

**PROGRESS REPORT  
MUNICIPAL INFRASTRUCTURE SUPPORT PROGRAM**

PERIOD OF PERFORMANCE  
2 AUGUST 2001 – 30 JUNE 2003

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PREPARED FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
JULY - SEPTEMBER 2003

SUBMITTED OCTOBER 16, 2003

BY

**INTERNATIONAL CITY MANAGEMENT ASSOCIATION**

USAID AWARD No. 170-A-00-01-00103-00

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	A. IMPROVE MUNICIPAL PROJECT PLANNING AND DESIGN CAPABILITIES	
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## I. INTRODUCTION

### Goals/objectives:

The International City/County Management Association (ICMA) established the *US – Montenegro Partnership for Municipal Development* in November 1999, initially under a one-year grant from the U.S. Agency for International Development (USAID). Phase I activities were designed to assist local governments in responding more effectively and efficiently to increased demands on municipal services due to the influx of internally displaced persons from the Kosovo conflict. The ICMA grant, expanded and extended until February 2003, served as the technical and operational hub for USAID assistance to the local government sector in Montenegro.

The Municipal Infrastructure Support Program (MISP) was conceived as support to the Partnership for Municipal Development to accomplish several goals:

- Sustain the reforms once the local government laws are enacted
- Provide projects demonstrating transparent municipal finance
- Increase citizen participation
- Build service-delivery capacity of local governments

Seven municipalities received infrastructure grants to undertake specific capital investment projects as a training tool to refine and leverage policy reform and capacity building activities from the US-Montenegro Partnership for Municipal Development. In addition, the program assisted municipalities in developing their capabilities in the areas of multi-year financial planning and Capital Improvement Planning (CIP). The technical assistance component of the project is intended to enhance the capabilities of municipalities to assume responsibility for their own infrastructure development.

ICMA/MISP offers an integrated package of training and technical interventions designed to:

- A. Improve municipal project planning and design
- B. Improve municipal financial management
- C. Familiarize municipalities with the new Public Procurement Law (PPL), and provide active municipal project management pursuant to the new law
- D. Improve Municipal Constituency Outreach Skills

### Counterparts:

The municipalities of Tivat, Kotor, Ulcinj, Cetinje, Nikšić, Pljevlja and Berane.

Counterparts in activities related to *Border Crossing Project*:

Ministry of Interior, Ministry of Urban Planning, Department of Public Works, Department of Real Estate, Customs Office as well as municipalities of Bijelo Polje, Rožaje, Pljevlja, Nikšić, Herceg Novi, Ulcinj and Kotor

## II. ACCOMPLISHMENTS:

**( A ) Improve Municipal Project Planning And Design Capabilities**

- No MISP activities on this topic during this quarter

**( B ) Improve Municipal Financial Management Skills and Practices**

- No MISP activities on this topic during this quarter

**( C ) Familiarize municipalities with the new Public Procurement Law, and provide active municipal project management pursuant to the new law**

ICMA implemented a defects-liability monitoring plan. Sanela Ljuca will serve as the contractual and programmatic point of contact arising from all outstanding issues and reporting of defects. Aleksandar Kovacevic will serve as the administrative and financial point of contact for same. Nenad Milenkovic will serve as technical liaison on an as-needed basis.

Bank retention security for NK-01 returned in 3<sup>rd</sup> quarter 2003.

**( D ) Improve Municipal Constituency Outreach Skills**

- No MISP activities on this topic during this quarter

### **III. CHALLENGES AND ISSUES**

#### **Municipal Joint Financing Obligations**

Prior to signing each ICMA/MISP contract, the joint financing obligation of each municipality was formalized in the form of a Project Implementation Agreement (PIA). Municipalities were also required to cover their joint financing obligations by means of a bank guarantee or establishment of an escrow account for the required amounts. As project implementation progressed, ICMA/MISP issued written reminders to the municipalities on a regular basis with regard to these obligations.

As of this reporting period, every partner municipality had either met its financial obligation in full, or paid a substantial portion. By June 30, municipalities had remitted over \$314,000 to ICMA/MISP. USAID/Montenegro and ICMA are currently negotiating the release of remaining contributions from Cetinje and Ulcinj, estimated at \$14,000.

### **IV. FUTURE ACTIVITIES**

**(A) Improve municipal project planning and design capabilities**

- No future activities projected

**(B) Improve Municipal Financial Management Skills And Practices**

- No future activities projected

**(C) Familiarize municipalities with the new Public Procurement Law, and provide active municipal project management pursuant to the new law**

- In coordination with USAID/Montenegro, continue to pursue payment of the joint financing obligations owed by partner municipalities to MISIP
- Return bank security guarantees according to schedule: NK-02, PV-03, TV-02, TV-03

**(D) Improve Municipal Constituency Outreach Skills**

- No future activities projected