

Maria C. Andrade-Stern
Senior Contract Administrator

Direct Dial: (202) 261-5396
FAX: (202) 728-0231
mandrade@ui.urban.org

April 25, 2003

Mr. Andrew Holland
Regional Contracting Officer
USAID/Budapest
Bank Center Building
Granit Tower, 5th Floor
Szabadsag Ter. 7-9
1944 Budapest Hungary

RE: Contract No. EEU-I-00-99-00015-00, TO No. 808
UI Project 06901-011, Croatia Local Government Reform Project
Quarterly Task Order Progress and Cost Report January to March 2003

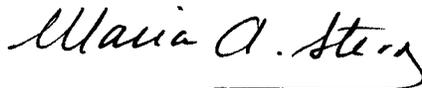
Dear Mr. Holland:

Please find enclosed the *Quarterly Task Order Progress and Cost Report January to March 2003*. This report is required by Sections F.5 and F.6 of our Local Government Assistance Initiative Indefinite Quantity Contract.

In an effort to minimize cost and maximize efficiency in submitting this deliverable, we are planning to submit the report and the manual in soft copy only. We would be pleased to provide a hard copy of either or both documents, if requested.

Please direct any technical questions to Maris Mikelsons at +(385-1) 485-4794 or E-mail at mikelsons@aol.com. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,



Maria C. Andrade-Stern

Enclosures

cc: Tom Rogers (CTO/USAID/Croatia)
Mike Keshishian (USAID/W)
Maris Mikelsons (CoP/UI/Zagreb)
USAID Development Clearinghouse
IAC Deliverables File (06901-011)
IAC Chron File

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

JANUARY TO MARCH 2003

**CROATIA LOCAL
GOVERNMENT REFORM
PROGRAM**

Prepared for



Croatia Local Government Reform Program
United States Agency for International Development
Contract No. EEU-I-00-99-00015-00, Task Order No. 808

Prepared by

Maris Mikelsons
The Urban Institute



THE URBAN INSTITUTE
2100 M Street, NW
Washington, DC 20037
(202) 833-7200
www.urban.org

March 2003
UI Project 06901-011

TABLE OF CONTENTS

I.	HIGHLIGHTS	1
II.	PROGRESS OF MAJOR ACTIVITIES	8
III.	DELIVERABLES AND REPORTS	10
IV.	PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE.....	11
V.	WORK PLANNED FOR NEXT REPORTING PERIOD	11
VI.	SPECIFIC ACTION REQUESTED	12

ATTACHMENT

Cost Report

**QUARTERLY TASK ORDER PROGRESS AND COST REPORT
JANUARY TO MARCH 2003
CROATIA LOCAL GOVERNMENT REFORM PROGRAM**

Task Order No.: EEU-I-00-99-00015-00, TO 808

Date of Issuance: May 24, 2000

Task Order Description

The purpose of this Task Order is to implement a Local Government Project that will work toward decentralization, transparency, and efficiency among municipal administrations. There are five programmatic components: demonstration sites, improving fiscal and management efficiencies, improving investment opportunities, improving citizen participation in local governance, and strengthening organization and advocacy by the Association of Municipalities.

Amount Obligated Under Task Order:	\$6,259,895
Total Potential Task Order Amount:	\$6,259,895
Dollars Expended to-date:	\$3,648,937
Key Personnel:	Maris Mikelsons, Chief of Party + (385-1) 485-4794 Mikelsons@aol.com

I. HIGHLIGHTS

- The Local Government Reform Project (LGRP) continued to expand the number of local governments that are aware of the availability of its five management models through a broad based dissemination effort that includes an Internet web site (updated last in January), issuance of its newsletter, collaboration with other organizations/donors, and promotion of project activities through other USAID-funded projects. In January, the LGRP welcomed a new intern from the Swiss-based Syni-21 project, Varelie Leaderbach. She will work to update the LGRP's web site, issue periodic newsletters, and conduct a public relations campaign to inform and educate local government officials and the public on the activities of the LGRP.
- The Information Management System was installed in the City of Pula (population of about 60,000 inhabitants) with great success. Many officials of the local governments are actively using the system to communicate with each other and share data. Moreover, citizens now have access to their local government via the Internet. This access allows citizens to find out about city

procedures, documents, ordinances, and even have direct communication with city officials. The City of Pula will promote the use of the information system among other local governments in Istria.

- As part of its Training of Consultants program, the LGRP held its Summary Session and Awards Ceremony on January 17 for all 100 consultants trained by the LGRP to implement its management models. The agenda for this one-day event included a summary session to educate consultants on the inter-relationships among all five management models and next steps of the program. In the afternoon, the Certificate of Participation Awards ceremony was held. Mr. William Jeffers, USAID/Croatia mission director, gave opening remarks and personally presented Certificates to all 100 consultants. Along with Mr. Jeffers, USAID/Croatia representative Tom Rogers and Chuck Howell were present to witness the Awards Ceremony. Following the presentations of the Certificates, the LGRP held a reception for all consultants and USAID/Croatia representatives.
- In January, Maris Mikelsons, CoP, met with Mr. Kornelis Klein, head of the United Nations Development Program (UNDP) in Croatia. Mr. Klein intends to implement a capacity building project for local government officials at the start of the year and sought ways the LGRP could contribute toward his project. The new UNDP project will use the Internet to provide distance-learning courses to local government officials in war-affected areas as part of the ILO's DELNET project located in Italy. Mr. Klein expressed an interest in using LGRP materials related to its management models as part of the training materials for the new project.
- In January, Tom Rogers, Maris Mikelsons, and Kzrystof Chmura met with representatives of the University of Rijeka, including Professors Mencer and Bombelles, to discuss LGRP contribution to the planned pilot public administration workshop for local government officials scheduled to be held over a one-week period in June 2003. The meeting allowed all participants to decide upon an implementation strategy for the workshop. At the initiative of Maris Mikelsons, the LGRP will conduct their presentations at the workshop during the last two days allowing for presentations by representatives of the University of Rijeka and Cleveland State University to make their presentations during the first four days of the workshop. In this manner, the public administration subjects of the workshop will be introduced ahead of the more practical application of these topics that will be conducted by the LGRP.
- In January, LGRP staff traveled to Drnis, an ECRA municipality, to make presentations and conduct training for officials from this local government and those in the surrounding area. The Mayor of Drnis was responsible for issuing invitations to the event and providing facilities for the LGRP presentations. In total, about 30 local government representatives along with representatives of NGO's (OGI, FLAG) attended this LGRP event.
- LGRP management met with USAID/Croatia representatives, Tom Rogers and Livia Mimica, to discuss collaboration between the LGRP and ECRA projects to conduct training for local government officials from war-affected areas. It was agreed that the LGRP would conduct three addition workshops for representatives of ECRA municipalities (and local government officials in the surrounding areas of ECRA municipalities) during the month of February. It was agreed that



ECRA/USAID would set the dates and locations for these workshops. The LGRP will provide technical assistance along with refreshments at the training venues.

- The LGRP advanced its work with the City of Rijeka in the areas of citizen participation and economic development. The City requested LGRP assistance to develop a local park with a view to providing facilities at the park for youth recreation. The LGRP made preliminary progress on identifying organizations that would be interested in further development of the park and conduct an abbreviated survey of area residents to gauge their wishes in terms of development of the park. The City also requested further LGRP assistance to promote the once derelict Torpedo factory as a viable space for commercial activity and citizen use. The LGRP agreed to limited assistance to the City in terms of presenting options for managing the Torpedo site and establish linkages with other such facilities located in the US (Alexandria and United Kingdom).
- The LGRP received copies of budget-in-brief documents that were produced by local governments through out Croatia. The documents prepared by local governments are direct result of LGRP Transparent Budget Workshops conducted in September of last year for local government officials throughout Croatia. These budget-in-brief documents describe a local government's proposed budget resource allocation for the year 2003 in a summary fashion and are distributed within a local government to citizens. The cities that have issued budget-in-brief documents include Pula, Riejka, Dubrovnik, and Split.
- The major LGRP activity for the quarter was to design the Cost-Share Program (CSP) for local governments. This program is intended to support the LGRP-trained consultants to implement their newly acquired skills in local governments throughout Croatia by paying for part of the cost of implementing a LGRP model. Additionally, the CSP will allow consultants to gain valuable on-site experience in implement the models with the support of LGRP technicians. On the other hand, the CSP will provide a subsidy for local governments who are willing to implement new management practices using the LGRP-trained consultants. By matching consultants with local governments, the Training of Consultants and Cost-Share programs of the LGRP will help to facilitate the creation of a local government consultancy market in Croatia and thus, to address LGRP sustainability.
- In February, Maris Mikelsons CoP, and Kzryzstof Chmura, Deputy CoP, met with the Mayor of the City of Rijeka (along the Chief of Staff, Mrs. Linic and Economic Advisor, Mrs. Zrilic) to discuss future plans to support the city's effort to work in the area of citizen participation and economic development. As part of the LGRP strategy to deepen the models and work toward institutionalization of the models, the City of Rijeka will continue to receive support in these two work areas. The Mayor expressed his gratitude for all the work performed by the LGRP in these areas and looked forward to continued collaboration with the LGRP.
- The City of Rijeka requested LGRP assistance to design a new economic development agency to implement the Economic Development Strategic Plan (created with the assistance of the LGRP). This new agency would be the first of its kind in Croatia and would be responsible for updating, monitoring and implementing the EDSP. The LGRP will assist with the creation of the new agency by facilitating a task force organized by the city to design the agency along with providing

commentary to the output of the task force. The first meeting of the task force is scheduled for March.

- Peter Epstein, UI's financial management specialist, traveled to Croatia (February 5 to 15) to work with LGRP technicians to further develop the financial management model. He traveled to the cities of Bjelovar and Crikvenica to gain valuable information on their progress to implement two elements of the LGRP financial management model: program budgeting and Capital Improvements Plan. He devised a strategy to further develop these two elements of the model and ensure the financial analysis model (FAM) and the LGRP financial management model manual is available for consultants trained under the Training of Consultants Program.
- In February, Maris Mikelsons, CoP, met Professor Bombelles to advance the planning for the pilot public administration workshop that will be held at the University of Rijeka for select local government officials. As a representative of the Unger Center, at Cleveland State University, the professor is in charge of coordinating activities between the University of Rijeka and Cleveland State University to promote a curriculum in public administration in the area of local government. The pilot seminar will be held during the month of June and will incorporate LGRP-developed management models.
- During the month of February, LGRP management designed a new study tour for central and local government officials on the topic of inter-local government cooperation. The LGRP would like to promote inter-local government cooperation in Croatia (given the number of local governments and their capacity to implement public services) by promoting mechanisms for inter-local government cooperation to take place and for central government to provide incentives for cooperation among local governments. The suggested location of the study tour is France—a country with about 39,000 local governments and institutionalized mechanisms for local governments to effectively cooperate to deliver public services.
- In February, LGRP staff traveled to municipalities of Obrovac and Pacrac, respectively, to conduct presentations and training for officials from these local governments and those in the surrounding area. The Mayors were responsible for issuing invitations to the event and providing facilities for the LGRP presentations. In total, about 30 local government representatives attended this LGRP event that promoted the availability of new management methodologies to local governments in war-affected areas of Croatia.
- In February, LGRP management attended the NGO Forum sponsored the Government Office of Non-Government Organizations (NGOs). LGRP staff member, Miljenko Smit, was chosen to head the Government's Office of NGO selection committee to disperse funds to NGO in year 2003. The Forum provided an opportunity for the LGRP to further promote its management models, especially those that include citizen participation as a component.
- In February, LGRP management met with representatives of Economics Institute to explore areas of collaboration. The Economic Institute has worked with local governments to implement an economic development-planning model similar to the one developed by the LGRP. Additionally, the Economic Institute works in the area of local government finance and would be an ideal



candidate for the institutional home of many of the LGRP models. As part of its collaboration, the LGRP has nominated Economics Institute representative to take part in its Training of Consultants program and study tours designed by the LGRP.

- The LGRP is seeking consultants to advance its work with the City of Rijeka in the area of citizen participation for developing public space. The consultants identified are from the Public Space Project (PPS) and have worked in Croatia on promoting good models for public space development. Mrs. Linic, the Chief of Staff for the City of Rijeka, requested this type of assistance from the LGRP due to her involvement in the USAID-sponsored study tour to the US on the topic of citizen participation.
- Mlijenko Smit, LGRP information management specialists, is providing limited assistance to County of Zagreb, City of Donji Miholjac, and County of Brodsko Posavska to implement the LGRP information management model. The LGRP will purchase new computers for one or more of these counties to help with installation of the information management system and promote the model to other local governments.
- The LGRP learned of two local governments who contacted the City of Varazdin to gain more information on the implementation of the LGRP-developed asset management model. The Cities of Karlovac and Rijeka sent representatives to Varazdin to learn, first hand, on how the asset management model functions in Varazdin. Following their visits, the cities plan to implement the model.
- The major LGRP activity for the month of March was to announce the Cost-Share Program (CSP) for local governments at a meeting (Hotel Dubrovnik, Zagreb) for all 100 LGRP-trained consultants. This program is intended to support the LGRP-trained consultants to implement their newly acquired skills in local governments throughout Croatia by paying for part of the cost of implementing a LGRP model. Additionally, the CSP will allow consultants to gain valuable on-site experience in implement the models with the support of LGRP technicians. The CSP is intended to provide a subsidy for local governments who are willing to implement new management practices using the LGRP-trained consultants. By matching consultants with local governments, the Training of Consultants and Cost-Share programs of the LGRP will help to facilitate the creation of a local government consultancy market in Croatia and thus, to address LGRP sustainability. The CSP will be implemented through year 2003.
- Another major activity of the LGRP during the month of March was to finalize training for Consultants in the area of financial management. Two training sessions were conducted during the month. One on program budgeting (conducted by Damir Cvijanovic and Win Evans) and another on capital improvements planning (conducted by Tomislav Zic and Win Evans) along with the training on the use of the financial analysis model (conducted by Marina Kristek and Damir Cvijanovic). The program budgeting training was conducted during the week of March 10 while the capital improvements planning training was conducted during the week of March 24. A three-day training session for financial management consultants on the use of the financial analysis model (FAM) was conducted in a Zagreb computer laboratory on the last days of the month.

- Win Evans, LGRP financial management specialist, traveled to Croatia over the March 8 to 27 period to lend expert support to the financial management training held during the month in two areas; program budgeting and capital improvements planning. Win Evans reviewed financial management training materials and participated in both training sessions. Additionally, he reviewed the financial management manual being developed by the LGRP for consistency and clarity.
- The LGRP rehired Dario Runtic to act as the Cost-Share program administrator. His tenure for the Project was renewed due to his knowledge about its activities over the past two years and his skills at administration. Dario was joined by Sarah Polen, UI staff, to assist with administrative issues related to the implementation of the Cost-Share Program. Dario, Sarah, and LGRP management worked to define the details of the cost share program (administrative forms, procedures, monitoring systems, tracking systems, etc.)
- Maris Mikelsons, CoP and Kzysztof Chmura, Deputy CoP, wrote two manuals for the Cost-Share Program. One manual is intended to inform and educate LGRP-trained consultants on the implementation of the Cost-Share Program while the other manual is intended to inform local government officials on the terms and conditions of the Cost-Share Program. At the March 14 meeting of the consultants, 100 copies of the Consultant Cost-Share Program Implementation Kit were distributed. Following this meeting, the LGRP prepared over 200 copies of the Local Government Cost-Share Program Kit and mailed these to local governments that have expressed an interest in implementing one or more of the LGRP-developed management models.
- In March, Maris Mikelsons, CoP, met with Mirjana Zoric, of CARE International, to discuss collaboration between projects. CARE International is implementing a local government (in war-affected areas) capacity building that is funded by the European Commission. CARE is interested in utilizing the LGRP-developed management models in building capacity of local governments and is willing to cost-share with its war-affected local governments the implementation of LGRP models through the Cost-Share Program.
- In March, Maris Mikelsons, CoP and Kzysztof Chmura met with representatives of the Economics Institute, Nenad Strarc and Dubrovka Alibegovic to discuss collaboration. The Economics Institute representatives would like to collaborate with the LGRP to organize two conferences, one on the inter-local government cooperation and another on local economic development. The Economics Institute is working with the Ministry of Public Works to implement a regional strategy for islands and has also developed a economic development strategic planning process similar to the one developed by the LGRP.
- In March, Maris Mikelsons, CoP and Kzysztof Chmura met with representatives of USAID-funded CroNGO (Kim Perlow, CoP) to discuss areas of collaboration and to inform the project about the Cost-Share Program. CroNGO does work indirectly with local governments is interested in methods to better communicate with these local governments the availability of new management practices developed by the LGRP.



- At the request of the City of Rijeka, the LGRP implemented a comprehensive citizen participation activity called MU:V intended to promote public space in the City. The goal of the initiative is to promote partnerships among citizens (youth groups) and local government through concrete initiatives to develop public spaces. Youth groups will be able to apply at a competition with ideas on how to revive public spaces through a partnership with NGOs, neighborhood councils, schools, etc., with the expertise of City of Rijeka. The Mayor of Rijeka committed to fund the best of these projects at a March 18 meeting. The LGRP will contribute toward this initiative by printing posters to market this partnership activity and to assist with the methodologies through the hiring of public space consultants (PPS).
- LGRP management designed a new public awareness media campaign to inform and educate citizens on the good practices found in local governments throughout Croatia. The initial plan is to promote good practices by conducting a study tour of local governments for journalists from different media. The study tour would coincide with the tenth anniversary (April 17, 2003) of the founding of local government in Republic of Croatia. The study tour would be capped-off with a reception for journalists and central government officials to celebrate the anniversary and to promote the good practices identified by the journalists during the study tour.
- The LGRP expanded its office space to accommodate the new staff recently added to the roster of the LGRP and to allow technicians to better communicate with LGRP-trained consultants seeking advice at the Zagreb office. The office space is located in the annex of the existing LGRP office building and will afford staff about 90 square meters of new space.
- The City of Pregrada, without the direct assistance of the LGRP, developed an economic development strategic plan based on the LGRP model. During the month, the City of Pregrada shared the economic development strategic plan with the LGRP for review and comment. The plan represents another attempt by a local government to implement one of the LGRP models without direct assistance by the project.
- The LGRP at the Request of the City of Rijeka provided facilitation services (Miljenko Smit) for a task force (City and County representatives) created to establish a new economic development agency. The charge of the agency would be update, monitor and implement the economic development strategic plan. Two meetings of the task force took place during the quarter, with positive results. The task force is working to issue draft documents that would detail the scope of work, structure, and funding possibilities for the new economic development agency. Without LGRP assistance, the task force would not have come to terms over the definition and structure of the agency. It is expected that during the next quarter, the task force will have finalized the documents needed to establish the economic development agency.

II. PROGRESS OF MAJOR ACTIVITIES

LGRP's "Cost-Share Program"(Implemented during March)

The LGRP Cost-Share Program (CSP) was launched to facilitate creation of local government consultancy market and thus contribute towards the improvement of management capacity of local governments in Croatia. Additionally, the CSP addresses LGRP sustainability. The program, along with Training of Consultants Program, is an important element of LGRP dissemination/replication strategy in the overall framework of Local Government Reform Project.

Successful implementation by the LGRP of pilot activities (models) in demonstration sites contributed to the creation of demand for the models among local governments. Successful start of the LGRP Training of Consultants program contributed to the creation of a consultancy base (100 trained consultants) capable of implementing the LGRP models in other (568) local governments. The method is for the LGRP to provide funds to cover part of the cost of consultant services when implementing the model in a local government. Additionally, LGRP staff will coach/mentor consultants while implementing LGRP models (to ensure quality of services and also as to continue training of consultants during actual implementation of the model).

In order to successfully implement one or more of the LGRP management models under the umbrella of the Cost-Share Program local governments will have to:

- A local government will have to decide which LGRP management model(s) it wants to implement. In order to make this decision, local governments should obtain as much information on the management model as possible. After a local government chooses which model(s) best suit their needs, they will select from a list of LGRP trained consultants (trained under the LGRP Training of Consultants program).
- A local government may call any of the consultants and ask them to explain the LGRP model in which they are trained (each consultant is trained to implement only one model) and submit an offer of consulting services to implement that model. Local governments may also conduct a tender for consultant services.
- LGRP-trained consultants may also directly contact local governments, as they will receive a list of local governments who responded to surveys conducted during LGRP regional conferences and in fall 2002 and expressed an interest in implementing one or more of the LGRP management models. However, consultants are not limited to contacting only those local governments that have expressed an interest in implementing the LGRP models.
- The cost of hiring an LGRP-trained consultant to implement an LGRP model will be partially subsidized by LGRP under the Cost-Share Program. LGRP-trained consultants have been given a "Consultant Voucher," which can be used to contribute toward the cost of their labor for a limited number of days. The LGRP will share in cost of only labor services (expressed in number of days) to a maximum of 80 percent of the total number of days required to implement the LGRP management model. In other words, the minimum contribution of a local government

is to pay the consultant for 20 percent of labor (20 percent of the *number of days* for the implementation of a LGRP management model or element of the model) plus all non-labor costs. Note that local governments may pay for more than 20 percent of the total number of days required for implementation, depending on the length of time needed to implement the model.

- Following standard procurement procedures, local governments will have to choose consultant, negotiate the scope of services (e.g., whole model or elements of the model) and establish a budget with the consultant using the implementation matrix. In order for a local government to participate in the LGRP cost (labor) share program, local governments should contribute towards the implementation of a management model by assigning persons within the local government to work on aspects of the implementation. Should local governments have limited staff to devote to implementation of the management model then the consultant who participates in the Cost-Share Program will have to readjust their labor contribution to accommodate part of a local government's labor contribution to implement the model.
- After a local government reaches an agreement with the consultant in terms of the final implementation matrix, it has to prepare a draft contract with consultant. The local government may utilize the draft contract attached to its Cost-Share program implementation kit or utilize another type of contract. In order for a local government to participate in the Cost-Share Program and benefit from the subsidy, there are some provisions the LGRP requires as part of the contract.
- An important issue is that the scope of work is defined between the local government and consultant in a format that is consistent with the "implementation matrix" for a particular LGRP management model adjusted to the conditions in a local government. Thus, the implementation matrix should serve as the basis of a contract with the consultant. The "implementation matrix" clearly defines the number of days needed for implementation (of the whole model or element(s) of the model, which depends upon you) and also indicates responsibility of sharing the cost of labor services of the consultant between the local government and the LGRP.
- After a local government prepares all necessary draft documents: implementation matrix, and draft contract, these documents should be submitted to LGRP for review. LGRP will review the implementation steps, division of responsibilities between local government and consultant, as well of payment responsibility for consultant's days (to satisfy the labor share minimum requirement of the Cost-Share Program). LGRP will also review overall number of days for planned activities of the consultant. The consultant has only a limited number LGRP "voucher" days to contribute toward the implementation of the model.
- LGRP will review the implementation matrix and draft consultant contract and issue a "No Objection" or "Objection" statement for compliance with cost share program procedures such as implementation methodology, labor share minimum, and appropriateness of proposed implementation plan. If LGRP issues a "No Objection" statement, the consultant and local government may proceed with signing of the contract; if the LGRP issues an "Objection" statement, the consultant and local government must address the identified issues before

submitting revised documents. If revised documents are not submitted and a "No Objection" statement issued, LGRP cannot subsidize the cost of hiring the consultant using the LGRP-issued voucher.

- The final contract between a local government and the consultant must be finalized before the end of May giving the consultant and a local government enough time to implement the model before the end of the year. The LGRP will have to conclude its contract with the consultant by December 2003 since the project is scheduled to end in January 2004.
- After signing, LGRP will prepare a "back up" contract for the LGRP portion of days of the consultant. After the second contract with the LGRP is signed, the consultant can begin work.
- During consultant's work with a local government, LGRP staff will assist the consultant by conducting additional training and offer assistance during implementation through phone or email contact. Note that LGRP staff will not provide direct assistance to your local government. The LGRP will communicate with a local government to obtain information on implementation progress of the consultant.
- After successful completion of all tasks and delivery of products (or after completion of implementation stage) agreed in the contract, a local government will issue a letter that it is satisfied by the services performed by consultant (Satisfaction Statement) and send it to LGRP.
- Based on successful implementation of the model, a local government can pay consultant accordingly to the provisions in its contract with the consultant. The LGRP will then fulfill the terms of its contract with the consultant for services related to implementation of the model in a local government
- If the contract will include several installments (based on implementation stages), LGRP will pay its installment only after your local government has paid the consultant for each stage of implementation. So in such a case, in addition to the Satisfaction Statement (for that particular implementation step), the LGRP will require evidence of payment to consultant for services related to the implementation of that stage of the model.

III. DELIVERABLES AND REPORTS

Draft training materials finalized at the beginning of the next reporting period:

- Financial management program budgeting, capital improvement planning, and a financial analysis model
- Draft Cost-Share Program Implementation Kits for LGRP-trained consultants and local governments



IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

None at this time

V. WORK PLANNED FOR NEXT REPORTING PERIOD

- The LGRP staff and consultants will start the second phase of its "Training of Consultants Program" by providing remedial training for consultants in one or more of its five technical areas. As part of the second phase, LGRP staff will call for information exchange meetings on periodic basis. Additionally, LGRP staff will provide back-up support for consultants who are working under the Cost-Share Program by providing expert advice and reviewing materials produced by the consultants in their work with local governments.
- LGRP will continue to implement the Cost-Share Program with local governments by marketing program throughout Croatia. This effort will involve press conferences, newsletter issuance, dissemination through the LGRP web site and other means.
- LGRP management will meet with mayors of its demonstration sites to review progress of all five management models and set the agenda for upcoming work to deepen each model. The areas where the LGRP plans to concentrate are economic development (by the creation of economic development agencies in two demonstration sites, asset management through reorganization of the city departments to include an asset management department, construct a monitoring system for the information management systems, continue follow up activities to lessons learning on the US study tour on citizen participation, and continued assistance with implementing new financial management practices such as program budgeting, and capital improvements plans in demonstration sites).
- LGRP will shift its focus on a policy initiative to promote inter-local government cooperation in Croatia. This will done by designing and implementing (through World Learning) a study tour to France (during June) on this topic as well as planning and implementing a series of seminars and conferences to raise the awareness of central and local governments.
- LGRP will implement a Study Tour for Journalists to promote good practices found in local governments. The Study Tour will take journalists from various media to visit local governments who have implemented a good management practice during the week of tenth anniversary of the founding of local governments in the Republic of Croatia. The Study Tour will generate positive media reports on local governments and contribute toward raising the awareness of good practices found in local governments.
- LGRP will implement a pilot seminar on public administration practices in collaboration with the University of Rijeka and Cleveland State University. The seminar will take place during June in Rijeka and will involve LGRP staff presenting the application of its models in local governments. The LGRP will build upon this pilot seminar to work with its implanting partners to promote a new curriculum for public administration for local governments students.

- LGRP will optimize the financial analysis model (FAM) so that the model is applicable to all local governments, large or small.
- LGRP will provide policy advice to the Government of Croatia on any new decentralization initiatives or local government reform issues it places on the agenda.
- The LGRP will host about 20 local government representatives from Saldus, Latvia. A local government reform project initiative is underway in Latvia with central government funding to promote reforms in local governments. The Latvia's project leaders found out about the LGRP from searching the Internet and thought the LGRP would be a good model for the project in Latvia. They organized a study tour to Croatia during April and plan to meet with LGRP staff and representatives from its demonstration sites.

VI. SPECIFIC ACTION REQUESTED

None at this time