



Serbia Local Government
Reform Program

Program za reformu
lokalne samouprave
u Srbiji

PROGRAM WORKPLAN

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Table of Contents

EXECUTIVE SUMMARY	VII
INTRODUCTION	1
TOP PRIORITIES FOR YEAR 4	1
The Push for Policy Reform	1
The Importance of the Ombudsman	2
Focus on Belgrade.....	2
FINISHING WHAT WE STARTED – OTHER PRIORITIES FOR YEAR 4	3
Completion of Training and Technical Assistance Outside of Belgrade.....	3
Citizen Participation Team	4
Business Improvement Districts	4
CitiStat	5
Continuation of Support to Standing Conference.....	6
Support for the Association of Municipal Finance Officers in Serbia.....	6
Technical and Administrative Management Information System—TAMIS.....	8
CROSS PROJECT AND CROSS DONOR COLLABORATION	9
POSSIBLE ROADBLOCKS TO SUCCESS.....	10
CLOSE-OUT/PHASE-OUT PLAN	10
PROJECTED CONTRACT DELIVERABLE STATUS AS OF SEPTEMBER 30, 2005.....	10
SECTION ONE	
POLICY REFORM	13
INTRODUCTION	13
KEY OBJECTIVES	13
IMPLEMENTATION STRATEGY	14
Strategic Context and Vision	14
National Campaign for Decentralization	15
Assisting in the Establishment of the Decentralization Council.....	16
Vet and Promote Draft Law on Property Devolution	17
Intergovernmental Finance Reform	18
Vet and Promote Model Ordinances on Local Ombudsman, Mandatory Budget Hearings and Mesna Zajednica.....	19
Strengthen the Institutional Capacities of the Standing Conference and the Association of Financial Officers.....	20
Facilitate Establishment of Local Ombudsman Offices in Serbian Municipalities	21
Municipal Capital Market Development	22
LONG TERM SUSTAINABILITY	22
RESOURCE REQUEST SUMMARY	23
Local Staff.....	23
International Short Term Technical Assistance (STTA)	24
Regional STTA	24
Local STTA	24
IMPLEMENTATION ASSUMPTIONS.....	24
KEY MILESTONES AND RESULTS	25

SECTION TWO	
METROPOLITAN BELGRADE INITIATIVE	27
INTRODUCTION	27
KEY OBJECTIVES AND ACTIVITIES	30
A. Financial Management	30
B. Citizen Participation	32
C. Public Procurement	34
D. Information Technology	37
RESOURCE REQUEST SUMMARY	39
A. Financial Management	39
B. Citizen Participation	39
C. Public Procurement	39
D. Information Technology	39
Common Resources and Total Resource Summary	39
IMPLEMENTATION ASSUMPTIONS	40
A. Financial Management	40
B. Citizen Participation	40
C. Public Procurement	41
D. Information Technology	41
RESULTS AND EXPECTED IMPACT	42
A. Financial Management	42
B. Citizen Participation	43
C. Public Procurement	43
D. Information Technology	44
SECTION THREE	
PUBLIC PROCUREMENT	45
INTRODUCTION	45
KEY OBJECTIVES AND ACTIVITIES	45
END GAME IMPLEMENTATION STRATEGY	46
A Holistic Approach	47
Year 4 Program Implementation Strategy	48
CONSTRAINTS IN YEAR 4 PROGRAM IMPLEMENTATION	50
LONG-TERM SUSTAINABILITY	50
Further Recommendations for Assistance in Public Procurement	51
RESOURCE REQUEST SUMMARY	52
IMPLEMENTATION ASSUMPTIONS	52
KEY MILESTONES AND RESULTS	53
SECTION FOUR	
FINANCIAL MANAGEMENT	55
INTRODUCTION	55
KEY OBJECTIVES	55
END GAME IMPLEMENTATION STRATEGY	56
Complete Contract Requirements	56
Milestones	57
Maintaining Project Results After the End of the Project	58
FOUNDATION FOR FURTHER SUCCESS IN USAID’S OBJECTIVES	60
RESOURCE REQUEST SUMMARY	60
IMPLEMENTATION ASSUMPTIONS	61

Political Uncertainty	61
Legislative Factors	62
Cooperation Outside Municipalities	62
RESULTS AND IMPACT EXPECTED	62
SECTION FIVE	
COMMUNAL ENTERPRISE	65
INTRODUCTION	65
INTRODUCTION	65
KEY OBJECTIVES AND ACTIVITIES	65
CE Staff Conducted Training Workshops	66
END GAME IMPLEMENTATION STRATEGY	68
Complete Contract Requirements	68
Sustaining Improved Management, Higher Cost Recovery and Better Customer Service	68
FOUNDATION FOR FURTHER SUCCESS IN USAID’S OBJECTIVES	69
Skilled Staff Resources	69
Information for the Next Generation of Projects	70
Counterparts for the Next Generation of Projects.....	71
Examples of Low Cost Projects That Would Impact Citizens Immediately	71
RESOURCE REQUEST SUMMARY	72
Implementation Assumptions	72
IMPLEMENTATION ASSUMPTIONS.....	72
Results and Impact Expected	73
RESULTS AND IMPACT EXPECTED	73
Milestones	73
MILESTONES	73
MCI—An Effective Tool to Measure Program Impacts.....	73
SECTION SIX	
CITIZEN PARTICIPATION	77
INTRODUCTION	77
KEY OBJECTIVES AND ACTIVITIES	77
END GAME IMPLEMENTATION STRATEGY	78
Contract Requirements.....	78
Milestones	79
Fostering Sustainability	79
Helping Municipalities Serve Citizens Better.....	80
LAYING A FOUNDATION FOR FURTHER SUCCESS IN USAID OBJECTIVES	83
RESOURCE REQUEST SUMMARY	83
IMPLEMENTATION ASSUMPTIONS	84
RESULTS AND IMPACT EXPECTED	84
SECTION SEVEN	
INFORMATION TECHNOLOGY	87
INTRODUCTION	87
KEY OBJECTIVES	87
IMPLEMENTATION STRATEGY	88
Objective 1: Provide Core Package of Network Wiring, Equipment, System Software and Training.....	88

Objective 2: Implement Municipal Application Software (CAC, OSPC, FM)	90
Objective 3: Ensuring Long-term Sustainability	93
Objective 4: Phase-out Plan	94
RESOURCE REQUEST SUMMARY	94
ASSUMPTIONS	94
KEY RESULTS AND IMPACTS	94

SECTION EIGHT

TRAINING TEAM	97
INTRODUCTION	97
KEY OBJECTIVES	97
KEY OBJECTIVES	97
IMPLEMENTATION STRATEGY	98
Training and Leadership Skills of Local Staff and Team Leaders	98
Human Resources Development	100
LONG TERM SUSTAINABILITY	101
INSTITUTIONAL OUTREACH AND DEVELOPMENT	102
RESOURCES REQUEST SUMMARY	102
KEY MILESTONES AND RESULTS	102

ANNEX A—PROGRAM TEAMS ACTIVITY AND LEVEL OF EFFORT CHARTS

ANNEX B – METROPOLITAN BELGRADE INITIATIVE - PROJECT TEAMS ACTIVITY AND LEVEL OF EFFORT CHARTS

LIST OF ACRONYMS

AMFOS	The Association of Municipal Finance Officers in Serbia
BID	Business Improvement District
CAB	Citizen Advisory Board
CAC	Citizen Assistance Center
CE Team	Communal Enterprise Team
CP Team	Citizen Participation Team
CRDA	Community Revitalization through Democratic Action
DAI	Development Alternatives Inc.
DFID	Department for International Development
EAR	European Agency for Reconstruction
EMINS	European Movement in Serbia
FM Team	Financial Management Team
GoS	Government of Serbia
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
HR	Human Resources
IGF	Intergovernmental Finance
IT Team	Information Technology Team
LGI/OSI	Local Government Initiative/Open Society Institute
MCI	Municipal Capacity Index
MIA	Municipal Infrastructure Agency
MOF	Ministry of Finance
MP	Member of Parliament
MSALSG	Ministry of State Administration and Local Self-Government
MZ	Mesna Zajednica (Local Community)
NGO	Non-Governmental Organization
OSCE	Organization for Security and Cooperation in Europe
OSPC	One Stop Permitting Center
PALGO Center	Public Administration and Local Government Center
PMP	Performance Monitoring Plan
RoS	Republic of Serbia
SAOP 1.1	Software/Database on Municipal Revenue
SCTM	Standing Conference of Towns and Municipalities
SLGRP	Serbia Local Government Reform Program
STTA	Short Term Technical Assistance
SWCE	Solid Waste Communal Enterprise
TAMIS	Technical and Administrative Management and Information System
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VAT	Value Added Tax
WWWCE	Water and Waste Water Communal Enterprise

EXECUTIVE SUMMARY

Development Alternatives, Incorporated (DAI) is pleased to submit this proposed Work plan for the Serbia Local Government Reform Program (SLGRP). This Work plan covers the period October 1, 2004, to September 30, 2005 and represents the fourth program year for SLGRP. DAI is currently on track to meet or exceed all contract requirements.

Priorities for Year 4 include:

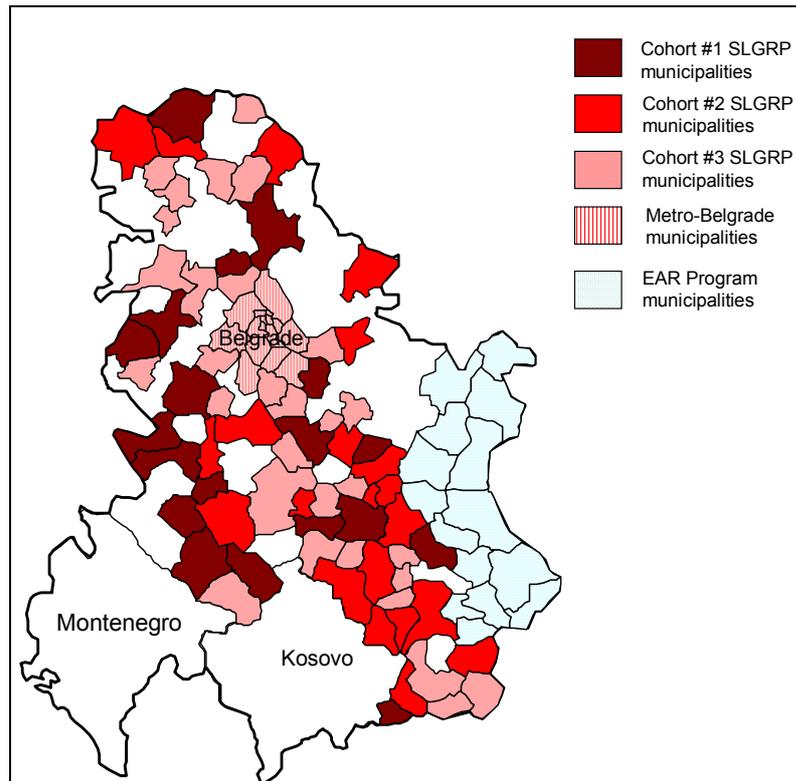
- Focusing on critical policy reform objectives;
- Increasing SLGRP level of activity in Metro Belgrade;
- Completing work with 70 municipalities outside Metro Belgrade.

SLGRP works in 87 municipalities throughout Serbia in five substantive areas—Public Procurement, Financial Management, Communal Enterprise, Citizen Participation, and Information Technology—with a goal of helping local governments become more effective, accountable and responsive. The program also works on policy issues concerning local governments, mainly through support to the local municipal association (the Standing Conference of Towns and Municipalities—SCTM). The gains that local governments have made over the past three years with SLGRP help in effectiveness, responsiveness and customer (citizen) service are real as are the gains made by citizens in advocating for their own needs and holding local governments accountable. These gains are evidenced by:

- Municipalities holding public budget hearings for the first time ever;
- Local finance offices adopting systems that increase transparency;
- Public utilities increasing collection rates and improving customer service;
- The professionalization and standardization of public procurement;
- The opening of 13 Citizen Assistance Centers in selected municipalities;
- The establishment of 4 Business Improvement Districts; and
- The increased use of information technology in municipalities.

Over the next 12 months, the program will finish nearly all work outside of metro Belgrade. The 3 field offices will close in the spring. The Metro Belgrade effort and the work of the Policy Team will continue on into Year 5, the final year of SLGRP. The activities described herein are largely follow-on activities that were initiated during the first three years of the program. We understand that priorities within the U.S. Government have shifted and that it is possible that not all activities proposed for Year 4 of SLGRP fit within this new set of priorities. We want to emphasize that DAI is flexible and stands ready to adjust, within the limits of our contract, the activities to respond to new policy direction.

Map: 70 SLGRP municipalities and 17 Metro Belgrade municipalities



SLGRP Municipality	SLGRP Municipality	SLGRP Municipality	SLGRP Municipality
Cohort #1	Cohort #2	Cohort #3	Belgrade
Aleksandrovac	Aleksinac	Apatin	City of Belgrade
Arilje	Backa Topola	Backi Petrovac	Barajevo
Bajina Basta	Bujanovac	Batocina	Cukarica
Cuprija	Cicevac	Becej	Grocka
Indjija	Gornji Milanovac	Blace	Lazarevac
Kragujevac	Ivanjica	Bojnik	Mladenovac
Krusevac	Jagodina	Bosilegrad	New Belgrade
Loznica	Kikinda	Knjic	Obrenovac
Nis	Kursumlija	Kraljevo	Palilula
Nova Varos	Lebane	Krupanj	Rakovica
Novi Pazar	Leskovac	Kula	Savski Venac
Sabac	Medvedja	Merosina	Sopot
Sjenica	Paracin	Mionica	Stari Grad
Smederevska Palanka	Pozarevac	Novi Becej	Vozdovac
Subotica	Pozega	Novi Knezevac	Vracar
Uzice	Presevo	Ruma	Zemun
Valjevo	Prokuplje	Smederevo	Zvezdara
Zrenjanin	Razanj	Stara Pazova	
	Sombor	Svilajnac	
	Surdulica	Topola	
	Vrnjacka Banja	Trgoviste	
	Vrsac	Trstenik	
		Tutin	
		Ub	
		Varvarin	
		Velika Plana	
		Veliko Gradiste	
		Vranje	
		Vrbas	
		Zitoradja	

INTRODUCTION

TOP PRIORITIES FOR YEAR 4

The Push for Policy Reform

Serbia's passage of significant national legislation dealing with decentralization in 2002 (the Law on Local Self Governance and the Budget Systems Law) set the stage for a period of tremendous reform and raised the hopes of Serbian municipalities and the international community. Over the past two years, however, the Serbian government has been preoccupied with a series of elections (ten in all—4 presidential elections of which two required two rounds of voting; 2 parliamentary elections—one national and one provincial; and 1 Republic wide local government election that required two rounds), the redefinition of the country, the assassination of the prime minister and reorganizations of the executive branch functions. As a result, while there is a general political consensus in favor of reform, there has been no significant decentralization legislation adopted during the past two years. Because we believe that the period following local government elections this fall represents a window of opportunity for reform, the Policy Team activities are a top priority for SLGRP this year. What would a progressive year of policy reform look like?

- The Republic government would establish a decentralization task force by the Republic government that adopts and commits to a clear and achievable strategy;
- The Republic government would pass legislation devolving property rights to local governments;
- The Republic government would pass legislation on intergovernmental finance reform- making the system transparent, predictable and more equitable.
- Local governments would adopt one or more “good governance” model ordinances (such as the Ombudsman, Public Budget Hearings, and Mesna Zajednica ordinances).

These goals can only be achieved with the support and active participation of the Embassy and USAID Mission. Key support actions include:

Topic	Support Action
Decentralization	Impress upon senior government officials the importance of having a strategy Approve the Decentralization Campaign Participate in a National Conference on Decentralization

Topic	Support Action
Property and Finance Legislation	Impress upon national decision makers the importance of supporting the Municipal Association's proposals for property and finance legislation
Good Governance	Secure Dutch Embassy support / co-sponsorship of a conference on good governance (bringing ombudsmen from the Netherlands to speak at the conference) Participate in a National Conference on Good Governance

The Importance of the Ombudsman

Ombudsmen are citizen advocates within government. They are needed to promote and safeguard human rights and freedoms from violation by public authorities. Most countries in the region have institutionalized ombudsmen at national, regional and local levels. Though Serbia was required to adopt a law on a national Ombudsman in its first year of membership in the Council of Europe, the Republic has yet to do so. Although municipal and provincial governments were authorized to create ombudsman offices under the 2002 Law on Local Self Governance, legislation drafted in early 2002 by the Serbian Ministry of Justice is still waiting for parliamentary review.

Like in many surrounding countries, regional and local authorities have taken the lead on this issue. The Provincial Assembly of Vojvodina appointed its first ombudsman in early 2003. In addition, five municipalities (Kragujevac, Zrenjanin, Leskovac, Backa Topola and Subotica) adopted a model ordinance on Ombudsmen prepared by the Policy Team and the Standing Conference in 2004 (most of these cities have already appointed their first ombudsmen).

Promotion of the ombudsman will be a priority of the Policy Team during the coming year. In collaboration with the Citizen Participation Team and the Standing Conference, the Policy Team will produce a manual on the local ombudsman, a model organizational scheme with job descriptions for the office, participate in activities related to the actual establishment of these local institutions (including limited training and assisting municipalities developing a strategy and an action plan for establishing the office), and organizing a public outreach campaign and preparing a brochure for citizens. The outreach campaign and brochure will explain to citizens in clear and simple terms both their rights and liberties (e.g., political, social, gender, environmental), and the role of ombudsmen in redressing them if they feel they have been violated by local authorities.

Focus on Belgrade

Roughly two million people, or 20 percent, of the population of Serbia resides in the Metropolitan Belgrade area (defined as the 17 urban and suburban municipalities that constitute Metro Belgrade). Working in Metro Belgrade provides an opportunity for high visibility, high impact improvements to municipal functions and citizen services. SLGRP will work in Metro Belgrade in four substantive areas: Financial Management, Public Procurement, Citizen Participation, and Information Technology. While much of what we

have done outside of Belgrade can be replicated within Belgrade, some of the program activities (such as our approach to financial management training and permitting improvements) will have to be tailored to the unique situation of the capital city. Another benefit of working in Metro Belgrade will be the opportunity to raise the visibility of U.S. assistance to Serbia. The opening of Citizen Assistance Centers (in which municipalities offer a number of municipal services to citizens in a “one-stop” location) will provide an ideal opportunity to raise awareness.

FINISHING WHAT WE STARTED—OTHER PRIORITIES FOR YEAR 4

Completion of Training and Technical Assistance Outside of Belgrade

SLGRP began working with new municipalities at the beginning of each of the first three years of the program. In Year 1, we began work with 19 municipalities. In Year 2, we added 21 municipalities, and in Year 3, we added 30 municipalities, for a total of 70 municipalities. (Mid-way through 2004, we also added the 17 Metro Belgrade municipalities to the program, for a grand total of 87 municipalities). Throughout the work plan, these groups of cities are referred to as “cohorts.” Cohort 1 refers to the 19 municipalities that joined the program in 2002, Cohort 2 the 21 municipalities that joined in 2003, etc. SLGRP completed work with Cohort 1 and Cohort 2 municipalities last year. In Year 4 we will complete work with Cohort 3 municipalities. The activities of four teams that will complete their work this year are summarized below.

Financial Management	Communal Enterprise
The Financial Management Team's work is focused on assisting municipal staff strengthen their financial management capacities, namely: increasing fiscal transparency, public accountability, and citizen involvement. This is accomplished through development and dissemination of various financial materials and models, conducting formal and informal trainings, fostering opportunities for sharing knowledge and networking, and encouraging citizen involvement in the budget process. In this final year, the FM Team will finish training and technical assistance for 30 Cohort 3 municipalities in such topics as consolidated treasury management, capital needs assessment and planning, strategic planning, and debt management.	The Communal Enterprise Team works with 38 communal enterprises (a.k.a., public utilities), in the areas of water, wastewater and solid waste. The overall objective of the CE Team is to improve communal enterprise's performance resulting in improved management, higher cost recovery, and better customer service. During the final year of the CE component, the CE Team will finish providing training and technical assistance to 12 municipal enterprises in Cohort 3 on the following topics: capital project identification and packaging, real unit cost calculation, improving operations and maintenance, and water loss reduction and metering.
Public Procurement	Information Technology
The Public Procurement Team helps municipalities implement the 2003 Public Procurement Law. The Team works with 87 municipalities and 35 communal enterprises with the goal of creating a better managed,	The goal of the Information Technology Team is to help municipalities improve their use of IT to strengthen internal operations and citizen services. The Team accomplishes this goal by providing municipalities with a combination of

<p>transparent and self-sustaining system of public procurement service delivery. As a result of the training, 18 municipalities have established public procurement offices, an important first step in professionalizing the procurement work force. In Year 4, the Public Procurement Team will complete training in all three Cohorts and Metro Belgrade in the following topics: specification writing and preparing tender document, handling and evaluating bids, protecting bidders' rights, assuring quality control, and financial management of contracts.</p>	<p>material support in the areas of network wiring, hardware and software, and in training systems administrators and end users. This year the Information Technology Team will complete the provision of material assistance and training to 30 Cohort 3 municipalities. The IT team will also work closely with the Standing Conference of Towns and Municipalities in building their IT technical and management capacity, and institutionalizing the role of IT in local government management. One of this year's important deliverables is the creation of an IT instruction manual for municipal governments.</p>
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Citizen Participation Team

The final team that will complete their work this coming year is the Citizen Participation Team. The overall goal of the CP Team is to facilitate the communication of citizens with local government, and promote improved service delivery. In achieving this objective, the Team has and continues to work closely with municipal officials to help them recognize the importance of citizen involvement in their activities and to identify projects that will help in restoring citizens' confidence in their local government.

A key area of training and technical assistance for all 70 SLGRP municipalities is the budget public hearing process. In Year 4, the CP Team will:

- Ensure that all 70 SLGRP municipalities conduct public budget hearings as a part of the second phase of the budgeting process;
- Ensure that all 70 SLGRP municipalities present the adopted budget to their citizens;
- Assist two additional municipalities—Bujanovac and Loznica—establish Citizen Assistance and One-Stop-Permitting Centers;
- Assist the Policy Reform Team in conducting a national public awareness campaign on decentralization; and
- Monitor and assess the impact of 4 business improvement districts (see text box below).

Business Improvement Districts

Business Improvement Districts (BID) are public-private partnerships between property owners, shopkeepers, and city hall which are publicly sanctioned but privately managed as an association. BIDs maintain capital improvements, conduct promotional activities, provide critical services (such as cleaning, safety, business support) and advocate on behalf of the private sector. The benefits of BIDS are increased economic activity (business revenue and

job creation); increased interest in space leasing; increased value of rented premises; better promotional activities to inform visitors, citizens, shoppers, service providers and investors; and increased lobbying and advocacy ability of businesses and citizens from the BID area regarding government's decisions affecting businesses.

SLGRP has piloted four BIDs in Zrenjanin, Valjevo, Nis and Krusevac. These BIDs have been enormously popular in their municipalities and have already resulted in more vibrant central business districts. Over the past two years, business volume in Zrenjanin has increased by 17% for cafés and restaurants and 10% for retail stores. Valjevo has experienced increases of from 20-30% depending on the type of business.

During Year 4, SLGRP will complete our work with the four pilot BIDs. Activities will include:

- Conducting follow-up assessments on the economic impact of the BIDS;
- Monitoring execution of the 4 BIDS' adopted strategic plans; and
- Assisting in the implementation of capital improvements in the Krusevac BID (which was the last BID to get started).

CitiStat

CitiStat is a municipal management and accountability system that increases the ability of municipal leaders to track progress on tasks and activities assigned to departments and enterprises within the municipal government. CitiStat allows the mayor to direct government functions according to specific community needs, assigning specific responsibilities, establishing expected deadlines and performance measures as well as tracking on-going progress. In short, CitiStat provides a mechanism for the mayor to achieve community priorities, implement specific control mechanisms for effective and responsive leadership, and improve the quality, cost-effectiveness and efficiency of service delivery. It requires basic, low-cost IT infrastructure, and the commitment of municipal leaders to change management systems. Combined with a call center, CitiStat is an innovative and efficient tool to respond to citizens' requests.

SLGRP has established CitiStat pilot projects in two municipalities: Indjija and Paracin. Indjija, the municipality that started on the pilot effort first, has already benefited from the pilot program—revenue from public parking lots has increased; the municipality has saved 20% on its bills for street lighting, and; the municipality is cleaner as wild dumps are identified and removed faster.

In the Year 4, SLGRP will complete work with the two CitiStat pilot projects by:

- Continuing to monitor and provide limited technical and IT support to the pilot municipalities, especially to expand CitiStat to other departments;

- Improving reporting systems and data management;
- Providing legal support for municipal model ordinances on CitiStat; and
- Developing a detailed CitiStat manual, organizing presentations and inter-municipal visits.

Continuation of Support to Standing Conference

The Standing Conference of Towns and Municipalities is the national association of local governments in Serbia. Although it has long tradition (founded in 1953), the Standing Conference's role was reduced during the nineties, when much authority was moved from the local to the central level. Since 2000, the SCTM has worked to improve its management and governance, increase the participation of municipalities in SCTM working groups, and achieve greater financial stability. As a result, it is now an effective advocate for local governments in Serbia. The key role of the Standing Conference is to support local governments in their efforts towards legal and financial reform and capacity building. Over the past three years, SLGRP focused on strengthening the Standing Conference's ability to play this role in three areas:

- Internal management capacity
- Advocacy capacity
- Communication capacity

In Year 4, the SLGRP will help the Standing Conference organize and execute a National Decentralization Campaign. This will include both formal and hands-on training in conducting complex public relation efforts. Simultaneously, SLGRP will provide the Standing Conference with training and support in their strategic planning efforts and to organize a permanent Friends of Local Government Lobbying Group. This group will comprise influential individuals, including local government officials, who share an understanding of the importance of well functioning local government for the country's future.

SLGRP will also work with the SCTM on those policy objectives referenced above—fiscal and property decentralization and good governance. In all of the Policy Team efforts, SLGRP works through and with the Standing Conference

Support for the Association of Municipal Finance Officers in Serbia

The Association of Municipal Finance Officer in Serbia (AMFOS) was established in September 2003. The AMFOS is a non-partisan, non-governmental, non-profit organization whose primary aim is to represent and strengthen the profession of municipal financial managers and accountants. For the first time in the history of Serbia, people employed in this

sector have organized themselves to increase the quality of service they provide, improve their own skills and knowledge and make personal development practically feasible. The motto of the Association, 'let's meet and share the knowledge' calls upon all those employed in the field of public finance and who are interested in attaining international standards, to join and make their own contribution.

The Association will be an important successor to SLGRP in improving and moving toward western standards of local government financial management in Serbia. Therefore, the focus of SLGRP's support to the AMFOS in the next 9 months will be to help the Association assume this role. Consolidating and strengthening the Association's capacity is crucial. This will include continuing to help the association increase its membership (which has grown over the past few months from 82 to 115 members). SLGRP will assist the AMFOS to carry out a strategic planning process and will donate equipment to the Association if it successfully completes the planning exercise, adopts a strategic plan, and begins implementation of the plan. SLGRP will also concentrate on strengthening the relationship between the AMFOS, the Ministry of Finance, the Standing Conference, other Finance Officers Associations in the region.

Support for Inter-municipal Cooperation

When SLGRP was initiated in 2001, it was obvious that it cannot work with all Serbian municipalities at once nor could it work in all municipalities with the same intensity. Therefore, two aspects of its work were identified as particularly important: replication and sustainability. In a nutshell, SLGRP encouraged municipalities throughout Serbia to learn from one another, replicate best practices, and thus contribute to sustainable development of local government in Serbia. Once SLGRP finishes, local government reform will not stop. The municipalities will continue with it, as evidenced by the 22 inter-municipal visits that SLGRP has facilitated to date.

In Year 4, SLGRP will continue to support such partnerships. Providing all Serbian municipalities with the SLGRP developed manuals on various citizen participation mechanisms, serving as facilitator in inter-municipal cooperation, holding best practices seminars and strengthening role of associations to continue to support such exchanges.

North – South Inter-municipal Exchanges Help to Spread Reform Throughout Serbia

Preševo, a Southern Serbia municipality which aspires to serve its citizens well, paid a visit to Indija, the home of one of the best Citizen Assistance Centers in Serbia. The knowledge gained there has been adapted to the circumstances in Preševo. Užice, a municipality in Western Serbia, recognized the importance of public/private partnerships and gathering individual entrepreneurs' efforts in one place with the aim of enhancing local economic development. To help them figure out where to start, they visited Valjevo, one of the first municipalities in Serbia to establish a Business Improvement District (BID), which, through the joint efforts of businesses and local government, is a self-sustainable mechanism for promoting economic growth in a community's central business district. Medveđa, a multi-ethnic municipality in South Serbia, visited Subotica, a multi-ethnic municipality in North Serbia, to learn from their experience about the management of multi-lingual government, which has drawn the praise of Council of Europe representatives.



Goran Ješić, the Mayor of Indija explains the Citizen Assistance Center (CAC) concept to Riza Halimi, the Mayor of Preševo



Senior municipal officials from Medveđa touring the Zrenjanin Citizen Assistance Center (CAC)

Technical and Administrative Management Information System—TAMIS

DAI has developed its own project management system to manage the intensive implementation schedule organized across all technical teams working from four offices in 87 municipalities. Additionally, TAMIS provides a backbone for public information dissemination by providing a central source link for the SLGRP web site. The TAMIS system integrates scheduling of independent program teams and allows USAID, CRDA partners and the general public access to scheduled public hearings, selected trainings and other SLGRP events. As SLGRP phases out, TAMIS will be a key source of the Program information in the following areas:

- Developing and disseminating training materials from a comprehensive project library of translated training materials, local laws and procedures, and media reports;
- Accurately tracking and reporting on all program deliverables; and
- Project inventory tracking and disposition.

CROSS PROJECT AND CROSS DONOR COLLABORATION

During the last week of August, SLGRP held a series of coordination meetings in advance of Year 4 work planning. One of these sessions focused on the issue of donor collaboration. To date, SLGRP has enjoyed an excellent working relationship with other donor funded projects (both USAID and non-USAID). Our working relationship with UNDP in Southern Serbia has been especially strong. SLGRP and UNDP—both working on local government strengthening in Southern Serbia—have closely coordinated our efforts in those areas where we have similar program elements, such as IT and procurement.

Areas of collaboration during Year 4 identified by SLGRP and other donor / project staff are summarized in the table below.

Donor / Organization	Possible Areas of Collaboration
EAR	<ul style="list-style-type: none"> ▪ Cooperation with Municipal Infrastructure Agency supported by EAR, especially in assisting local public enterprises (SLGRP CE team area of work) in project proposals writing and documentation ▪ Exchange of experience between EAR Project of Municipal Improvement and SLGRP
UNDP	<ul style="list-style-type: none"> ▪ Citizen Assistance Centers—continuation of cooperation, SLGRP training assistance to UNDP ▪ SLGRP IT—UNDP coordination of assistance to municipalities ▪ Cooperation with SLGRP CP/FM teams in informing citizens on Public Budget Hearings and UNDP projects
OSCE	<ul style="list-style-type: none"> ▪ Law on Local Self Government ▪ Capacity Building of LG Support Institutions ▪ Capacity Building ▪ Training for Newly Elected Assembly Officials ▪ Technical Assistance to Municipal Assemblies ▪ Guide for Local Councilors
DFID (BIRKS&SINCLAIR) —Social Policy Reform in Serbia, implemented in Uzice, Kraljevo, and Bor only	<ul style="list-style-type: none"> ▪ To include Civil Society Coordination Teams members in the activities of the Municipal Strategic Planning Committee—to inform relevant subjects about their plans and develop strategy; to obtain fixed assets from municipal administration ▪ To involve CSC Teams to/participate in the Public Hearings—to inform the public and draw citizens' attention to the hearings ▪ Regional meetings of municipal representatives to exchange best practices
USAID (CRDA)	<ul style="list-style-type: none"> ▪ CRDA and CE: ▪ Support to CEs interested in exploring revenue generation and new job creation through recycling and resale of projects ▪ Technical assistance to communal enterprises in project identification, packaging and preparation for use in CRDA's selection process (for possible tools and equipment) ▪ Support to CEs in increasing the sustainability and effectiveness of CRDA projects ▪ CRDA and CP/FM:

Donor / Organization	Possible Areas of Collaboration
	<ul style="list-style-type: none"> ▪ Economic development projects and joint Economic development Strategy of CRDA partners ▪ Participation of CRDA Community Boards representatives in preparatory meetings for Public Budget Hearings with SLGRP staff and municipal representatives ▪ Contribution to better information of citizens about Public Budget Hearings and its results
GTZ	<ul style="list-style-type: none"> ▪ Support for GTZ's work with the Standing Conference to develop a training center within the SCTM

POSSIBLE ROADBLOCKS TO SUCCESS

The major threats to the achievement of our Year 4 objectives are two fold—political will at the national level and turn over at the local government level. The weakness of the current, and perhaps future, Republic government may continue to impede the adoption of coherent national decentralization policies. Second, significant turnover in the composition of local governments could force both the Standing Conference and SLGRP to focus on educating a new community of local government officials at the expense of pushing forward existing and agreed upon reform agendas. Our experience to date, however, with local governments that turned over due to special, mid-cycle elections has been positive—new leaders were already familiar with the program and were interested in continuing to cooperate.

CLOSE-OUT/PHASE-OUT PLAN

SLGRP will complete nearly all of our activities other than those with Metro Belgrade during Year 4. Consequently, SLGRP will phase out or close nine program teams and three field offices during the course of the year. The timing of team phase-outs and office closures correspond to the teams' planned completion of contract deliverables. The phase-out schedule is detailed in the table below.

Projected Contract Deliverable Status as of September 30, 2005

Program Component	Activity Description	Contract Requirement	Completed by 9/30/2004	Planned Years 4 & 5	Projected EOP Status	Projected to exceed contract by
Financial Management						
	FM Training and Technical Assistance (municipalities)	87	40	47	87	0
	Municipal Budget Hearings (municipalities)	87	65	22	87	0
	Annual Budget	87	36	51	87	0

Program Component	Activity Description	Contract Requirement	Completed by 9/30/2004	Planned Years 4 & 5	Projected EOP Status	Projected to exceed contract by
	Letters Issued (municipalities)					
Communal Enterprise						
	CE Training and Technical Assistance (enterprises)	33	26	12	38	5
Citizen Participation						
	Intensive Training and TA (municipalities)	25	25	0	25	0
	Training and TA (Belgrade area municipalities)	17	0	17	17	0
	Citizen Advisory Boards (CABs)	8	12	0	12	4
	Citizen Assistance Centers (centers)	29	13	16	29	0
	One Stop Permitting Centers (centers)	29	13	16	29	0
	Business Improvement Districts (BIDs)	4	4	0	4	0
	Mesna Zajednicas Strengthened (local communities)	0	6	1	7	7
	Best Civil Servant Award Program (municipalities)	0	10	0	10	10
	Handicap Access Program (municipalities)	0	11	18	29	29
Information Technology						
	Core IT Packages 50, non-Belgrade (municipalities)	50	54	16	70	20
	Core IT Packages 17, Belgrade (municipalities)	17	0	TBD	TBD	
	Software applications, system administrator training (municipalities)	87	40	47	87	0

Program Component	Activity Description	Contract Requirement	Completed by 9/30/2004	Planned Years 4 & 5	Projected EOP Status	Projected to exceed contract by
	Legalization Software (municipalities)	0	65	0	65	65
	CitiStat Management Pilots (municipalities)	0	2	0	2	2
Public Procurement						
	Training and Technical Assistance (municipalities)	17	40	47	87	70
Association Development						
	Management / Admin reform SCTM	Completed				
	Improved advocacy capacity	Completed				
	Improved communications / services	Completed				
	Material support / facilities upgraded	Completed				
Policy Reform						
	Demand driven assistance provided as needed	Assistance continues through September 2006				

Team / Office	Team Completion / Office Closure Month								
	Jan '05	Feb '05	Mar '05	Apr '05	May '05	Jun '05	Jul '05	Aug '05	Sept '05
Program Coordination Team									
Training Team									
Citizen Participation Team North									
Citizen Participation Team South									
Vranje Office									
Public Procurement Team									
Financial Management Central									
Financial Management South									
Kraljevo Office									
Nis Office									
Communal Enterprise Team									
Information Technology Team									

During the course of the year, DAI will seek Contract Officer and Mission concurrence for a partial property disposition plan. We currently anticipate submitting such a plan in March 2005.

SECTION 1: POLICY REFORM

INTRODUCTION

The overarching goal of SLGRP's Policy Reform Team is to ensure that Serbian local governments have the competencies, revenues, and managerial capacities to deliver high quality public services, promote economic development, and defend their interests over time.

The fundamental operating principle of the Policy Team is that all policy initiatives must be developed with, and lobbied for by, our key Serbian counterparts, particularly the Standing Conference of Serbian Towns and Municipalities and the Association of Financial Officers.

During Year 3, the Standing Conference, supported by the Team, made very substantial progress in developing concrete legislative and technical solutions for the reform of the intergovernmental finance system and the restoration of local government property rights. Together, we also continued to successfully develop and disseminate model organizational ordinances designed to improve the governance structures and practices of municipalities.

KEY OBJECTIVES

In Year 4, the Policy Team's key objectives are:

Objective 1. The adoption and implementation of local government finance legislation that will introduce a predictable, transparent, and equitable system of fiscal equalization.

Objective 2. The adoption and implementation of legislation that will give local governments the right to own property and ensure the restoration to them of assets nationalized in the 1990s.

Objective 3. The dissemination of best practices in local governance, particularly the institutionalization of local ombudsman offices, the adoption of model ordinances for the organization and functioning of "mesna zajednicas", and the use of public budget hearings.

Objective 4. The strengthening of the institutional capacities of the Standing Conference and the Association of Financial Officers to analyze, formulate and lobby for policy reform and disseminate best practices to members.

Objective 5. The creation of a common vision of decentralization by promoting an ongoing policy dialogue between national and local government officials, outside experts, and the NGO sector about the competencies and resources that should be transferred to local governments in the future.

IMPLEMENTATION STRATEGY

Strategic Context and Vision

The major achievement of the Policy Team to date has been the transformation of the Standing Conference from an institutionally weak and highly politicized institution into a respected member of the policy community and a reliable municipal association capable of developing, disseminating, and promoting coherent national and local policy proposals on behalf of its membership.

Over the last three years the Standing Conference has not only fundamentally changed the attitude of most policy makers towards the question of property restitution, but with the assistance of SLGRP, the Palgo Center, and LGI/OSI developed a draft law to make it possible. Similarly, the Standing Conference has moved away from simply demanding more money for its members from the national government every year to developing a set of systemic intergovernmental finance reforms. Finally, the Standing Conference has become increasingly successful not only at developing locally adapted versions of international best practices in local governance, but in helping local governments actually adopt and implement them.

Nevertheless, both the Policy Team and the Standing Conference have been less successful in getting a very fragile and fragmented Republic government to actually adopt the proposals for national reform. Indeed, the continued weakness of the Republic government combined with the upcoming local government elections, the implementation of a Value Added Tax on January 1, 2005, and the probability of new national elections in the spring, presents SLGRP with a very particular set of strategic threats and opportunities in Year 4 of the Program.

The major threats to the achievement of our Year 4 objectives are two fold. First, the weakness of the current and perhaps future Republic government may continue to impede the adoption of coherent national policies. Second, significant turnover in the composition of local governments could force both the Standing Conference and SLGRP to focus on educating a new community of local government officials at the expense of pushing forward existing and agreed upon reform agendas.

The major opportunities lie, somewhat paradoxically, in these same threats. Essentially, the Policy Team believes that, with

US Embassy support will be of great help in pushing forward local government reform in the coming, critical months. In particular, the Embassy could help by:

- Impressing on key national decision makers the importance of supporting Standing Conference proposals for property restitution and intergovernmental finance reform.
- Supporting National Decentralization Campaign
- Participating in the National Conference on Decentralization
- Participating in the National Conference on Good Governance and securing Dutch Embassy co-sponsorship of the conference.
- Impressing on key national decision makers the importance of establishing an Intergovernmental Decentralization Council.

the proper support, the Standing Conference will be strong enough, and its fundamental policy proposals well rooted enough, to rapidly galvanize even a new cohort of local government officials behind its most important objectives. In short, we believe that with the proper support, it will be possible for the Standing Conference to use the political momentum created by the election of new municipal officials to push the current Republic government, or its successor, to adopt concrete reforms.

Indeed, the Team is particularly convinced of this with respect to the reform of the intergovernmental finance system. On the one hand, the system must be changed before January 1, 2005, if the government is to meet its existing statutory obligation to implement a new value added tax (VAT). On the other hand, the only concrete proposal that has been vetted with local governments, including the simulation of their revenues under a reformed system, is the one developed by the Standing Conference and broadly accepted by middle level bureaucrats in the Ministry of Finance.

In short, our basic strategy for Year 4 will be to help the Standing Conference very aggressively and very publicly push forward the local and national policy reform proposals it has already developed. Our expectation is that this campaign will be successful on a number of fronts by the new year, and that its momentum will then be carried over into the spring and expanded—perhaps under a new Republic government—to include the development of a larger, long-term vision for the entire decentralization process, with new issues like the creation of a viable, prudent municipal capital market.

National Campaign for Decentralization

In the first months of Year 4, the Program will assist the Standing Conference in the design and execution of a multifaceted decentralization campaign. The campaign will target not only the local government community, but the larger public including NGOs, professional groups, and think-tanks.

Some elements of the campaign will be designed to increase pressure on the national government to implement legislative proposals that are already well defined. Others will focus on disseminating best practices at the local level. The campaign will be organized with the support of other donors but will showcase USAID initiatives and results in the area of local government reform.

Building Momentum for Reform: Major Year 4 Events

- Draft Law on Property Devolution presented to membership of the Standing Conference and representative of the GoS, second half of October
- Draft Law on Property Devolution presented to the Presidency of the Standing Conference, second half of October
- Conference on Intergovernmental Finance Reform, November 19 - 20
- Standing Conference Strategic Planning Session, November 22-24
- Standing Conference General Assembly Meeting, concurrent with the Conference on Decentralization and Good Governance Conference and Best Practices Fair, December 14 - 15
- Regional Conference on Municipal Capital Markets, May 20

In October, the Policy Team and the Standing Conference will kick off the campaign with presentations of the Draft Law on Property Devolution to relevant bodies of the Standing Conference and to line ministries. Also, proposed changes to the intergovernmental finance system will be presented to local government officials.

In second half of November, a regional conference on fiscal equalization systems will be hosted by the Standing Conference in Belgrade for all of the former Yugoslav Republics and some other countries in the region.

In mid December, in conjunction with the Standing Conference's Annual Assembly, the Policy Team will organize a Conference on Decentralization and Good Governance that will showcase model statutes on local ombudsmen, mesna zajednicas and public hearings in the process of budget preparation and execution. At this conference, it is expected that both the Standing Conference and key donors will sign letters addressed to the Republic Government demanding that action be taken to pass reform legislation by January 1 2005. Concurrent with the Annual Assembly of the SC, SLGRP will assist SC to organize a Best Practices Fair in which local governments within and outside of SLGRP will present both to each other, and to the wider public, models of successful reforms in the areas of municipal management, service delivery and civic participation.

This Conference will be immediately followed by a press and public information campaign by the Standing Conference designed to exert pressure on the national government to move forward with reform, and other events to keep attention focused on local government reform. Later in the month we will initiate a series of regional seminars on intergovernmental finance reform and property devolution in order to maintain pressure on the national government, and where possible, to explain the reforms that have been passed into law. In the spring, the campaign will be continued through the sponsorship of new events on functional decentralization and on municipal capital market development.

SLGRP will use this multi-faceted campaign to further strengthen the lobbying capacities of the Standing Conference through on-the-job training and assistance. In supporting the Standing Conference, the Policy Reform Team will engage the skill and knowledge of SLGRP's Communications and Citizen Participation Teams and coordinate efforts with other major donors in the area, such as the European Agency of Reconstruction, and the UNDP.

Assisting in the Establishment of the Decentralization Council

Despite the fact that some decentralization issues are a matter of high concern for different policy actors (Government of Serbia, Constitutional Commission, Standing Conference, think tanks, political parties, international community), lack of coordination, unclear responsibilities between state agencies, different approaches and concepts, and sometimes unnecessary overlapping have a harmful effect on overall reform process. Thus, the preparation and adoption of a general plan for decentralization (“decentralization strategy”)

has proven to be an effective vehicle for the effective realization of the decentralization process in almost all countries in the region.

The Policy Reform Team's strategy is to employ the increasing influence and authority of the Standing Conference of Towns and Municipalities to propose the establishment of a mechanism that would provide both vertical and horizontal coordination of reform activities. Thus, the Policy Reform Team will assist the Standing Conference in using all advocacy and lobbying mechanisms, including engaging the lobbying group "Friends of the Local Self-Government", as well as other key policy actors (such as the office of the President of the RoS) to push the Government of Serbia to establish Decentralization Council as a working body of the Government of Serbia.

The Decentralization Council would generate a vision for the process of decentralization, and would provide strategic direction to the overall effort. Given the importance of the matter and consistent with other such efforts in the region, Serbia's President should serve as the chairman of the Council. Members of the Council should include the Minister for State Administration and Local Self-government and Minister of Finance, as well as other ministers when specific subjects are related with their competencies (education, health, internal affairs, social care, urbanism and constructions, etc.), and heads of certain state agencies. The President of the Standing Conference of Towns and Municipalities (SC) should also be a member.

The Standing Conference, supported by the Policy Reform Team, will assist the Council by conducting public outreach campaigns, commissioning research studies, and examining relevant foreign experiences, among other things.

Vet and Promote Draft Law on Property Devolution

In previous years, the coordinated efforts of the Policy Reform Team, the Standing Conference and local think tanks (e.g., PALGO Center) have deeply influenced public discussion about the restoration of municipal property rights in Serbia. Largely thanks to those efforts, the key decision makers within the GoS, including high officials of MSALSG and MoF are now convinced that the restoration of these property rights is essential for local governments to operate independently. Moreover, a number of local governments have been preparing inventories (using templates and methods recommended by SLGRP) of the property they use, creating additional pressure "from below" for property restitution.

In Year 4, the Policy Reform Team intends to capitalize on these previous successes by pressing for the adoption and implementation of the Draft Law on Property Devolution. The draft law was prepared as a joint endeavor of LGI, SLGRP, the Standing Conference and the PALGO Center in July 2004.

In October 2004, the Policy Reform Team will organize several focus groups to discuss specific issues in the development of the law. The working version of the law will also be reviewed by a senior regional expert, who will be selected by the PALGO Center and

sponsored by OSI/LGI, and his or her recommendations presented to the Working Group. In October, the officials of the STCM and members of the Working Group will present draft law to the key decision makers on the national, regional and local levels. Policy Reform Team will organize a special presentation of the draft will be organized for officials of GoS line-ministries and members of Parliament, particularly those MPs who are also local government officials, and who are expected to play a key role in lobbying for the adoption of the law. Also in October, SLGRP and the Standing Conference will showcase the draft law at the previously mentioned National Conference on Decentralization where key public figures will emphasize the importance of its rapid adoption.

The Policy Team and Standing Conference will publish and distribute the draft law, accompanied by a project description, a comprehensive explanation and implementation instructions to all interested stakeholders, including local government officials throughout Serbia. The Standing Conference will disseminate this material through its mailing list and at the regional and local presentations organized around the draft law. Policy Reform Team will support Standing Conference in organizing presentations of the draft law to the public through press conferences. Standing Conference assisted by Policy Reform Team will organize four regional seminars in regional centers in order to familiarize local government officials with the provisions of the Law and to get feedback on the draft. The head of the Working Group and his core team will be responsible for incorporating feedback into the draft. Policy Reform Team will advise Working Group in the process of selection of the ideas from municipalities and closely monitor the work of the Working Group in the process of preparation of the final version of the draft.

Property Devolution to Local Governments

- Serbia is the only country in Europe in which local governments cannot own property.
- European Commission, Council of Europe, and USAID reports all stress property devolution as critical for effective municipal service delivery and local economic development.
- SLGRP has focused attention on the issue since 2002.
- With the Standing Conference, the Policy Team organized one international and 10 regional conferences on property devolution.
- This joint effort has changed the terms of the debate: The Coalition Agreement of the current government stresses the importance of property devolution for good local governance.
- In July 2004, an independent working group including members of the Standing Conference and MoF, with assistance from the PALGO Center and the SLGRP, drafted the Law on Property Devolution.
- The current challenge is to get the Government of Serbia to put the draft law on its legislative agenda.
- The SLGRP approach is to support aggressive lobbying efforts of key partners through the National Decentralization Campaign.

Intergovernmental Finance Reform

As indicated above, last spring SLGRP and the Standing Conference developed a comprehensive proposal for the reform of Serbia's intergovernmental finance system. This proposal presented specific solutions with regard to how the Republic should replace the income local governments will lose when the current (shared) sales tax is eliminated by the implementation of VAT. It also presented a formula for an objectively calculated equalization grant that would provide Serbia's poorer jurisdictions with much needed

additional revenue and that would eliminate the political bargaining that goes on over the Annual Law on Tax Sharing. Finally, the proposal outlined a second stage of reform designed to increase local government own revenue by making the property tax a local tax and/or transforming shared wage taxes into local income tax.

This proposal already has the backing of the Standing Conference and many of its key elements have been accepted in principal by the middle level bureaucrats in the Ministry of Finance responsible for local government. It has also been met with approval by some of president Boris Tadic's key advisors on local government. What is missing is either the Republic government's support for it or any other clear plan for what it expects to do when VAT is implemented on January 1, 2005.

In the next few months, SLGRP and the Standing Conference will raise the pressure on the national government to make key decisions by increasing its lobbying efforts through national and regional events on the issue and through wider public relations initiatives (press conferences, press releases and articles in newspapers and magazines, TV/radio shows, TV/radio adds etc). At the same time, we will continue to offer technical assistance to senior and middle level officials in the Ministry of Finance concerning the specifics of any serious reform proposal, including forecasting the revenues of all local governments under a new system.

Despite the government's failure to make key decisions, we remain optimistic that much of the reform agenda that has been laid out by SLGRP and the Standing Conference will find its way into law in the next few months, if for no other reason than because the government has to do something if it is to implement VAT on schedule. If these expectations prove correct, the focus of the Policy Team in Year 4 will be on monitoring the operation of the new system and developing concrete proposals for a second stage of reform to increase local government tax powers.

Vet and Promote Model Ordinances on Local Ombudsman, Mandatory Budget Hearings and Mesna Zajednica

Efficient decentralization is fundamentally dependent on the establishment of good governance principles at the local level. Moreover, Serbian citizens are increasingly demanding that locally elected officials adopt modern principles of governance, particularly with respect to openness, accountability and integrity. In previous years, the Policy Team has provided significant support to the Standing Conference in the formulation, dissemination and implementation of sound models of local governance. Joint efforts to build a solid legal framework in Serbian towns and municipalities included the drafting of model ordinances on: the institution of local ombudsman/civil defender of human rights; obligatory public hearings during the budget process; and the regulation of sub-municipal units of local democracy (mesna zajednicas).

Bearing in mind that the newly adopted Law on Conflict of Interest regulates just one set of issues concerning good governance, and that laws regulating public access to information,

ombudsman offices, the civil service, and public administration are still missing, it should be clear that it is the Standing Conference and Serbian municipalities who are de facto taking the lead in introducing higher standards of governance into the public sector.

In Year 4, the Policy Team will support the Standing Conference to organize--as a part of its National Campaign on Decentralization—Decentralization and Good Governance Conference as part of SC's Annual Assembly. The conference will introduce newly elected officials to the model statutes and ordinances that have been developed under SLGRP as well as to best practices from the region. The Conference will also be used to initiate an informed policy dialog between line ministries, local governments, the Standing Conference, independent experts, and think tanks about further priority reforms in this critical area of local government reform.

Following the Conference, the Policy Reform Team will support the Standing Conference in organizing four regional seminars for municipal officials by designing the model ordinances themselves, as well as instructions on their practical implementation. Here, professional associations of public servants, NGOs, distinguished scholars, journalists and even ordinary citizens will be engaged to support the local implementation of the model ordinances.

Strengthen the Institutional Capacities of the Standing Conference and the Association of Financial Officers

In Year 4, a significant amount of the Policy Team's support for the Standing Conference and the Association of Financial Officers will be delivered in the course of the organization and execution of the National Decentralization Campaign described above. This will include both formal and on-the-job training in mounting and sustaining complex public relations efforts.

Simultaneously, the Policy Team will provide the Standing Conference with specific training and support in their strategic planning efforts, a process which will take place before the Annual Assembly Meeting in December and will continue into the first quarter of the next year. The Policy Team will also help the Standing Conference organize a permanent Friends of Local Government Lobbying Group because the experience of the last 18 months has demonstrated that local government officials need the support of other stakeholders to make sure that their concerns and proposals are treated seriously by the Republican government. This group will be composed of influential individuals, including local government officials, who share an understanding of the importance of well functioning local government for the country's future.

The Policy Team will also strengthen the policy capacities of both the Standing Conference and the Association of Financial Officers by training them in how to run policy focus groups, define policy problems, and draft terms of reference for policy studies. A special policy unit within the Standing Conference will be created to support the work of the association's permanent sub-committees and provide targeted grants for policy research.

The Policy Team will also continue to improve the municipal financial analysis tool that SLGRP developed to simulate changes in the intergovernmental finance system, and which can be used to monitor and analyze the operation of the entire intergovernmental system as well as the (comparative) performance of individual municipalities. Members of the Standing Conference and the Association of Finance Officers will be formally trained in the use of this tool anticipating that it will be further disseminated to individual cities and eventual potential creditors.

Facilitate Establishment of Local Ombudsman Offices in Serbian Municipalities

Despite the continual efforts of the international community, human rights NGOs, and ordinary citizens to get the GoS to adopt a Law on Ombudsmen, Serbia still lacks national legislation on this important institution. Indeed, legislation drafted in early 2002 by the Serbian Ministry of Justice is still awaiting parliamentary review. This is in contrast to all countries in the region which have already established national ombudsman in order to promote and safeguard human rights and freedoms from violation by public authorities.

In Serbia, however, it is precisely the regional and local authorities that are taking the lead on this issue: the Provincial Assembly of Vojvodina appointed its first ombudsman in early 2003 while five municipalities (Kragujevac, Zrenjanin, Leskovac, Backa Topola and Subotica) adopted the model ordinance on Ombudsmen prepared by the Policy Team and the Standing Conference in 2004. Indeed, most of them have already appointed their ombudsmen.

The Policy Team's strategy for the promotion of local ombudsmen in Year 4 will in large measure be a continuation of the methodology we have successfully employed in previous years to develop and disseminate model statutes. Nevertheless, this year we will place more emphasis on targeting assistance to local governments for the establishment of the institution and in providing them with guidance on the operational details of the office. Institutional building of the ombudsmen municipal offices will be a joint effort performed by the Policy Reform Team and the Citizen Participation Team, including training and assistance in developing the strategy and the action plan for establishing the office, and in organizing a public outreach campaign and preparing a brochure for citizens.

In particular, Policy Reform Team along with Citizen Participation Team, and in cooperation with the Standing Conference, will develop a manual on local ombudsmen and a model organizational scheme with job descriptions for the office, and will assist in the establishment of these local institutions. Considering that the efficient and effective work of the institution is completely dependent on citizens' awareness of its purposes and powers, the Policy Team will also be preparing, again with the Standing Conference, a brochure for citizens. The brochure will, in clear and simple terms, explain to citizens their rights and liberties (e.g., political, social, gender, environmental), and the role of ombudsman in redressing them if they feel they have been violated by local authorities.

Municipal Capital Market Development

The Law on Local Government gives local governments the right to borrow. To date, however, the Serbian banking sector has been generally reluctant to lend to municipalities, and credit activity has been limited to a small number of loans issued by the European Bank for Reconstruction. USAID has asked SLGRP to help facilitate a dialogue between commercial banks and municipalities in order to help create a prudent municipal capital market.

Towards this end the Policy Team will first conduct a comprehensive review of the current regulatory regime governing municipal borrowing as it now stands, and by the end of the first quarter of next year produce a policy paper with legal and practical recommendations for the market's development. This paper will be vetted at series of small stakeholder conferences hosted by the Standing Conference and the MIA, and then presented at a major conference on the experience of other transitional countries in developing well regulated municipal capital markets.

This conference will be followed by a series workshops sponsored by the Standing Conference, the Infrastructure Agency and the Serbian Banking Association on the steps needed to both reform the national regulatory environment and to successfully bring municipal infrastructure projects to market.

LONG TERM SUSTAINABILITY

The core tenet of the Policy Reform Team is that by working with partner organizations on improving the legal framework for local governance in Serbia, the policy making capacity of key actors in the decentralization process will be strengthened. Serbia is fortunate to have a tradition of a policy-making process that is open for institutions outside of the GoS and its agencies (notably, participation of distinguished scholars in the processes of drafting policies and legislation). Unfortunately, the participation of outsiders has mainly been ad hoc and subject to the will of government officials. At the same time, mechanisms for interest representation in the policy process remain undeveloped.

In response to this, all of the Policy Reform Team's activities are designed to: a) help position the Standing Conference and other associations as strong, legitimate representatives of local government interests; and b) strengthen the capacity of the Standing Conference to become a partner to the government in all deliberations on the status of local government. As a result, the Standing Conference will continue to be the Policy Team's primary partner in all activities: it will co-sponsor and co-organize the National Campaign for Decentralization; it has and will continue to push forward policy proposals on property devolution and intergovernmental finance reform; it has and will continue to co-develop and disseminate model MZ ordinances, model municipal statutes and model ordinances on local ombudsmen; and it will continue to take ownership of, use and disseminate the intergovernmental finance database developed by SLGRP for the analysis of municipal finances. Moreover, in Year 4 of

the project these efforts will be extended to, and deepened by, similar capacity building work with the newly created Association of Financial Officers and by the creation of a formal Policy Unit within the Standing Conference. This unit will be trained in the definition and conduct of policy studies, grant administration and the contracting out of expert studies.

The Policy Team will also continue to expand and strengthen the network of NGOs and think tanks working with the Program as well as the Standing Conference. Most generally, the National Decentralization Campaign will be used as a vehicle to get new NGOs and institutions involved in the local government sector while enhancing cooperation between those organizations that are already involved. More particularly, the Policy Team will continue its long standing work with the PALGO center and deepen the relationship with the Center for Liberal Democratic Studies on intergovernmental finance reform, especially with respect to property tax reform. Similarly, the Policy Team will expand the network of institutions actively engaged in local government reform issues through activities with the Municipal Infrastructure Agency, the Association of Serbian Banks, and the Association of Finance Officers. At the same time, the Policy Team will continue to foster direct links between domestic partners and key regional institutions such the Local Government and Public Service Initiative of the Open Society Institute, the Fiscal Decentralization Initiative of the World Bank, USAID and LGI/OSI, and the OSCE's Stability Pact. Finally, we will assist in the consolidation of the Standing Conference's growing capacity in policy research and analysis by helping to establish, train, and fund (through targeted grants) a formal policy unit.

Policy Reform Team members will continue to develop their skills during the implementation of the project. Moreover, the Policy Team will be alert to other knowledge-building activities, such as the DAI/USAID-sponsored Policy Reform Competency Group in the region.

RESOURCE REQUEST SUMMARY

In the Year 4, the Policy Reform Team comprises three local professional staff that will be supported by international, regional and local experts. Envisaged resources are as follows:

Local Staff

- 3 full time local staff for 1 year (3 X 260 = 780 days)

International Short Term Technical Assistance (STTA)

- 5 days of STTA for promoting model ordinances and organizing a conference on good governance
- 25 days of STTA for facilitating the second phase of the IGF reform
- 47 days of STTA for strengthening the institutional capacities of the SCTM and AMFOS
- 15 days of STTA for designing the legislative framework for local borrowing
- 10 days of STTA for promoting the establishment of the Decentralization Council.

Regional STTA

- 37 days for participating in an outreach campaign and regional seminars promoting model ordinances
- 12 days for set up of an institutional framework for local ombudsman offices
- 5 days for reviewing and commenting on the Draft Law on Property Devolution
- 7 days for assistance with SCTM and AMFOS strategic planning
- 15 days for preparing a regulatory framework for municipal borrowing
- 20 days for supporting the campaign on decentralization
- 10 days for preparing studies and analysis on regional experiences on strategies for decentralization (Decentralization Council).

Local STTA

- 10 days for participating in an outreach campaign and regional seminars promoting model ordinances
- 30 days for tailored assistance to selected municipalities in the establishment of the ombudsmen offices
- 25 days for an outreach campaign on Draft Law on Property Devolution
- 25 days for maintaining and upgrading the software/database on municipal revenues (SAOP)
- 42 days for STCM and AMFOS training on adopting, implementing and revising the strategic plan
- 25 days for local government borrowing legal framework
- 40 days for participating in the decentralization campaign

IMPLEMENTATION ASSUMPTIONS

With the local elections approaching and the importance of defining municipal direction in setting policy reform priorities and lobbying for further decentralization, our primary assumption is that after the local elections, newly elected local officials will continue to be oriented towards decentralization and the institutional and financial strengthening of local governments.

In the process of lobbying for the adoption of the Law on Property Devolution, the key assumption is the willingness of the sectoral state agencies (MoF, MSALSG, Secretariat for Legislative Affairs) to support the property devolution process.

In the second phase of the Intergovernmental Finance reform, the key assumption is the responsiveness and willingness of the MoF to undertake serious steps and reconsider basic assumptions for the reform of the equalization system.

As the Standing Conference represents the main policy partner of the Policy Reform Team, continued positive relations is an indispensable condition for the successful achievement of all of the policy objectives envisaged for this year.

KEY MILESTONES AND RESULTS

Key milestones, stated below, are those that depend to a large degree on SLGRP and its partners for their implementation. These milestones mark the completion of one phase of a project or objective and the beginning of another:

- Law on Property Devolution drafted, vetted, adjusted, publicly presented and lobbied for.
- Intergovernmental Finance Reforms proposed, vetted, adjusted, publicly presented and lobbied for.
- National Decentralization Campaign completed.
- Policy Unit of the Standing Conference trained and operational, as evidenced by the issuing of well defined terms of reference for policy studies.
- Model ordinances presented and disseminated to newly elected local government officials.
- User friendly database on IGF updated and improved with formal training provided to SC, AMFOS and PALGO Center.
- Policy dialogue on municipal capital market development between SC, municipalities, commercial banks and the Serbian Banking Association initiated as evidenced by conduct of Regional Municipal Capital Conference and policy workshops.

Results expected to be accomplished in the implementation of objectives transcend milestones, though whether they are achieved or not depends on other factors rather than SLGRP. This largely pertains to the adoption of the Law on Property Devolution and the reform of the intergovernmental finance system. Some goals of the Policy Team (particularly those related with providing models of local regulations) raise the issue of monitoring for results. Therefore, as in the past, the Policy Team will work with the Standing Conference in developing a communication mechanism between the association and municipalities that

would enable it to keep track of adoption, implementation and changes in local regulations as a result of SC/SLGRP training and technical assistance.

SECTION 2: METROPOLITAN BELGRADE INITIATIVE

INTRODUCTION

The SLGRP Metropolitan Belgrade Project represents a unique and challenging opportunity to facilitate necessary public reforms for the City of Belgrade and its sixteen Municipalities (10 urban and 6 suburban) resulting in direct improvements to the delivery of municipal services. Most importantly, our efforts will stand to improve relations with a citizenry of close to two million inhabitants representing over twenty percent of the Republic of Serbia’s population, along with the vast number of private sector businesses located in and dependant on the City. It also represents a valuable opportunity to raise public awareness of local government reform and to increase the visibility of U.S. assistance to this capitol city. SLGRP will accomplish this by focusing on 4 substantive areas—financial management, citizen participation, public procurement, and information technology—thereby initiating a new tradition of reform in Belgrade.¹

Metro Belgrade—A Unique Place to Work In

- The City of Belgrade consists of 10 urban and 6 suburban municipalities;
- A “City Administration” that is highly centralized controls most major government functions of the 16 metro municipalities;
- The City exercises control over 90 % of total public revenues for metro Belgrade.

Financial Management. Early assessment findings by the Finance Team identified that financial management training, technical field assistance and implementation strategies required the development of a unique approach to satisfy the dual needs of the sixteen Belgrade municipalities and the City of Belgrade. Technical assistance provided to the municipalities will mirror the developed training modules successfully delivered and implemented by seventy SLGRP municipalities. These will include budget preparation and adoption; budget execution, budgetary accounting, financial reporting and internal control; local treasury system; strategic management planning; capital improvement budgeting; and debt management.

For the City of Belgrade, the FM technical assistance agenda will focus exclusively on advanced financial management concepts and practices. The six topics identified include advanced budget model (performance based budgeting); local treasury system; strategic management planning; capital improvement planning; debt management; and accessing capital bond markets. The first activity undertaken following the local elections shall be the formation of a Joint Task Force, consisting of City officials and FM Team members, whose initial assignment shall be to re-verify interest in the above topics. Secondly, the primary focus of the Joint Task Force shall be on guiding the implementation of the training modules. The City’s ongoing “buy-in” to all training and TA provided to the City and the

¹ Throughout this chapter, use of the term “Belgrade” shall refer to the City of Belgrade and the sixteen Municipalities, the term “City” shall refer only to the City of Belgrade, and the term “Municipality” shall refer to the ten urban and 6 suburban municipalities.

Municipalities is critical to the success of the FM effort as the City exercises managerial control over more than ninety percent of all public revenues for Metro Belgrade.

Citizen Participation. In order, for good governance to exist in modern day Belgrade, it is critical that the new political leadership acknowledge that participatory, customer orientated policies, practices, and procedures must be incorporated into their day-to-day operations, thus creating a more sustainable local government responsive to citizen needs. The Citizen Participation Team has carefully assessed the needs of the City and municipalities to design customized training, technical assistance, and implementation activities in four critical areas: public budget hearings, citizen assistance centers, one stop permitting centers, and local ombudsman office(s). Additionally, various alternatives related to the use of funds for a New Face of Belgrade project are under review.

As the local elections in September and October will dramatically change the structure of the City and municipal administrations, an immediate post election assessment will be conducted to establish the parameters of future cooperation and impact upon the plan. Assuming that the new administrations will endorse continued cooperation with SLGRP, we will establish of a Joint Task force to define a new public budget hearing process for Belgrade. Simultaneously, the Team will embark on the training and technical assistance needed for the establishment of citizen assistance centers.² The greatest challenge facing the CP effort relates to the construction permitting process and whether it is feasible to proceed as planned with the implementation of the SLGRP OSPC model in Belgrade. A Feasibility Study, presently underway, shall review the current organizational structure, the processes, and procedures, and most importantly identify the critical path to creating a sustainable solution to address this long-standing concern in Belgrade.

Public Procurement. Public procurement assistance to Belgrade is designed based on the assumption that the City has a more advanced level of knowledge and actual practice in implementing the 2002 Public Procurement Law. Despite this advanced knowledge, Belgrade municipalities face similar problems, issues, and challenges in applying the Law as all other non-Belgrade municipalities within the SLGRP. Training in modern concepts of standard public procurement practices and procedures will be offered to procurement officials and staff by means of case-study based process.

Unique to the Serbian local self-government system, the City established an independent Public Procurement Agency. A large number of direct and indirect budget beneficiaries are already designated as Ordering Entities, with the authority to initiate procurement requests under the supervision of the Public Procurement Agency. In this regard, the Team will provide more sophisticated and practice-oriented training for the City to enhance the current procurement system and improve upon the delivery of internal services to the Agency and its beneficiaries.

Information Technology. The IT Team will seek to raise municipalities to a minimum level of IT capacity by fostering standardization, and upgrading network wiring and equipment.

² The establishment of Citizen Assistance Centers is contingent on the municipalities allocating space, staff, and providing funds for renovations.

The principal focus for Belgrade shall be the establishment of sustainable information technology systems and operating standards to create local governments more responsive to internal organizational needs, thereby improving municipal services to their constituencies.

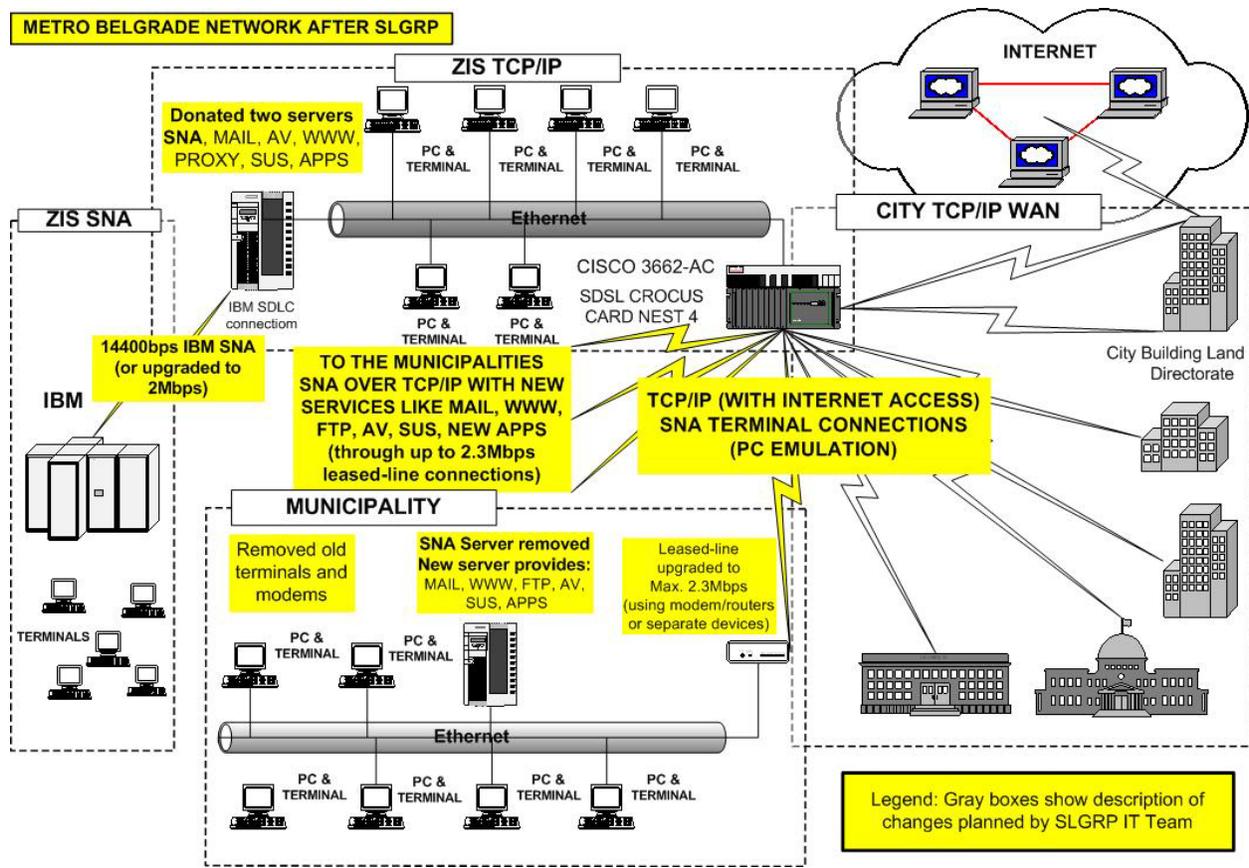
One key activity for the IT Team is the provision of a practical solution to improve the City Agency of Information and Statistics' (ZIS) computer system to better service the needs of the municipalities. ZIS currently offers key application software services that support the notary and registry functions of all municipalities, and as such forms an integral component for future citizen assistance center services.

Consequently, the Teams efforts are expected to improve information sharing between the City and municipalities resulting in faster, reliable, and more transparent delivery of services using a variety of modern communication tools.

Through the provision of basic and advanced technical training, wiring and equipment, and software applications offered, it is anticipated that municipalities will streamline municipal operations, improve the ability of municipal officials to monitor the work of their staff and pinpoint problem areas in daily interactions with citizens. Another expected impact is to create a behavioral change where municipalities will continue investing in technology to make their daily activities more efficient and transparent, as well as provide for an improved decision-making process based on reliable real-time data.

Registry Data in Belgrade—High Volume, Old Technology

The City of Belgrade Agency of Information and Statistics (ZIS) is responsible for maintaining all registry data for its 2 million citizens living in the 16 Belgrade municipalities including birth certificates, marriage licenses, death certificates and citizenship records. The municipality of Savski Venac, one of the 16, issues over 300,000 certificates, licenses and record requests annually, making it the busiest municipal registry office in Serbia. ZIS's data management system is based on an IBM mainframe that is no longer manufactured or supported and is over 12 years old. It is reported that a dispute between the City and IBM over a \$2 million back payment is the major obstacle standing in the way of the City upgrading their system. While SLGRP will not be able to solve the dispute between the City and IBM, we will be able to help ZIS upgrade their peripheral systems that will enable the center to communicate more effectively with the municipal IT systems, thus speeding service delivery to citizens.



KEY OBJECTIVES AND ACTIVITIES

A. Financial Management

FM Objective 1: Continue the delivery of regional workshops, technical field training, and implementation assistance in basic and advanced municipal financial management practices for 16 Belgrade municipalities relative to the 2002 Budget System Law.

This objective will be accomplished by:

- A) Conducting 5 (five) regional workshop training modules on financial management topics to targeted financial officers from all municipalities;
- B) Conducting 80 technical field training sessions for municipalities; and
- C) Providing hands-on field implementation guidance.

FM Objective 2: Identify and confirm critical topics for the advancement of the City's financial management practices through the formation of and participation in a Joint Task Force with designated finance officials of the City. Technical assistance in initiating work on

optimizing structure of the Belgrade local government system by conducting research on local and international experiences and defining possible solutions

This objective will be accomplished by:

- A) Creating a Joint Task Force consisting of FM Team members and the City's finance department and senior management officials; and
- B) Conducting 4 (four) Joint Task Force Sessions resulting in the identification of critical assistance areas for the City.

FM Objective 3: Develop custom tailored technical assistance in all critical assistance areas and deliver training and implementation guidance to the City through a series of Joint Task Force sessions with designated City financial officials.

This objective will be accomplished by:

- A) Conducting 5 (five) Joint Task Force implementation sessions for each identified topic (estimated 20 sessions); Each session will first define progress to date and set target dates that the Joint Task Force will achieve during the implementation period;
- B) Implementation guidance in the field; and
- C) Conducting closing public events (i.e., Round Tables) for each of the topics.

FM Objective 4: Provide Technical Assistance to encourage and support the Public Budget Hearing Process in 16 Metro Belgrade municipalities and the City.

This objective will be accomplished by:

- A) Conducting assessment visits and preparing reports on Belgrade officials' interests for introducing citizen participation activities;
- B) Reporting financial results for each municipality on the public hearing process; and
- C) Preparing final financial reports on citizen initiatives funded by each municipality and the City at the conclusion of the budget cycle.

FM Objective 5: Raise the level of Belgrade's public awareness of US Government assistance to Metropolitan Belgrade through public promotion activities.

This objective will be accomplished by:

- A) Creating and issuing regular editions of a Metropolitan Belgrade Project Newsletter;
- B) Establishing regular media contacts and preparing information for public release; and

C) Organizing final Joint Task Force sessions as open public round tables with the media.

B. Citizen Participation

CP Objective 1: Provide training and technical assistance to encourage and support Citizen Participation in the Budget Hearing Process for 16 municipalities and the City.

The Team, in concert with Financial Management Team, will organize and conduct training on how to organize and conduct a successful public budget hearing process to insure that citizens' initiatives are fairly considered for inclusion in the annual budget. This assistance will be continuous throughout the preparation and adoption of the Fiscal Year 2006 Annual Budgets.

This objective will be accomplished by:

- A) Conducting a post-election "political will" assessment and follow up regional training for the newly elected leadership on citizen participation and public sector budgeting;
- B) Assisting in the establishment of City and Municipal Task Forces to implement the process in Belgrade and provide support in the information gathering and reporting phases to substantiate the resulting citizen initiative funding; and
- C) Organizing public relations activities to promote the public budget hearing process.

CP Objective 2: Provide technical support assistance to the Policy Reform Team to promote the implementation of the City and/or municipal Ombudsman Office(s).

In order to foster local government accountability and responsiveness to citizens and to support the growing interest of citizens to improve communications with their local governments, both Teams will work with the newly elected City Administration to identify an appropriate model to organize and institute an Ombudsman Office(s).³

This objective will be accomplished by:

- A) Providing support in the creation of an Ombudsman Advisory Board including the development of a strategic implementation plan; and
- B) Preparing and conducting training courses for the staff of the Ombudsman Office including the development of a public education campaign and communication strategy.

CP Objective 3: Provide core training and technical implementation assistance for the establishment of ten (10) Citizen Assistance Centers for the Belgrade municipalities.

³ For further discussion on SLGRP work on the Ombudsman, see Section 1, Policy Reform.

The critical goal of this objective is improving service delivery and increasing transparency of local governments. Technical assistance will be tailored to meet the individual needs of each municipality. Subject to feasibility, an identical objective and related tasks would apply to the establishment of One Stop Permitting Centers.

This objective will be accomplished by:

- A) Conducting three (3) regional training workshops for ten (10) municipalities;
- B) Preparing a well-defined base-line assessment of the notary, registry and social service functions for each municipality and develop strategic implementation/action plans;
- C) Assisting in the physical and operational design stage and prior to completion, conducting customer relations trainings for all center staff; and
- D) Organizing a public relations and promotional campaign.

SLGRP Year 3 Progress in Metro Belgrade—First Metro-Belgrade Citizen Assistance Center—Municipality of Savski Venac—September 2004



CAC Space Before



CAC Space After



Handicap Access

CP Objective 4: Develop a New Face of Belgrade technical assistance project

A unique opportunity to create a high profile low cost sustainable project, the Team will explore various opportunities with the City and municipalities to identify the most feasible alternative to maximize the use of SLGRP and leveraged City/municipal funds.

This objective will be accomplished by:

- A) Establishment of a joint task force;
- B) Development and implementation of a project strategy; and
- C) Project implementation in conjunction with a public promotions campaign.

CP Objective 5: Provide ongoing support for the non-Belgrade SLGRP Citizen Participation Teams in the completion of previous years' efforts.

This objective will be accomplished by:

- A) Conducting ongoing evaluations of two (2) CAC/OSPCs established in June 2004;
- B) Monitoring and technical assistance to established Business Improvement Districts;
- C) Assistance in monitoring the public budget hearing process as needed.

C. Public Procurement

PP Objective 1: Complete advanced workshops in order to familiarize the existing public procurement work force in Belgrade municipalities with the elements and requirements of the public procurement process.

This objective will be accomplished by:

- A) Conducting 7 regional workshop training modules on advanced public procurement topics to targeted procurement officials and staff from all municipalities;
- B) Conducting follow-up technical field training sessions for municipalities; and
- C) Providing hands-on field implementation guidance as required.

PP Objective 2: Capacity building to professionalize the procurement work force of the future in Metro-Belgrade municipalities.

This objective will be accomplished by:

- A) Engaging mentors to join a Mentor Working Group in disseminating public procurement best practices in the form of one-day seminars; and
- B) Publishing written records of best practices and producing written rules, instructions, and charts for dissemination to municipal public procurement offices.

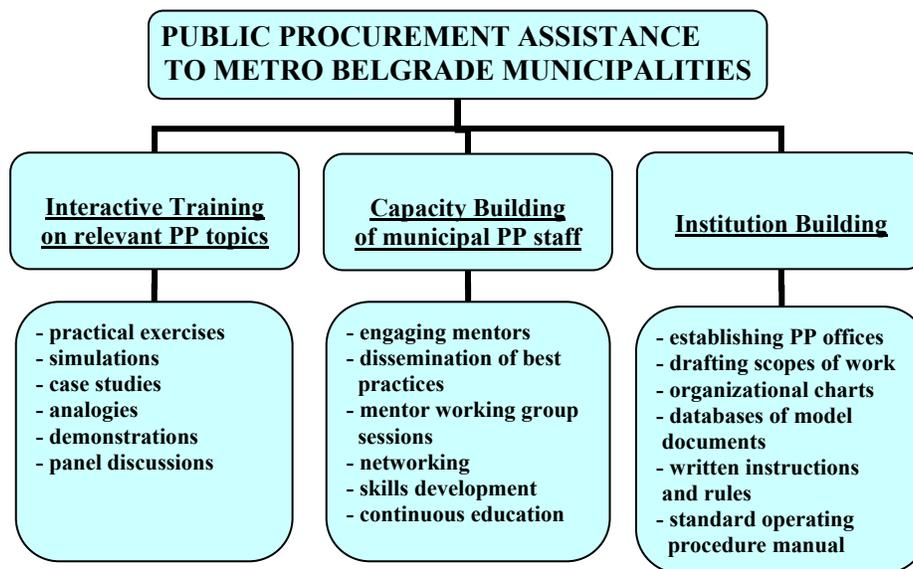
PP Objective 3: Institution building to develop self-sustaining municipal public procurement mechanisms.

Field training and best practices seminars will be forums to establish public procurement offices, and generate interest to promote the ideas of creating regional public procurement associations, an association within the Standing Conference of Towns and Municipalities, or the establishment of a public procurement training center to test and certify public procurement professionals.

Objective 3 will be accomplished by:

- A) Drafting job descriptions for procurement professionals, taking into account specific municipal needs, organization size, budget, and procurement capacity;
- B) Creating organizational charts for municipal procurement offices; and
- C) Developing and publishing a model Standard Operating Procedures manual in cooperation and consultation with the Mentor Working Group.

PP Objective 4: Evaluation of current procurement practices and needs of the City of Belgrade and planning for future activities, through regular sessions with the appointed Task Force.



This objective will be accomplished by:

- A) Forming a Joint Task Force composed of key procurement officials to evaluate current levels of knowledge and public procurement practices, to identify needed organizational training and to establish a project specific plan;
- B) Organizing a Strategic Planning Session of the Task Force to brief decision makers on the plan for evaluation and training, to gain leadership commitment on the plan, and to organize implementation activities; and
- C) Developing a common set of performance indicators to enable local officials with the ability to measure the effectiveness of training and developmental activities of the plan.

PP Objective 5: Develop staff mentors to provide training assistance to Ordering Entities within the City of Belgrade.

In order to train the large body of ordering entities of the City it is essential to create a group of core mentors, thereby also establishing a self-sustainable training mechanism within the Public Procurement Directorate.

This objective will be accomplished by:

- A) Selecting mentors for public procurement training of direct and indirect beneficiaries;
- B) Delivering advanced courses for direct and indirect beneficiaries; and
- C) Providing public procurement training to interested bidders.

PP Objective 6: Develop and introduce standards of ethical conduct in public procurement within the City of Belgrade.

This objective will be accomplished by:

- A) Information gathering will occur to ascertain appointed procurement officials' and employees' understanding of modern ethics concepts, their interest in supporting standards of procurement ethics, public perception of ethics in procurement, and local/regulatory climate for project implementation;
- B) Appointing a Procurement Ethics Task Force and providing initial training aimed at introducing the purpose, structure, and function of modern European standards in order to define the sort of regulations needed in Serbia; and
- C) Drafting an Ethics Guideline for Ordering Entities and Bidders publication with the Procurement Ethics Task Force for distribution to all ordering entities and bidders.

PP Objective 7: Program impact assessment and closeout

Public Procurement team will develop and test a system for measuring the effectiveness of the City and municipalities in undertaking public procurement functions.

This objective will be accomplished by:

- A) Assessing the impact of the Team's training and activities;
- B) Enabling the City and municipalities to self-evaluate their work; and
- C) Defining future needs for public procurement training and activities in Belgrade.

D. Information Technology

IT Objective 1: Install needs based core package of network wiring, equipment, system software and training in 16 Metro Belgrade municipalities in order to improve and/or establish a reliable, standardized information technology platform.

The primary focus will be on system equipment (servers and networking) with a limited number of workstations. Individual needs of each municipality will be accommodated with the installation of a core IT package to commence in November 2004.

This objective will be accomplished by:

- A) Providing a complete and standardized Local Area Network (LAN) package (Network wiring for 7 municipalities and server and other equipment installation and configuration for 16 municipalities);
- B) Expanding and/or upgrading existing networks and equipment to support Citizen Assistance Centers;
- C) Conducting System Administration and Microsoft Office training to ensure and promote the proper use and care of donated equipment.

IT Objective 2: Implement needs based municipal application software to support Citizen Assistance Centers (CACs), One-Stop Permitting Centers (OSPCs) if feasible, and Finance Departments.

The Team, in concert with the Citizen Participation Team, will provide support in the establishment of CACs by offering Notary application software to the municipalities. For the OSPCs, the IT Team is currently participating in a feasibility study to analyze the building construction permitting process in order to develop a workable solution within the SLGRP's resources. A potential outcome of the analysis may be that the permitting software may require financial or technical resources beyond this Program's capability. Financial Management (FM) software shall be offered to municipalities depending on the outcome of on-going cooperation with the Ministry of Finance and software usage analysis in other SLGRP municipalities.

This objective will be accomplished by:

- A) Offering software and providing the necessary additional equipment;
- B) Developing and supervising the training and installation schedules; and
- C) Monitoring software usage and performance.

IT Objective 3: Improve communications between City Agency for Information and Statistics (ZIS) and municipalities opening possibilities for additional services.

Accomplishing this objective will improve application software services that ZIS provides to municipalities, namely, access to registry and other municipal data.

This objective will be accomplished by:

- A) Improving communication with ZIS by isolating SNA protocol to ZIS by replacing SNA servers in the municipalities with a single SNA server operating in ZIS; and
- B) Upgrading municipal links to ZIS from 9.6Kbps to 2Mbps enabling the usage of modern TCP/IP protocol and introducing new services (such as internet access and e-mail)

IT Objective 4: Support other project components on possible new initiatives.

One of the possible new initiatives is supporting the establishment of an Ombudsman Office(s) for Belgrade, which is a joint effort of the Policy Reform and Belgrade Citizen Participation Team. Based on identified needs and the availability of project resources, IT may support this effort with IT assistance, especially if the Ombudsman office is connected to the Citizen Assistance Centers.

IT Objective 5: Ensure project long-term sustainability.

The way to achieve the sustainability of SLGRP IT assistance is through proper on-going maintenance and upgrading of donated equipment by municipalities, as well as providing tools to institutionalize the role of IT in municipalities through our work with the Standing Conference of Towns and Municipalities (SCTM).

This objective will be accomplished by:

- D) One-day workshops on hardware and system software maintenance and upgrades (for systems administrators);
- E) Developing a Municipal Information Technology Support Manual;
- F) Advising SCTM on institutionalization and promotion of IT role in local government;
- G) Training of Municipal Trainers in MS Office Advanced functions; and
- H) On-going technical assistance and monitoring of installed systems via municipal visits, questionnaires, and regular reporting tools.

RESOURCE REQUEST SUMMARY

A. Financial Management

Resources needed to accomplish FM/Belgrade objectives:

- 4 local staff engaged half-time
- Local STTA engaged for 40 days (10 days per topic identified by the Task Force)
- Local STTA engaged for 30 days at Task Force implementation activities
- Regional or International STTA engaged for 30 days for Capital Bond marketing

B. Citizen Participation

Resources needed to accomplish CP/Belgrade objectives:

- 4 local staff engaged full-time
- Regional STTA engaged 30 days to work on the OSPC process re-engineering.
- Local STTA engaged 60 days to work on the OSPC process re-engineering.

C. Public Procurement

Resources needed to accomplish PP/Belgrade objectives:

- 4 local staff engaged half-time
- Local STTA engaged 20 days to join Mentor Working Group
- Local STTA engaged 45 days training for direct and indirect budget beneficiaries
- Local STTA engaged 15 days draft Guidelines for Ordering Entities and Bidders

D. Information Technology

Resources needed to accomplish IT/Belgrade objectives:

- 4 local staff engaged half-time

Common Resources and Total Resource Summary

Common resources needed to manage the Belgrade effort:

- 1 full-time expatriate project manager
- 1 full-time local project assistant.

Total of all team—FM, PP, CP and IT—resource requests detailed above:

- 4 local staff (CP) full-time
- 12 local staff (FM, PP, IT) half-time⁴
- 180 days local STTA
- 60 days U.S. or Regional STTA

IMPLEMENTATION ASSUMPTIONS

A. Financial Management

- The City and remaining municipalities will sign the SLGRP Memorandum of Understanding (MOU). The City and several municipalities have yet to execute the Memorandum of Understanding pending the outcome of the local elections. If the City refuses to sign the MOU, expected activities and impact will be severely restricted.
- Differences in the technical assistance needs of the Belgrade's municipalities and the City of Belgrade. The difference in position of the urban and sub-urban municipalities and high centralization of competencies at the City level, are major reasons for different prospective and expectations regarding SLGRP.
- Needed expertise is available. There is a need for providing different expertise in the field of finance and management than has traditionally been offered by SLGRP. Complex structure and management systems as well as variety of needs are creating very specific and sophisticated technical assistance demands, especially in the City of Belgrade, that will require expertise and knowledge.

B. Citizen Participation

- The post-election assessment of the newly elected political leadership confirms their interest in the Project;
- The three-phase budget process designed for seventy SLGRP municipalities will be re-evaluated, and subject to the historical budgetary processes in place in Belgrade, will be modified as required to best accommodate the specific needs of the City and its sixteen municipalities;
- The City will be willing to work on establishing the Ombudsman Office(s);
- The City will provide the capital funding for 10 CAC (OSPCs) in FY 2005;

⁴ Note that the other half of the FM, PP, and IT team's time will be spent completing work with 30 Cohort 3 municipalities.

- The Metro-Belgrade OSPC Feasibility Study recommendations are adopted; and
- The City will leverage matching funds for the New Face of Belgrade Project.

C. Public Procurement

- The dense schedule of training events coupled with a short implementation period may not provide sufficient time for visible and readily measurable impact to be created jeopardizing the reliability of the final program impact assessment. As the team progresses in Year 4, it may request that Management extend some team members' engagements;
- The large training volume planned does not allow for the optimum desired time to be spent in individual municipalities;
- 2 mentors for 10 days each should be sufficient to contribute to the efforts of the Mentor Working Group in disseminating best practices to Serbian municipalities;
- Mentors will be engaged in an efficient and economic way to gather as much input as possible in the minimum amount of time. The final effort in producing documents will be provided by the Public Procurement Team. One assumption is that mentors will be quickly identified.

D. Information Technology

- The lack of adoption of a new law on the capitol city and the local elections will cause delays in finalizing tasks and providing assistance to the municipalities;
- OSPC software implementation will largely depend on the outcome of the feasibility study for implementing a permitting center in Belgrade. Data for building permits do not reside in the municipalities. This responsibility is shared between City agencies and the municipalities. Because of this, the accomplishment of the OSPC objective is highly dependent on the political will of the City administration.
- The Agency for Information and Statistics had plans to upgrade its mainframe with a newer computer, but IBM expects payment of the City's outstanding debt (reportedly more than US\$2 million) before providing the new computers and, as part of the bargain, IBM has offered a 2-year grace period on the equipment's rent. City management, however, appears reluctant to pay this debt and is concerned about committing themselves to IBM again. Consequently, the management of ZIS has been paralyzed and has been reluctant to make any hardware or software upgrade plans at all.
- The metro-Belgrade initiative has a limited equipment budget and municipalities have little discretionary funds with which to procure IT equipment. This will require diligence on the part of the Team to use the scarce resources for maximum results.

RESULTS AND EXPECTED IMPACT

A. Financial Management

The proposed objectives, strategy, and tasks/activities of FM Team are structured and designed to provide the following results/impacts in the three major three areas of Belgrade's management and finance systems:

Improvement of financial management systems efficiency and accountability both on municipal and city levels:

- Improvement and adoption of new budget models based on performances versus line-items;
- Introduction of a new budget format that segregates operational from capital budgets;
- Introduction, implementation and management of the treasury systems in 16 municipalities and the City of Belgrade;

Providing Belgrade officials with viable advices and assistance on launching advanced finance management concepts, like such as integrated process of strategic planning and, capital improvement planning and other, that might be agreed at the Working Group sessions:

- The introduction of strategic planning in governing the complex multi-level local communities of Belgrade as a necessary precondition for ensuring its long-term stability and prosperity;
- The introduction of the practice of capital improvement planning is of large importance for a city like Belgrade, which has many infrastructural needs, large investment projects and the expected inflow of local and foreign investment;
- FM-Metro team will work with Belgrade finance officials on estimation and tracking creditworthiness of the City, and on introducing rules and policies for entering open capital markets.

In cooperation with CP team FM team will work on improvement of budget process transparency and providing citizen inputs in the City as well as in all municipalities:

- Introduction of budget hearing process into the budget process of all 16 municipalities as well as in City of Belgrade;

- Establish the system of tracking and recording of the citizen inputs into the budget process;
- Introduction the practice of publishing the Annual Budget Letter in the local media.

B. Citizen Participation

The objectives and activities, as defined, are designed and streamlined to generate the following results/impacts:

- The City of Belgrade and its municipalities budgetary development process with public participation will result in a more informed, knowledgeable and participatory electorate;
- Forming of the task forces and working groups that will oversee and coordinate implementation of the three key objectives will represent a major output of the project. For the most part, it will mean introducing and institutionalizing of the internal communication procedures, crosscutting city secretariats, municipal and the City administrations;
- CACs (and OSPs) will streamline and make more transparent the provision of registry, notary and social service functions and will shorten the time citizens must spend to obtain birth, death and marriage certificates and construction permits.
- The establishment of Ombudsman office(s) would result in the establishment of an institution in that would significantly improve protection of citizens' rights, as well as increase local governments' accountability.

C. Public Procurement

The overall impact that Public Procurement Team seeks to achieve is increased level of professionalism and a self-sustainable system of institutionalized public procurement services delivered. The program will monitor the number of trainings delivered, procurement offices established and increases in Procurement Effectiveness as measured by a procurement index to be developed in the first part of the year. The following are the key milestones to be achieved:

- A network of public procurement officials is created that communicates regularly and shares best practices among municipalities;
- Public Procurement Offices are created in Metro-Belgrade municipalities;
- Databases of specifications, model documents and model contracts are used by municipalities;

- Belgrade metro municipalities use and apply written rules, instructions, charts and Standard Operating Procedure Manual prepared by Public Procurement Offices;
- The City of Belgrade develops a viable system of in-house training; and
- Guidelines for Ordering Entities and Bidders is published.

The number of functional Public Procurement Offices established by the end of the program will be the key indicator of the Public Procurement Team's success and overall impact in Metro Belgrade municipalities.

D. Information Technology

In addition to providing material assistance to the other program components in accomplishing their objectives, Information Technology will work to increase the municipalities' use of information technology to improve effectiveness in their daily operations as well as quality of services to their citizens and community. This will lead (as we have already seen in SLGRP municipalities outside Belgrade) to an increase in municipalities' future investments in IT and the promotion of maintaining a good quality of IT infrastructure that will be secure, reliable and easily enhanced. As per our past experience, this type of impact will only be measurable one to one-and-a-half years after the implementation of new IT standards and infrastructure. Furthermore, we expect the following benefits:

- Setting higher and sustainable standards for network wiring and network communications;
- Better access to and use of the internet, e-mail and web tools;
- Improved communications between departments in the municipality and between municipalities themselves, as well as with the City of Belgrade and ZIS; and
- Improved speed and quality of service towards the citizens.

SECTION 3: PUBLIC PROCUREMENT

INTRODUCTION

Over the past eighteen months, since the mid-project addition of the Public Procurement Program to SLGRP, the Public Procurement Team held 78 training events, reaching 2,235 students in 70 municipalities and 35 Communal Enterprises with the general message:

“Public procurement is a *process*, which you can learn and which will make your work easier and more transparent.”

This kind of process-oriented, interactive instructional strategy has allowed Serbian procurement officials and workers to share their experience and knowledge with their colleagues, thereby participating in the creation of a foundation for more professionalized public procurement services in Serbian municipalities. Change has already been visible, as evidenced by the establishment of municipal public procurement offices, their use of databases of public procurement documents and creation of a successful network of communication among Serbian municipal public procurement officials.

Public Procurement Team’s goal:
creating a transparent, self-sustainable system of public procurement services delivery.

KEY OBJECTIVES AND ACTIVITIES

Objective 3: Develop self-sustaining municipal public procurement mechanisms through institution building

- Draft scopes of work for public procurement municipal official positions
- Create organizational charts for municipal public procurement offices
- Produce a model of standard operating procedures manual for municipal public procurement offices
- Promote through the Standing Conference or in regional venues the idea of creating public procurement association(s)
- Promote the establishment of a public procurement training center that can graduate certified trainees

Objective 4: Program impact assessment and close-out

- Develop a public procurement effectiveness measurement system for general municipal use
- Test the reliability of the public procurement measurement system
- Prepare final report on program impact and accomplishments
- File and archive training materials and other documents of interest

The goal of the Public Procurement Team in Year 4 will be accomplished through a combination of regional training events, capacity building and institution building activities, which are detailed below:

Objective 1: Complete advanced regional workshops in order to familiarize the existing public procurement work force with the elements and requirements of the public procurement process

- Present Course: Tender Methods – Restricted and Negotiated Procedures
- Present Course: Low Value Procurement Procedures
- Present Course: Tender Preparation and Documentation –Preparation of Tender Documents
- Present Course: Tender Preparation and Documentation – Specifications Writing and Use
- Present Course: Tender Preparation and Documentation – Model Contracts; Contract Forms and Alternatives
- Present Course: Contract Administration Procedures – Quality Assurance; Quality Control and Financial Management of Contracts
- Present Course: Handling and Evaluation of Bids
- Present Course: Processing Motions for Protection of Bidder's Rights

Objective 2: Professionalize the municipal public procurement work force of the future.

- Organize four Best Public Procurement Practices seminars
- Complete four Best Public Procurement Practices seminars
- Organize four Mentor Working Group sessions
- Facilitate mentor activities during Working Group sessions
- Prepare a written record of best practices for dissemination across municipalities
- Disseminate written records of best practices across municipalities
- In cooperation with mentors, produce written rules, instructions and charts for use by municipalities
- Distribute written rules, instructions and charts to municipalities

END GAME IMPLEMENTATION STRATEGY

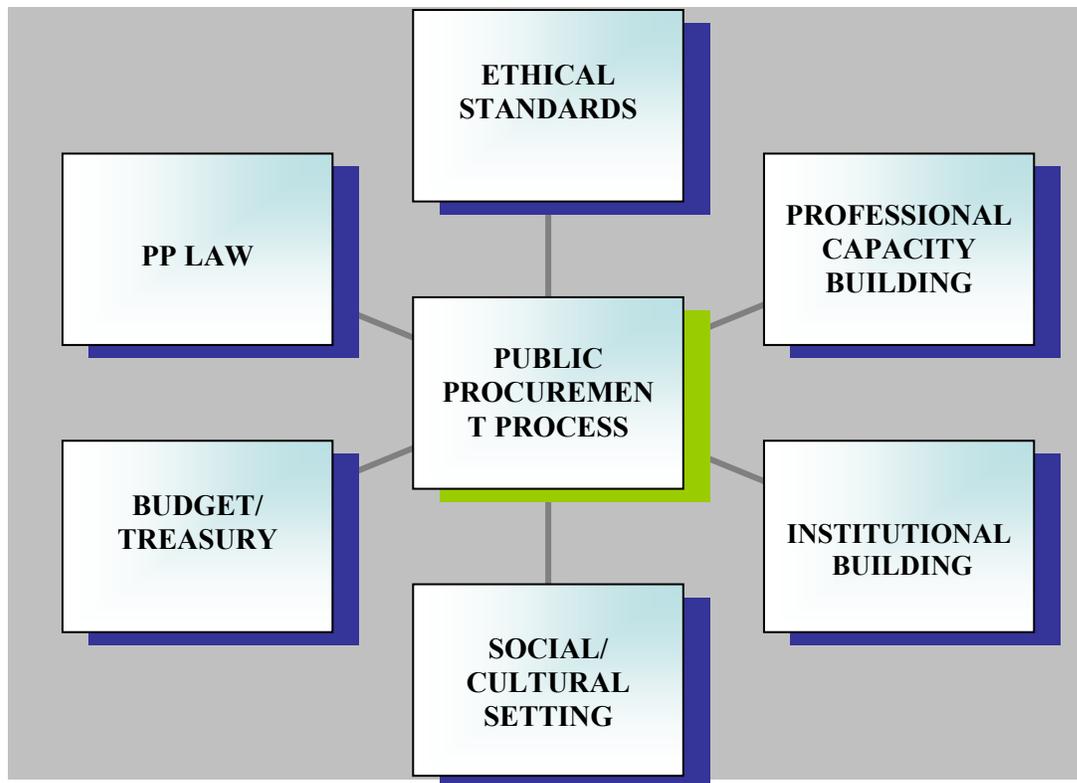
While regional workshops will continue to be a mechanism by which concepts of modern public procurement practices and procedures are transmitted to students (**Objective 1**), during Year 4 we will shift our emphasis from external trainings to developing home-grown, self-sustainable mechanisms for training, sharing knowledge and experience by Serbians with Serbians (**Objective 2**) and institution building of municipal public procurement offices (**Objective 3**). Year 4 will also see the development of a specific public procurement measurement system to assess the program's impact. More importantly, the measurement system will allow municipalities to evaluate their own procurement performance, assess further municipal needs and determine future courses of action and development in the area of public procurement (**Objective 4**).

A Holistic Approach

Early on the Public Procurement Team realized that public procurement reform and, consequently, public procurement training cannot be seen in isolation. Given the relationship between public procurement reform and good governance in general, the Public Procurement Team has adopted a holistic approach that looks not only at the **content of the trainings**, but at how the topic and the results of the training ought to fit into **the overall system of the trainees' work environment**. The figure below graphically describes this relationship.

“Practical exercises and an opportunity exchange our opinions is the greatest asset of public procurement workshops!” (A student’s comment in evaluation form)

Figure 2: The Holistic Approach to Public Procurement Training



The Public Procurement Team has integrated the following issues and topics into all of the trainings:

- The legal and procedural environment in which the Public Procurement Law functions;
- The relationship between the Public Procurement Law, the reforms of the Serbian budget and treasury system, and other laws and ongoing or planned reforms;

- Modern Western concepts of Ethics in Public Service and Public Procurement—concepts which had not been presented to Serbians before;
- The overall degree of development and organization of the Serbian municipal public procurement workforce;
- Current and prospective municipal public procurement services institution building; and
- The cultural/social milieu of the participating municipalities.

“We are satisfied with the training! The trainers are very good, they create an exceptional learning environment. But, it is also very important that they have intensive contacts with municipal leadership. There are a lot of things they could learn from the Public Procurement Team!” (A comment from a workshop)

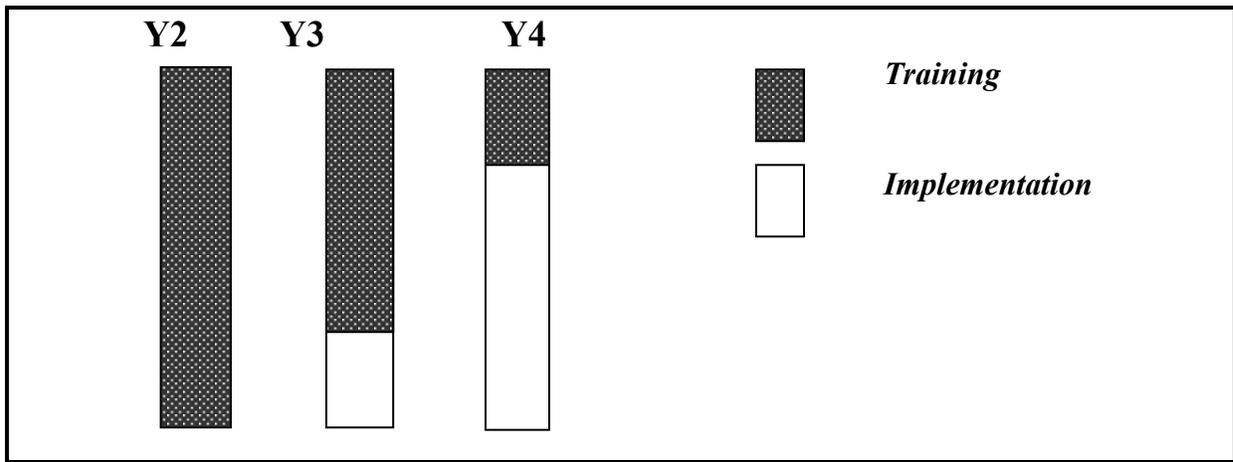
Year 4 Program Implementation Strategy

Year 4 ties together what the Public Procurement Team started in Years 2 and 3. Here is how the process has unfolded thus far and how it will culminate at the end of this year:

- Year 2 was training-oriented: Cohorts 1 and 2 and 23 communal enterprises received the basic course, as well as advanced courses in ethics and principles in public procurement, annual procurement plan and procurement planning methodology.
- Year 3 saw the continuation of advanced training for Cohorts 1 and 2 and 23 communal enterprises and a new cycle of basic and advanced courses for Cohort 3 and 12 communal enterprises. During this year, training was still presented through the core mechanism of introducing public procurement concepts and processes; but, as a result of the Public Procurement Team’s instruction, there was a slow shift of focus towards practical implementation, increasing professionalism and institution building:
 - Ten mentors were identified to disseminate best practices across municipalities,
 - Students were encouraged to create information sharing networks among municipalities,
 - Municipalities started creating databases of specifications, model documents and contracts and sharing them with their colleagues in other municipalities,
 - Efforts in promoting the need for procurement offices resulted in the establishment of 18 such offices.
- Year 4 will see the following activities:
 - Completing training for Cohort 3 and 12 communal enterprises and focusing on program impact and reaching self-sustainability in three main areas,

- Building capacity of public procurement staff to create more professional work forces,
- Establishing and strengthening public procurement offices,
- Developing a procurement effectiveness measurement system for municipal self-evaluation and identification of future training and assistance needs.

The figure below demonstrates the Public Procurement Team's shifting emphasis from training to assistance in implementing procurement reforms.



During Year 4, Advanced Courses (**Objective 1**) will be delivered to Cohort 3 and 12 communal enterprises through the same process-oriented, interactive instructional strategy. The regional workshop concept will be continued, as it has proven to be very successful and productive.

The Public Procurement Team will achieve **Objective 2** by engaging mentors, particularly gifted and knowledgeable students, in disseminating public procurement best practices in the form of one-day seminars. Mentors will gather in a working group after each round of best practices seminars to prepare a written record to be delivered to municipalities for use in their future work. Members of the Public Procurement Team will facilitate these working group sessions to draft specific products, including: written rules, instructions, and charts to be disseminated to municipal public procurement offices (**Objective 3**).

In order to enhance the process of establishing and institutionalizing public procurement offices (**Objective 3**), the Public Procurement Team will assist the municipalities and communal enterprises draft scopes of work for professional positions in these offices, taking into account specific municipal needs, municipal size, budget and procurement capacity. The Procurement Team will also assist municipalities in creating organizational charts for their procurement offices. A model standard operating procedures manual will be drafted in cooperation and consultation with the mentors. Municipal visits and best practices seminars will be used as forums to promote the idea of creating regional public procurement associations, or a national association within the Standing Conference. In addition, the

Procurement Team will promote the establishment of a public procurement training center, **(Objective 4)** which would graduate certified trainees.

Finally, the Procurement Team will develop and test a system for measuring the effectiveness of municipal organizations in undertaking public procurement functions in order to assess the impact of the Public Procurement Team’s training and activities; and also to enable municipalities to continue to evaluate their work, as well as to be able to define their future needs for public procurement training and activities **(Objective 4)**.

Public Procurement Effectiveness Measurement System

Some potential measurement indicators:

- Public Procurement Office Established
- Standard Operating Procedures Manual in Use
- Use of internal rulebooks and regulations
- Use of databases
- Existing Public Procurement Annual Plan
- Number of failed procedures

Before closing out its program, the Public Procurement Team will provide a final report on its activities and created impact and file and archive training materials and other documents of interest **(Objective 4)**.

CONSTRAINTS IN YEAR 4 PROGRAM IMPLEMENTATION

The main constraints to implementation in Year 4 are the program’s budget and time limitations:

- Insufficient budget for optimum mentor engagement;
- The Public Procurement Team covers the total of 70 municipalities and 35 communal enterprises, which does not allow for the optimum desired time to be spent in the field; and
- The dense schedule of training events coupled with a short implementation period may not provide sufficient time for visible and readily measurable impact to be created and may jeopardize the reliability of a final program impact assessment.

LONG-TERM SUSTAINABILITY

A carefully structured approach, with a gradual transition from theory to practical implementation is the target mechanism of achieving long-term sustainability of the public procurement reform part of SLGRP.

A participant said: “SLGRP procurement training is much more than just training in legal requirements and procedures. It broadens our views and teaches us to think in an entirely new way!”

Mechanisms emphasized for implementation include:

- A network of communication and best practices shared across municipalities,
- Public procurement offices created in municipalities,
- The use of databases of specifications, model documents and model contracts,
- The use and application of written rules, instructions, charts and a standard operating procedure manual by public procurement offices, and
- Development of a public procurement effectiveness measurement system for general use by municipalities.

Further Recommendations for Assistance in Public Procurement

Further activities in the area of public procurement in Serbia, which naturally emerge from previous SLGRP program assistance, are essential for closing the circle and reaching long-term sustainability. Although not a part of our current mandate, these activities include:

- Creating a public procurement association,
- Opening a public procurement training center that can graduate certified trainees,
- Introducing advanced training in more specialized public procurement concepts,
- Further developing local rules, model procurement provisions, SOPs, etc., using Serbian experts graduated from existing procurement institutions,
- Establishing public procurement institutions,
- Expanding training to more municipalities, public enterprises and other government organs,
- Developing training courses aimed at educating current and potential bidders, members of the public, media, the judiciary and other key stakeholders in reform in Serbia, and
- Developing a training course in ethics in government to support the public procurement principles of Serbian Law.

RESOURCE REQUEST SUMMARY

The following resources will be required to accomplish the objectives detailed above:

- 4 full-time local staff for 130 days each **(Objective 1)**;
- Local STTA to be engaged for best practices seminars. Total level of effort for four best practices seminars: 24 mentor/days **(Objective 2)**;
- Local STTA support needed to participate in four working group sessions to prepare a written record of best practices for dissemination to municipalities. Level of effort: 20 mentor/days **(Objective 2)**;
- Local STTA needed to assist SLGRP Public Procurement Team in drafting rules, instructions and charts for use by municipalities. Level of effort: 10 mentor/days **(Objective 2)**;
- Local STTA to provide input for producing a model of standard operating procedures manual for municipal public procurement offices. Level of effort: 5 mentor/days **(Objective 3)**; and
- Assistance of local STTA to provide input and assistance in designing the public procurement effectiveness measurement system. Level of effort: 9 mentor/days **(Objective 4)**.

Total level of effort of full-time local staff: 520 days

Total STTA level of effort: 68 days

IMPLEMENTATION ASSUMPTIONS

1. SLGRP Public Procurement Team has sufficient resources and capacities to deliver the remaining advanced courses **(Objective 1)**;
2. STTA support will be selected from the pool of 10 mentors. Mentors will be chosen depending on the topics of interest, on the grounds of required expertise. Each mentor will be given an equal opportunity for engagement **(Objectives 2–4)**; and
3. Mentors will be engaged in an efficient and economic way, so as to gather as much input as possible in the minimum amount of time. Final effort in producing the manual and measurement system will be provided by SLGRP's Public Procurement Team **(Objectives 2–4)**.

- Objective 1. FM team in collaboration with other SLGRP teams: Complete the training on advanced management practices and techniques; and, assist and enable municipalities to improve knowledge and implement modern financial procedures.**
- Objective 2. Citizens and other stakeholders take an active part in the budget decision-making process.**
- Objective 3. Further collaboration with other donors and organizations to expand and strengthen SLGRP's impact.**
- Objective 4. Finalize the financial management library.**
- Objective 5. Strengthen and promote the Municipal Finance Officers Association.**
- Objective 6. Continue local staff professional development.**
- Objective 7. Provide comprehensive and quality reports on our results and successes.**

KEY MILESTONES AND RESULTS

The overall result that Team seeks to achieve is an increased level of professionalism among government officials and a sustainable system to provide public procurement services. The program and progress results will be monitored through the number of established public procurement offices, and measured by the procurement effectiveness system (to be developed under **Objective 4**). The milestones to be achieved include:

- Complete all advanced regional workshops (**Objective 1**);
- Complete four public procurement best practices seminars (**Objective 2**);
- Disseminate written records of best practices across municipalities and communal enterprises (**Objective 2**);
- Distribute written rules, instructions and charts to municipalities (**Objective 2**);
- Draft scopes of work for municipal public procurement positions (**Objective 3**);
- Create organizational charts for municipal procurement offices (**Objective 3**);
- Produce a model of standard operating procedures manual for municipal public procurement offices (**Objective 3**);
- Develop a public procurement effectiveness measurement system for general municipal use (**Objective 4**); and
- Prepare a final report on program impact and accomplishments (**Objective 4**).

More broadly, SLGRP public procurement training and assistance generally contributes to good governance at the local level, by promoting the following concepts:

- Application of the public procurement principles and ethical conduct in public procurement contributes to a more transparent, fair and reliable local government system as a whole;
- Increased professionalism of the public procurement workforce leads to a higher level of development in local government;
- Proper and professional conduct by public procurement officials and workers makes the role of individuals within the public procurement system more important and responsible for influencing change and restoring a sense of ownership of the process;
- Institutionalized public procurement services reduce arbitrary, personal or political actions of local government officials; and
- An efficient, economic and transparent public procurement system fosters competition and fairness and increases the public's confidence and trust in its local governments.

SECTION 4: FINANCIAL MANAGEMENT

INTRODUCTION

The Financial Management Team's work relates to all matters associated with local government finance. Its overall aim is assist municipalities increase fiscal transparency, public accountability and citizen involvement. This is accomplished by developing and disseminating materials and models, conducting formal and informal training, direct consultations on implementation issues, and fostering opportunities for networking and sharing lessons learned. In addition to focusing on the basics of modern financial accounting the team also concentrates on fostering citizen involvement. In this the fourth and final year, the Team's work will be completed by the end of June, when staff contracts end for all staff in two of the three field offices. The Team's approach is based upon working with municipalities intensively for 2 years with lower level support in subsequent years. All SLGRP municipalities receive financial management assistance.

KEY OBJECTIVES

Year 4's objectives include an increased focus on transferring follow on activities from SLGRP work to date to other existing institutions and continuing training activities and cooperation with other teams on a variety of tasks. These objectives are outlined below and detailed along with activities in the annexes that follow the narrative portion of this work plan. The team's Year 4 Objectives are:

The Team's activities are designed to 1) improve municipal performance across the entire spectrum of their financial responsibility and 2) increase legal compliance with and full understanding of the 2002 Budget System Law (the system law that requires modern public financial management) and the subsequent supplements. Basic and advanced FM training courses offered are reflected in the following table:

Financial Management Classroom Training

Basic Intensive Focus with each cohort - Year 1	Advanced Intensive Focus with each cohort - Year 2
Budget: Policy development Composition Preparation Execution and monitoring	Cash based, accrual, and fund accounting Consolidated treasury management Capital needs assessment Internal controls and auditing Strategic plan development Capital improvement planning and budgeting Debt management

Below is an outline of the major activities planned to fully meet USAID-DAI contract requirements and to successfully finalize our role and work in the process of reforming Serbia's local government finance system:

- Provide advanced financial management training to 30 (Cohort 3 municipalities);
- Support activities regarding citizen participation in the budget preparation process for 30 (Cohort 3) municipalities;
- Provide limited technical assistance in public budget hearing process to 40 (Cohort 1 & 2) municipalities;
- Strengthen municipal staff competencies in financial management and budget formulation and execution;
- Help municipalities revise financial procedures leading to increasingly comprehensive budgets and streamlined reporting;
- Through further collaboration with other donors, organizations and CRDA partners, leverage SLGRP progress in municipal capacity building;
- Update and standardize FM Team's training materials to form a financial management library and that will provide access to knowledge and best practices to all interested parties; and
- Continue to support the organization of the Serbian Municipal Finance Officers Association to strengthen professionalism in local government finance and assist the Ministry of Finance in improving local government laws and policies.

A list of these activities and the schedule for each is included in charts that follow the narrative portion of the work plan.

END GAME IMPLEMENTATION STRATEGY

Complete Contract Requirements

The strategy of the FM Team in Year 4 ensures that all FM Team contract requirements will be completed by the end of June 2005 for this component. The FM Team's strategy is flexible and carefully tailored to expected changes in Serbia⁵ (including the local government elections held in September).

As of the end of Year 3, the FM Team has already finished trainings on local-level finance and budget topics for 40 municipalities (Cohort 1 and Cohort 2). Thirty municipalities (Cohort 3) have completed the first phase of training, which includes basic financial

⁵ See the following section on Resource Request Summary and Implementation Assumptions

management concepts. Further training for this cohort will concentrate on more advanced aspects of municipal development and performance.

COHORT 3—Cohort 3 will continue to receive technical assistance in accordance with the previously established two-year training plan. The FM Team will continue to conduct regional workshops followed by field trainings in each of the 30 municipalities. Training includes advanced topics such as strategic planning, capital improvement planning, debt management and treasury system and internal control. Special emphasis within the end game strategy will be following up on previous implementation of modern concepts and techniques aimed to reform local public financial system.

Client municipalities will also be provided with manuals related to each of the subjects mentioned above and with SLGRP budget forms and other financial document templates. Our previous experience shows that municipalities are eager to adopt these manuals and forms, since they have found them very useful generally as well as in their preparation for accession to the European Union. Additionally, an ongoing priority this year will be active assistance to municipalities in using the tools designed to increase citizens' input in the municipal budget. Since some changes in municipal management may occur due to Serbia's local elections, the FM Team may need to provide a supplemental training session for new municipal leaders may be necessary to address any gaps in their skills that would prohibit them from grasping program training and methods.

COHORT 1—COHORT 2—Cohorts 1 and 2 have graduated from our primary technical assistance, but the FM Team will continue to monitor the implementation of activities. The FM Team will monitor any changes due to the elections that may influence implementation of key program goals. In order to keep the momentum going the FM Team will continue to provide information and advice via phone consultations and email correspondence for these cohorts. This has proven very effective in helping graduated municipalities continue with their implementation of reforms.

Milestones

The following (completed) tasks are considered benchmarks or milestones:

1. Conducting the following training sessions (for 30 cohort 3 municipalities)
 - Accounting, Internal Auditing and Treasury
 - Strategic Planning
 - Capital Improvement Planning and Debt Management
 - Development of an Implementation Strategy
 - Annual Budget Letter disseminated (70 municipalities)
 - Second and/or third budget phase public outreach conducted⁶

⁶ The municipalities are supposed to hold budget public hearings throughout the budget process. Since many of them are likely to have to conduct a second round of local elections, the assumption is that they will be

- Testing of municipal officials (see text box below)
- Transfer of training materials to other organizations/projects

Maintaining Project Results After the End of the Project

During this project year the focus on ensuring that project results are sustained after SLGRP ends will increase. Approaches to guarantee that progress under SLGRP will continue are woven throughout the project. Some examples are detailed below.

Valuable SLGRP FM Professionals—The knowledge and experience that FM Team members gained through working and training within the SLGRP program will enable them to help further reform Serbia’s financial system by providing consulting services and through involvement in various organizations and projects upon completion of their contracts with SLGRP.

Municipal On-the-Job Training—Training of this type is especially effective in ensuring the sustainability of SLGRP’s objectives because it enables municipal financial staff and budget beneficiaries to successfully apply advanced techniques in their everyday activities. Since most of the attendees of the on-the-job training are likely to remain at their job positions after the local elections, they will serve as custodians of the concepts and techniques obtained through SLGRP training. They will be in a position to transfer the knowledge to their associates and new colleagues.

Certificates for Finance Officers—Continuous Credibility

In an effort to verify the knowledge gained by municipal financial officials, the FM Team uses various testing instruments based upon the content of regional workshops and field training. At the conclusion of the second year’s training cycle, a test is administered on a voluntary basis to all those local government professionals desirous of participating in such an exercise. Those who successfully complete the examination are awarded a “Certificate in Financial Management Practices”, which is issued jointly by SLGRP and USAID. The Certificate serves as an important indicator of the trainees' competency and helps establish their credibility in advocating use of learned practices. For cohorts 1 and 2, 100% of the targeted municipal staff took the test and scored an average of 88%. The test will be offered to cohort 3 participants in the spring of 2005.



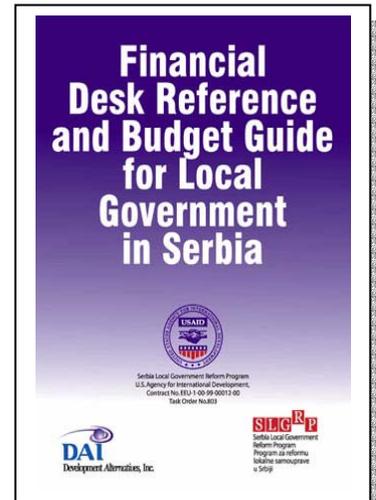
behind in following the budget calendar, so only one round of public hearings might be held. Another reason for this to occur is the possibility of temporary financing for the first three months of 2005.

Support the Association of Finance Officers—It is hoped that this association will be the successor to SLGRP in promoting movement to western standards in local government financial management in Serbia. Therefore, the focus of the FM Team's support to the newly founded Finance Officers Association (FOA) in the next 9 months will be to help the association prepare for this role. Consolidating and strengthening the association's capacity is crucial. This will include continuing to help this association in activities to further increase its membership (which has grown over the past few months from 82 to 115 members). As a part of its sustainability strategy, SLGRP will support the FOA by assisting them in carrying out a strategic planning process and donating equipment as well, but only under the condition that the FOA completes the planning exercise resulting in their adoption of a strategic plan. The Financial Management Team will also concentrate on strengthening the relationship between the FOA, the Ministry of Finance, the Standing Conference, other Finance Officers Associations in region and EU and other organizations and institutions.

Standing Conference of Towns and Municipalities and Ministry of Finance—The FM Team will help municipalities establish regular contacts and productive cooperation with Standing Conference. From municipalities' perspective, an important role for the Standing Conference is to convey their suggestions to the Republic level in order to promote the creation of more effective legislation and policies that better meet the needs and requirements of the municipalities.

Desk Reference—In cooperation with the Standing Conference, SLGRP distributed a Desk Reference Guide to 163 municipalities in Serbia. The content of the Guide includes topics related to the budget process, going one step beyond by emphasizing the significance of strategic planning. The guide is used as a quick reference for the most common issues finance staff members encounter in their activities. The guide is a useful tool in standardizing budget policies and procedures across Serbia. As the policies and procedures are increasingly viewed as “standard” it becomes harder for municipalities to revert to previously less transparent and or less responsible methods.

Library—All the materials produced by the FM Team (guides, manuals, handouts, forms, success stories, best practices etc) will be available both in English and Serbian. They will serve as a valuable source for many future and ongoing projects and programs in Serbia and abroad. The library will include both hard copy and electronic material and will be maintained by the Standing Conference, and used by them as well as by other local institutions and organizations.



FOUNDATION FOR FURTHER SUCCESS IN USAID'S OBJECTIVES

In the course of SLGRP, the FM Team introduced a number of innovations that are an important foundation for further USAID work with local government. The innovations originate from modern financial management practices and systems in western countries or on the basis of new System Laws in Serbia. Examples of such innovations and the situation before SLGRP started are outlined in the table below.

Previous Practice	Innovation
Efforts to communicate details of the budget to citizens in a way that was easily understandable by a wide audience were not made.	Annual Budget Letter
Citizens had no public forum during which to express their priorities.	Practice to hold room for citizen input and include citizens' proposals in capital budget
No practice of long term planning using local resources existed in local communities.	Initiation of strategic planning process in municipalities (as a means to accelerate local economic development)
Local treasuries did not exist and Republic controlled offices administered all funding.	Local Treasury Procedures & Organization Model
Centralized Budget Process Beneficiaries not consulted on the details of their needs. Few undertook a detailed, forward expense planning process. No detailed reporting and no plan against which to compare performance.	Revised Budget Process Model in Use: Budget beneficiaries required to plan and encouraged to present their needs Increased planning through required financial requests Increased frequency and level of detail in reporting
2002 Budget System Law formally introduced internal control and budget inspection, but failed to clarify scope of work of internal inspection.	Internal Budget Inspectors appointed in number of municipalities with FM Team assistance.

RESOURCE REQUEST SUMMARY

The FM Team's plan for Year 4 will be implemented by 12 members from the pool of local professional and support staff, located in three field offices (Belgrade, Kraljevo and Nis). Kraljevo and Nis FM Teams will work with Cohort 3 municipalities until the end of June

2005 when their employment contracts expire. Staff in the Belgrade office will work on a parallel program with Cohort 3 municipalities, but will also work with on the Metro Belgrade component until the end of June 2005 when they will work only with Belgrade Metro municipalities.

This work plan is based on four Belgrade staff members spending 40 % of their time on work outlined in this section and 60% on the Metro Belgrade component between now and June 2005. To accomplish the objectives detailed above, the FM Team will require:

- 10 local professional and 2 support staff members through June 30, 2005,
- International STTA assistance (Leah April)—20 days (facilitating development of Strategic plan for FOA),
- International STTA assistance (Jeanne Gardner)—15 days (assistance with project closeout & reporting), and
- Approximately \$3,500 in equipment for FOA (one desktop computer, phone/fax, one smaller copier, one desk, one smaller conference table and five chairs).

IMPLEMENTATION ASSUMPTIONS

Political Uncertainty

The ability of the FM Team to continue its past success in implanting the use of core financial management modules is dependant upon working with local governments who are willing to endorse the philosophy of openness, transparency and accountability. Therefore the most basic assumption is that new political leaders in counterpart municipalities are open to continue earnest cooperation with SLGRP.

A number of other assumptions are also worth noting:

1. Changes in leadership caused by the election will result in officials who are not significantly less interested in working with SLGRP than those currently in office.
2. Most municipalities will require a second round of elections.
3. SLGRP will drop from the program any municipality that indicates they are not interested in participating.
4. Municipalities' political willingness to continue involving citizens in budget decision-making process does not decrease significantly overall.

5. New leadership's understanding and recognition of importance of modern financial management systems implementation introduced with Budget System Law and through our trainings.

Legislative Factors

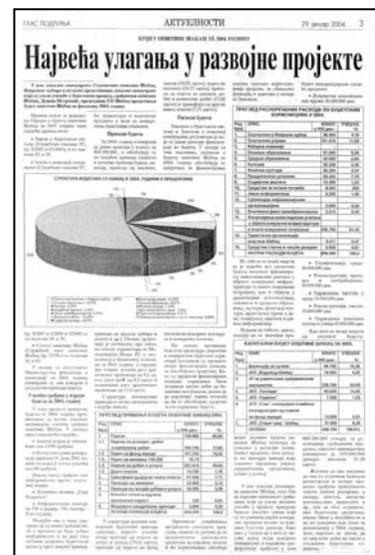
1. Republic government adopts regulations and provides instructions for completing treasury implementation
2. VAT—difficulty in predicting revenues for 2005 may cause a delay in budget adoption process / temporary financing.
3. Temporary financing could delay the budget process until after the new calendar year and result in fewer public hearings than in prior years.
4. Property Devolution—without adoption of the draft property devolution law, municipalities own no property and thus have limited control over the assets that influence their operations. If the law is not adopted municipalities cannot complete strategic or capital improvement plans or obtain commercial financing.

Cooperation Outside Municipalities

1. Clear lines of communication and understanding between SLGRP and CRDA partners must continue in order to insure that the public budget hearing process remains successful.
2. Continued collaboration of FM and CP Team on citizen participation in the budget process. If budget hearings are delayed past the beginning of the year, the CP team's role will be limited (as they phase out at the end of March).
3. Continuation of FM and IT Team collaboration at current levels in completing software and implementation in rest of the municipalities.

RESULTS AND IMPACT EXPECTED

In the Year 4 of SLGRP, the financial management team will continue to train new municipalities in modern financial management techniques. In addition to immediately improving their accountability, transparency and citizen orientation, this will also prepare them for an eventual accession into the European Union.



With 10,826 municipal officials trained, SLGRP has formed a critical mass to ensure the sustainability of skills and continued institutionalization of public budget hearings where citizens actively engage in the economic development of their community, forging a proactive partnership with their local governments. The issuance and publication of the Annual Budget Review Letters by the municipalities, provides citizens with the information required to hold their governments accountable and to demand increased responsiveness to their needs. The Annual Budget Review Letters will help the municipalities present the realities and tradeoffs of the financial challenges their communities are facing.

The municipalities we are currently working with and those with whom we have completed our trainings, are using SLGRP budget forms and will continue to rely upon SLGRP training manuals together with the Financial Desk Reference Guide. Cohort 3 cities are expected to implement the internal controls system and operate the local treasury according to the new Budget System Law as Cohort 1 and Cohort 2 cities have already accomplished. It is anticipated that the more progressive municipalities will move towards the use of a Performance Based Budget and an even more efficient system of financial reporting. The initiation of strategic planning will also contribute to the municipalities' effective use of capital budgeting and promotion more transparency in local governance. The implementation of new financial management techniques increases the efficiency and responsiveness of local governments. Having systems that prevent overlapping functions carried out by the local officials, as was the case until recently, reduces the possibility of corruption.

Below is a list of some of the current impacts in the financial management component that are expected to continue or increase in the 4th program year.

FM Impacts in Transparency, Accountability and Citizen Involvement

Impact	Current Extent
Increased citizen involvement in 2004 budget through public budget hearings	All 40 C1 & C2 SLGRP municipalities
Included citizens' proposals in the 2004 budget	90% of SLGRP municipalities
Percentage of capital budget funds allocated in accordance with citizens' input	Approximately 25%
Initiated implementation of municipal treasury function based on model developed by the Financial Management Team	70% of municipalities
Added a Strategic Planning Provision in City Charter	3 municipalities
Strategic Planning process endorsed by Local Assemblies	2 municipalities

SECTION 5: COMMUNAL ENTERPRISE

INTRODUCTION

The overall objective of the CE Team remains as in previous years: to improve communal enterprises' performance resulting, most importantly, in *improved management, higher cost recovery and better customer service*. Upgrading communal services is something that impacts the quality of life of every resident in the municipality. Being able to turn on the tap in the kitchen sink and have clean water come out is of fundamental importance for citizens.

During Year 4 of SLGRP, we are increasing our focus on insuring the sustainability of previously achieved results, completing project phase out, and adjusting aspects of the work to support the US Government's updated priorities for Serbia. The objectives and activities listed below include continuation of previous years' practices and one new objective related to local economic development and job creation. As in past years, one of the focuses of the Communal Enterprises Team is increasing visibility of USAID work for the average Serbian citizen.

KEY OBJECTIVES AND ACTIVITIES (OCTOBER 2004–SEPTEMBER 2005)

The Communal Enterprise Team's five Year 4 objectives and related activities are outline below. More detailed information on the most important activities is included in next section "Implementation Strategy" and the schedule for each activity is reflected in charts included in Annex of this Work Plan.

Objective 1. Improve CE performance through advanced training and technical assistance in 4 topics (CE team) & in 5 additional topics (other SLGRP Teams)

- Revise training programs as required
- Provide training
- Monitor effectiveness
- Provide follow-up assistance as needed

Objective 2. Use follow up activities to assure sustained impact of basic trainings

- Monitor effectiveness
- Provide limited technical assistance tailored to help CEs solve specific problems

Objective 3. Enhance program CEs' ability to apply for and effectively manage US and other donor funding and increase sustainability of funded projects

- Assist CEs with project packaging and
- Foster CE activities to increase the sustainability and effectiveness of donor financed projects
- Support CEs in exploring revenue generation through recycling

Objective 4. Assist CEs in clarifying and removing obstacles to Economic Development

- Conduct CE economic development round table
- Link CEs, Standing Conference Econ Dev Committee & SME Leaders

Objective 5. Monitoring, Reporting and Project Close Out

- Conduct best practices round table
- Monitor CE results related to MCI scores and PMP indicators
- Prepare semi-annual & final reports

CE Staff Conducted Training Workshops

The CE Team works with each cohort over a two-year cycle. Basic training provided in the first year is followed by training in advanced topics during the second year

Basic (1st yr with each cohort)	Advanced (2nd year with each cohort)
Public Relations/ Customer Service Utilities Management Water/Waste Water Technical Operations Solid Waste Technical Operations	Capital Project Identification & Packaging Operations & Maintenance Manual Production Real Unit Cost Calculations Water Loss Reduction & Metering

Beginning in March 2004, the CE Team started to work with the 12 new municipalities that comprise Cohort 3. All team activities will be completed by July 31, 2005 in the 34 CE municipalities. SLGRP is working with 38 communal enterprises (in 4 municipalities we are working with more than one enterprise). Assistance is focused on water, wastewater and solid waste utilities. Below is a list of the 12 new Cohort 3 CEs.

Cohort 3 Communal Enterprises

Team	Activity	Goal	CE Results
Public Procurement	Public procurement & ethics training for CE employees.	CE employees knowledgeable of capable to comply with Public Procurement Law	Fair, transparent procurement procedures
Financial Management	Financial management training for CE Financial Department employees	CE Financial Department employees more effective and skilled	Better billing and collection, & budgeting
Civil Participation	Interaction with CE Team to get their assistance on CAC, OSPs and public budget hearings	Greater interaction with Citizens and Businesses	Better informed citizens and more satisfied customers
Policy Reform/ Association Development	Convey and promote CE issues with the Standing Conference	Legislative reform & links between SCTM & CEs	CEs & Republic Government better informed
IT	Train CE staff in Windows and MS Office.	Enhanced computer capabilities literacy	Improved CE management and operations
Name of Communal Enterprise		Name of Municipality ("*" Denotes South Serbia Municipality)	
JKP Cistoca		Kraljevo	
JKP Komunalac		Bujanovac *	
JKP Vodovod		Surdulica *	
JKP Komrad		Vranje *	
JKP Moravica		Presevo *	
JKP Obnova		Medvedja *	
JKP Standard		Vrbas	
JKP Vodokanal		Becej	
JKP 7. oktobar		Novi Knezevac	
JP Komunalac		Ruma	
JKP Vodovod		Sabac	
JKP Djunis		Ub	

CE Team Results Achieved Through Cooperation with Other SLGRP Teams

END GAME IMPLEMENTATION STRATEGY

Complete Contract Requirements

We anticipate that current contract requirements will be met by July 2005, which is the phase out date for this component. Through year three, program CEs are on schedule to meet Municipal Capacity Index and Performance Monitoring Plan scores. The outcome of September's local elections will be monitored closely to identify risks for regression in cohort 1 & 2 municipalities. Newly elected officials' level of cooperation with SLGRP will depend upon the personal characteristics of election winners, their political party's attitude toward reforms and upon their understanding the importance of the reforms.

Sustaining Improved Management, Higher Cost Recovery and Better Customer Service

The priority in project design of ensuring sustainability becomes an even higher priority this year. The inclusion of Real Unit Cost Calculation training is one example of the focus on sustainability. The typical rate structure for CEs in Serbia at project start up covered only a portion of production costs, meaning that CEs operated at a loss that was either unfunded or funded by the municipality. In addition, no reserves were being accrued for capital replacement despite the poor condition of infrastructure and the ever-increasing cost to operate infrastructure beyond its useful life. As a result of the cost calculation training program, CEs are now able to compute what service fees are required to cover current and capital replacement costs and how to engage citizens to prioritize capital expenditures and to gain support for rate increases. This capability is especially important in South Serbia, the most underdeveloped part of the country.

In addition, the CE Team's approaches also focused on sustainability. Examples include:

- Including municipal and CE operational staff in most training: (These staff members typically remain in their positions when a new municipal government is elected or when new leadership for the CE is appointed.)
- Providing follow up assistance after classroom training and workshops to assist CE staff in overcoming problems they encounter when implementing what they learned during training, and
- On a limited basis, assisting CEs in overcoming new crises that would otherwise drain their resources to a point that day-to-day operations would be severely interrupted, especially when such crises provide an opportunity to assist the CE in more effectively interacting with and responding to citizen concerns.⁷

⁷ Long-term resolution of such problems often requires capital expenditures that can not be funded by SLGRP. In such cases, unless the other donors are able to provide such funds, assistance tends to be limited to making

Coupled with the approaches listed above, specific actions to insure sustainability this year will include:

- In municipalities where those in managerial positions change after September's elections, work with new staff to make sure they understand the benefits of SLGRP–USAID assistance and the necessity for supporting further reforms; In cohort 2, assist CEs in maintaining all Performance Monitoring Plan indicators and MCI scores.
- Continue to provide assistance in project proposal writing for outside projects funded by donors (In many instances the funding of such projects is key to the long-term financial sustainability of the CE);
- Work with the Citizen Participation Team to have municipalities expand the role of CEs during the budget hearing process. About 50 % of an average municipal budget is devoted to operating communal infrastructure. Working together, the CE and CP teams will focus this year on enhancing enterprise staff's role in the public budget hearings so as to learn more from citizens about their priorities and to present to citizens reasons for future changes in pricing structure and service fees;
- Foster a linkage between the Communal Service and Economic Development departments of the Standing Conference by encouraging better cooperation between these two groups, SLGRP staff and leaders of small and medium sizes businesses. This cooperation would work to define and support implementation of goals common to CEs and businesses.

FOUNDATION FOR FURTHER SUCCESS IN USAID'S OBJECTIVES

Skilled Staff Resources

This project was designed to build a cadre of skilled local professional staff and this has been accomplished. The CE Team was the first SLGRP team to graduate from international leadership. The two local Team Leaders have proven to be effective in their new roles as have the other CE professional staff. In any related work or follow on projects USAID may undertake start before this group of staff is disbanded, that cadre of staff could be used in the new project resulting in a more rapid start up and the application of firsthand experience of lessons learned from SLGRP.

mitigation action plans or coaching on how to bring citizens into the process and to communicate with them more effectively.

Information for the Next Generation of Projects

Monitoring tools in use and special initiatives planned for this year will provide a wealth of information for the US Government and others.

- The CE Water / Wastewater and Solid Waste Round tables will convene members of groups that have not previously had the opportunity to discuss CE infrastructure obstacles to growth and provide additional information on the obstacles in this sector for economic development and the accompanying job creation;
- This year's plan to work with solid waste companies interested in exploring revenue enhancement and job creation through waste recycling, sorting and sale will provide an assessment of the feasibility of this concept that requires little capital outlay, would create jobs and reduces environmental impact;
- Follow up on the status and impact of capital projects where the CE Team assisted enterprises in obtaining outside funding can be used in determining the direction of future donor funded infrastructure financing, a current major priority for many international donors. The fact that the CE team has been able to leverage \$3.46 million in funding with very limited resources devoted to this activity is also an indication of a current gap in the types of international assistance to Serbia and a possible consideration for a future USAID project that could leverage a large amount of capital expenditure with very limited technical assistance. Below is an excerpt from press coverage of a project where the CE team assisted a communal enterprise in obtaining 1.1 million Euros from the Norwegian government.

Municipal landfill in Gornji Milanovac before and after rehabilitation, a result of CE Team work on project ** preparation.



** Project funded by Norwegian Government

Pictures from article in national newspaper "Vecernje novosti" August 19, 2004., headlined "Dumpsite as Clean as a Pharmacy"

Counterparts for the Next Generation of Projects

As previously mentioned, SLGRP municipalities and CEs can be seen as prescreened counterparts for future projects. It is worthwhile however to point out that the citizens in these communities have also benefited through SGLRP. More than in any previous time, they have been given more information from their government and service providers as well as had more opportunities to work together with local authorities on solving problems. In the process they have become more effective in their role as active citizens and they are beginning to increase their expectations of government responsiveness to their needs and priorities. This development of citizen capacity and advocacy will enhance the effectiveness of future projects as well as assist in sustaining practices initiated under SLGRP.

Examples of Low Cost Projects That Would Impact Citizens Immediately

The SLGRP CE capacity building approach has been a strategic first step towards communal enterprises operating on a sustainable basis where their revenues are sufficient to cover their current and capital costs. **Providing a small amount of funding for carefully targeted projects is a logical next step. Using targeted projects, significant improvement in customer service and operational efficiency can be achieved with relatively small amounts of capital.**

Examples of three types of such project are listed below:

Highly Visible Projects: The municipal water supply for the entire town of Kikinda is configured such that any electric power interruption in the water-intake area IMMEDIATELY leaves the entire city without water supply (including those most critical users such as hospitals and kidney patients with home dialyses systems). This is because the system contains no storage tanks. By providing a 250kVA back up power generator (app. value **\$25,000**) the system vulnerability related to electric power supply would be completely removed. The result would be potable water through the taps to all citizens despite power failures.

Diagnostic Equipment: Many cities in Serbia lose as much as 40 % of the water they supply due to distribution system leaks. Leak detection equipment (app. value **\$25,000**) combined with pipe detection tools are required for the enterprises to address this problem. Fortunately such equipment can be shared by several cities. Operational cost savings from detecting and repairing leaks are significant.

Small Tools: A locally made, small, all terrain vehicle equipped with tools to make on site repairs (app. value **\$15,000**) that would be used for both system inspection and field repairs. A vehicle equipped this way would result in faster restoration of services after system failures and make it easier for enterprise staff to perform preventive maintenance and other plans they developed under SLGRP resulting in fewer service interruptions overall.

RESOURCE REQUEST SUMMARY

The following resources are required to accomplish the objectives described above:

- 5 local advisors through July 31, 2005;
- 1 local Advisor, through July 31, devoted 40% to CE (and 60% to Metro Belgrade Team);
- 18 days International STTA (Jeanne Gardner 2 weeks in country for close out and reporting support and 3 days for consultations from the US);
- 12 days Regional STTA (Zoltan Kristof 12 days for Real Unit Cost Calculation work inside the country); and
- Local consultants/contractors to conduct trainings with CE staff on special highly technical subjects including Project Packaging, Water Loss Reduction, Metering Improvement and Local Economic Development: estimated contracts totaling \$4,700.

Implementation Assumptions

The influence of upcoming local elections is significant. In addition, the work plan approach and timeline are based on a number of assumptions:

- Cooperation from newly elected officials or the ability to remove from the program municipalities where cooperation is not a priority;
- The majority of non-elected staff will remain in their current positions;
- That few partner municipalities will have to hold second round elections;
- US and other donor funding continues to be available to enterprises;
- Other donors remain active in Serbia and that environmental protection and economic development remain priorities;
- None or few of SLGRP CEs will encounter infrastructure failures of a scale that would prohibit them from continued progress related to MCI scores;
- The Law on Property Devolution to Municipalities is adopted;, and
- All existing staff will complete their current contracts. (Attrition or replacements at this point in the project would adversely affect the achievement of results.)

Results and Impact Expected

The overall impact of CE work is that enterprises will improve their overall performance through better management resulting from increased knowledge and use of skills learned as part of their participation in SLGRP. Improvements in utility performance translate into improvements in the quality of life for citizens. For all three cohorts, it is expected that at the end of program, at least 38 Communal Enterprises will demonstrate the following in their day-to-day operations:

- Increased market orientation,
- Better management,
- Significant improvement in citizen orientation,
- Better service delivery, and
- More effective operation.

Other impacts of CE work are compiled and reported through several program monitoring tools. The two primary ones are MCI scores and the PMP.

Milestones

Milestones for the CE component this year are outlined below.

1. Provide advanced training to 12 Cohort 3 municipalities, in the following fields:
 - Capital Project Identification & Packaging,
 - Operations & Maintenance Manuals,
 - Real Unit Cost Calculations, and
 - Water Loss Reduction & Metering.
2. Conduct a Round Table Sessions for CEs, business leaders and municipal officials to identify general Economic Development obstacles related to CEs such as inequitable service rates, special water quality and other communal service needs and permitting challenges and specific obstacles in particular municipalities.
3. Foster a formal link between the Communal Service and Economic Development departments of the Standing Conference by encouraging better cooperation between these two groups, SLGRP staff and leaders of small and medium sizes businesses.
4. Prepare semi-annual report and final report.

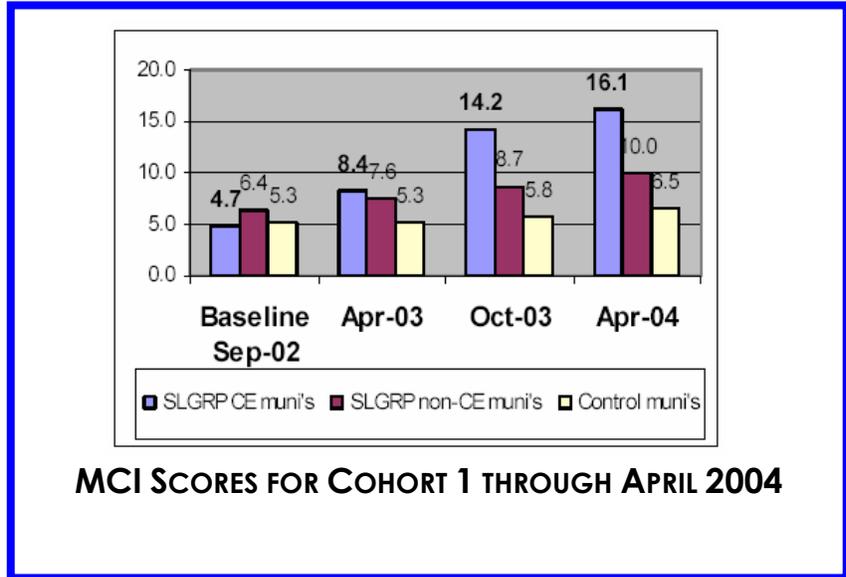
MCI—An Effective Tool to Measure Program Impacts

The MCI, designed for this project by DAI, can provide various branches of the US government with a wealth of information on communal enterprises including their overall

capacity, the impact of specific program aspects and approaches, and fertile municipalities and regions for future work. MCI scores can be used within a municipality to track their own progress and to establish priority areas for improvement.

Program monitoring in the form of MCI and PMP will measure specific indicators of improved operations. It is expected that at least 33 CEs will achieve scores that fulfill all of the contract

requirements related to PMP indicators, and that at least 33 CEs will achieve a minimum MCI score of 15 out of a possible 20 points⁸ (17 enterprises had reached 15 points by April 2004). It is anticipated that such scores will reflect a significant difference from the scores of non-SLGRP municipalities. The chart below provides additional information on CE MCI scores.



The list and table below illustrate some of the additional indicators of the progress that program CEs are making in the work to improve management, increase cost recovery and improve service delivery.

- Service Fee increased by 27% for SWCEs and 30% for WWCEs
- Bill collection rates increased on average by 8%.

Various improvements in service delivery visible to the average citizen as specified in the following table.

Service Improvements For Citizens		
2001 - Before SLGRP	2004—3 Years Later	SLGRP activity resulting in positive impact
Interruptions of regular communal service provision	Citizens are regularly served with communal services	Use of lessons on better management, operations, and maintenance of the communal systems obtained at workshops

⁸ Scores for southern Serbia SLGRP CEs are not included in this projection. Given that infrastructure in the south is more deteriorated than in the balance of the country, USAID decided to set goals lower than 15 for the 3 southern Serbia program CEs.

Service Improvements For Citizens		
Lengthy periods to complete repairs	Repair time is shortened	Implementation of the guidelines presented at workshops for work process planning, preventive maintenance, & spare parts inventory
Great number of wild dumpsites, especially in the suburban and rural areas	Wild dumpsites are regularly removed	Many of CEs increased awareness on environmental issues and cooperation with municipality, resulting in removal of wild dumpsites
Lack of solid waste collection service in rural areas	Regular once or twice/week service provided to number of suburban and rural areas	Use of vehicle routing strategy and better utilization of the existing equipment. Some of CEs increased their capacity to extend waste collection services to suburbs and villages
No regular and timely information on communal services provision to citizens	Communication with citizens established through media, bills, complaint records	Implementation of the Customer service policy
Inadequate transparency in CE business activities	Better transparency in CE business activities	Implementation of the Media relation plans.

SECTION 6: CITIZEN PARTICIPATION

INTRODUCTION

The Citizen Participation team will be primarily focused on the institutionalization and completion of activities carried out during the last three years of the program. The CP Team will focus on:

- Completing public budget hearings assistance in 70 SLGRP municipalities
- Completing work on two Citizen Assistance / One Stop Permitting Centers
- Institutionalizing citizen/city relations improvement plans

In addition, the CP team will concentrate on two new issues with the policy team: local ombudsmen and an information campaign to increase awareness and educate the public on decentralization issues. Holding a Best Practices Fair to highlight municipal best practices is another new activity.

KEY OBJECTIVES AND ACTIVITIES

CP Team objectives and activities are outlined below. The cohorts that are involved are indicated where relevant. More detailed information on the most important activities is

Objective 1. Support and monitor citizen budget process involvement in 70 municipalities

- Establish a reporting system on the budget hearing process (C 1&2)
- Provide TA in the 2nd and 3rd phases of the 2005 budget process (C3)
- Write a final report on the budget hearing process (C 1-3)

Objective 2. Complete the establishment of two (2) Citizen Assistance Centers/One Stop Permitting Centers

- Assist up to 2 municipalities establish CAC/OSPCs (C2)
- Support and monitor the performance of newly established CAC/OSPCs

Objective 3. Institutionalize strategy implementation plans in 15 CP municipalities (C 1&2)

Monitor, support and evaluate:

- 10 CAC/OSPCs
- Development of 4 BIDs
- MZ Action Plans in 4 MZ municipalities

One Stop Permitting and Call Centers

Objective 4. Cross team support and collaboration

Work closely with the Policy Reform Team on:

- 4 regional conferences on good governance (C 1-3)
- Raising public awareness on importance of decentralization
- Best Practices Fair to show best practice examples (C 1-3)

Objective 5. Reporting, monitoring and close out of the CP component

- Summary assessment of on 2 BIDs and 5 CACs
- Semi annual and final report

included in the next section “Implementation Strategy” and a chart indicating the schedule for each activity is included in the annexes that follow the narrative section.

END GAME IMPLEMENTATION STRATEGY

Contract Requirements

Throughout the life of the program the CP team has worked intensively with 25 municipalities to implement activities the cities selected and with all 70 municipalities to encourage citizen participation in the municipal budgeting process. It is expected that by the end of Year 4 all contract requirements will be fulfilled:

- Municipal officials of 70 municipalities will have gone through formal training on issues such as communication and citizen participation in the public hearing process, strategic communication plans and customer relations training;
- 16 CACs and 15 OSPs will be established out of the 29 foreseen in the contract (the remaining 13 CACs and 14 OSPs will be developed within the Metro Belgrade portion of the project);
- Four Business Improvement Districts will be established;
- Five citizen participation manuals for use in formal training will be distributed to all municipalities and the SCTM, and
- 12 Citizen Advisory Boards on Communal Enterprise issues will be created (four more than the eight foreseen in the contract).

In addition to the contract requirements, the CP team has carried out several initiatives aimed at improving communication and citizen/government relations:

- 6 municipalities developed a strategy to strengthen local communities (MZs) as an effective voice of citizens,
- 10 municipalities employed tools such as Best Civil Award Action programs,
- 13 municipalities built handicap ramps to provide easy access to their city halls, and
- North-South inter-municipal exchange initiatives to facilitate the exchange of information lessons learned and best practices. Examples include municipal officials from Bujanovac and Presevo, visiting CAC/OSPs in the North.

Milestones

The activities carried out by the CP team will be completed by the end of March 2005 when most of the CP Team's staff will phase out.

- In November 2004 all 70 municipalities will conduct public hearings to explain how they used citizen input to prepare the FY2005 draft budget and collect further suggestions for the FY2005 adopted budget to be presented in the third phase.⁹
- By January 2005 all 70 municipalities will complete the third phase of citizen participation in the budget process and/or public hearings to present the final adopted FY2005 annual budget to the public accompanied by budget letters.
- Up to two new CAC/OSPCs will be established in the municipalities of Bujanovac and Loznica.
- The Citizen Participation Team, in cooperation with other SLGRP teams, will provide direct technical assistance to municipalities, to prepare and organize a Best Practices Fair in order to show best practice examples.
 - Public education campaign on decentralization conducted throughout Serbian municipalities.
 - 4 regional conferences on good governance (local communities, ombudsman and public budget hearings) for 70 SLGRP municipalities conducted.

Fostering Sustainability

After working with 40 Serbian municipalities for three years it is safe to say that most of them have established and institutionalized routine mechanisms to solicit citizen input into the decision-making process. The 30 municipalities in cohort 3 that joined SLGRP in 2004 have recently started to apply various mechanisms for citizen involvement. The Citizen Participation Team has and will continue monitor the work of the 40 cohort 1 and 2 municipalities through different mechanisms while providing more extensive technical assistance to cohort.³

Some of the approaches the CP Team used were specifically chosen to foster sustainability:

- Improving service delivery to citizens by establishing, monitoring and evaluating Citizen Assistance and One Stop Permitting Centers as well as by creating an internal network of CAC/OSPC that will serve as a venue of information and experience sharing beyond the existence of SLGRP;

⁹ It is anticipated that the second phase of the budget process will be postponed until November 2004 due to local elections and establishment of new governments.

- Improving the capacity of municipalities to communicate effectively with citizens on a permanent basis either by establishing or upgrading communications offices (11 out of 25 CP intensive municipalities);
- Focusing on an already existing, but underutilized unit of government, MZs, to further strengthen and improve citizen/government relations;
- Disseminating the MZ model ordinance prepared by the Policy Team and CP Team in cooperation with the Standing Conference. The model ordinance clarifies MZ functions, legal standing and funding sources; and
- Providing all municipalities with the SLGRP developed manuals on various citizen participation mechanisms to support those who have expressed interest in applying program CP approaches independently of SLGRP assistance.

As the project concludes, the CP Team will forward to the Standing Conference copies of all program materials for them to create their own resource library to which Serbian municipalities can turn for assistance once SLGRP ends.

Helping Municipalities Serve Citizens Better

Public Budget Hearings—Over the life of the project the CP team, in concert with the FM Team assisted 70 municipalities in conducting a 3 phase budget hearing process employing various communication tools in order to provide citizens with the opportunity to actively participate in the budget process: public hearings, MZ meetings, questionnaires, focus groups, publications: brochures, leaflets, posters, flyers, media campaigns, etc.

PHASE I	PHASE II	PHASE III
April–July Budget preparation	September–October Draft Budget review	December–January Budget presentation
Inform Educate Gather Input	Consult Test	Present
HEAR	INVOLVE	BRIEF

The Team will continue to monitor, evaluate and report on the progress of the public hearing process in 40 municipalities and provide direct technical assistance and support to 30 new SLGRP municipalities through the end of the CP component.

Call Center—The Citizen Participation Team has been working with the City of Kragujevac to establish a Call Center, for public services provided by their communal enterprises. The

Center is an activity associated with the upgrade of the Citizen Assistance Center. In order to help this project become sustainable, SLGRP will continue to provide field assistance for the municipal staff in upgrading level of information provided and improving of the functional definition of the call center.

The Citizen Assistance Center (CAC)—CAC addresses many of the citizens’ concerns, such as long-lines, slowness, solving the cases out of turn, corruption, lack of work discipline, and others. Located in an easily accessible area in the city hall, the CAC creates a welcoming environment for citizens to be treated as “customers” rather than a nuisance, and provides local governments the opportunity to be efficient service providers. The CAC is a new model for citizen-city hall relations by facilitating communication between citizens and their government. A range of activities can be provided in the center, from information about city hall and its departments, general information regarding the city, to providing services such as business licenses, certificates, child allowances, and other rights to which citizens are entitled.

At the time of this writing there are 13 municipalities in Serbia with CAC.

<p>CAC Services Offered:</p> <ul style="list-style-type: none"> ▪ Certificates, construction and business permits, child and maternity care decisions ▪ General information on the local government (forms and applications, guides thru municipality, legal assistance), communal enterprises, local community, business activities; 	<p>Benefits:</p> <ul style="list-style-type: none"> ▪ Improves the flow of information and the ways which citizens can communicate with the local government ▪ Makes the work of the local government more transparent and efficient <ul style="list-style-type: none"> • Provides feedback on the citizens needs and concerns
<p>SLGRP Role:</p> <ul style="list-style-type: none"> ▪ Assistance in designing a plan of action including what services will be offered and staff training ▪ Problem solving technical assistance ▪ Support for the costs of hardware, software and training 	<p>CP Year 4 Activities:</p> <ul style="list-style-type: none"> ▪ Continue to provide guidance and monitoring tools for the municipal staff in 10 CAC/OSPCs established during program year 3 ▪ Promote inter municipal exchange to allow for the information sharing between different CAC/OSPCs ▪ Support the creation of an informal network of Centers

Business Improvement District (BID)—BID is a publicly sanctioned, privately managed organization that supplements public services to improve geographically defined retail and commercial areas. BID organizations are based on a self-help doctrine, which provides for financing its multi-year operations through self-taxing mechanisms authorized by the municipality’s legislative body. Its purpose is to improve the business climate and economic vitality of downtown areas. The BID represents a partnership between property owners, shopkeepers, and City Hall.

The downtown shopping areas of most Serbian cities are in need of revitalization and renovation not only of their basic infrastructure, but also of the shops and buildings, which are the economic core of the central city. These traditional shopping destinations for residents of both urban and rural areas have been for hundreds of years the meeting place for

exchanging ideas as well as goods. They now face multiple problems—economic decline, low purchasing power and lack of infrastructure investments in recent years.

Since June 2002, viable and functioning BID organizations have been established in four Serbian communities--Zrenjanin, Valjevo, Kruševac and Niš—demonstrating that the innovative BID concept can and does work in Serbia.

<p>Work Areas:</p> <ul style="list-style-type: none"> ▪ Maintenance of capital improvements ▪ Promotional activities ▪ Services (cleaning, safety, business support, etc) ▪ Advocacy 	<p>Benefits:</p> <ul style="list-style-type: none"> ▪ Increased volume of business, interest in space leasing, value of rented premises and increased employment ▪ Promotional activities to better inform visitors, citizens, shoppers, service providers and investors ▪ Increased lobbying and advocacy ability of businesses and citizens from the area regarding governments' decisions
<p>SLGRP Role:</p> <ul style="list-style-type: none"> ▪ Project initiation ▪ Technical Assistance ▪ Facilitation of the strategic planning process ▪ Organization and financing of study tours ▪ Monitoring of capital improvements implementation 	<p>Year 4 Activities:</p> <ul style="list-style-type: none"> ▪ Monitoring four established BIDs (Zrenjanin, Valjevo, Nis and Krusevac) ▪ Monitor execution of the strategic plans ▪ Evaluate 3 BID sites and provide light assistance if needed ▪ Assist in implementation of capital improvements in the Krusevac BID.

Strengthening Local Communities as a Voice of Citizens - Local Community (Mesna Zajednica) is the institution of local community government that serves as a vehicle for self-organizing citizens. The Citizen Participation Team continues to provide technical assistance to strengthen MZs in 6 Serbian municipalities.

<p>Role of MZ's:</p> <ul style="list-style-type: none"> ▪ An important legacy of direct democracy; ▪ A monitoring body over local government work; ▪ A link between the municipality and citizens to mitigate tensions. 	<p>Benefits:</p> <ul style="list-style-type: none"> ▪ Improves the communication between municipality and Mesna Zajednicas and hence between Mesna Zajednicas and citizens ▪ Improves citizen access to information and services within their own community;
<p>SLGRP Role:</p> <ul style="list-style-type: none"> ▪ Assess stakeholder relations and overall health of Mesna Zajednicas ▪ Establish MZ Advisory Board to monitor implementation ▪ Establish recommendations and set priorities ▪ Design and conduct workshops specific to each municipalities' priorities 	<p>Year 4 Activities:</p> <ul style="list-style-type: none"> ▪ Monitor and support the implementation plans in 4 municipalities, Ivanjica, Aleksinac, Medvedja and Bujanovac ▪ Monitor institutionalization and provide local governments with relevant field assistance ▪ Establish the first rural servo center in the municipality of Ivanjica in cooperation with CRDA partner that would act as a satellite office of the CAC/OPSC so that citizens could obtain most of the services offered at the central center in their own neighborhood ▪ Provide assistance and support in carrying out different projects such as community public notice boards creation, TV shows, MZ bulletins, model ordinance adoption, public hearings etc

LAYING A FOUNDATION FOR FURTHER SUCCESS IN USAID OBJECTIVES

- Foster leveraging of program success by further collaboration with other donors. The success of CAC/OSPCs is reflected by the interest shown by other donors such as UNDP. UNDP has adopted the SLGRP model for CAC/OSPCs to use in its own municipal support program in south Serbia and has contracted two CP advisors to work as a part time consultants engaged in their work.
- The report resulting from the four regional conferences on good governance for all 70 municipalities will provide a wealth of best practices information for use by USAID and other donors;
- Raising public awareness about decentralization in all Serbian municipalities to increase pressure from local governments to move forward with decentralization, and
- The Best Practices Fair for all 70 SLGRP municipalities to show best practice examples will provide models for future assistance for USAID and other donors.

RESOURCE REQUEST SUMMARY

The Citizen Participation Team, currently comprised of eight professionals [one international advisor and seven locally hired professional staff], is divided among four field offices located in Belgrade, Kraljevo, Nis and Vranje. The following resources are required to accomplish the objectives described above:

- 6 local advisors through March 30th, 2005
- 1 local advisor and 1 international adviser through May 31st, 2005
- 40 days of international consultant (Daniel Serban - OSPCs skills and knowledge transfer to local professional staff)

IMPLEMENTATION ASSUMPTIONS

- Local elections scheduled for the fall of 2004 might disrupt our Year 4 work plan implementation, particularly the public hearing process planned for the FY2005 budget cycle. A delay in constituting new local governments might lead to a reduction in the number of public hearings held. If any of our municipalities decide to go on temporary financing it is unlikely they would complete the budget process for the FY2005 before CP staff contracts end.
- Collaboration with the FM team will continue on the budget public hearings.
- Funding resources used in the past must remain. This includes funding from the municipalities themselves, SLGRP, CRDA and other donors. Changes in elected officials may risk the continuation of past funding. Lack of CRDA funding would impact the realization of the rural service center in the municipality of Ivanjica and the CAC/OSPC project in Bujanovac.
- The Information Technology Team will continue to procure and install CAC and OSPCs software as agreed.
- The Metro Belgrade team will complete the contract requirement with regard to the establishment of the remaining 13 CAC and 14 OSPCs.
- Realization of the CAC/OSPC project in the municipality of Loznica is anticipated to be completed only if the new local government that comes into power decides that project fits into their own priorities for the years to come.

RESULTS AND IMPACT EXPECTED

The overall goal of CP Team activities is to facilitate the communication of citizens with local government and promote improved service delivery. In achieving this objective, the CP Team has and continues to work closely with municipal officials to help them recognize the importance of citizen involvement in their activities and to identify projects that will help in restoring citizens' confidence in their local government.

The impact of CP team is observed in municipalities that apply routine methods to involve citizens in their decision-making process, thereby promoting a more transparent and participatory local government. To date more than ten thousand citizens throughout the 70 municipalities participated in public budget hearings. This gave many people their first opportunity in more than 15 years to affect the financial decisions of their government. Tens of thousands more learned about the cities' increased transparency through TV shows, newspapers, radio call-in shows, surveys, posters and other informational materials disseminated in the city.

The establishment of CACs has brought significant changes for the better by providing information to citizens and efficient service delivery. Other benefits are increased transparency of procedures related to the issuance of certificates and permits, improved coordination between city departments, and the availability all information/documents available to citizens in one location. Other donors, especially UNDP, have replicated the SLGRP approach to CACs.

CAC/OSPC Impact - Zrenjanin		
Department	Before	After
Notary and Admission	*7, 213 cases resolved *Impossible check-up of current cases	*13, 272 cases resolved *Enabled check-up of current cases
Registry	*Counters and offices in different parts of the building *Registry books in electronic database—27,205 entrees *Admission in the morning, issuing certificates in the afternoon or following day	*Citizens served in the CAC *Registry books in electronic database—190,000 entrees *Issuing certificates on the spot
Social Services	*Counters and offices in different parts of the building *Requests considered within 30 days	*Citizens served in the CAC *Requests considered within 15 days
Business Permits	*Admission and processing of requests on 2nd floor *Permits completed within 7ds *Archiving within 30 days	*Admission and processing of requests in the CAC *Permits completed in 1 to 3ds *Archiving on a daily basis
Construction Permits	*Admission and processing of requests on 2nd floor *Request processing manual, no electronic database and software *Permits completed within 30 days	*Admission and processing of requests in the OSPC *Request processing electronic, with new equipment and software *Permits completed within 1 to 7 days

SECTION 7: INFORMATION TECHNOLOGY

INTRODUCTION

The goal of the Information Technology Team is to upgrade data management and communication systems in local governments, to allow municipal staff to share data, and to improve productivity, reporting, and citizen services. In Year 4, the IT Team's interventions focus on supporting the efforts of the other program teams, especially the Financial Management, Communal Enterprise, and Citizen Participation Teams. The IT Team will support these teams through the provision of limited hardware (network wiring, printers, servers, and desktop computers), software (specialized software such as municipal accounting and budgeting, citizen assistance / notary, and building permitting as well as system software such as MS Office and anti-virus software), and training (in software applications and systems administration).

Throughout the project, the IT Team has been particularly successful in cooperating with other US-funded programs and other international donors. Our current cooperation with CRDA in Kragujevac has resulted in the provision of equipment and software for their One-Stop Permitting Center. Also, the UNDP has adopted SLGRP standards in equipment, system software and configuration and is implementing these standards in some non-SLGRP municipalities. This will undoubtedly improve communication and further investments in IT in greater number of Serbian municipalities.

KEY OBJECTIVES

SLGRP's Information Technology Team operates under four guiding objectives:

Objective 1. To install a core package of hardware, software, wiring, and training that provides partner municipalities with a stable IT platform for future development.

Objective 2. To facilitate the development and implementation of specific municipal application software solutions, in partnership with other SLGRP teams, to ensure improved speed and quality of service.

Objective 3. To ensure long-term sustainability of implemented IT systems by strengthening the capacity of the Standing Conference to ensure proper maintenance of donated equipment and software.

Objective 4. To ensure an appropriate transition of SLGRP's IT resources from the project to Serbian institutions and organizations.

IMPLEMENTATION STRATEGY

The work plan for the Information Technology Team this year includes completing the provision of SLGRP's core IT package to 70 municipalities, focusing particularly on completing the training of four municipal system administrators, installing hardware and basic software in 18 municipalities, and implementing the new project close-out task in the last months of this Program year.¹⁰

counterparts like the Standing Conference to build their IT technical and management capacity and to institutionalize the role of IT in local government functions. One of this year's important deliverables that will contribute significantly to the project's long-term sustainability is the creation of an IT instruction manual for municipal government.

Having succeeded in creating a stable IT environment in over 40%¹¹ of Serbian local governments, the IT Team has ensured that by the end of the program all SLGRP municipalities will have a sustainable database platform, networking environment and knowledge base that can easily be built upon and improved. This newly acquired IT capacity will increase the ability of local governments to use IT resources to improve their services to the citizens and the development of their local economies. This objective is anticipated to become a major priority in the coming years.

One of the application software vendors, Mr. Lazar Marjanovic, who has installed application software in more than 50 municipalities in Serbia, decided not to deal with municipalities unless they receive assistance from SLGRP. The reason being that in SLGRP municipalities there is a stable IT environment, reliable hardware, computer networks, and system administrator, which is not case with other Serbian municipalities.

Additional information on the implementation of each objective follows.

Objective 1: Provide Core Package of Network Wiring, Equipment, System Software and Training

In order to establish an overall stable network environment and ensure improved speed and quality of service to the citizens, the IT team provides a basic core package of equipment, software, and training tailored to each municipality's needs. This objective includes the following activities:

- Providing a complete and standardized Local Area Network (LAN) package consisting of

"Thanks to the new equipment, innovations and changes of personnel, municipal management activities are faster and more effective while citizens more quickly receive high quality services", said Mirjana Stanic, general secretary of Valjevo municipal administration.

¹⁰ Training will include additional 7 Metro-Belgrade participants and installation of core package in 16 Metro-Belgrade municipalities. Please refer to Metro-Belgrade section of the work plan.

¹¹ This percentage does not include Metro-Belgrade municipalities which changes the percentage of IT supported municipalities to over 50% of all Serbian municipalities.

network wiring, a server, workstations, printers, system software, and Microsoft Office media.

- Upgrading and/or expanding an existing network (wiring additional offices or providing networking equipment components like switches) for those municipalities that have an adequate IT infrastructure.
- Providing Basic and Intermediate System Administration, Windows and MS Office Basic user training to ensure proper use and sustainability of installed systems, as well as to further promote the use of IT resources in daily municipal activities.

The graphic below describes all of the hardware that SLGRP has procured and installed for key program stakeholders.

Computer hardware

Applies to	Component	Servers	Personal Computers	Laser Printer	Laser Printer (big Capac.)	Scanner	LAN **
Cohort 1(19) *		20	187	65	20	30	18
Cohort 2 (21)		19	131	61	12	28	19
Cohort 3(30)		11	37	13			21
Citizen Assistance Centers (C1&C2)			74	19	14		7
Belgrade (10)							
Standing conference		1	6		2	1	1
Completed by Sep-04:		51	435	158	48	59	66
Cohort 3		15	43	17			4
Standing Conference							
Belgrade		10	31	11			7
Citizen Assistance Center (C1&C2)			13	2	1		2
To be completed		25	87	30	1	0	13
TOTAL		76	522	188	49	59	79

In Year 3 of our activities, we completed a needs assessment for 30 municipalities and received official agreement from each municipality prior to providing the wiring and equipment. Wiring for four Cohort 3 municipalities is yet to be completed, while the equipment installations (servers with system software and workstations) are pending for 18 municipalities and are expected to be finalized by December 2004.

Each municipality has agreed, through a memorandum of understanding, to have a Systems Administrator to support and maintain all donated equipment and software. System Administrators attend Basic System Administration training prior to the installation of servers and system software. Four of the municipalities have yet to send their IT staff to the training after which the server installation will take place. They will attend training scheduled for the first week of November together with the Metro-Belgrade and SC System Administrator.

The Intermediate System Administration training will follow in February as it is necessary to ensure that each municipality has the capacity to maintain and improve or upgrade donated systems and use its resources to the fullest extent possible.

The Basic Windows and MS Office training events for 30 Cohort 3 municipalities in 15 sessions are planned to include at least two adjacent municipalities in order to accommodate their size and training needs and to broaden the impact of this training. This approach will also promote cooperation among municipal staff.

Training component

Applies to	Type of training	End user		IT Specific	
		Office basic	Advanced	Basic System Admin.	System Admin. advanced
Cohort 1(19)		230	37	26	20
Cohort 2 (21)		230	15	24	20
Cohort 3(30)		474	20	27	
Belgrade (12)				8	
UNDP				2	
Completed by Sep-04:		934	72	87	40
Cohort 3(30)		350		4	30
Standing conference				1	1
Belgrade (12)				8	16
To be completed				9	17
TOTAL		934	72	96	57

* in brackets is number of municipalities which signed MOU

** LAN Local Area Network (min 24, max. 192 users connected)

Objective 2: Implement Municipal Application Software (CAC, OSPC, FM)

As in the previous program years, the Municipal Application Software objective includes the procurement and implementation of CAC, OSPC and FM software, in partnership with SLGRP's Financial Management and Citizen Participation teams. These applications support the provision of services to citizens, promote transparency in municipal activities and enable better monitoring of the municipal staff performance.

Financial Management Software (Municipal Accounting and Budgeting Software)

An important benefit of this application is the integration of accounting and budgeting functions. SLGRP has obtained a written approval of the application from the working group of former Ministry of Finance (MoF). Due to the change in National Government, the software is undergoing a reevaluation through a pilot program in Rakovica. Under new MoF guidance, local governments are wary of accepting any donated software. As a result, SLGRP is also evaluating the software and additional modules designed by the software vendor. SLGRP will complete this evaluation in early November. If this analysis proves positive, SLGRP will offer the system to the 30 Cohort 3 municipalities. The tentative implementation schedule runs from November 2004 through August 2005. DAI will provide a presentation for USAID on the status of the Financial Software effort and recommended next steps for their concurrence before moving further or changing direction on this activity.

Citizen Assistance Center Software

In order to support Citizen Participation (CP) team activities in implementing Citizen Assistance Centers (CAC), the IT Team entered into a contract with the Computer Center of the University of Belgrade (RCUB) to implement a CAC software that includes:

- Notary admissions / document tracking solution
- 4 Registry books modules (Birth, Death, Marriage and Citizenship).

This software enables document and request tracking and reduces citizens' time to obtain the necessary documentation from several days to 15 minutes, on average. The IT team will build on the successful implementation of this software in seven municipalities by expanding it to an additional five targeted program municipalities, pending the USAID approval of a Request for Consent to Subcontract, which is now in process.

Call Center Software, mentioned in the Year 3 work plan, has not been implemented in Kragujevac due to the City's shift in priorities and was never fully developed. Instead, a One-Stop Permitting Center was created in September 2004. IT team support of this project consisted in procuring, designing and installing communication equipment to support the connection of five remote locations to the City Hall and the Agency for Urban Planning and Construction through leased telephone lines, where all of the stakeholders are able to share and update information on a GIS system located at the Agency for Urban Planning and Construction. In turn, the Citizen Assistance Center in the City Hall provides a one-stop center for the citizens to submit requests for and receive construction permits and runs the below mentioned software for tracking submitted requests.

One-Stop Permitting Center Software

This application enables local governments to manage the permitting process in an easier, more transparent fashion. The application consists of two major components:

- The actual permitting software, which records details about the property and builder, and
- Larger graphical function, which links a digitized map to show the property and supporting infrastructure, such as water distribution lines, in a graphical map format.

In Kragujevac, the software is demonstrating its full capacity with both software components in full operation. The IT Team has also implemented the permitting component in eight additional municipalities. The IT Team will expand upon our previous success implementing this application by introducing it to an additional 3 municipalities. We will focus our attention on the permitting component of the software and will initiate the map digitalization process for future implementation of the GIS module. Implementation is anticipated to be completed by the end of November 2004.

An important achievement in the application software implementation is also the XML interface between the CAC and OSPC applications. This interface enables information sharing between these two applications, so that common data do not have to be entered twice by municipal staff. Additionally, it is the first step towards an integrated information system that is easier and cheaper to maintain.

During the previous year, the IT Team has also introduced standardization in vendor reporting on their activities in municipalities. This method has improved monitoring and evaluation of application software usage, as well as introduced the possibility of monitoring the vendor-client relationship which will continue independently after the completion of SLGR Program (not including Metro-Belgrade part of the Project).

The graphic below illustrates the IT Team's software implementation accomplishments outside of Metro Belgrade thus far and our planned activities during Year 4.

Software	CAC	OSPC	FM
Implemented	7	8	20
Planned	5	3	2
TOTAL	12	11	22

CitiStat Pilot Project

CitiStat is a management and accountability system used for identifying problems in local government management based on timely and accurate reporting and swift follow-up. Its purpose is the development of a comprehensive reporting system to measure and evaluate performance, highlight key management issues and problems, and propose effective remedies for improved service provision. One of the key impacts of this system is increased managerial accountability, informed decision making, and the depoliticization of service-related municipal operations. *CitiStat* is based on a similar project that originated in Baltimore, USA and has been successfully implemented in other US cities.

Currently, it is being implemented in two cities in Serbia: Indjija and Paraćin. SLGRP's Operations Team constructed the foundations of the *CitiStat* process by providing weekly technical assistance to these two municipalities, resulting in the development of comprehensive reporting systems in the respective cities' Communal Enterprises and the commencement of their *CitiStat* meetings.

In the Year 4, SLGRP will complete work with the two *CitiStat* pilot projects by:

- Continuing to monitor and provide limited technical and IT support to the pilot municipalities, especially to expand *CitiStat* to other departments. This assistance will include additional two weeks of international STTA and limited IT equipment.

- Improving reporting systems and data management.
- Providing legal support for municipal model ordinances on CitiStat; and
- Developing a detailed CitiStat manual, organizing presentations and inter-municipal visits.

Objective 3: Ensuring Long-term Sustainability

In Year 4 of the program, sustainability takes an important place in our objectives and our efforts will be directed at all 70 municipalities in SLGRP. The aim is to make sure donated equipment and software are being properly maintained and regularly upgraded, and to provide tools to institutionalize the role of IT in municipal activities through supporting Standing Conference of Cities and Municipalities and its efforts in establishing the Information Technology Board and Association of Municipal System Administrators.

Target areas include:

- Equipment maintenance and upgrades
- System Administrators' instruction manual
- Support for the Standing Conference (Institutionalization of IT role in Municipal government)
- Training of Municipal Trainers in MS Office



Having in mind that some of the donated equipment will be reaching the three-year threshold of the warranty period, performing proper maintenance, software updates and investing in possible upgrades will be crucial to sustain proper functionality in the future period of 3-5 years. With this in mind, IT Team activities will concentrate on providing technical assistance and status monitoring in municipalities, giving them technical direction in software upgrades through several one-day workshop events.

The IT team will also prepare an instruction manual advising System Administrators on regular and necessary activities, networking procedures and information resources.

Association development within the Standing Conference will provide an opportunity to identify mentors among existing System Administrators and will provide long term technical direction to all municipalities utilizing information technology resources. The IT team has, over the years, gathered information about a great number of municipalities and their IT capacity which will be valuable to this initiative (Database of System Administrators, equipment and application software currently used in SLGRP municipalities). These activities will intensify as of December 2004.

Additionally, the IT Team will train municipal trainers in MS Office through a two-week course to selected municipal staff who will serve as mentors to their colleagues. These

coordinated efforts will improve communication among the client municipalities and promote knowledge and information sharing among them, as well as among the non-SLGRP municipalities.

Objective 4: Phase-out Plan

Finally, the IT Team will devise a phase-out plan and will identify other administrative tasks to ensure the proper distribution of used project equipment and the smooth close-out of the project. This phase also includes final reporting on SLGRP activities, building a database with detailed information on equipment, purchase orders and software systems installed. It is anticipated to be finalized in the period of June through July 2005.

Serial Numbers of Equipment

19-Sep-03

Razanj		Item	Serial Number	Location / Comments
Server				
1		HP Compaq ML310 768	7J36LG52W00E	Server
		S7500 17" Monitor – EURO	CN322XB448	
		Compaq UPS T1500 XR (Int'l)	UV121A0008	
		MODEM US Courier 56K	1MBSF48D009H	
Workstation				
1		D51S/P2.4/40k/256c	CZC33317H2	MAT0301
		S7500 17" Two tone Monitor – EURO	CN322XB408	
		APC UPS 500VA	BB0315001611	
2		D51S/P2.4/40k/256c	CZC33317GV	PIS0301
		S7500 17" Two tone Monitor – EURO	CN322XB431	
		APC UPS 500VA	BB0315002026	
3		D51S/P2.4/40k/256c	CZC33317HG	FIN0302
		S7500 17" Two tone Monitor – EURO	CN321XA460	
		APC UPS 500VA	BB0315001471	
4		D51S/P2.4/40k/256c	CZC33317MB	UPR0301
		S7500 17" Two tone Monitor – EURO	CN322XB407	
		APC UPS 500VA	BB0315001798	
5		D51S/P2.4/40k/256c	CZC33317HZ	FIN0301
		S7500 17" Two tone Monitor – EURO	CN321XA432	

RESOURCE REQUEST SUMMARY

The projected transition from the expatriate to local staff was completed in July 2004. The Team Leader position is now filled with a local professional and the distribution of responsibilities divided among the remaining staff. The Mentoring program—in which the System Administrator from Nis was loaned to SLGRP for a period of one year—will be completed at the end of September 2004. The following resources are required to undertake the objectives described above:

- 4 full-time local staff for 10 months;
- 2 off-site training contractors (for MS Office training);
- Remaining computer hardware and software funds budgeted for municipal IT support.
- 15 days of International STTA for the CitiStat pilot project.

ASSUMPTIONS

One key assumption is that the remaining procurement approvals for any remaining software purchases are obtained no later than the first month of the program year. Without the authorization to proceed, it is unlikely that all software installations in the remaining CACs and OSPCs will be accomplished by the time the team phases out.

KEY RESULTS AND IMPACTS

The completion of required tasks has or will produce following results:

- Installation of Core Package and Training activities for 70 SLGRP municipalities is expected to be completed by March 2005. The standardized and sustainable IT platform in over 40% of Serbian municipalities will facilitate the exchange of knowledge and information, as well as provide the incentive for further investments of development in IT municipal systems;
- Mutual cooperation of municipalities on IT issues (equipment and software) is already seen through communication between System Administrators and other municipal staff over common issues. This result represents a long-term benefit in improving their communication and will support their efforts in lobbying for common interests in the future;
- Financial Software resolution by the MoF is completed and if outcome favorable software installed through June 2005;
- CAC and OSPC software implementation completed through November 2004;
- Cooperation with Standing Conference will institutionalize the role of IT in municipal government and provide future support to municipalities with less or no experience in IT. This will especially be important to non-SLGRP municipalities. In such a way, SLGRP will have impacts beyond the reach of the Program. Planned support to the Standing Conference will be finalized by June 2005; and
- Planning and conducting phase-out activities which will be intensive in the last couple of months of the program and will ensure proper close-out. The result will be a comprehensive database of donated equipment and software and status of IT in all program municipalities.

In Year 3, the IT Team noted an important trend among SLGRP municipalities, one that we expect to continue in Year 4: municipal investments in IT have increased significantly after our assistance. The graphic below shows the percentage increase in municipal investments in IT.

Municipality	Communication, internet, e-mail	Hardware	Software	Training
Arilje	*	400.00	400.00	0.00
Subotica	12.00	30.00	100.00	0.00
Uzice	52.28	498.25	-100.00	278.85
Indjija	25.00	75.00	300.00	*
Bajina Basta	*	300.00	400.00	*
Krusevac	908.00	544.00	-100.00	0.00
Sjenica	75.00	75.00	75.00	75.00
Average increase (%):	214.46	274.61	153.57	70.77
Max increase (%):	908.00	544.00	400.00	278.85

Our survey shows that investments in Internet, Mail and communications have on average grown over 200% with the maximum increase of 908% in the municipality of Krusevac. Investments in hardware have, on the average, increased by 274%. The average increase for software investments is over 150% and 70% average for training. This impact demonstrates that IT plays an important role in improving the effectiveness of Serbian local governments.

SECTION 8: TRAINING TEAM

INTRODUCTION

The goal of the Training Team is to improve the training skills of local program staff, thereby increasing the effectiveness of the training delivered to Serbian municipal officials and staff. The Team assists other teams to improve training design and methodology. The Team is also responsible for the institutionalization of the materials and resources developed by SLGRP and improving our cooperation with local training partners. Finally, the Team provides staff with professional development trainings (such as time management and leadership skills) to help staff become better managers and planners.

We seek to accomplish our goals by designing and managing periodic trainings and providing useful resources of information, establishing a comprehensive program library, and cataloguing training materials to replicate SLGRP's training curriculum.

Our success is evidenced by the fact that external evaluations of SLGRP trainings are quite positive and that the SLGRP trainers are perceived in the country and region as a tremendous resource for the continuation of reforms in post-program years.

A key result of our program has been the integration of interactive approaches to training by SLGRP staff.

KEY OBJECTIVES

The Training Team has designed a set of activities to support teams that are phasing out during Year 4 and to help staff prepare for future employment. As SLGRP approaches its final phase, the Training Team is focusing increased attention toward finalizing staff development and training associated with roles and responsibilities of local staff and team leaders. In addition, the Training team will work to institutionalizing the materials and resources developed by the SLGRP, including establishing a comprehensive program library and its distribution to local partners. This will also involve supporting local partners in strengthening their capacities to use these resources in the future.

Key Objectives for the Training Team during Year 4 include:

- Objective 1. Facilitating the phase out process of SLGRP teams and staff**
- Objective 2. Continuing to improve the training and leadership skills of SLGRP professional staff**
- Objective 3. Cataloguing SLGRP training materials as a resource for replicating SLGRP training in the post-program years**
- Objective 4. Supporting institutional development and improve collaborative relationships with local partners/organizations (EMinS, PALGO, SCTM)**

IMPLEMENTATION STRATEGY

The Training Team Year 4 work plan includes strategies to increase the capacity of SLGRP local staff in the following areas of professional development:

- Training and leadership skills of local staff and team leaders
- Human resources development

Programs to enhance these skills will usually be internal to the project.

Training and Leadership Skills of Local Staff and Team Leaders

This training program is tailored for all SLGRP teams and grows out of the diverse set of needs as requested by the local staff. We are using a bottom-up approach to create this training program, including engaging local staff in its design through a SWOT analysis, reviewing evaluations from previous training programs, and reviewing the performance of SLGRP staff in conducting training, as described in training report cards.

SWOT Analyses

Throughout SLGRP, the Training Team has conducted SWOT analyses on a semi-annual basis with each of the SLGRP program teams to identify areas where the Training Team could help the programmatic team achieve their objectives. Based on the most recent round of SWOT analyses, the following training needs were identified:

- Time Management (all teams)
- Project Management (all teams)
- ISO 9001 and 14001 Standardization (CE team)
- Business Administration (CE team)
- Presentation skills/specific target groups (CE team)
- PR skills/improving the team image (IT team)

Other needs were associated with human resources development workshops and activities.

Evaluation Results Analyses

The results of SLGRP training evaluations generally rate SLGRP training very high. However, there are important variations between teams and evaluation elements. More detailed analysis shows that participants' highest marks were given to the following dimensions: formulating of objectives and meeting trainees' needs by the workshops delivered by all teams, while the lowest marks were given to duration and, in some cases, to dynamics of the training programs. The Training team will spend its remaining time helping

teams improve the design of their trainings and improve time allocation during workshop preparation.

Report Cards Analyses

Report cards are internal tools developed by the Training Team to conduct standardized grading of SLGRP trainer's performance in delivering workshops. Our analysis of these report cards cover trainings from Year 3 of SLGRP and involve all of SLGRP's teams, except for Policy Reform and Association Development, since they did not hold any trainings.

As presented in the chart below, the SLGRP teams received the highest grades in those areas related to the practical implementation of the training topics in their everyday municipal work. Skills that need improvement are those related to training design and training methods (selection and implementation).

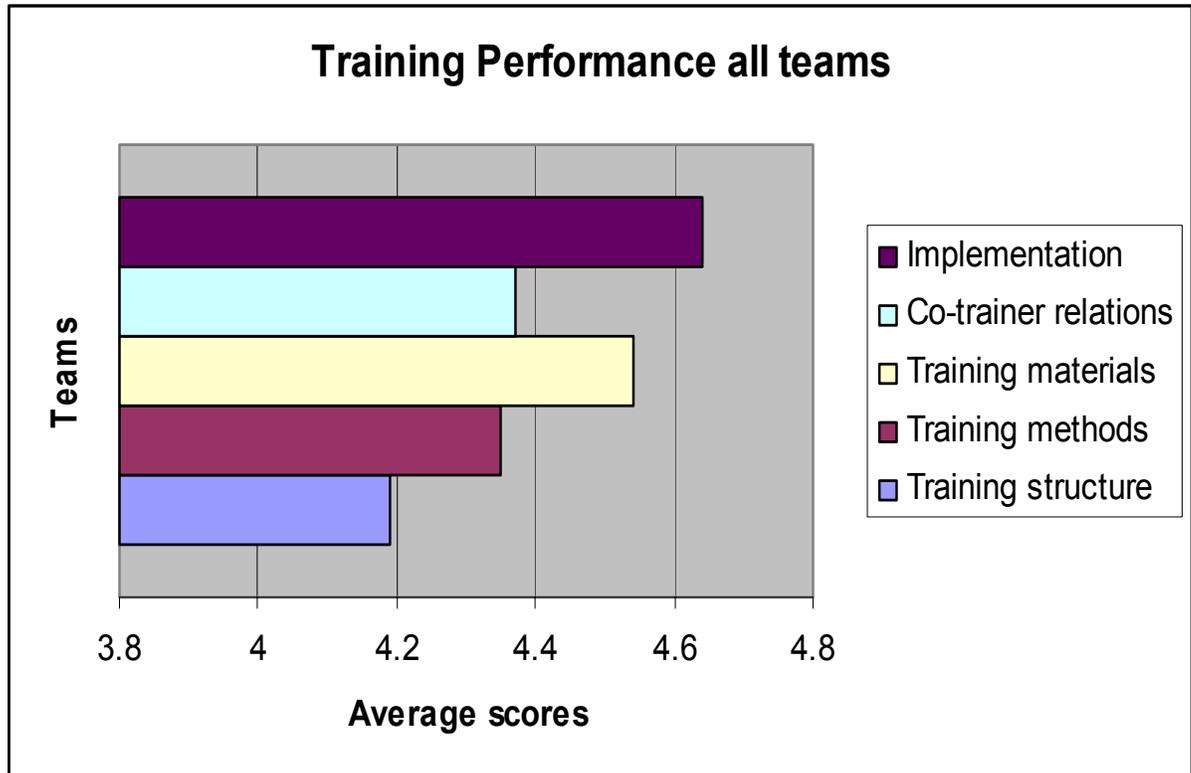
Having in mind all the results of the above described analyses, we will develop the following training and leadership skills development programs in the next year:

A) Capacity building sessions for leaders and deputies

Besides time management and project management, other issues (such as decision making and leadership) will be delivered to strengthen the capacities of the newly assigned local team leaders. Depending upon availability of project staff, the Training Team will offer at least three of these sessions in the coming year.

B) Specific sessions on the issues initiated by particular teams (such as Business Administration, ISO 9001 and 14001, etc.)

The Training Team will coordinate with the teams that requested these trainings to ensure that adequate resources are available to hire external experts.



C) Meetings/short training sessions with individual teams

These meetings will serve to strengthen teams' planning capacities and training structure design skills, as well as to provide them with short advanced trainings in active listening and working with co-trainers. These meetings will be organized for teams individually, both in Belgrade and in SLGRP field offices, and special attention in this process will be devoted to FM, CE and Metro Belgrade teams.

Human Resources Development

To prepare staff for employment after their work with SLGRP ends, the Training Team will offer "transition" training to each team in job searching skills. Training will focus on:

- How to prepare CV/resume,
- How to prepare a cover letter, and
- How to conduct a job interview

These sessions will be delivered in coordination with the Administration Team and Senior Management. This program will build upon our successful training from Year 3 for colleagues that left the Program and will be held during the late 2004 (November–

December) and early 2005 (January–February), following the phase out schedule of SLGRP staff.

The training session will be held in conjunction with other important activities related to an individual's departure:

- Recommendation letters by team leaders and letter of Confirmation by Senior Management,
- List of local and international recruitment agencies,
- List of useful web sites, and
- Certificates to attendees of in-house training of trainers and capacity building programs

LONG TERM SUSTAINABILITY

The long term sustainability of SLGRP program training and resources is at the core of the Training Team's mandate. In addition to previously outlined strategies to develop training skills, leadership and professional competency of SLGRP staff, the Training Team assists program teams with corresponding efforts to increase the capacity of SLGRP program partners to institutionalize and replicate SLGRP programming. These include:

Management of Project Library Resources—The Training Team is responsible for cataloging project library material such as SLGRP training materials. The Training Team seeks, to the maximum extent possible, to standardize the format and presentation of library materials to allow for more efficient replication standards by future users outside of SLGRP. During Year 4, the Training Team will complete the development of the SLGRP resource library by:

1. Assisting the Program teams to follow all SLGRP procedures related to training and to ease access to standardize modules and training materials,
2. Regularly updating the existing training material data base,
3. Completing the training library (hard copies and electronic form) and opening it to both local staff and partners,
4. Cooperating with DAI's home office in Bethesda to distribute selected materials to other libraries (USAID-CDIE, etc.),
5. Updating the Training Team's library on the internal network,
6. Creating a trainer's manual that will support the existing training material and enable future users to replicate the training in the post program years.

INSTITUTIONAL OUTREACH AND DEVELOPMENT

Following the Program Institutionalization Policy, the Training Team is actively involved in providing support to local partners, primarily the Standing Conference. Beside the activities related to library resources, already described above, in its last year of operation within SLGRP, the Training Team will also focus on following:

Support for a Training Resource Center—The Standing Conference is in the process of establishing a Training Center as the foundation of sustainable training system for local governments. This Training Center would serve as a “resource center” responsible for the development of a local training market, playing coordination role and providing information and know-how to different stakeholders and facilitating training by responding to the urgent capacity building needs of local governments.

To support the Standing Conference’s Training Center, the SLGRP will provide an internship for the Standing Conference’s Training Center Coordinator and will provide training for its staff. In addition, the Training Team will share with the Training Center our assessment of local training needs, as well as sharing with them all of our existing training curricula. The establishment of such a Center is crucial for the SLGRP training curricula sustainability and the possibility for the continuation of the SLGRP activities and efforts even for the period after the program ends.

Strategic Planning for Association Partners—The Training Team, in cooperation with the Policy Reform and Association Development teams, will contribute to the Standing Conference’s strategic plan revision and adoption during October and November of this year, after the next local elections. In addition and at the same time, the Training Team will help facilitate the strategic planning process for the Association of Financial Officers.

RESOURCES REQUEST SUMMARY

To accomplish the objectives described above, the Training Team requires:

- Two long-term local staff for 5 months
- One part-time local staff for 5 months
- One local STTA trainer to help conduct a series of leadership sessions (6 person days)

KEY MILESTONES AND RESULTS

1. Completion of the SLGRP resource library and catalogue structure and training material dissemination to the local partners
2. Finalization of the staff development program for SLGRP local staff
3. Completion of training and HR activities related to the phasing out of SLGRP local staff

4. Enhancement of the sustainability of SLGRP through support to the Standing Conference Training Center as well as to strategic planning process of both Standing Conference and Association of Financial Officials.

Annex A:

Program Team Activity and Timeline Charts

1. Policy Reform
2. Public Procurement
3. Metro Belgrade Initiative
4. Financial Management
5. Communal Enterprise
6. Information Technology
7. Citizen Participation

PROJECT WORKPLAN

ProgramTeam: PUBLIC PROCUREMENT				YEAR 4 - TIMELINE													
Objective No.	Cohort			Objectives / Activities	Milestone	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
	C1	C2	C3														
1				Complete advanced regional workshops in order to familiarize the existing public procurement work force with the elements and requirements of the public procurement process													
				Present Course: <i>Tender Methods - Restricted and Negotiated Procedures</i>													
				Present Course: <i>Low Value Procurement Procedures</i>													
				Present Course: <i>Tender Preparation and Documentation - Preparation of Tender Documents</i>													
				Present Course: <i>Tender Preparation and Documentation - Specifications Writing and Use</i>													
				Present Course: <i>Tender Preparation and Documentation - Model Contracts; Contract Forms and Alternatives</i>													
				Present Course: <i>Contract Administration Procedures -Quality Assurance; Quality Control and Financial Management of Contracts</i>													
				Present Course: <i>Handling and Evaluation of Bids</i>													
				Present Course: <i>Processing Motions for Protection of Bidder's Rights</i>													
2				Professionalize the municipal public procurement work force of the future													
				Organize four Best Public Procurement Practices seminars													
				Complete four Best Public Procurement Practices seminars													
				Organize four Mentor Working Group sessions													
				Facilitate mentor activities during Working Group Sessions													
				Prepare a written record of best practices for municipalities													
				Disseminate written records of best practices across municipalities													
				In cooperation with mentors, produce written rules, instructions and charts for use by municipalities													
				Distribute written rules, instructions and charts to municipalites													
3				Develop self-sustaining municipal public procurement mechanisms through institution building													
				Draft Scopes of Work for Public Procurement municipal officials													

PROJECT WORKPLAN

ProgramTeam: METROPOLITAN BELGRADE INITIATIVE INFORMATION TECHNOLOGY		YEAR 2 - TIMELINE												
Objective No.	Objectives / Activities	Milestone	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
				Prepare evaluation report										
	Invoice Processing													
2	Implement needs based municipal application software to support Citizen Assistance Centers (CACs), One-Stop Permitting Centers (OSPCs) if feasible, and Finance Departments.													
	Financial Software Implementation (16)													
	Software Presentation (regional, vendor)													
	Sending Offer Letters and acceptance													
	Scheduling Training and installations													
	Software MOU signing													
	Conduct training and Install software in municipalities													
	Invoice Processing (after acceptance)													
	Continue monitoring and updating system as necessary													
	CAC Software implementation (Notary)													
	Additional wiring for CAC													
	Software Presentation													
	Sending Offer Letters and acceptance													
	Software MOU signing													
	Scheduling Training and installations													
	Conduct training and Install software in municipalities													
	Invoice Processing													
	OSPC Software implementation													
	Software Presentation													
	Sending Offer Letters and acceptance													
	Software MOU signing													
	Scheduling Training and installations													
	Conduct training and Install software in municipalities													
	Invoice Processing													
	Continue monitoring and updating system as necessary													
3	Improve communications between City Agency for Information and Statistics (ZIS) and municipalities opening possibilities for additional services.													
	Prepare Project Design													
	Initial visit and survey													
	Draft Project Proposal and implementation plan													
	Present proposed solution to ZIS and revise it if necessary													

PROJECT WORKPLAN

ProgramTeam:
METROPOLITAN BELGRADE INITIATIVE
INFORMATION TECHNOLOGY

Objective No.	Objectives / Activities	Milestone	YEAR 2 - TIMELINE														
			Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05			
	Obtain Management Approval																
	Define computer and communication hardware and software needed																
	Propose possible revisions City of Belgrade MOU IT component																
	Signing of MOU																
	Purchase equipment and software																
	RFP Process																
	Prepare Purchase Order for Equipment and software																
	Obtain Approvals (Bethesda)																
	Deliver, set up system and give on-site training																
	Quantity and quality acceptance																
	Provide Internet Access and additional services to Metro-Belgrade Municipalities via ZIS																
	Needs assessment for all stakeholders (City, ZIS, municipalities)																
	Management Approval																
	Written Agreement Signed between stakeholders																
	Software (MailServer, Antivirus) purchase																
	Delivery and Installation																
	Invoice processing																
	Complete feasibility study for OSPC																
	Functional Feasibility study completed																
	Conduct Software applicability study																
	Define IT component in OSPC project (hardware and software)																
	Obtain Mangement Approval																
	Implementation																
	Invoice Processing																
4	Support SLGRP and Project Teams in realizing possible new initiatives																
	Evaluate, design and implement an information technology solution to support the City of Belgrade's Ombudsman Office																
	Assess IT needs for the Ombudsman office																
	Design the solution																
	Management Approval of the proposed solution																
	Prepare PO For Equipment																

PROJECT WORKPLAN

**ProgramTeam:
METROPOLITAN BELGRADE INITIATIVE
PUBLIC PROCUREMENT**

Objective No.	Objectives / Activities	Milestone	YEAR 2 - TIMELINE														
			Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05			
	Develop training topics based on needs assessment																
	Conduct training for bidders																
	Task force promote project in a media campaign																
6	Develop and introduce standards of ethical conduct in public procurement within the City of Belgrade																
	Assess current ethical climate of the City of Belgrade																
	Appoint Procurement Ethics Task force																
	Provide initial training in Procurement Ethics to Task force																
	Prepare Guidelines for Ordering Entities and Bidders																
	Publish Guidelines for Ordering Entities and Bidders																
	Task force promote project in a media campaign																
7	Program impact assessment and close-out																
	Development of Public Procurement Effectiveness Measurement System for general municipal use																
	Test the reliability of Public Procurement Measurement System																
	Prepare Final Report on program impact and accomplishments																
	File and archive training materials and other documents of interest																

PROJECT WORKPLAN

ProgramTeam: METROPOLITAN BELGRADE INITIATIVE CITIZEN PARTICIPATION		YEAR 2 - TIMELINE																						
Objective No.	Objectives / Activities	Milestone	YEAR 2 - TIMELINE																					
			Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05										
3	Provide core training and technical implementation assistance for the establishment of ten (10) Citizen Assistance Centers for the Belgrade municipalities																							
	Prepare Regional Training on CACs																							
	Conduct 3 Regional Trainings on CACs																							
	Physical and operational design for 13 CACs																							
	Monitoring of project implementation in construction of CAC phase																							
	Coordinate IT equipment and software instalation with IT Team																							
	Conduct 10 Customer Relations Training for CAC staff																							
	Establish 10 CACs																							
	PR activities for promotion of CAC																							
Conduct analysis and provide recommendation to USAID regarding feasibility of OSPC establishment																								
4	Develop a New Face of Belgrade technical assistance project																							
	Develop a strategy for new face of Belgrade																							
	Implementation of strategy for new face of Belgrade																							
	PR activities for promotion of new face of Belgrade																							
5	Provide ongoing support for the SLGRP Citizen Participation Teams																							
	Monitoring and evaluation of 4 established BIDs																							
	Monitoring and evaluation of 2 established CACs																							
	Provide support for Belgrade CE Team																							

PROJECT WORKPLAN

Program Team:
COMMUNAL ENTERPRISE

Objective No.	Cohort			Objectives / Activities	Milestone	YEAR 4 - TIMELINE											
	C1	C2	C3			Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
				Organize and conduct round table session to share best practices and lessons learned													
				Complete other special projects related to close out													

PROJECT WORKPLAN-YEAR 4

ProgramTeam: INFORMATION TECHNOLOGY				YEAR 4 - TIMELINE													
Objective No.	Cohort			Objectives / Activities	Milestone	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05
	C1	C2	C3														
				Facilitate Establishment of Association of Municipal System Administrators via SC													
				Conduct survey for needs assessment and sustainability of such institution													
				Design the Scope of Association Activities - MOU with the Standing Conference and Signing													
				Facilitate the first gathering and/or Facilitate Regional SysAdmin Sessions													
				Facilitate Municipal System Administration Forum/Website													
				Identification and Training of Municipal System Administration trainers													
				Establishing Common and Standardized Municipal Mail Service and Mail Security in cooperation with SC													
				Preparing a Municipal IT Manual													
				Hardware Maintenance Recommendations													
				System Software Maintenance Recommendations													
				System Administrator turnover Recommendations													
				System Administrator Professional Development Recommendations													
				Hardware Maintenance contract issue and recommendations													
				Template for IT Policies and Procedures													
5				Phase-out Plan (distributing project assets, MCI, impact indicator)													
				Used SLGRP equipment donations													
				Preparing SLGRP used equipment inventory													
				Devising a distribution plan for used SLGRP equipment													
				Processing of USAID required documentation													
				Used SLGRP equipment distribution and acceptance													
				Final Reports on SLGRP IT activities													
				Updating PMP scores													
				Updating Impact Indicators													
				Preparing Reports													

Annex B:

Program Team Level of Effort and Resource Summary

1. Policy Reform
2. Public Procurement
3. Metro Belgrade Initiative
4. Financial Management
5. Communal Enterprise
6. Information Technology
7. Citizen Participation

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM				Belgrade								
Objective No.	Cohort			Contract End Date	Dusan Vasiljevic	Tatjana Pavlovic - Krizanic	Milica Milosevic	PROGRAM TEAMS TOTAL	STTA International	STTA Regional	Local Contractors	Training
	C1	C2	C3		Objectives	LOE days	LOE days		LOE days	Number of Participants		
1	0	0	0	Vet and Promote Model Ordinances on Local Ombudsman, Mandatory Budget Hearings and Mesna Zajednicas.	9,30.05	9,30.05	9,30.05					
					10%	15%	15%	13.3%	5	37	10	300
2	0	0	0	Facilitate establishment of local ombudsman offices in Serbian municipalities.								
					10%	20%	10%	13.3%		12	30	
3	0	0	0	Vet and Promote Draft Law on Property Devolution.								
					20%	15%	10%	15.0%		5	25	250
4	0	0	0	Provide support to the Standing Conference and Ministry of Finance for the continuation of the IGF system reform.								
					15%	10%	10%	11.7%	25		25	100
5	0	0	0	Strengthen institutional capacities of the Standing Conference and Association of Finance Officers.								
					15%	10%	20%	15.0%	47	7	42	350
6	0	0	0	Facilitate development of the regulatory framework for municipal borrowing.								
					10%	10%	10%	10.0%	15	15	25	100
7	0	0	0	Providing support to Standing Conference, donor organizations and local NGOs in conducting public information campaign on decentralization.								
					10%	15%	20%	15.0%		20	40	
8	0	0	0	Providing support to the Standing Conference and the National Government in the constitution and operation of a National Decentralization Council								
								0.0%	10	10	20	25
Administration, miscellaneous, etc.					10%	5%	5%	6.7%				
TOTAL (Summary of Individual Efforts - percents)					100%	100%	100%	100.0%	102	106	217	1125
TOTAL (Summary of Individual Efforts - days)					247	247	247	741				
TOTAL work days till the end of the contract)					247	247	247					
* TOTAL vacation days in the Y4					18	18	18					

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM				Belgrade				PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training		
				Mirjana Stankovic	Aleksandar Protic	Gordana Vidic	Maja Todorovic						PROGRAM TEAM'S TOTAL	STTA International
Objective No.	Cohort			Objectives	Contract End Date	5.20.05	5.20.05	5.20.05	5.20.05	LOE days	LOE days	LOE days	Number of Participants	
	C1	C2	C3											
1	0	0		Complete advanced regional workshops in order to familiarize the existing public procurement work force with the elements and requirements of the public procurement process		24%	24%	24%	20%	23.0%				
2				Professionalize the municipal public procurement work force of the future		12%	12%	12%	8%	11.0%			54	
3				Develop self-sustaining municipal public procurement mechanisms through institution building		10%	10%	10%	13%	11.3%			5	
4				Program impact assessment and close-out		12%	12%	12%	15%	12.8%			9	
Administration, miscellaneous, etc.										0.0%				
TOTAL (Summary of Individual Efforts - percents)						58%	58%	58%	58%	58.0%			68	1520
TOTAL (Summary of Individual Efforts - days)						90	90	90	90	360				
TOTAL work days till the end of the contract)						155	155	155	155					
* TOTAL vacation days in the Y4						11	11	11	11					

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

** Public Procurement Team will allocate 58% of the total LOE to the SLGRP activities (outside Metro Belgrade Area)

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM			Belgrade													
Objective No.	Metropolitan Belgrade Initiative Financial Management		Team Leader	FM Advisor 2	FM Advisor 3	FM Advisor 4	Project Manager	Project Assistant	SUB-TOTAL for Belgrade			STTA International	STTA Regional		Local Contractors	Training
	BG	Bg	Contract End Date									LOE days	LOE days		LOE days	Number of Participants
1			Continue the delivery of regional workshops, technical field training, and implementation assistance in basic and advanced municipal financial management practices for 16 Belgrade municipalities relative to the 2002 Budget System Law	9.30.05	9.30.05	9.30.05	9.30.05	6.30.05	9.30.05							
				30%	35%	35%	35%	0%	0%	27.0%						
2			Identify and confirm critical topics for the advancement of the City's financial management practices through the formation of and participation in a Joint Task Force with designated finance officials of the City													
				10%	10%	10%	10%	0%	0%	8.0%						
3			Develop custom tailored technical assistance in all critical assistance areas and deliver training and implementation guidance to the City through a series of Joint Task Force sessions with designated City financial officials													
				40%	40%	40%	40%	0%	0%	32.0%		30			70	
4			Provide Technical Assistance to encourage and support the Public Budget Hearing Process in 16 Metro Belgrade municipalities and the City													
				10%	10%	10%	10%	0%	0%	8.0%						
5			Raise the level of Belgrade's public awareness of the SLGRP Metropolitan Belgrade Project through public promotion activities													
				10%	5%	5%	5%	0%	0%	5.0%						
Administration, miscellaneous, etc.				0%	0%	0%	0%	25%	25%	10.0%						
TOTAL (Summary of Individual Efforts - percents)				100%	100%	100%	100%	25%	25%	90.0%		30			70	
* TOTAL (Summary of Individual Efforts - days)				173.8	173.8	173.8	173.8	46	62	803						
TOTAL work days till the end of the contract)				247	247	247	247	183	247							
** TOTAL vacation days in the Y4				5	5	5	5	3	5	28						

* Note: As all the members of the FM Belgrade office will be engaged on the Metro Belgrade Project, 60% is allocated to the work in Metro Belgrade project (ii) not included logistics time which is provided by the Program's pool of resources.

** Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM														
METROPOLITAN BELGRADE INITIATIVE CITIZEN PARTICIPATION														
Objective No.	Objectives	Contract End Date	Team Leader	CP 2	CP 3	CP 4	Project Manager	Project Assistant	SUB-TOTAL for Belgrade		STTA International	STTA Regional	Local Contractors	Training
			09.30.05	09.30.05	09.30.05	07.31.05	06.30.05	09.30.05		LOE days	LOE days	LOE days	Number of Participants	
1	Provide training and technical assistance to encourage and support the Public Budget Hearing Process in 16 Metro Belgrade municipalities and the City		30%	30%	30%	20%	0%	0%	18.3%					120
2	Provide technical support assistance to the Policy Reform Team to promote the implementation of the City and/or municipal Ombudsman Office(s)		15%	15%	15%	15%	0%	0%	10.0%					60
3	Provide core training and technical implementation assistance for the establishment of ten (10) Citizen Assistance Centers for the Belgrade municipalities		30%	30%	30%	25%	0%	0%	19.2%		30	60		90
4	Develop a New Face of Belgrade technical assistance project		15%	15%	15%	10%	0%	0%	9.2%					
5	Provide ongoing support for the SLGRP Citizen Participation Teams		5%	5%	5%	25%	0%	0%	6.7%					
Administration, miscellaneous, etc.			5%	5%	5%	5%	25%	25%	11.7%					
TOTAL (Summary of Individual Efforts - percents)			100%	100%	100%	100%	25%	25%	75.0%			30	60	270
TOTAL (Summary of Individual Efforts - days)			247	247	247	203	46	62	944					
TOTAL work days till the end of the contract)			247	247	247	203	183	247						
* TOTAL vacation days in the Y4			18	18	18	15	3	5						

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM			Belgrade											
Objective No.	Metropolitan Belgrade Initiative Public Procurement	Objectives	Team Leader	PP Advisor 1	PP Advisor 2	PP Advisor 3	Project Manager	Project Assistant	PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training	
			Contact End Date	5.20.05	5.20.05	5.20.05	5.20.05	6.30.05	9.30.05	LOE days	LOE days	LOE days	Number of Participants	
1		Complete advanced workshops in order to familiarize the existing public procurement work force in Belgrade municipalities with the elements and requirements of the public procurement process	6%	6%	6%	5%	0%	0%	3.8%					
2		Capacity building to professionalize the municipal public procurement work force of the future in Metro-Belgrade municipalities	4%	4%	4%	3%	0%	0%	2.5%			20		
3		Institution building to develop self-sustaining municipal public procurement mechanisms	4%	4%	3%	6%	0%	0%	2.8%					
4		Evaluation of current procurement practices and needs of the City of Belgrade and planning for future activities, through regular sessions with the appointed Task Force	3%	3%	3%	3%	0%	0%	2.0%					
5		Develop staff mentors to provide training assistance to Ordering Entities within the City of Belgrade	4%	4%	4%	3%	0%	0%	2.5%					
6		Develop and introduce standards of ethical conduct in public procurement within the City of Belgrade	4%	4%	4%	3%	0%	0%	2.4%			45		
7		Program impact assessment and close-out	4%	3%	3%	4%	0%	0%	2.3%			15		
		Administration, miscellaneous, etc.	0%	0%	0%	0%	25%	25%	8.3%					
TOTAL (Summary of Individual Efforts - percents)			29%	28%	27%	27%	25%	25%	26.8%			80	400	
* TOTAL (Summary of Individual Efforts - days)			44.2	43.4	41.9	41.9	46	62	171					
TOTAL work days till the end of the contract)			155	155	155	155	183	247						
** TOTAL vacation days in the Y4			11	11	11	11	3	5						

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM		Belgrade													
Objective No.	Objectives	Contact End Date	Team Leader	IT Advisor 1	IT Advisor 2	IT Advisor 3	Project Manager	Project Assistant	IT Program Associate	IT Program Associate	PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training
			9.30.05	7.30.05	7.30.05	7.30.05	6.30.05	9.30.05	7.30.05	7.30.05	LOE days	LOE days	LOE days	Number of Participants	
1	Install needs based core package of network wiring, equipment, system software and training in 16 Metro Belgrade municipalities in order to improve and/or establish a reliable information technology platform.		15%	15%	20%	15%	0%	0%	0%	0%	16.3%				1998
2	Implement needs based municipal application software to support Citizen Assistance Centers (CACs), One-Stop Permitting Centers (OSPCs) if feasible, and Finance Departments.		23%	7%	19%	7%	0%	0%	0%	0%	14.0%				
3	Improve communications between City Agency for Information and Statistics (ZIS) and municipalities opening possibilities for additional services.		4%	7%	20%	10%	0%	0%	0%	0%	10.3%				
4	Support SLGRP and Project Teams in realizing possible new initiatives		4%	3%	3%	4%	0%	0%	0%	0%	3.5%				
5	Ensure project long-term sustainability		4%	3%	3%	4%	0%	0%	0%	0%	3.5%				320
Administration, miscellaneous, etc.							25%	25%	5%	5%					
TOTAL (Summary of Individual Efforts - percents)			50%	35%	65%	40%	25%	25%	5%	5%	47.5%				2318
TOTAL (Summary of Individual Efforts - days)			124	71	132	81	46	62	10	10	535				
TOTAL work days till the end of the contract)			247	203	203	203	183	247	203	203					
* TOTAL vacation days in the Y4			18	15	15	15	3	5	15	15					

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM				Belgrade*						Kraljevo				Nis				PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training					
Objective No.	Cohort			Objectives	Contact End Date	Zvonko Brnjac	Katarina Vukovic	Sanja Vemic	Jovanka Manic	Sasa Kristic	SUB-TOTAL for Belgrade	Olivera Vukovic	Bojan Dimitic	Violeta Rakic	Marija Zivkovic	SUB-TOTAL for Kraljevo	Veljko Mitovanovic	Zora Visnjic	Liubomir Stankovic	Ivan Krstic	SUB-TOTAL for Nis	PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training	
	C1	C2	C3			LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days
1	0	0	0	FM team in collaboration with other SLGRP teams: a) completes the training on advanced management practices and techniques; b) assists and enables the municipalities to improve knowledge and implement modern financial procedures.	6.30.05	35%	45%	45%	45%	45%	43.0%	35%	45%	45%	50%	43.8%	40%	45%	45%	45%	43.8%	43.5%					
2				Citizens and other stakeholders take an active part in the budget decision making process.		9%	12%	12%	12%	12%	11.4%	9%	12%	12%	6%	9.8%	12%	12%	12%	11%	11.8%	11.0%					
3				Furthering the collaboration with other donors and organizations in order to leverage SLGRP progress in municipal capacity building.		5%	3%	3%	3%	3%	3.4%	5%	3%	3%	1%	3.0%	5%	5%	5%	2%	4.3%	3.5%					
4	0	0	0	Develop the financial management library by updating and standardizing FM team's training materials to enable access to knowledge and best practices to all interested parties.		3%	3%	3%	3%	3%	3.0%	3%	3%	3%	2%	2.8%	5%	5%	5%	5%	5.0%	3.5%					
5	0	0	0	Strengthen and promote Municipal Finance Officers' Association		12%	5%	5%	5%	5%	6.4%	12%	5%	5%	5%	6.8%					0.0%	4.5%					
6	0	0	0	Continue local staff professional development.		15%	20%	20%	20%	20%	19.0%	15%	20%	20%	3%	14.5%	20%	20%	20%	20%	20.0%	17.9%					
7	0	0	0	Develop comprehensive and quality reports on our results and successes.		15%	10%	10%	10%	10%	11.0%	15%	10%	10%	8%	10.8%	15%	10%	10%	10%	11.3%	11.0%					
Administration, miscellaneous, etc.						6%	2%	2%	2%	2%	2.8%	6%	2%	2%	25%	8.8%	3%	3%	3%	7%	4.0%	5.0%					
TOTAL (Summary of Individual Efforts - percents)						100%	100%	100%	100%	100%	100.0%	100%	100%	100%	100%	100.0%	100%	100%	100%	100%	100.0%	100.0%					2070
TOTAL (Summary of Individual Efforts - days)						73.2	10	73.2	73.2	73.2	303	183	183	183	183	732	183	183	183	183	732	1767					
TOTAL work days till the end of the contract)						183	10	183	183	183		183	183	183	183		183	183	183	183							
TOTAL vacation days in the Y4**						13	0	13	13	13		13	13	13	13		13	13	13	13							

^International STTA from VNG is proposed to help with Strategic Planning.

* The specifics related to Bgd Team time are the following: (i) time allocated in this table refer to work in Cohort 3, which is 40% of total time available time; the rest of 60% is allocated to the work in Metro Belgrade project (ii) not included logistics time, which is provided by the Program's pool of resources.

^^International STTA- Jeanne Gardner is proposed for 15 days in the period last week of May and first week of June

** Note: This is days earned during the work planning period. Does not include days carried over from previous year or days used in advance.

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM				Belgrade					Nis											
Objective No.	Cohort			Objectives	Contact End Date	Bora Obradovic	Sonja Sobota	Katarina Milanovic	Nevena Colic	SUB-TOTAL for Belgrade	Drgan Obrenovic	Svetlana Zivkovic	SUB-TOTAL for Nis	PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Study Tours		Training
	C1	C2	C3			LOE days	LOE days	LOE days	Contracts (cost in USD)	Number of Participants	Total Cost (USD)	Number of Participants								
1				Improve CE operational and management performance through advanced training and Technical Assistance for CE personnel and Municipal officials in 6 topics (conducted by CE team) and in 5 additional topics (in cooperation with other SLGRP Teams)	7.31.05	25%	37%	37%	40%	34.8%	33%	35%	34.0%	34.5%	34		3700	38	20000	1044
2				Use follow up activities to assure sustained impacts of basic trainings (provided in Public Relations/ Customer Service, Utilities Management, Water/Waste Water & Solid Waste Technical Operations)		14%	17%	22%	22%	18.8%	13%	22%	17.5%	18.3%						
3				Enhance program CE's ability to apply for and effectively manage US and other donor funding and increase sustainability of funded projects		15%	25%	8%	16%	16.0%	15%	12%	13.5%	15.2%						
4				Assist CE's in clarifying and removing obstacles to Economic Development		12%	10%	10%	10%	10.5%	12%	10%	11.0%	10.7%			1000			
5				Monitoring, Reporting and Project Close Out		20%	6%	15%	0%	10.3%	15%	15%	15.0%	11.8%	18					
Administration, miscellaneous, etc.						14%	5%	8%	12%	9.8%	12%	6%	9.0%	9.5%						
TOTAL (Summary of Individual Efforts - percents)						100%	100%	100%	100%	100.0%	100%	100%	100.0%	100.0%	18	34	4700	38	20000	1044
TOTAL (Summary of Individual Efforts - days)						203	80	203	121	607	203	203	406	1013						
TOTAL work days till the end of the contract)						203	80	203	121		203	203								
* TOTAL vacation days in the Y4						15	6	15	9		15	15								

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM				Belgrade														
Objective No.	Cohort			Objectives	Contact End Date	Danijele Momirovic	Radisa Veljovic	Goran Gogic	Slobodan Zivkovic	Sandra Milijevic	Ivica Kokeric	Srdjan Popovic	PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training	
	C1	C2	C3												LOE days	LOE days	LOE days	Number of Participants
1	0			Install Core Package of Wiring, Equipment, System Software and Training	7.30.05	5%	10%	10%	30%				11.0%				1649	
2	0			Implement Municipal Application Software (CAC, OSPC, FM)	7.30.05	15%	10%	10%	10%				9.0%					
3				Provide assistance to Otheridentified Initiatives	7.30.05	5%	15%	5%	5%				6.0%					
4				Ensuring Project Long-term Sustainability	7.30.05	5%	15%	5%	5%				6.0%				320	
5				Phase-out Plan (distributing project assets, MCI, impact indicator)	7.30.05	20%	15%	5%	10%				10.0%					
				CitiStat Pilot Project									0.0%	15				
				Administration, miscellaneous, etc.						15%	5%	5%	5.0%					
TOTAL (Summary of Individual Efforts - percents)						50%	65%	35%	60%	15%	5%	5%	47.0%	15			1969	
TOTAL (Summary of Individual Efforts - days)						101.5	131.95	71.05	121.8			10.15	436					
TOTAL work days till the end of the contract)						203	203	203	203			203						
* TOTAL vacation days in the Y4						15	15	15	15			15						

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

** Time of this team is split with Metro Belgrade Project

PROJECT WORKPLAN - LEVEL OF EFFORT

PROGRAM TEAM				Belgrade			Kraljevo			Nis			Vranje											
Objective No.	Cohort			Objectives	Contact End Date	Radmila Gizdavic	Nenad Stevic	SUB-TOTAL for Belgrade	Ivana Teodorovic	Dejan Petrovic	SUB-TOTAL for Kraljevo	Milijana Zdravkovic	Jovica Damjanovic	SUB-TOTAL for Nis	Evgenije Islami	Ejona Pashaj	SUB-TOTAL for Vranje	PROGRAM TEAM'S TOTAL	STTA International	STTA Regional	Local Contractors	Training		
	C1	C2	C3			LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	LOE days	Number of Participants
1				Support and monitor citizen involvement in the budget process in 70 municipalities		20%	55%	37.5%	20%	52%	36.0%	30%	30%	30.0%	25%	20%	22.5%	31.5%						
2	0		0	Complete the establishment of two Citizen Assistance Center/One Stop Permitting Centers in the municipalities of Bujanovac and Loznica		20%	0%	10.0%	2%	0%	1.0%	2%	2%	2.0%	25%	10%	17.5%	7.6%						
3				Strategy implementation plans for improvement of citizen - city relations institutionalized in 15 CP cohort 1&2 municipality		0%	8%	4.0%	11%	11%	11.0%	25%	15%	20.0%	11%	10%	10.5%	11.4%		40				
4				Cross team support and collaboration		15%	15%	15.0%	35%	15%	25.0%	15%	15%	15.0%	15%	10%	12.5%	16.9%						
5	0	0	0	Reporting, monitoring and close out of the CP project		20%	12%	16.0%	12%	12%	12.0%	12%	12%	12.0%	12%	25%	18.5%	14.6%						
Administration, miscellaneous, etc.						25%	10%	17.5%	20%	10%	15.0%	10%	15%	12.5%	12%	25%	18.5%	15.9%						
TOTAL (Summary of Individual Efforts - percents)						100%	100%	100.0%	100%	100%	100.0%	94%	89%	91.5%	100%	100%	100.0%	97.9%		40		420		
TOTAL (Summary of Individual Efforts - days)						121	121	242	121	121	242	114	108	221.43	161	161	322	1027						
TOTAL work days till the end of the contract)						121	121		121	121		121	121		161	161								
* TOTAL vacation days in the Y4						9	9		9	9		9	9		12	12								

* Note: This is days earned during the workplanning period. Does not include days carried over from previous year or days used in advance.

** Time of CP Nis staff is less than 100% due to unpaid leave allowed for work with UNDP