusion of the specific activity — as an example, a television campaign informing businesses of certain new requirements — the project may conduct a survey of the target audience to assess the effectiveness and reach of the campaign or the public’s perception of the new legislation.

A5. Media Clippings

USAID SPIRA's communication specialist will monitor news coverage of the regulatory environment as it pertains to SPIRA's program of work. While the views of journalists are not necessarily representative of those of the population, those may indicate another dimension of the project's output.

ANNEX A

Consolidated List of Indicators, and Targets

No.	Indicator	Result	Type	Baseline	Target
1	Private sector share of GDP	SO 1	context	TBD	TBD
2	World Bank's "Doing Business" Indicators Relating to SPIRA Activities: <ul style="list-style-type: none"> Starting a business (duration of process), and Dealing with licenses (duration of process to obtain construction licenses) 	IR 1.1	context	Starting a Business Duration: 54 days Dealing with Licenses Duration: 476 days	TBD
3	Sectoral employment	PO	context	TBD	TBD
4	Number of new jobs created in the SME sector	PO	tracking	TBD	TBD
5	Number of new SMEs registered	PIR 1	tracking	0	TBD
6	Average time for a business (LLC and independent craft shop) to start up	PIR 1	performance	LLC: 123 days Craft shop: 32 days	LLC: 86 days Craft Shop: 22 days
7	Percent of businesses reporting favorable opinion of new registration procedures	PIR 1	tracking	0	TBD
8	Number of filings for business registration	PIR 1	tracking	TBD	TBD
9	Number of SPIRA-recommended changes to laws and regulations submitted for consideration	KRA 1.1/2.1/3.1/4	performance	0	TBD
10	Number of officials trained	KRA 1.2/2.2/3.2/3.3/4	performance	0	TBD
11	Percentage of certified trainees	KRA 1.2/2.2/3.2/4	tracking	0	TBD
12	Average time to obtain relevant commercial construction permits	PIR 2	performance	TBD	50 percent reduction
13	Percent of developers and contractors reporting favorable opinion new construction permitting procedures	PIR 2	tracking	0	TBD
14	Inspectorate Manuals for Selected Sectors Completed	PIR 3	performance	No	Yes
15	Ratio of violators receiving initial warnings to those receiving automatic sanctions in the RS and the Federation	KRA 3.1	tracking	TBD	TBD
16	Percentage of inspections done in conjunction with other inspections	KRA 3.3	tracking	TBD	TBD
17	Random selection of inspection targets	KRA 3.3	tracking	No	Yes

18	Percentage of SPIRA-donated IT equipment in use	KRA 4	performance	0	TBD
19	Number of SPIRA pilot municipalities networked	KRA 4	performance	0	TBD
20	Number of data sources accessible over network	KRA 4	performance	TBD	TBD
21	Number of business registration pilots networked	KRA 4	tracking	0	TBD
22	Number of construction pilots networked	KRA 4	tracking	0	TBD
23	Number of inspection pilots networked	KRA 4	tracking	0	TBD
24	Percentage of stakeholders surveyed aware of new business permit procedures	KRA 5	tracking	0	TBD
25	Percentage of stakeholders surveyed aware of new construction permit procedures	KRA 5	tracking	0	TBD
26	Percentage of stakeholders surveyed aware of new inspection procedures	KRA 5	tracking	0	TBD
27	Number of SPIRA website hits per reporting period	KRA 5	tracking	0	TBD

ANNEX B

Indicator Reference Sheets

Strategic Objective 1: Accelerated Development of the Private Sector

Indicator Number: 1

Indicator Type: Context

Indicator: Private Sector Share Gross Domestic Product (GDP) in Real Terms

DESCRIPTION

Precise Definition(s): The percentage share of annual GDP created by the BiH private sector and expressed in constant convertible marks.

Unit of Measure: Convertible Marks (KM)/ percent

Disaggregated by: n/a

Justification & Management Utility: The real rate of growth of the private sector is represented in the increases in private sector contribution to annual GDP.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Estimates of GDP and GDP components made by the International Monetary Fund.

Method of Data Acquisition by the Project: Regular IMF reports

Data Source(s): International Monetary Fund (IMF)

Frequency and Timing of Data Acquisition: Annual

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): Data are not available on a U.S. fiscal year (FY) basis, and are not always available on annual basis.

Actions Taken or Planned to Address Data Limitations: IMF data will be used until official BiH statistics is sufficiently reliable.

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: IMF uses generally accepted principles and methodologies in data analysis, and as such are assumed to be free from significant material and factual errors and/or omissions. If official BiH statistics becomes adequate for this measurement, DQA will be performed by USAID.

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trend, comparison by sector, comparison with other project indicators

Presentation of Data: Written reports, graphs, tables and statistical calculations where appropriate

Review of Data: Annually

Reporting of Data: Annual report

OTHER NOTES

Notes on Baselines/Targets: **Baseline**_____

Other Notes:

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 04/25/06

Intermediate Result 1.1 Improved Business Enabling Environment

Indicator Number: 2

Indicator Type: Context

Indicator: World Bank's "Doing Business" Indicators Relating to SPIRA Activities

DESCRIPTION

Precise Definition(s): Duration of processes for starting the business in BiH and obtaining the construction permits, as reported by the World Bank's study on ease of doing business.

Unit of Measure: Days (number)

Disaggregated by: n/a

Justification & Management Utility: The Doing Business study provides objective measures of business regulations and their enforcement. The Doing Business indicators are comparable across 155 economies. They indicate the regulatory costs of business and can be used to analyze specific regulations that enhance or constrain investment, productivity and growth. This is a context indicator, and tracking it provides a comparative assessment of BiH.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Estimates and figures prepared by the World Bank Group

Method of Data Acquisition by the Project: Publicly available publications

Data Source(s): World Bank

Frequency and Timing of Data Acquisition: Annual

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): The Doing Business data is based on research of laws and regulations, with input and verification from more than 3,000 local government officials, lawyers, business consultants, and other professionals who routinely administer or advise on legal and regulatory requirements. The data are analyzed using generally accepted principles and methodologies in data analysis, and as such are assumed to be free from significant material and factual errors and/or omissions.

Actions Taken or Planned to Address Data Limitations: n/a

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trend

Presentation of Data: Tables and charts

Review of Data: Annually

Reporting of Data: Annual report

OTHER NOTES

Notes on Baselines/Targets: **Baseline 2006- Business startup duration: 54 days**

Baseline 2006- Obtaining construction licenses duration: 476 days

Other Notes:

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Project Objective: Legal, Regulatory, and Administrative Barriers to SME Growth Reduced

Indicator Number: 3
Indicator Type: Context
Indicator: Sectoral Employment

DESCRIPTION

Precise Definition(s): Number of persons employed in specific economic sectors
Unit of Measure: Number
Disaggregated by: Retail, construction, other
Justification & Management Utility: Retail and construction sectors are directly affected by the SPIRA activities. The trends in sectoral employment provide indication of employment trends by sector. This is a useful context indicator to show the project's role in increasing employment in specific sectors.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Estimates and figures prepared by the institutes for statistics (state and entity level)
Method of Data Acquisition by the Project: Review of publicly available material
Data Source(s): Institutes for statistics, both state and entity-level
Frequency and Timing of Data Acquisition: Annual
Estimated Cost of Data Acquisition: Low
Responsible Individual at the Project: Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a
Known Data Limitations and Significance (if any): While the overall reliability of statistical information in BiH is questionable, the sectoral employment levels are tracked only by the statistical institutes, and their data is considered to be the most reliable in the country.
Actions Taken or Planned to Address Data Limitations: n/a
Date of Future Data Quality Assessments: n/a
Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trends
Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.
Review of Data: Annually
Reporting of Data: Annual report

OTHER NOTES

Notes on Baselines/Targets: **Baseline** _____
 Other Notes:

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 04/25/06

Intermediate Result 1.1 Improved Business Enabling Environment

Indicator Number: 4

Indicator Type: Tracking

Indicator: Number of New Jobs Created in the SME Sector

DESCRIPTION

Precise Definition(s): Number of employees declared by the new SME at the time of registration. Jobs declared by SMEs at the time of registration will be considered jobs that did not previously exist.

Unit of Measure: Number

Disaggregated by: Size of the company

Justification & Management Utility: The generation of new jobs in the SME sector indicates economic growth and an improving business environment.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Statistics prepared by the Institutes for Statistics in each entity

Method of Data Acquisition by the Project: Direct liaison with the Institutes for Statistics

Data Source(s): Institutes for Statistics for each entity

Frequency and Timing of Data Acquisition: Annually

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): Businesses are required to declare the number of employees during the registration with Institutes for Statistics. Institutes do not verify the truthfulness of this declaration. Additionally, the State Institute of Statistics should aggregate data from the RS and the Federation but at this time, it does not.

Actions Taken or Planned to Address Data Limitations: If data of higher reliability become available from different source, M&E will use that data source.

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis (conditional): Time trends, comparison with national employment statistics

Presentation of Data (conditional, see above): Written reports, graphs, tables and statistical calculations where appropriate.

Review of Data: Annually

Reporting of Data: Annual report

OTHER NOTES

Notes on Baselines/Targets: **Baseline 2006- 0**

Other Notes:

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	_____	_____	
2008	_____	_____	
2009	_____	_____	

THIS SHEET LAST UPDATED ON: 04/25/06

Project Intermediate Result 1 Business Permit Process Efficiency Increased

Indicator Number: 5
Indicator Type: Tracking
Indicator: Number of New SMEs Registered

DESCRIPTION

Precise Definition(s): Number of SMEs with active tax identification numbers. SMEs are defined as businesses with 250 employees or less.
Unit of Measure: Number
Disaggregated by: Entity, type of business (LLC and craft shop).
Justification & Management Utility: The rate of registration of new SMEs indicates whether the regulatory barriers to entry are increasing or decreasing. The number of new SMEs directly contributes to the growth of the formal SME sector.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Data collected, aggregated, and published by the Unified Registry of Transactional Accounts.
Method of Data Acquisition by the Project: Review of records established by the Central Bank of BiH.
Data Source(s): Unified Registry of Transactional Accounts
Frequency and Timing of Data Acquisition: Semi-annual
Estimated Cost of Data Acquisition: Low, these records are publicly available
Responsible Individual at the Project: Boris Maslo, Commercial Lawyer

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a
Known Data Limitations and Significance (if any): The Unified Registry records are considered relatively reliable, however it is a newly established organization and database errors, duplications or delays in collection are expected.
Actions Taken or Planned to Address Data Limitations: As needed, the SPIRA M&E specialist will compare data with information available from the Institutes of Statistics to confirm statistical similarities or differences.
Date of Future Data Quality Assessments: n/a
Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trends, comparative analysis
Presentation of Data: Graphs, tables, statistical calculations, and narrative
Review of Data: Semi-annually
Reporting of Data: Semi-annually

OTHER NOTES

Notes on Baselines/Targets: **Baseline** _____
 Other Notes:

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 04/25/06

Project Intermediate Result 1 Business Permit Process Efficiency Increased

Indicator Number: 6

Indicator Type: Performance

Indicator: Average time for a business (LLC and independent craft shop) to start up

DESCRIPTION

Precise Definition(s): The average number of days it takes from the time a business registers as a legal entity to the time they are able to begin business operations and engage in financial transactions. The start-up process will be measured against the portions of the processes that SPIRA is responsible for achieving. Time taken for court application and court registration process for a Limited Liability or Joint Stock Company will be excluded from the calculation.

Unit of Measure: Days

Disaggregated by: Geographical region, entity, type of business, process phase

Justification & Management Utility: The time it takes to become a fully legal, operational business is a critical component in the efficiency of the business permit process. This indicator the change in average time required to show the enhanced efficiency of the process.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: This indicator will be measured by SPIRA and through relationships established with government agencies responsible for the various stages of the permit process.

Method of Data Acquisition by the Project: Review of government agency records, questionnaires, SPIRA conducted surveys and interviews.

Data Source(s): Governmental agencies, private businesses, courts.

Frequency and Timing of Data Acquisition: Semi-annual.

Estimated Cost of Data Acquisition: Low, these records are routinely kept and project staff has access to them.

Responsible Individual at the Project: The Business Process Unit

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): The government institutions involved in the business permit process have non-standardized recordkeeping practices.

Actions Taken or Planned to Address Data Limitations: Review of records at each level of the business permit process, as needed perform recalculations and data transformations.

Date of Future Data Quality Assessments: October 2006

Procedures for Future Data Quality Assessments: Conduct additional site visits and interviews with responsible personnel. Further, conduct audits of records of relevant organizations.

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trends, cross-tabulation

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Semi-annually

Reporting of Data: Semi-annual report

OTHER NOTES

Notes on Baselines/Targets: **Baseline 2006 - LLC: 123 days, Craft Shops: 32 days.**

Other Notes: **End-of-project target – 30 percent reduction in number of days.**

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	LLC: 111 days	LLC:	10 % reduction
	Craft Shops: 29 days	Craft Shops:	
2008	LLC: 98 days	LLC:	20% reduction
	Craft Shops: 27 days	Craft Shops:	
2009	LLC: 86 days	LLC:	30 % reduction (end-of-project target)
	Craft Shops: 22 days	Craft Shops:	

THIS SHEET LAST UPDATED ON: 6/21/06

Project Intermediate Result 1 Business Permit Process Efficiency Increased

Indicator Number: 7

Indicator Type: Tracking

Indicator: Percentage of businesses reporting favorable opinion of new registration procedures

DESCRIPTION

Precise Definition(s): This is a qualitative indicator defined as the percentage of business owners interviewed who report a favorable opinion of the new registration procedures. Only respondents who have been through the registration process previously will be counted.

Unit of Measure: Percent

Disaggregated by: Entity, municipality, type of business (LLC and Craft Shop)

Justification & Management Utility: To clearly measure the real efficiency and facility of the business permit process, the opinion of those in the private sector should be captured. This indicator demonstrates the perception of the business community towards the new rules, regulations, and procedures in the business permit process.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The project will ask the Employers Association to include several questions regarding the new business permit procedures in their annual survey to their members. Only those who have registered a business before will be counted. If this is not possible, the survey questionnaires will be designed and placed in permit offices and given to those recently registered to complete. They will be asked to rate their opinion of the new procedures on a scale of -2 to +2 (very poor to very good). The indicator will be the average value of the scores for a reasonably sized sample from each reporting period.

Method of Data Acquisition by the Project: Opinion survey

Data Source(s): Employers Associations in FBiH and the RS, and project records

Frequency and Timing of Data Acquisition: Annual

Estimated Cost of Data Acquisition: Low, this data will be collected through partners or in conjunction with regular project activities.

Responsible Individual at the Project: Business Process Team and M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: At time of first opinion survey

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trend, compare responses from different types of businesses

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Semi-annually, starting in year 2.

Reporting of Data: Annual report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: **The planned survey methodology is to use annual surveys conducted by the Employers Associations in both entities as an instrument of data collection. If this is not possible, SPIRA will design a survey to place in permit offices.**

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Project Intermediate Result 1 Business Permit Process Efficiency Increased

Indicator Number: 8

Indicator Type: Tracking

Indicator: Number of Filings for Business Registration

DESCRIPTION

Precise Definition(s): Number of applications for registration of a LLC or craft shop business filed.

Unit of Measure: Number

Disaggregated by: Entity, type of business (LLC and craft shop)

Justification & Management Utility: The number of filings indicates an increase in attempt to start a formal business. Compared with indicator number 2, number of new SMEs registered, the project will be able to calculate how many businesses initiate the process and how many finish the process. This is not, in and of itself, a measure of project success as there are many reasons a business may not complete registration. However, it is useful data to know and overall, as the higher number of filings indicate fewer administrative barriers.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The project staff will obtain lists of application records.

Method of Data Acquisition by the Project: Review and analyze information received from the courts and municipalities.

Data Source(s): Courts, municipalities and/or other institutions that have a role in the business registration process.

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual(s) at the Project: Business Process Unit

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trend, cross-tabulation

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 1.1 Key Business Permit Regulations and Laws Improved
Key Result Area: 2.1 Key Construction Permit Regulations and Laws Improved
Key Result Area 3.1 Technical Operations of the Inspectorates Improved
Key Result Area 4 Government Information Exchange Improved

Indicator Number: 9
Indicator Type: Performance
Indicator: Number of SPIRA-recommended Changes to Laws and Regulations Submitted for Consideration

DESCRIPTION

Precise Definition(s): Number of laws and regulations that had been subjected to SPIRA review process, changes proposed, and proposals submitted for consideration to USAID, the working groups, and the RS and the Federation.

Unit of Measure: Number

Disaggregated by: Subject matter – Business process, Construction, Inspections, IT

Justification & Management Utility: This indicator tracks the performance and validity of SPIRA recommendations. SPIRA cannot control the number of new laws and regulations actually passed but it can control the number of recommendations submitted for consideration. SPIRA recommended changes will be defined as provisions amended, deleted, or left as is.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: This is measured directly by SPIRA staff responsible for reviewing each law or regulation and making recommendations.

Method of Data Acquisition by the Project: Subject matter specialists will keep a running record of laws and regulations under review and will change the status from “review” to “submitted for consideration.”

Data Source(s): Project records

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low, this data is part of regular record keeping for the SPIRA project.

Responsible Individual at the Project: Business Process Unit Leader, Construction Unit Leader, IT Unit Leader and Inspection Unit Leader

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: n/a

Presentation of Data: Charts, tables, narrative

Review of Data: Quarterly

Reporting of Data: Quarterly Report

OTHER NOTES

Notes on Baselines/Targets: **Baseline 2006- 0**

Other Notes:

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 1.2 Capacity to Administer Business Permit Procedures Increased; Key Result Area 2.2 Capacity to Administer Construction Permit Procedures Increased; Key Result Area 3.2 Capacity to Perform Quality Inspections Increased; Key Result Area 3.3 Inspection Management System Strengthened ; Key result Area 4 Government Information Exchange Improved

Indicator Number: 10
Indicator Type: Performance
Indicator: Number of Officials Trained

DESCRIPTION

Precise Definition(s): Number of individuals trained by SPIRA..
Unit of Measure: Number
Disaggregated by: Gender, institution, subject area – Business Process, Construction, Inspections, IT
Justification & Management Utility: The training of governmental officials is an integral component of the SPIRA project. In order for the new procedures to be implemented, significant training of government officials needs to occur. This indicator will measure the number of individuals the SPIRA project trains.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Participants information will be collected at the beginning of every organized SPIRA training event, or events sponsored by SPIRA, via a sign-in form.
Method of Data Acquisition: Information from training event attendance sheets will be entered into a SPIRA training database. These attendance sheets are managed by SPIRA for project organized events, and by SPIRA partners for SPIRA-sponsored events.
Data Source: Attendance sheet to be completed by training participants.
Frequency and timing of data acquisition: Ongoing, as events occur.
Estimated Cost of Data Acquisition: Low, this is part of regular project record keeping
Responsible Individual at the Project: M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a
Known Data Limitations and Significance (if any): If participants fail to sign in, there will be under-counting of people trained.
Actions Taken or Planned to Address Data Limitations: SPIRA staff responsible for organizing the event will encourage trainers, moderators, and facilitators to make sure that participants sign in.
Date of Future Data Quality Assessments: n/a
Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Cross-tabulation
Presentation of Data: Narrative, graphs, tables
Review of Data: Ongoing, as events occur.
Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: _____
 Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 1.2 Capacity to Administer Business Permit Procedures Increased
Key Result Area 2.2 Capacity to Administer Construction Permit Procedures Increased
Key Result Area 3.2 Capacity to Perform Quality Inspections Increased
Key Result Area 3.3 Inspection Management System Strengthened
Key result Area 4 Government Information Exchange Improved

Indicator Number: 11
Indicator Type: Performance
Indicator: Percentage of Certified Trainees

DESCRIPTION

Precise Definition(s): Percentage individuals trained that passed an exit exam for certification by SPIRA.
Unit of Measure: Percent
Disaggregated by: Gender, institution, subject area – business process, construction, inspection, IT.
Justification & Management Utility: This indicator, in combination with indicator number 10, will measure the effectiveness of SPIRA training. Participants will be required to register for the training, attend the whole training, and pass an exit exam at the end of the training to show what they have learned.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Participants information will be collected at the beginning of every organized SPIRA training event, or events sponsored by SPIRA, via a sign-in form. Completion will be determined by those who pass the end-of-training exam. This data will be collected from the exam forms.
Method of Data Acquisition by the Project: Information from training event exams will be entered into a SPIRA training database. These attendance sheets are managed by SPIRA for project organized events, and by SPIRA partners for SPIRA-sponsored events
Data Source(s): Project records.
Frequency and Timing of Data Acquisition: Ongoing, as events occur
Estimated Cost of Data Acquisition: Low, this exercise will be part of regular project implementation
Responsible Individual at the Project: Business Process Unit Leader, Construction Unit Leader, IT Unit Leader and Inspection Unit Leader.

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a
Known Data Limitations and Significance (if any): If participants fail to sign in or take the exam, there will be under-counting of people trained and certified.
Actions Taken or Planned to Address Data Limitations: SPIRA staff responsible for organizing the event will encourage trainers, moderators, and facilitators to make sure that participants sign in, stay for the duration of the training, and take the exit exam.
Date of Future Data Quality Assessments: n/a
Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Cross-tabulation
Presentation of Data: Narrative, graphs, and tables.
Review of Data: Ongoing, as events occur
Reporting of Data: Quarterly report.

OTHER NOTES

Notes on Baselines/Targets: _____
 Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Project Intermediate Result 2 Construction Permit Procedures Streamlined			
Indicator Number: 12			
Indicator Type: Performance			
Indicator: Average Time to Obtain Relevant Commercial Construction Permits			
DESCRIPTION			
<p>Precise Definition(s): The number of days required to obtain all levels of construction permits for commercial purposes including pre-application work, construction permit, and the occupancy/use permit. This time will be measured to include the time a construction firm or developer prepares for the initial permit to the time the firm is ready to begin construction.</p> <p>Unit of Measure: Days</p> <p>Disaggregated by: Entity, local jurisdiction (usually, canton or municipality), phase of the process (pre-application, construction and occupancy/use)</p> <p>Justification & Management Utility: The time it takes to obtain permits to begin legal construction of commercial premises is critical to the streamlining of this process and also the reduction of legal and administrative barriers to commercial growth. This indicator measures the change in average time required to show the enhanced efficiency of the permit process and an increase in legal construction.</p>			
PLAN FOR DATA ACQUISITION BY THE PROJECT			
<p>Data Collection Method: This indicator will be measured by SPIRA and through relationships established with government agencies responsible for the various stages of the permit process.</p> <p>Method of Data Acquisition by the Project: Review of government agency records, questionnaires, SPIRA conducted surveys and interviews.</p> <p>Data Source(s): Governmental agencies, private businesses.</p> <p>Frequency and Timing of Data Acquisition: Semi-annual</p> <p>Estimated Cost of Data Acquisition: Low, these records are routinely kept and project staff has access to them.</p> <p>Responsible Individual at the Project: The Construction Unit.</p>			
DATA QUALITY ISSUES			
<p>Date of Initial Data Quality Assessment: n/a</p> <p>Known Data Limitations and Significance (if any): The government institutions involved in the construction permit process have non-standardized recordkeeping practices.</p> <p>Actions Taken or Planned to Address Data Limitations: Review of records at each level of the construction permit process, as needed perform recalculations and data transformations.</p> <p>Date of Future Data Quality Assessments: October 2006</p> <p>Procedures for Future Data Quality Assessments: Conduct additional site visits and interviews with responsible personnel. Further, conduct audits of records of relevant organizations.</p>			
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING			
<p>Data Analysis: Time trends, cross-tabulation</p> <p>Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.</p> <p>Review of Data: Semi-annually</p> <p>Reporting of Data: Semi-annual report</p>			
OTHER NOTES			
<p>Notes on Baselines/Targets:</p> <p>Other Notes: End-of-project target – 50 percent reduction in number of days.</p>			
PERFORMANCE INDICATOR VALUES			
Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	
THIS SHEET LAST UPDATED ON: 6/21/06			

Project Intermediate Result 2 Construction Permit Procedures Streamlined

Indicator Number: 13

Indicator Type: Tracking

Indicator: Percentage of developers and contractors reporting favorable opinion new construction permitting procedures

DESCRIPTION

Precise Definition(s): This is a qualitative indicator defined as the percentage of construction firms, developers, and contractors interviewed who report a favorable opinion of the new permit procedures. Only respondents who have been through the permit process previously will be counted.

Unit of Measure: Percent

Disaggregated by: Entity, local jurisdiction (usually, canton or municipality), type of construction (mixed use/residential, commercial, industrial, and governmental)

Justification & Management Utility: To clearly measure the real efficiency and facility of the construction process, the opinion of those in the private sector should be measured. This indicator demonstrates the perception of the construction community towards the new rules, regulations, and procedures in the construction permit process.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Survey questionnaires will be placed in permit offices and given to those recently permitted to complete and mail into the project. They will be asked to rate their opinion of the new procedures on a scale of – 2 to +2 (very poor to very good). The indicator will be the average value of the scores for a reasonably sized sample from each reporting period. Only those who have obtained a construction permit before will be counted.

Method of Data Acquisition by the Project: Opinion survey

Data Source(s): Permit applicants, Urban Planners and Architects Association, the Association of Construction Engineers, and project records.

Frequency and Timing of Data Acquisition: Semi-annual

Estimated Cost of Data Acquisition: Low, this data will be collected through partners or in conjunction with regular project activities.

Responsible Individual at the Project: Construction Unit and M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: At time of first opinion survey

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trend, compare responses from different types of businesses

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Semi-annually, starting in year 2.

Reporting of Data: Semi-annual report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Project Intermediate Result 3 Inspection Procedures Streamlined			
Indicator Number: 14			
Indicator Type: Performance			
Indicator: Inspection Manuals Completed			
DESCRIPTION			
Precise Definition(s): Technical manuals for selected sector inspection services developed. These manuals will have to be developed and published to be considered completed.			
Unit of Measure: Yes/No indicator			
Disaggregated by: Entity, type of inspection			
Justification & Management Utility: This indicator measures the streamlining of inspection procedures by demonstrating that new procedural manuals are developed and published.			
PLAN FOR DATA ACQUISITION BY THE PROJECT			
Data Collection Method: Project staff will submit required information			
Method of Data Acquisition by the Project: Review and analyze information			
Data Source(s): Inspectorates, project records			
Frequency and Timing of Data Acquisition: Semi-annually			
Estimated Cost of Data Acquisition: Low, this information is part of regular project record keeping.			
Responsible Individual(s) at the Project: Inspection unit			
DATA QUALITY ISSUES			
Date of Initial Data Quality Assessment: n/a			
Known Data Limitations and Significance (if any): None			
Actions Taken or Planned to Address Data Limitations: None			
Date of Future Data Quality Assessments: n/a			
Procedures for Future Data Quality Assessments: n/a			
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING			
Data Analysis: n/a			
Presentation of Data: Narrative			
Review of Data: Semi-annually			
Reporting of Data: Semi-annual report			
OTHER NOTES			
Notes on Baselines/Targets: n/a			
Other Notes: n/a			
PERFORMANCE INDICATOR VALUES			
Year	Target	Actual	Notes
2008	n/a	_____	
2009	Yes	_____	
THIS SHEET LAST UPDATED ON: 6/21/06			

Key Result Area 3.2 Capacity to Perform Quality Inspections Increased

Indicator Number: 15

Indicator Type: Tracking

Indicator: Ratio of Violators Receiving Initial Warnings to Those Receiving Automatic Sanctions in Entity Level Inspectorates

DESCRIPTION

Precise Definition(s): The number of violators receiving warnings or the minimum fine/sanctions for inspections offense compared to those who receive immediate maximum punitive fines.

Unit of Measure: Ratio

Disaggregated by: Entity, municipality

Justification & Management Utility: This indicator is a direct measure of improved quality of inspection services and the detective and preventive functions. The inspections law stipulates that inspections violators should receive the minimum fine/sanctions acceptable for the offense and an opportunity to correct the offense. This indicator demonstrates inspector compliance with the law and a reflection of improved inspection services.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The project will obtain this information from SPIRA-assisted inspectorates.

Method of Data Acquisition by the Project: Analyze information collected from inspectorates.

Data Source(s): Central inspectorates in the RS and the Federation.

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Inspection Unit Leader.

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): Potential inadequate and non-standardized record keeping exists.

Actions Taken or Planned to Address Data Limitations: Provide recommendations for implementation to SPIRA-assisted inspectorates on reporting formats and record-keeping practices.

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trends

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 3.3 Inspection Management System Strengthened

Indicator Number: 16

Indicator Type: Tracking

Indicator: Percentage of inspections done in conjunction with other inspections

DESCRIPTION

Precise Definition(s): Number of inspections done in isolation compared to the number of inspections completed in conjunction with other inspections as a result of the inspection management system.

Unit of Measure: Percent

Disaggregated by: n/a

Justification & Management Utility: This indicator measures the strength of the inspection management system. As the system grows and becomes ubiquitous, the percentage of inspections done in conjunction with other inspections, therefore increasing efficiency, should increase.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The project will obtain this information directly from the inspection management system and the entity level inspectorates.

Method of Data Acquisition by the Project: Analyze information collected.

Data Source(s): Entity level inspectorate records

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Inspection Unit Leader.

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trends

Presentation of Data: Narrative, charts, and tables

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 3.3 Inspection Management System Strengthened

Indicator Number: 17

Indicator Type: Tracking

Indicator: Random Distribution of Inspection Assignments (Yes/No indicator)

DESCRIPTION

Precise Definition(s): Existence of a system that randomly assigns inspectors to cases.

Unit of Measure: Yes/No

Disaggregated by: n/a

Justification & Management Utility: This indicator enables assessment of increase in technical capacity and increasing efficiency of inspection services through the inspection management system.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Spot check.

Method of Data Acquisition by the Project: Analysis of information collected.

Data Source(s): Project spot-check records

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Inspection Unit Leader and M&E specialist.

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Time trends

Presentation of Data: Narrative

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	Yes	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 4 Government Information Exchange Improved

Indicator Number: 18

Indicator Type: Performance

Indicator: Percentage of SPIRA-donated IT Equipment in Use

DESCRIPTION

Precise Definition(s): The percent of donated IT equipment in use, calculated as: (the number of SPIRA IT equipment in use/ the number of SPIRA IT equipment total).

Unit of Measure: Percent

Disaggregated by: Entity, municipalities

Justification & Management Utility: This indicator measures the increase in technical capacity and increasing efficiency of governmental information services. It also measures the utility of SPIRA donated equipment and whether or not it is being used as intended.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: This information will be obtained by calculating the amount of IT equipment disbursed and spot checks on how the equipment is being used over time.

Method of Data Acquisition by the Project: Spot checks

Data Source(s): Project records

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: IT Unit.

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trends

Presentation of Data: Graphs, tables, and narrative

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 4 Government Information Exchange Improved			
Indicator Number: 19			
Indicator Type: Performance			
Indicator: Number of SPIRA Pilot Municipalities Networked			
DESCRIPTION			
Precise Definition(s): Percent of municipalities selected by the project which are networked into centralized government information exchange network.			
Unit of Measure: Percent			
Disaggregated by: Entity			
Justification & Management Utility: This indicator measures the increase in technical capacity and increasing efficiency of governmental information services. It also measures the utility of SPIRA IT efforts in assisting the governments in conducting efficient information exchange.			
PLAN FOR DATA ACQUISITION BY THE PROJECT			
Data Collection Method: This information will be obtained from records and logs maintained by SPIRA IT unit and by obtaining information from SPIRA-assisted municipalities.			
Method of Data Acquisition by the Project: Analyze collected information			
Data Source(s): Project records/municipal records			
Frequency and Timing of Data Acquisition: Quarterly			
Estimated Cost of Data Acquisition: Low, this information is part of regular project record keeping			
Responsible Individual at the Project: IT unit			
DATA QUALITY ISSUES			
Date of Initial Data Quality Assessment: n/a			
Known Data Limitations and Significance (if any): None			
Actions Taken or Planned to Address Data Limitations: None			
Date of Future Data Quality Assessments: n/a			
Procedures for Future Data Quality Assessments: n/a			
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING			
Data Analysis: Trends, cross-tabulation			
Presentation of Data: Graphs, tables, and narrative			
Review of Data: Quarterly			
Reporting of Data: Quarterly report			
OTHER NOTES			
Notes on Baselines/Targets: Baseline- 0			
Other Notes: n/a			
PERFORMANCE INDICATOR VALUES			
Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	
THIS SHEET LAST UPDATED ON: 6/21/06			

Key Result Area 4 Government Information Exchange Improved

Indicator Number: 20

Indicator Type: Performance

Indicator: Number of Data Sources Available Over Network

DESCRIPTION

Precise Definition(s): Number of sources of government records accessible via centralized governmental information exchange network. Data sources include registration records, inspection reports, CIPS data, and other records capable of being networked into a centralized system.

Unit of Measure: Number

Disaggregated by: n/a

Justification & Management Utility: This indicator measures the effectiveness of a centrally managed information network. Having more data sources available over the network indicates more electronically available records being shared between government institutions.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: This information will be obtained from records and logs maintained by SPIRA IT unit.

Method of Data Acquisition by the Project: Analyze collected information

Data Source(s): Project records

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: IT Unit.

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Cross-tabulation

Presentation of Data: Graphs, tables, and narrative

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: **Baseline- 0**

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 4 Government Information Exchange Improved			
Indicator Number: 21			
Indicator Type: Tracking			
Indicator: Number of Business Registration Pilots Networked			
DESCRIPTION			
<p>Precise Definition(s): Number of business registration pilots in selected municipalities which are networked into centralized governmental information exchange network.</p> <p>Unit of Measure: Number</p> <p>Disaggregated by: Entity, canton, municipality</p> <p>Justification & Management Utility: Indicator number 20 measures the efficiency of a centralized system, while this indicator measures the number of specific registration pilots which are networked. If the registration pilots are networked, the procedures are electronic, and thus this is a measure of improved government exchange as well as improved efficiency of the business registration process in selected municipalities.</p>			
PLAN FOR DATA ACQUISITION BY THE PROJECT			
<p>Data Collection Method: This information will be obtained from records and logs maintained by SPIRA IT unit.</p> <p>Method of Data Acquisition by the Project: Analyze collected information</p> <p>Data Source(s): Project records</p> <p>Frequency and Timing of Data Acquisition: Quarterly</p> <p>Estimated Cost of Data Acquisition: Low</p> <p>Responsible Individual at the Project: IT Unit</p>			
DATA QUALITY ISSUES			
<p>Date of Initial Data Quality Assessment: n/a</p> <p>Known Data Limitations and Significance (if any): None</p> <p>Actions Taken or Planned to Address Data Limitations: None</p> <p>Date of Future Data Quality Assessments: n/a</p> <p>Procedures for Future Data Quality Assessments: n/a</p>			
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING			
<p>Data Analysis: Cross-tabulation</p> <p>Presentation of Data: Graphs, tables, and narrative</p> <p>Review of Data: Quarterly</p> <p>Reporting of Data: Quarterly report</p>			
OTHER NOTES			
<p>Notes on Baselines/Targets: Baseline- 0</p> <p>Other Notes: n/a</p>			
PERFORMANCE INDICATOR VALUES			
Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	
THIS SHEET LAST UPDATED ON: 6/21/06			

Key Result Area 4 Government Information Exchange Improved

Indicator Number: 22

Indicator Type: Tracking

Indicator: Number of Construction Pilots Networked

DESCRIPTION

Precise Definition(s): Number of construction permit pilots in selected municipalities which are networked into centralized governmental information exchange network.

Unit of Measure: Number

Disaggregated by: Entity, canton, municipality

Justification & Management Utility: Indicator number 20 measures the efficiency of a centralized system, while this indicator measures the number of specific construction permit pilots within a municipality which are networked. If the construction permit pilots are networked, the procedures are electronic, and thus this is a measure of improved government exchange as well as improved efficiency of the construction permit process in selected municipalities.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: This information will be obtained from records and logs maintained by SPIRA IT unit.

Method of Data Acquisition by the Project: Analyze collected information

Data Source(s): Project records

Frequency and Timing of Data Acquisition: Quarterly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: IT Team

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Cross-tabulation

Presentation of Data: Graphs, tables, and narrative

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: **Baseline- 0**

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 4 Government Information Exchange Improved			
Indicator Number: 23			
Indicator Type: Tracking			
Indicator: Number of Inspection Pilots Networked			
DESCRIPTION			
Precise Definition(s): Number of inspection permit pilots in selected municipalities which are networked into centralized governmental information exchange network.			
Unit of Measure: Number			
Disaggregated by: Entity, canton, municipality			
Justification & Management Utility: Indicator number 20 measures the efficiency of a centralized system, while this indicator measures the number of specific inspection pilots within a municipality which are networked. If the inspection pilots are networked, the procedures are electronic, and thus this is a measure of improved government exchange as well as improved efficiency of the inspection process in selected municipalities.			
PLAN FOR DATA ACQUISITION BY THE PROJECT			
Data Collection Method: This information will be obtained from records and logs maintained by SPIRA IT unit.			
Method of Data Acquisition by the Project: Analyze collected information			
Data Source(s): Project records			
Frequency and Timing of Data Acquisition: Quarterly			
Estimated Cost of Data Acquisition: Low			
Responsible Individual at the Project: IT Unit			
DATA QUALITY ISSUES			
Date of Initial Data Quality Assessment: n/a			
Known Data Limitations and Significance (if any): None			
Actions Taken or Planned to Address Data Limitations: None			
Date of Future Data Quality Assessments: n/a			
Procedures for Future Data Quality Assessments: n/a			
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING			
Data Analysis: Cross-tabulation			
Presentation of Data: Graphs, tables, and narrative			
Review of Data: Quarterly			
Reporting of Data: Quarterly report			
OTHER NOTES			
Notes on Baselines/Targets: Baseline- 0			
Other Notes: n/a			
PERFORMANCE INDICATOR VALUES			
Year	Target	Actual	Notes
2008	n/a	_____	
2009	n/a	_____	
THIS SHEET LAST UPDATED ON: 6/21/06			

Key Result Area 5 Public Awareness of New Permit and Inspection Processes Increased

Indicator Number: 24

Indicator Type: Tracking

Indicator: Percentage of Stakeholders Surveyed Aware of New Business Permit Procedures

DESCRIPTION

Precise Definition(s): Number of stakeholders who are aware of new procedures/number of stakeholders surveyed. Stakeholder is defined as members of the business community and government officials involved permit processes.

Unit of Measure: Percent

Disaggregated by: Entity, media source

Justification & Management Utility: This indicator directly measures the change in public awareness on new business permit processes and how the public heard about the changes. This will directly measure the effectiveness of SPIRA's public awareness activities.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The M&E specialist will conduct an opinion survey targeting the business community to find out the general awareness of the public on a scale of – 2 to +2 from what source they learned about the new procedures.

Method of Data Acquisition by the Project: Opinion survey

Data Source(s): Business community

Frequency and Timing of Data Acquisition: Annually

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Communications unit and Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: At time of first opinion survey

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trend, compare responses

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Annual

Reporting of Data: Annually

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 5 Public Awareness of New Permit and Inspection Processes Increased

Indicator Number: 25

Indicator Type: Tracking

Indicator: Percentage of Stakeholders Surveyed Aware of New Construction Permit Procedure

DESCRIPTION

Precise Definition(s): Number of stakeholders who are aware of new procedures/number of stakeholders surveyed. Stakeholder is defined as developers, contractors, construction firms, construction engineers, architects, large investors, and government officials involved construction permit processes.

Unit of Measure: Percent

Disaggregated by: Entity, media source

Justification & Management Utility: This indicator directly measures the change in public awareness on new construction permit processes and how the public heard about the changes. This will directly measure the effectiveness of SPIRA's public awareness activities.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The M&E specialist will conduct an opinion survey targeting the construction community through the Urban Planners and Architects Association and the Association of Construction Engineers to find out the general awareness of the public on a scale of - 2 to +2 from what source they learned about the new procedures.

Method of Data Acquisition by the Project: Opinion survey

Data Source(s): Developers, contractors, construction firms, construction engineers, large investors

Frequency and Timing of Data Acquisition: Annually

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Communications unit and Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: At time of first opinion survey

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trend, compare responses

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Annual

Reporting of Data: Annually

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 5 Public Awareness of New Permit and Inspection Processes Increased

Indicator Number: 26

Indicator Type: Tracking

Indicator: Percentage of Stakeholders Surveyed Aware of New Inspection Procedures

DESCRIPTION

Precise Definition(s): Number of stakeholders who are aware of new procedures/number of stakeholders surveyed. Stakeholder is defined as members of the business community and government officials involved inspection processes.

Unit of Measure: Percent

Disaggregated by: Entity, media source

Justification & Management Utility: This indicator directly measures the change in public awareness on new inspection permit processes and how the public heard about the changes. This will directly measure the effectiveness of SPIRA's public awareness activities.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: The M&E specialist will conduct an opinion survey targeting the business community to find out the general awareness of the public on a scale of – 2 to +2 from what source they learned about the new procedures.

Method of Data Acquisition by the Project: Opinion survey

Data Source(s): Business community

Frequency and Timing of Data Acquisition: Annually

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Communications unit and Zoltan Milic, M&E Specialist

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: At time of first opinion survey

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trend, compare responses

Presentation of Data: Narrative, graphs, tables and statistical calculations where appropriate.

Review of Data: Annual

Reporting of Data: Annually

OTHER NOTES

Notes on Baselines/Targets: n/a

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

Key Result Area 5 Public Awareness of New Permit and Inspection Processes Increased

Indicator Number: 27

Indicator Type: Tracking

Indicator: Number of SPIRA Website Hits Per Reporting Period

DESCRIPTION

Precise Definition(s): Number of times the website has been accessed by internet users.

Unit of Measure: Number

Disaggregated by: reporting period

Justification & Management Utility: This indicator measures the increase in public awareness and measures effectiveness of project public awareness activities. SPIRA sponsored public awareness events will publicize the website address, thus this indicator gauges the level of interest of broader public on issues from SPIRA portfolio.

PLAN FOR DATA ACQUISITION BY THE PROJECT

Data Collection Method: Web host server statistics

Method of Data Acquisition by the Project: Review and aggregate of server statistics

Data Source(s): Web host server

Frequency and Timing of Data Acquisition: Monthly

Estimated Cost of Data Acquisition: Low

Responsible Individual at the Project: Webmaster

DATA QUALITY ISSUES

Date of Initial Data Quality Assessment: n/a

Known Data Limitations and Significance (if any): None

Actions Taken or Planned to Address Data Limitations: None

Date of Future Data Quality Assessments: n/a

Procedures for Future Data Quality Assessments: n/a

PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING

Data Analysis: Trend, cross-tabulation

Presentation of Data: Narrative, graphs, tables

Review of Data: Quarterly

Reporting of Data: Quarterly report

OTHER NOTES

Notes on Baselines/Targets: 0

Other Notes: n/a

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2007	n/a	_____	
2008	n/a	_____	
2009	n/a	_____	

THIS SHEET LAST UPDATED ON: 6/21/06

ANNEX C

Data Requirements from the Central Bank

In this Annex, we present data requirements from the Unified Registry of Transactional Accounts in the Central Bank of BiH. The business process unit is directly responsible for ensuring the integration of data collection activities into partner practices and daily activities. The required data should be collected and provided to the M&E specialist no later than two weeks after the end of each reporting period. The M&E specialist is also responsible for performing data verification checks and ensuring data collected is consistent. Specific data needed from the Central Bank are as follows:

- Name or unique ID number of enterprise
- Canton and municipality
- Entity
- Form of organization/ type of enterprise
- Type of account
- Account status (active, blocked, terminated)
- Date of registration
- Date of change of account status
- Date of submission of the request for a tax ID number
- Date of issuance of tax ID number
- Date of submission of request for a bank account
- Date of issuance of bank account numbers with the Central Bank

Data Requirements from Institutes of Statistics (State and Entity)

In this Annex, we present data requirements from the Institutes of Statistics, both at the State and entity level. Several indicators will require national and entity statistics to be recorded and disaggregated. The M&E specialist will work with the institutes of statistics to retrieve this data and perform necessary statistical calculations as necessary to verify the data collected is consistent. The required data should be collected no later than two weeks after the end of each reporting period. Specific data needed from the Institutes of Statistics are as follows:

- Recorded employment by sector
- Number of registered companies by number of employees in accordance with standard European Union classification
- Number of employees that a company declared during registration process
- Value of output of SME sector as percent of GDP (for cross-comparison purposes with available international monetary fund/World Bank data)

ANNEX E

Data Requirements from Municipalities/Courts

In this Annex, we present data requirements from the courts for LLC registration and the municipalities for craft shops and construction permitting. The business process unit will work with the municipalities and the courts to retrieve this data on business registration. In addition, the construction unit will obtain information specific to the construction permit process. The M&E specialist will verify the consistency and quality of the data collected. The required data should be collected no later than two weeks after the end of each reporting period. Specific data needed from the courts/municipalities are as follows:

- Date of submission of the request for LLC registration
- Date of resolution of the request for LLC registration
- Date the court registration documents have been picked up by the owner/authorized representative or sent via mail
- Total number of requests for registration per period
- Date of submission of the request for craft shop business registration
- Date of resolution of the request for craft shop registration
- Date the registration documents have been picked up by the owner/authorized representative or sent via mail
- Total number of requests for registration
- Total number of cases handled by the municipality in the reporting period
- Date of submission of the requests for issuance of commercial construction permit, use permit, occupancy permit and urban permit
- Date of resolution of the requests for issuance of commercial construction permit, use permit, occupancy permit and urban permit
- Total number of requests for issuance of construction permit, use permit, occupancy permit and urban permit by type of construction
- Number of new illegal construction sites within the jurisdiction by type of construction (housing, residential, commercial, industrial)

Data Requirements from Business Owners

In this Annex, we present data requirements from individual business owners. The Employers Association conducts an annual Business Barometer Survey in both entities. SPIRA will attempt to include specific questions in the survey to assess the impact of the project on the business community. The project will also conduct its own surveys of the business community regarding the new procedures. The M&E specialist will work with the Employers Association to include SPIRA questions and will develop other survey questions in conjunction with the business process unit. He will verify the consistency and quality of the data collected by reviewing the methodology used and data collected. Specific data needed from this survey is as follows:

- Percentage of businesses owners reporting favorable opinion of new registration procedures
- Percentage of stakeholders surveyed aware of new inspection procedures
- Percentage of stakeholders surveyed aware of new business permit procedures

Data Requirements from the Construction Community

In this Annex, we present data requirements from individual developers, contractors, engineers, large investors, and urban planners. SPIRA will conduct surveys targeted at the construction community through the membership of the Urban Planners and Architects Association and the Association of Construction Engineers. The M&E specialist will work will develop survey questions in conjunction with the construction unit. Specific data needed from this survey is as follows:

- Percentage of stakeholders surveyed aware of new construction permit procedures
- Percentage of developers and contractors reporting favorable opinion new construction permitting procedures
- Percentage of stakeholders surveyed aware of new inspection procedures

Data Requirements from Inspectorates

In this Annex, we present data requirements from SPIRA-assisted inspectorates. The inspection unit will obtain information specific to inspections activities and results. The M&E specialist will verify the consistency and quality of the data collected. The required data should be collected no later than two weeks after the end of each reporting period. Specific data needed from SPIRA-assisted inspectorates are as follows:

- Number of initial warnings issued
- Number of automatic sanctions issued
- Number of inspection subjects, by the type of inspection
- Number of inspections performed, by type and inspection subject
- Number of inspections performed in conjunction with inspections of other type
- Method of assigning inspection assignments

Data Requirements from SPIRA

In this Annex, we present data requirements that will be collected by the M&E specialist from SPIRA long-term technical assistants — the business process unit, the construction unit, the inspections unit, the IT unit, and the communications unit. These data elements are to be compiled regularly and submitted to the M&E specialist two weeks after the end of each quarter for entry into the M&E databases and for analyses. Data requirements from the SPIRA unit include:

- Number of recommended changes to laws and regulations submitted for consideration
- Number of officials trained
- Number of officials certified
- Number of SPIRA-donated IT equipment
- Number of SPIRA-donated IT equipment in use
- Number of data sources accessible over network
- Number of business registration pilots networked
- Number of construction pilots networked
- Number of inspection pilots networked
- Percentage of inspections done in conjunction with other inspections
- Random selection of inspection targets in effect (yes/no)
- Number of SPIRA website hits