



Sarajevo, Bosnia and Herzegovina

November 16, 2007

The Ambassador

UNCLASSIFIED ENDORSEMENT MEMO

TO: Director of Foreign Assistance Henrietta Fore

FROM: Ambassador Charles English 

SUBJECT: Fiscal Year 2007 Performance Report for Bosnia and Herzegovina

This cover memo discusses the political situation in Bosnia and Herzegovina (BiH) and its impact on USAID programs. Under cover of this memo, the US Mission in BiH is transmitting its FY 2007 Performance Report covering SEED-funded activities implemented in FY 07 by the United States Agency for International Development (USAID). I have read through this Report and endorse it fully.

Current Political Situation in BiH

A year of stalled reform, rising nationalism, and political deadlock has recently culminated in the most significant challenge to Dayton and the integrity of Bosnia and Herzegovina since its 1992-95 war. In October, negotiations on police reform between parties representing BiH's two Entity governments – Republika Srpska (RS) and the Federation - collapsed. As a result BiH failed to meet a critical condition for Bosnia's initialing of a Stabilization and Association Agreement (SAA) with the European Union. Shortly afterwards, the High Representative, BiH's international administrator appointed under the Dayton Accords, announced his intention to use his special authorities (known as the "Bonn Powers") to impose reforms to facilitate decision-making in the state-level executive and legislative branches of government. RS parties rejected these measures and challenged the High Representative's ability to impose such reforms. RS-based parties, led by RS Prime Minister Milorad Dodik have threatened to withdraw from state institutions if the High Representative moves ahead with such imposition. The political standoff in Bosnia takes place in the context of regional tensions related to ongoing negotiations over the status of Kosovo. Leaders in both the RS and neighboring Serbia have become increasingly willing to draw unhelpful parallels linking resolution of the status of Kosovo to an unrecognized right of the RS to secede from Bosnia and Herzegovina.

Without a basic level of authority and credibility, the central institutions of the state cannot perform the functions necessary to sustain themselves, let alone drive the Euro-

Atlantic integration process. Improving the state's functionality and efficiency requires consolidating state-level reforms already in place and deepening implementation of competencies the state already holds. It also requires moving beyond the Dayton constitution, which established a complicated, multilayered system of governing structures. More than 50 percent of the country's GDP is devoted to public administration. The complicated structure also diffuses decision making and makes it difficult for governments at all levels to be responsive to its constituents. The failure of the April 2006 package of constitutional amendments set back efforts to improve the efficiency and functionality of the Bosnian state. In February 2007 BiH's special international supervisory body, the Peace Implementation Council (PIC) decided that the Office of the High Representative (OHR) should remain open at least one more year.

Despite the tense political environment, BiH's economy has been stable and growing. This year, the country's GDP growth remained at 6%. Inflation, as measured by the Consumer Price Index is projected to fall to 2.5% from 7.5 % in 2006. The current account deficit for 2007 increased to 13.4% of GDP from 11.5 % of GDP in 2006 according to the IMF estimates; this is far too high. BiH's private sector hovers at 55% of GDP, underscoring the need for a reformed business environment. The Central Bank reports that the official unemployment rate is 31.1%. The UNDP estimates that 13% of the population lives below the poverty line. At both the state and entity levels, Bosnia's government officials say they are committed to continuing economic reforms, although officials in the Federation seem to have a more difficult time passing legislation and implementing regulations to advance needed reforms.

USAID Program Achievements

USAID programs have largely met their goals despite the many political challenges faced this past year. Fifty-five local governments became more efficient and accountable to their citizenry through the introduction of improved financial planning systems, customer service norms and community development projects. The formalization of civil society's input into government policy-making helps that ensure citizens' concerns are given higher priority. Also, research by think tanks provides civil society with solid facts and figures on many issues on which to base their advocacy and decision-making. Judicial reform took a step forward with the strengthening of management practices within the High Judicial and Prosecutorial Council (HJPC), the organization charged with governing the BiH judiciary. Also, 11 model courts were graduated and HJPC is now set to take over and spread the initiative. Since 1996 the USG has provided assistance to political parties that in relative terms were identified as moderate, focused largely on campaign performance. This assistance has achieved some of its desired outcomes. However, political parties in BiH have failed to achieve genuine multiethnic identity and in making the transition from competitive electoral politics to effective governance actors. Unfortunately, the Republika Srpska-based Alliance of Independent Social Democrats (SNSD), which has received USAID party assistance, has recently adopted a more nationalist approach to Bosnian politics. Future assistance to political parties should be tied to parliamentary strengthening programs, and the focus should shift to building the skills of consensus, policy-making, legislating, implementing, and enforcing laws.

In the area of economic growth, private sector competitiveness improved through support to the wood processing, and tourism sectors. In wood processing, productivity grew by 23%. Award-winning tourism spots and attendance at international fairs helped to make BiH a new desirable tourism destination for European countries. Foreign-born tourist arrivals increased by 20% during FY07. On the policy side, programs have created more business-friendly environments by reducing the time and bureaucracy involved in obtaining permits to start and operate new businesses. For example, often-duplicative inspection-related measures have been reduced by 43%.

Impact of the Political Situation on USAID's Programs

Despite the successes that USAID has had over the year, in some areas the political environment hindered program implementation. Following the October 2006 elections, inter-party fighting over government positions delayed the forming of the State government and the Federation Entity-level government. This delay, slowed implementation of USAID's parliamentary programs that provide support to the State and Entity Parliaments. In addition, USAID's work under its Streamlining Permits and Inspection Regimes Activity (SPIRA) aimed at improving business registration practices, was also delayed in the Federation.

Furthermore, the recently growing political tensions between the RS Government and the international community are delaying the USG's signing of a Memorandum of Understanding with the RS Ministry of Justice to work cooperatively to renovate the Srebrenica Basic Court. The renovation of this court will visibly demonstrate rule of law to citizens where genocide was committed twelve years ago.

Despite some obstacles, USAID has ultimately been able to successfully negotiate Memorandum of Understandings (MOUs) with both the Federation and RS Governments to implement the SPIRA program. Proposed legislation and regulatory reforms in the areas of economic reforms are generally accepted by government counterparts without significant delay. With the help of SPIRA, the RS Government significantly reduced the number of permits required for business start-ups. The Ministries of Spatial Planning in the RS and Federation have agreed to work with SPIRA to sponsor legislation on construction reform, planning, and other zoning issues. In the Federation, several cantons have approached SPIRA for assistance in business and construction regulatory reform.

And although publicly the BiH political parties rarely agree, within USAID's parliamentary assistance programs at the State and Entity levels, Members of Parliament from the Bosniak, Serb and Croat parties cooperate closely during all USAID trainings.

The State government also signed an Agreement of Cooperation between the Council of Ministers and the NGO Sector opening significant opportunities to increase citizens' involvement in State-level decision making. Following this signing, the RS Government on its own initiative approached USAID for assistance in setting up an RS NGO coordination office.

Despite political challenges, USAID has so far been able to implement its programs without severe interferences and has achieved significant impact in the country as planned. However, political developments could potentially hinder future program implementation. USAID, in close coordination with the Embassy, will monitor the political situation and work together to respond appropriately. The USAID program and other similar assistance programs continue to be essential to achieve the USG's political objectives in BiH.

Acronym List

Acronyms	Full Title
MP	Members of Parliament
VAT	Value Added Tax
CCSP	Center for Civil Society Promotion
SIDA	Swedish International Development Cooperation Agency
HJPC	High Judicial and Prosecutorial Council
ODC	Office of the Disciplinary Counsel
MoJ	Ministry of Justice
JSRS	Justice Sector Reform Strategy
JIAI	Judicial Independence and Accountability Initiative
CAPP	Citizen's Advocacy Partnership Program
NGO	Non-Governmental Organization
USAID	United States Agency for International Development
USG	United States Government
EU	European Union
BiH	Bosnia and Herzegovina
OSCE	Organization for Security and Cooperation in Europe
FY	Fiscal Year
CNN	Cable News Network
RS	The Republic of Srpska
SME	Small and Medium Enterprise
ISO	International Quality Standards
CE	EU product quality certificate
IRM	Inspection-related measures
SPIRA	Streamlining Permits and Inspection Regimes Activity
WAN/LAN	Wide Area Network/Local Area Network
ICT	Information and Communication Technology
FMC	Forestry Management Companies
DO	Democracy Office
ERO	Economic Restructuring Office
PPO	Program and Project Office
FSC	Forestry Stewardship Council

Bosnia and Herzegovina 2007 Performance Report

Operating Unit Performance Summary

USAID programs have largely met their goals despite the many challenges faced in FY07. Fifty-five local governments became more efficient and accountable to their citizenry. The formalization of civil society's input into government policy-making has helped ensure citizens' concerns are given higher priority. Think tank research has provided civil society with the facts on many issues on which to base their advocacy and decision-making. Judicial reform moved forward with the strengthening of management practices within the High Judicial and Prosecutorial Council (HJPC). Also, 11 model courts were graduated and HJPC is now set to take over and spread this initiative.

In the area of economic growth, private sector competitiveness improved through support to the wood processing and tourism sectors. In wood processing, productivity grew by 23%. Award-winning tourism spots and attendance at international fairs helped make BiH a new desirable tourism destination. Tourist arrivals increased by 20% in FY07. On the policy side, programs have created more business-friendly environments by reducing the time and bureaucracy involved in obtaining permits to start and operate new businesses. Often-duplicative inspection-related measures have been reduced by 43%.

USAID programs face numerous challenges. The defeat of constitutional reform efforts and the election of officials who have chosen to fan the flames of nationalism as a means to achieve their aims have helped to further divide the country and delay progress towards joining the EU. In the Federation, progress was slower than in the RS due to the eight-month delay following parliamentary elections in forming a government. Concern about the widening economic gap between the two entities has been somewhat alleviated of late as Federation officials have increased cooperation and stepped up implementation of reform efforts. Given renewed ethnic nationalism pressure to divide the country into two, USAID expects it will need to continue providing assistance long into the future.

USAID programs work cooperatively and, when appropriate, USAID joins other donors. USAID works closely with the US Embassy to press for reforms and to get the word out about the USG's assistance to BiH.

All Mission activities are in full compliance with their 22 CFR 216 determinations. Gender mainstreaming was promoted by assessing the implications for men and women of planned actions in all areas and at all program levels.

Program Area Performance \ 1 Peace & Security \ 1.1 Counter-Terrorism

The USG in Bosnia and Herzegovina gives priority to assisting governmental institutions and non-governmental organizations to fight trafficking in persons. The State Government has made significant progress towards strengthening its capacity to combat trafficking in persons, but still more work needs to be done. Although the BiH Government, as a result of USG assistance, did establish an institutional anti-trafficking office at the State level contributing to the decision to elevate the country to "Tier 2" status, more coordinated activities are needed to facilitate the efficient prosecution of trafficking crimes and to implement a victim referral system so victims can be afforded proper protection. The anti-trafficking efforts

in BiH have so far been directed mainly towards foreign victims of trafficking. However, more and more domestic victims are being identified and new systems need to be put in place to assist these victims.

The National Action Plan for Combating Trafficking in Human Beings (NAP) constitutes a significant development in the design of effective strategies to counteract trafficking in persons. USAID and the Office of the State Coordinator for anti-trafficking worked closely throughout the program to design and implement awareness raising campaigns and garner support for inclusion of anti-trafficking curricula in schools.

USAID's support for anti-trafficking local capacity building focused in FY07 on ensuring that effective strategies to counter trafficking in persons are developed and that adequate action towards the referral and assistance of the growing number of trafficked BiH nationals is taken. USAID also developed school curricula and a teachers' manual focused on trafficking in persons as well as established an operational network among NGOs to share information and consolidate efforts in assistance provision.

The results of FY07 implementation of this USG -funded activity have had a positive impact on BiH's future ability to decrease the number of trafficking victims. Continued USG assistance will be required to assist BiH move to a "Tier 1" status as it reduces the threat of trafficking in persons within BiH.

Gender mainstreaming was promoted by assessing the implications for men and women of any planned action in all areas and at all program levels.

Program Element Performance \ 1 Peace & Security \ 1.5 Transnational Crime \ 1.5.3 Trafficking-in-Persons and Migrant Smuggling

During FY07, USAID continued activities to strengthen the institutional framework for both the governmental and non-governmental sectors to combat trafficking in persons in BiH. A set of activities directly related to sustainable capacity building to provide services to national and foreign victims of trafficking were successfully implemented. The advocacy skills of the non-governmental organizations engaged in anti-trafficking activities were enhanced and their network was consolidated in the form of a Protocol of Cooperation. Fifty victims of trafficking were assisted; thirty-six vulnerable individuals completed vocational training; seventy-five educational workshops were carried out targeting over a thousand school children; and the public awareness raising campaign proved to have nationwide outreach. As a result of USAID assistance, the second National Action Plan for Combating Trafficking in Human Beings (NAP) was developed.

The program was evaluated by an external evaluator. Gender equality concerns were integrated into the program. Gender mainstreaming was promoted by assessing the implications for men and women of any planned action in all areas and at all program levels.

Program Element Performance \ 1 Peace & Security \ 1.5 Transnational Crime \ 1.5.5 Program Support (Crime)

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Element Indicator Narrative \ 1 Peace & Security \ 1.5 Transnational Crime \ 1.5.3 Trafficking-in-Persons and Migrant Smuggling

- Number of people trained on TIP related issues with USG assistance. The number of individuals from government institutions and non-governmental organizations who received USG training in FY07 was one thousand. USAID, through its Trafficking in Persons: Prevention and Protection Program, offered training for NGOs on standards of assistance, vocational services, and reintegration services.
 - Number of TIP victims rescued with USG assistance. Sixty victims of trafficking were assisted under the USAID-funded anti-trafficking program.
 - Number of rescued victims of TIP provided with trauma counseling and/or other psychological counseling with USG assistance
- All sixty victims of trafficking placed in shelters throughout FY07 were provided with trauma counseling.
- Number of public awareness campaigns about TIP completed. A comprehensive country-wide public awareness raising campaign was completed in FY07. It had a broad outreach and focused on educational workshops at schools for students, their parents, and teachers. Two other campaigns had been planned, but due to reduced funding levels, USAID shifted its focus to higher priority areas.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights

In FY07, all achievements under this program area contributed to better organization of the BiH judiciary, more efficient implementation of the laws, more transparent and predictable delivery of justice and easier access to courts for all citizens of BiH. The State Ministry of Justice's (MoJ) management of international legal assistance cases, for which the MoJ provides direct services to BiH citizens, was brought to an optimal level with no further assistance needed.

Established rule of law remained a prerequisite for a lasting peace and a self-sustaining economy of BiH, capable of attracting international and domestic investors. In FY07, USAID's support for rule of law and human rights focused on strengthening judicial institutions and ministries, improving court functions, advancing citizens' legal rights, and introducing new courses and teaching methodologies within law faculties. Also, USAID programs enhanced the dialogue between the three branches of BiH Government with an aim to secure judicial independence and increase judicial accountability.

As a result of attaining this higher-level of institutional development, the development of a BiH comprehensive Justice Sector Strategy (JSRS) and the launching of the Judicial Independence and Accountability Initiative (JIAI) in FY07, the focus of the USAID program is shifting towards policy reforms that State level judicial bodies need to undertake to secure the full independence of the judiciary. While the MoJ is fully committed to these two initiatives, the remaining challenge in the near future will be to secure the full commitment of both State and Entity level governments to the implementation of both JSRS and JIAI.

In the area of court administration, the improved court administration practices introduced in seven courts, allowed for easier access to justice for approximately one million more Bosnians. Eleven model courts graduated during 2007 and the process of the transfer of the USAID Model Court Initiative to the HJPC was started.

The impacts of activities implemented during FY07 mentioned above, are positively reinforcing BiH's longer-term goal of a more efficient and fair judicial system. The USG's continued support to this sector is essential to consolidate recent reforms which will help BiH move from a developing to a transforming

country.

Gender mainstreaming was promoted by assessing the implications for men and women of planned action in all areas and at all program levels.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.3 Justice System

In FY 07, the High Judicial and Prosecutorial Council's (HJPC) new strategic plan was developed and adopted, with management training provided to both the Council and the Secretariat staff. Specialized training to the HJPC's Office of the Disciplinary Counsel (ODC) was delivered and immediately resulted in improved professional and management performance by ODC itself in the areas of judicial discipline and performance of judges and prosecutors.

Two thousand and seven saw the development of the comprehensive Justice Sector Reform Strategy (JSRS) and the launching of the Judicial Independence and Accountability Initiative (JIAI). The objective of the JSRS is the creation of an efficient, effective and coordinated justice system in the BiH through the establishment of a set of actions to be undertaken by each institution within the justice sector. The ultimate objective of the newly launched JIAI was to lead to state-level constitutional guarantees for HJPC and the judiciary as an independent branch of government.

The activities implemented under the Justice System Program Element do not specifically target gender. However, more efficient justice system institutions, especially all court levels, allow both men and women to have easier access to justice.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.5 Program Support (Rule of Law)

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.3 Justice System

- Number of Justice Sector Personnel that Received USG Training

The number of justice sector personnel that received USG training in FY07 was 800. This is an increase in comparison to the planned 750, due to a higher number of courts that participated in USAID's training programs. USAID offered training in modern case management systems, public relations, human resources, program budgeting, disciplining procedures for judges, and international legal assistance.

- Number of USG-assisted Courts with Improved Case Management

Due to the increased interest of courts throughout BiH in USAID's Model Court initiative (to strengthen the

court administration practices within the selected courts), the number of USG-assisted courts with improved case management was increased to seven. The funding for the increased number was made available through strategic prioritizing of the work at the courts and through the cost sharing.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance

Within the area of good governance the USG provides assistance to improve local governance and to strengthen legislative functioning. USG assistance to make local governments more efficient, accountable, and better able to promote local economic development by improving customer service provision was accomplished by establishing 55 Municipal One-Stop Shops operating in BiH and by modernizing urban planning and introducing new global information system technology in Tuzla, Novo Sarajevo, Banja Luka, Travnik, Velika Kladusa and Konjic. In addition, USAID helped to improve budget and finance methods through hundreds of workshops and roundtables for municipal officials in the fields of financial management, process engineering, zoning, permitting, capital budgeting, and revenue allocation. USAID provided tools for transparent and efficient urban planning and permitting, and improved the ability of municipalities to manage finances.

A study tour on sub-sovereign debt for the Federation of BiH MPs, and municipal officials was conducted to raise issues concerning the municipal debt market and its regulation. Revenue allocation systems laws were passed in both entities following introduction of the VAT thus providing municipalities with greater and more predictable revenue flows. The USG organized regional meetings in BiH between mayors and the ambassadors of the US, the Netherlands, and Sweden to push for bottom-up governance reform.

In legislative strengthening, USG supported BiH State and two entity parliaments by introducing an internship program in all three parliaments and providing training for MPs and parliamentary staff. Two orientation seminars were held for 140 newly elected MPs in the three parliaments to improve their capabilities. A strategic plan for the BiH parliament was developed and 27 new bills were initiated.

Through the USG-funded activities mentioned above, BiH has, during FY07, moved somewhat closer to its long-term goal of effective and accountable governance. Continued USG assistance will be required during the next five years to help BiH achieve this goal.

Gender mainstreaming was promoted by assessing the implications for men and women of any planned action in all areas and at all program levels.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes

Under this element, two USAID's implementing mechanisms have addressed the legislative development process in BiH. None have been funded with FY07 funds. In 2007, USAID supported BiH State and two entity Parliaments to improve their legislative functions by introducing internship programs in all three Parliaments, providing training on public hearings for members of parliament and parliamentary staff, and improving legislative planning and procedures. The efforts resulted in nine public hearings. A Public Hearing Manual was developed and utilized by the BiH Parliament. In addition, some training on good planning practices in the parliament and three trainings on public outreach technics were conducted. This resulted in the development of a strategic plan for the BiH Parliament, and 27 new bills were initiated.

In order to strengthen the capacity of civil society organizations to work with Parliament, 15 civil society organizations were linked with parliamentary committees. Two orientation seminars were held for 140 newly elected Ministers of Parliament in the three parliaments to facilitate taking over of the legislative tasks. The internship program was implemented in all three parliaments and was successfully handed over to one entity parliament. In addition, nine former interns obtained professional positions within legislatures.

A Code of Conduct retreat was organized for the BiH Parliament's working group which resulted in a draft of Code of Conduct.

This program does not have any gender-specific activities. However, it encourages gender diversity in all areas of assistance.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization

In FY 07, USAID local government and decentralization efforts focused on delivering more effective services to citizens, as well as drafting and helping pass entity-level legislation to improve the enabling environment for municipal finance.

Fifty-five One-Stop Shops designed and built with USG assistance now operate throughout Bosnia-Herzegovina. An urban planning project utilizing modern zoning techniques and technology was introduced in the larger municipalities of Tuzla, Novo Sarajevo, Banja Luka, Travnik, Velika Kladusa and Konjic. Hundreds of workshops and roundtables for municipal officials were conducted in the fields of financial management, process engineering, zoning, permitting, capital budgeting, and revenue allocation. A study tour on sub-sovereign debt for the Federation of BiH, Ministers of Parliaments, and municipal officials was conducted in June, promoting solutions concerning the municipal debt market and its regulations. As a result, new amendments to the Federation debt law are being drafted. Sixty community development grants were successfully completed in 2007 indicating that partner municipalities have raised the levels of transparency and information flow within municipal structures and to citizens. USG organized regional meetings throughout BiH between mayors and the Ambassadors of the US, the Netherland, and Sweden to push for bottom-up governance reform in 2007.

Both entities adopted revenue allocation legislation in 2006 developed through the joint USG-Swedish SIDA Governance Accountability Project. The new laws have made transfers more transparent and predictable, and have also increased the share of public revenues going to the municipal sector. Crucially, the Federation law also takes away from cantons the power of the purse over municipalities. This major governance reform has opened the door to further fiscal decentralization, with increased accountability and authority at the local level. Fiscal revenues in partner municipalities have increased 39% in the past year, with own-source revenues increasing by 27%. The capital outlays in partner municipalities have increased by 87.5% in partner municipalities since the program began, indicating that partner municipalities are spending less on operations and more on productive investments.

USAID initiatives to make municipal decision-making more participatory for all community members have led towards greater gender balance at participatory town meetings.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.6 Program Support (Governance)

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization

- No. of Individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization - With USG funds workshops were conducted for municipal officials in procurement, sub-sovereign debt, accounting, financial management, urban planning, and fiscal decentralization.
- No. of Laws or Amendments Promoting Decentralization Drafted with USG Assistance - USAID-supported revenue allocation legislation was adopted by both entities. The Federation Local-Self Governance Law, supported by USAID, was adopted.
- No. of Local Mechanisms Supported with USG Assistance for Citizens to Engage their Sub-national Government - In FY07, 60 community projects were completed in partner municipalities, involving the input and shared resources of many citizens.
- No. of Sub-national Governments Receiving USG Assistance to Increase their Annual Own-source Revenues - With USAID support both entities adopted revenue allocation legislation making transfers more transparent and increased the share of public revenues for the municipal sector. Fiscal revenues in partner municipalities increased 39% in FY07. Capital outlays increased by 87.5% in partner municipalities since program start-up.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society

In FY07, USAID supported local NGOs to focus on civil society work to promote structural reforms and policy development, institutionalize relationships with the government and the business sector and improve NGOs relationship with parliaments.

USAID's partners pursued state-wide advocacy and watch-dog activities including producing policy research papers by local think tanks. These research papers were used by NGOs, political parties, elected representatives, and the media. All policy research papers are aimed to link to advocacy campaigns or to support the work of elected representatives to help parliamentarians make decisions. In FY07, 13 NGOs were trained in two policy development training courses.

NGOs monitored the work of the parliament and participated in public hearings on specific topics in order to increase civic participation in the parliament. As a result, 13 semi-annual assessments on the efficiency and accountability of the first six months of the work of newly elected BiH legislative and executive authorities in BiH were published.

In the field of improving the sustainability of the NGO sector in May 2007, USAID's implementing partner, Center for Civil Society Promotion (CCSP), on behalf of the entire NGO sector in BiH, signed an agreement for cooperation between the Council of Ministers of BiH and the NGO sector. This event opened the door for the creation of offices at different government levels to ensure better cooperation with civil society. These government offices will enable greater and more organized NGO involvement in public policies and more transparent distribution of public funds to local NGOs. In addition, in FY07, 29 municipal mayors committed themselves to long-term cooperation with civil society by signing similar local agreements at the

municipal level with NGOs.

USAID began conducting trainings to improve NGO public relations strategies and their use of the media to cover advocacy issues. The first training trained 17 local advocacy, watch-dog and policy research NGOs.

The above activities completed in FY07, have impacted positively on BiH's longer- term goal of including an active civil society in the governance processes. However, USG assistance remains critical to assist BiH's nascent civil society move forward towards achieving this goal.

Gender mainstreaming was promoted by assessing the implications for men and women of any planned action in all areas and at all program levels.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation

In FY07, USAID's Citizen's Advocacy Partnership Program (CAPP) focused on providing a sustainable system of citizen control over the work of the BiH government by monitoring the work of government institutions; analyzing proposed and adopted legislation and policies; analyzing the effects of policies and involving interest groups in advocacy campaigns.

CAPP produced 13 reports on the work of all levels of government and parliament during the first six months of 2007. These reports placed emphasis on the adoption and implementation of work programs, the passage of laws, and the accountability of government institutions. These reports also generated more than 110 stories published by various BiH media agencies. The fact that for the first time a BiH NGO was able to present a much read and discussed public assessment of the efficiency and accountability of the legislative and executive authorities in BiH caught the attention of government prime ministers and chairmen of assemblies.

Under USAID's CAPP program, 29 subgrants were given in 2007, to local organizations which proposed to undertake specific advocacy campaigns that increase civic participation in decision making and increase the level of accountability of elected representatives in solving problems from the civic platform.

Through a USG-funded NGO sector program, 29 municipalities in BiH signed local agreements with NGOs geographically working within these municipalities during FY07. These agreements help regulate the relationship between the two sectors and also ensure citizen participation in the creation of public policies. In May, 2007, an agreement for cooperation between the Council of Ministers in BiH and the NGO sector in BiH was signed. As a result, in September, 2007, thirty-one members of the Council of Civil Society in BiH were elected to serve on this Council. The Council of Ministers will work with this Council to jointly create strategies that will lead BiH closer to EU. In addition, USAID funded two initiatives in election law to address systematic gaps that exist in the current law.

Overall in FY07, targets for three of four indicator of success were met or exceeded; only one overly ambitious target was not met and will be revised in FY08. Civil society NGOs participating within the USG-funded NGO sector program draw support from and advocate for the interests inclusive of all community members, and, as such, seek out and encourage the participation of all genders.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.3

Program Support (Civil Society)

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation

• No. of Civil Society Organizations using USG Assistance to Promote Political Participation - In FY07, 68 local NGOs received USAID grants to implement advocacy campaigns. • No. of CSO Advocacy Campaigns Supported by USG - In FY07, 68 advocacy campaigns were implemented. USAID grants were given to 29 local NGOs to increase civic participation in decision making and increase the level of accountability of elected representatives in solving problems. An additional 39 grants were aimed at local advocacy efforts to launch local civic campaigns and ensure their involvement of governments, mobilization of local resources, and implementation of approved projects. • No. of Positive Modifications to Enabling Legislation/Regulation for Civil Society accomplished with USG Assistance - In FY07 a coalition of 380 NGOs led by a USAID-funded NGO, signed an Agreement on Cooperation with the Council of Ministries. In addition during FY07, 29 local agreements were signed between municipal mayors and NGOs. USAID funded two initiatives in election law to address systematic gaps that exist in the current law. • No. of USG Assisted Civil Society Organizations that engage in advocacy and watchdog functions - In FY07, 68 local NGOs received USAID grants to implement advocacy campaigns.

Program Area Performance \ 4 Economic Growth \ 4.4 Infrastructure

Activities in this area will begin in FY 08 utilizing FY 07 funds.

Program Element Performance \ 4 Economic Growth \ 4.4 Infrastructure \ 4.4.2 Communications Services

No activities were undertaken in FY 07 in this element. Activities utilizing FY 07 funding will commence in FY 08.

Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness

In FY07, USAID made significant progress in the wood processing and tourism sectors to improve competitiveness. USAID facilitated cluster formation and development of strategies and actions for improving competitiveness; assisted in the establishment of effective public-private partnerships; supported cross-border linkages and regional trade; and increased access to finance. Activities in this area enjoy strong government support from both entities. Ministerial counterparts are, in some cases, incorporating USAID activities into their budgets and work areas and expanding the scale and scope of activities.

USAID continued delivering targeted technical assistance in areas of new product development, business management improvement, and supply chain management. Productivity in the wood processing sector grew by 23%. Also, as a result of USAID assistance, exports of value-added products grew by 33.5% thereby reducing reliance on exports of raw materials. Regarding supply-chain management, USAID implementers assisted in developing effective public-private dialogue mechanisms that resulted in more transparent and efficient allocation of timber resources and product delivery. Companies in the wood processing sector now

have adequate and more reliable supplies of raw material.

In addition to assisting enterprise competitiveness, USAID helped groups of companies to develop joint promotion and marketing strategies, and facilitated their attendance at 26 international industry fairs. This resulted in creation of a permanent network of agents and tour-operator partners in Western Europe. USAID commissioned the production of award winning TV spots that were aired on CNN. This was an important step in the creation of a positive country image and part of BiH's branding strategy. In tourism, USAID activities helped establish tourism clusters which transcend entity lines and assisted cluster members across entity borders to develop joint promotion presentations of BiH tourism.

Achievement of BiH's long-term goal of increased competitiveness of targeted sectors was enhanced by results obtained in FY07 through the above USG-funded activities. Further USG assistance will be required over the next few years to more fully achieve this goal as BiH moves towards EU integration.

This program does not have any gender-specific activities. However, it encourages gender diversity in all areas of assistance.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

In FY07, the number of stakeholders in both the wood processing and tourism clusters increased by 34. USAID institutionalized trainings to improve Small and Medium Enterprise (SMEs) operations and strategies, quality management, and customer service. In the wood processing sector, USAID, through a series of targeted trainings on new production technologies, workforce skill enhancement, and utilization of new technologies succeeded in improving productivity of cluster stakeholders by 23%. Additionally, USAID assisted selected companies in the introduction of ISO quality standards and CE (EU product quality certificate) certification which is a prerequisite for exports to the EU. Exports for wood cluster members grew by 33% in the past year.

In the tourism sector, USAID assisted cluster stakeholders in developing new tourism products and joint promotion strategies and campaigns and in certifying tour operators. Additionally, USAID facilitated the creation of a micro-cluster in rafting, a new tourism attraction for BiH. As a result, BiH was selected to host the 2009 World Rafting Championship. USAID assisted in the production of the first tourism promotion TV-spots that have been aired on CNN. As a result of USAID's program, the number of foreign tourists traveling to BiH increased by 19%.

USAID assisted SMEs and state forestry companies in the development of more transparent log-allocation procedures. This resulted in improved and more predictable access to raw materials to companies in the Una-Sana Canton. This model was successfully replicated in two more BiH Cantons. USAID also helped to establish the Foreign Investors Council. The primary objective of the Council is to assist the BiH state-level Foreign Promotion Agency in addressing business environment issues.

Achievement of BiH's longer term goal of increased competitiveness of targeted sectors was supported by the results obtained during FY 07 through the above USG-funded activities. Further USG assistance will be required over the next few years to more fully achieve this goal as BiH moves towards EU integration.

This program does not have any gender-specific activities. However, it encourages gender diversity in all

areas of assistance.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.4 Program Support (Private Sector)

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

•Amount of Private Financing Mobilized with a DCA Guarantee – In FY07, 96% of this target was achieved indicating that companies are investing in production upgrades and expansion. • No. of firms receiving USG assistance to invest in improved technologies - Only 50% of the target has been achieved because in FY07, USAID decided to launch a separate project aimed at assisting SMEs in implementing ICT based business solutions. In light of this upcoming new project, the current implementer shifted its focus to other critical areas. The target for this indicator needs to be reduced from 130 to 40 for 2008. •No. of firms receiving USG assistance to improve their management practices - The target was achieved for FY07, but needs to be reduced to from 315 to 40 for 2008. USAID is awaiting permission to work with wood processing companies in the RS. This work was suspended in 2005 awaiting resolution of corruption charges. •No. of public-private dialogue mechanisms utilized as a result of USG assistance indicator – The FY07 target was surpassed, due to the demonstration effect of the successful public-private dialogue mechanisms in the Una Sana Canton, resulting in more transparent timber allocation to enterprises. Other companies agreed to replicate the process.

Program Area Performance \ 4 Economic Growth \ 4.7 Economic Opportunity

In FY07, USAID provided assistance to promoting economic growth by improving the environment for private investment in small and medium enterprises, and by increasing incomes, competitiveness, and employment. Specifically, USAID worked in the following areas to develop the private sector: streamline permitting procedures to start and operate businesses, and initiate and assist in the implementation of legal reforms; streamline construction permitting procedures, amend relevant legislation and implement it; network municipalities and other government institutions and develop a coherent and manageable inspection management system; and streamline the inspection regime.

USAID made progress towards reducing the governments' role in deregulating burdensome regimes that govern economic growth. To assure that procedures, once adopted, will be sustained and institutionalized, USAID helped to build the capacity of the individuals and institutions that are required to support the implementation of those reforms, which helps to ensure compatibility with EU directives.

The RS government remains highly supportive of these efforts and based on the successes of FY 07, USAID is currently working with the RS to identify new ministries for regulatory reform and to further simplify procedures for other industry sectors.

Work in the Federation entity has proceeded at a slower pace. This is primarily due to the eight-month delay between parliamentary elections and the forming of the entity government. However, in the final three months of FY 07, the Federation began to work with USAID on instituting reforms similar to those already

completed in the RS. By the end of FY 08, it is anticipated that time to register a business in the Federation will be similar to that of the RS and the related inspection regime will also be in closer harmony with that of the RS.

The successful undertaking of the activities identified above have positively impacted on BiH's longer term goal to improve its business enabling environment as it moves towards EU membership. USG will continue to play an active role over the next few years to assist BiH shift from a developing to a transforming country as it moves towards EU accession.

Gender mainstreaming was promoted by assessing the implications for men and women of any planned action in all areas and at all program levels.

Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.2 Policy Environment for Micro and Small Enterprises

In FY 07, USAID proposed new legislation and amendments to remove duplicative and unnecessary procedures and statutes to decrease the time required to register a small business. In the Republic of Srpska (RS), the time has fallen from 33 days to just 8 days; this is a dramatic decrease in the time and cost for entrepreneurs.

In the area of inspections, USAID was able to reduce the number of inspection-related measures (IRM) that created repetitive and frequently duplicative burdens on enterprises. USAID succeeded in reducing the measures by 43%. Further streamlining of IRMs to create a more friendly business environment is planned under the leadership of the RS Department of Regulatory Reform.

The RS government remains highly supportive of these efforts and, based on the successes of FY 07, USAID is currently working with the RS to identify new ministries for regulatory reform and to further streamline and simplify procedures for other industry sectors.

Work in the Federation entity has proceeded at a slower pace. This is primarily due to the eight-month period between parliamentary elections and delay in forming the entity government. However, during the last three months of FY 07, the Federation began to work with USAID on instituting reforms similar to those already completed in the RS. By the end of FY 08, it is anticipated that time to register a business in the Federation will be similar to that of the RS and the related inspection regime will also be in closer harmony with that of the RS.

To support the reforms, USAID trained over 600 government employees regarding the new legislative registration process, inspection criteria for businesses, as well as training for increasing their capacity to perform their work.

SPIRA activities do not specifically target gender. However, the easing of regulatory requirements allows both men and women an enhanced ability to create a new enterprise.

Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.5 Program Support (Econ Opportunity)

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Element Indicator Narrative \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.2 Policy Environment for Micro and Small Enterprises

• Number of proposed improvements in laws and regulations affecting the operations of mirco and small enterprises - This target was surpassed during FY07. • Number of proposed improvements in laws and regulations affecting the registration of mirco and small enterprises – This FY07 target was also surpassed. This was due in large part to the strong support in the Republic of Srpska for the reform program. Additionally, USAID was able to leverage activities with other similar USAID activities to broaden the reach of the program. In FY 08, USAID expects that with continued support from partner ministries, activities in this area will have similar success and demonstrate real reform progress.

Program Area Performance \ 6 Program Support \ 6.1 Program Support

Under this program area the Mission funded US, PSCs and FSN working for the US Government managing, administering, and supporting programs and their program-funded benefits such as housing , IT, travel, transportation as well program-funded share of utilities, staff training costs and the cost of developing and administering training programs, supplies, ICASS, rent, vehicle fuel and maintenance, janitorial services, operational; unit web page development and maintenance, outreach such as publications and the cost of their preparation (including staff costs), as well as assessments to ensure Agency compliance with foreign policy goals.

Program Element Performance \ 6 Program Support \ 6.1 Program Support \ 6.1.1 Program Support

This Program Element funds the staff and related support costs that manage and support activities implemented under the other Program Elements.

Key Issue Performance \ Reducing gender based violence and exploitation

The fight against trafficking in persons has a close connection with the reduction of gender-based violence. Girls and women are more vulnerable to trafficking for sexual purposes. Due to gender-based discrimination and the feminization of poverty, there are fewer and fewer opportunities for women to find work. Women and girls migrating for jobs are very vulnerable to trafficking and girl children are even more vulnerable because of their young age.

Recognizing that economic independence of women is the best means against gender exploitation,USAID designed its anti-trafficking activity to assist BiH institutions to empower vulnerable populations. To that end, part of the program dealt with the social integration of victims of trafficking. Entrepreneurial skills training for vulnerable population groups and empowerment workshops were held in cooperation with social care centers throughout BiH.

Key Issue Performance \ Trade Capacity Building

In FY07, USAID provided support to companies in the wood processing and tourism sectors in quality

certification and creation of export market linkages.

USAID assisted BiH companies improve their business practices and obtain certification in the following areas: International certification of rafting skippers, leading to the selection of BiH as the site of the next World Rafting Championship; International certification of river diving instructors; Forest certification through collaboration with the World Bank (WB). The WB assisted four Forestry Management Companies (FMCs) obtain Forestry Stewardship Council (FSC) certification. USAID performed benchmarking of best practices in certified FMCs. Results and recommendations were delivered to all FMCs enabling them to prepare for certification; ISO quality certification for wood processing companies in the Una Sana Canton; and Training in CE (European Union product quality seal) certification for wood processing companies in the Una Sana Canton. In FY07, 15 people were trained in technologies and standards for vegetable growing.

USAID assisted BiH companies to establish a permanent network of 12 sales agents and manufacturing representatives in Western Europe and the US. USAID also facilitated the participation of BiH companies at 26 industry fairs and improved the image of BiH through the production of award winning video materials which were aired on CNN. In addition, USAID developed a web portal for wood processors.

Key Issue Performance \ Applied Research

USAID conducted nation-wide research that revealed that economic incentives are the primary cause for the rising number of BiH nationals trafficked for the purpose of sexual exploitation. The completion of this research enabled USAID to better design and target our public awareness campaigns.

Key Issue Performance \ Community Mobilization/Participation

In FY07, Sixty community development projects were completed in USAID partner municipalities, involving the input, creativity, and shared resources of thousands of citizens and citizen groups throughout Bosnia-Herzegovina. Partner municipalities have made improvements in raising the levels of transparency and information flow within municipal structures and to citizens. As part of the performance monitoring plan, USAID tracked the utilization by municipalities of ten different information dissemination mechanisms. On average, partner municipalities showed a thirty-nine percent improvement. In addition, 15 representatives from the Federation of Bosnia and Herzegovina, Parliament, and municipalities were sent on a study tour to Poland to monitor sub-sovereign debt procedures.

Key Issue Performance \ Civil Society

Within civil society programs, during FY07, the Council of Ministers signed the Agreement on Cooperation with the NGO Sector and with this, they opened the door for the creation of offices at different government levels to ensure better cooperation with the civil society sector. Governmental offices will enable greater and more organized NGO involvement in public policies and more transparent distribution of public funding for local NGOs. According to the Agreement on Cooperation between the NGO Sector of BiH and the Council of Ministers, BiH NGOs were obligated to form the Commission for Selection which will be tasked with electing 31 members of the first BiH Civil Society Council. The Council, which will work closely with the Council of Ministers in strategic planning, decision making was officially established on October 1, 2007. On the local level, during FY07, 29 municipal mayors committed themselves to long-term

cooperation with civil society by signing similar local agreements on the municipal level with NGOs. The establishment of municipal NGO councils is now in process. In addition, 25 representatives of civil society organizations received in-country training on strengthening public relations.

Key Issue Performance \ Development Research

During FY07, USAID continued its activities to increase the volume and quality of locally initiated and conducted policy analysis in Bosnia and Herzegovina. Through these activities, USAID offered training and technical assistance to existing local institutions, enabling them to become strong, credible and influential policy development institutes. Sub grants are routinely provided to four local think tanks to undertake research on various themes. More specifically, during FY07, two policy development project training courses were organized for thirteen local organizations, three policy research papers that had a significant influence on government bodies were produced and eight institutional development grants were disbursed. Under one USAID-funded program, during FY07, for the first time a NGO provided the government and broader public with a serious assessment of efficiency and accountability of work of BiH legislative and executive authorities in BiH (cantonal, entity and state level). Findings of semi-annual reports on the work of governments and parliaments became the top news in major BiH media.

1 Peace & Security - Bosnia and Herzegovina

1.5 Transnational Crime\1.5.3 Trafficking-in-Persons and Migrant Smuggling

Number of people in host country trained on TIP related issues with USG assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
100	1,000	1,000	200	-	-	-	-	-	-	-	-	-	-	-

1.5 Transnational Crime\1.5.3 Trafficking-in-Persons and Migrant Smuggling

Number of public awareness campaigns about TIPs completed

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3	3	1	5	-

1.5 Transnational Crime\1.5.3 Trafficking-in-Persons and Migrant Smuggling

Number of TIP victims rescued with USG assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
60	90	60	100	-	60	90	60	100	-	-	-	-	-	-

1158
chars

1.5.3 Trafficking-in-Persons and Migrant Smuggling narrative (no more than 1500 characters)

- Number of people trained on TIP related issues with USG assistance. The number of individuals from government institutions and non-governmental organizations who received USG training in FY07 was one thousand. USAID, through its Trafficking in Persons: Prevention and Protection Program, offered training for NGOs on standards of assistance, vocational services, and reintegration services.
- Number of TIP victims rescued with USG assistance. Sixty victims of trafficking were assisted under the USAID-funded anti-trafficking program.
- Number of rescued victims of TIP provided with trauma counseling and/or other psychological counseling with USG assistance. All sixty victims of trafficking placed in shelters throughout FY07 were provided with trauma counseling.
- Number of public awareness campaigns about TIP completed. A comprehensive country-wide public awareness raising campaign was completed in FY07. It had a broad outreach and focused on educational workshops at schools for students, their parents, and teachers. Two other campaigns had been planned, but due to reduced funding levels, USAID shifted its focus to higher priority areas.

2 Governing Justly & Democratically - Bosnia and Herzegovina

2.1 Rule of Law and Human Rights\2.1.3 Justice System

Number of Justice Sector Personnel that Received USG Training

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,600	750	800	800	800	-	-	-	-	-	-	-	-	-	-

2.1 Rule of Law and Human Rights\2.1.3 Justice System

Number of USG-assisted Courts with Improved Case Management

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
11	4	7	4	4

931

2.1.3 Justice System narrative (no more than 1500 characters)

chars

- Number of Justice Sector Personnel that Received USG Training

The number of justice sector personnel that received USG training in FY07 was 800. This is an increase in comparison to the planned 750, due to a higher number of courts that participated in USAID's training programs. USAID offered training in modern case management systems, public relations, human resources, program budgeting, disciplining procedures for judges, and international legal assistance.

- Number of USG-assisted Courts with Improved Case Management

Due to the increased interest of courts throughout BiH in USAID's Model Court initiative (to strengthen the court administration practices within the selected courts), the number of USG-assisted courts with improved case management was increased to seven. The funding for the increased number was made available through strategic prioritizing of the work at the courts and through the cost sharing.

2.2 Good Governance\2.2.3 Local Government and Decentralization

Number of Individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization.

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
660	400	450	550	550	-	-	-	-	-	-	-	-	-	-

2.2 Good Governance\2.2.3 Local Government and Decentralization

Number of Laws or Amendments Promoting Decentralization Drafted with USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	2	3	4	4

2.2 Good Governance\2.2.3 Local Government and Decentralization

Number of Local Mechanisms Supported with USG Assistance for Citizens to Engage their Sub-

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
40	40	60	55	55

2.2 Good Governance\2.2.3 Local Government and Decentralization

Number of Sub-national Government Entities receiving USG assistance to Improve their

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
66	40	40	55	55

2.2 Good Governance\2.2.3 Local Government and Decentralization

Number of Sub-national Governments Receiving USG Assistance to Increase their Annual Own-

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
40	40	40	55	55

**1257
chars**

2.2.3 Local Government and Decentralization narrative (no more than 1500 characters)

• No. of Individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization - With USG funds workshops were conducted for municipal officials in procurement, sub-sovereign debt, accounting, financial management, urban planning, and fiscal decentralization. • No. of Laws or Amendments Promoting Decentralization Drafted with USG Assistance - USAID-supported revenue allocation legislation was adopted by both entities. The Federation Local-Self Governance Law, supported by USAID, was adopted. • No. of Local Mechanisms Supported with USG Assistance for Citizens to Engage their Sub-national Government - In FY07, 60 community projects were completed in partner municipalities, involving the input and shared resources of many citizens. • No. of Sub-national Governments Receiving USG Assistance to Increase their Annual Own-source Revenues - With USAID support both entities adopted revenue allocation legislation making transfers more transparent and increased the share of public revenues for the municipal sector. Fiscal revenues in partner municipalities increased 39% in FY07. Capital outlays increased by 87.5% in partner municipalities since program start-up.

2.4 Civil Society\2.4.1 Civic Participation

Number of Civil Society Organizations using USG Assistance to Promote Political Participation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
25	20	68	20	20

2.4 Civil Society\2.4.1 Civic Participation

Number of CSO Advocacy Campaigns Supported by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
47	40	68	40	70

2.4 Civil Society\2.4.1 Civic Participation

Number of Positive Modifications to Enabling Legislation/Regulation for Civil Society

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	2	32	2	2

2.4 Civil Society\2.4.1 Civic Participation

Number of USG Assisted Civil Society Organizations that engage in advocacy and

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
450	200	68	200	80

1286
chars

2.4.1 Civic Participation narrative (no more than 1500 characters)

• No. of Civil Society Organizations using USG Assistance to Promote Political Participation - In FY07, 68 local NGOs received USAID grants to implement advocacy campaigns. • No. of CSO Advocacy Campaigns Supported by USG - In FY07, 68 advocacy campaigns were implemented. USAID grants were given to 29 local NGOs to increase civic participation in decision making and increase the level of accountability of elected representatives in solving problems. An additional 39 grants were aimed at local advocacy efforts to launch local civic campaigns and ensure their involvement of governments, mobilization of local resources, and implementation of approved projects. • No. of Positive Modifications to Enabling Legislation/Regulation for Civil Society accomplished with USG Assistance - In FY07 a coalition of 380 NGOs led by a USAID-funded NGO, signed an Agreement on Cooperation with the Council of Ministries. In addition during FY07, 29 local agreements were signed between municipal mayors and NGOs. USAID funded two initiatives in election law to address systematic gaps that exist in the current law. • No. of USG Assisted Civil Society Organizations that engage in advocacy and watchdog functions - In FY07, 68 local NGOs received USAID grants to implement advocacy campaigns.

4 Economic Growth - Bosnia and Herzegovina

4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity

Amount of Private Financing Mobilized with a DCA Guarantee

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	21,200,000	6,000,000	5,730,000	4,000,000	4,000,000

4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity

Number of firms receiving USG assistance to invest in improved technologies

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	30	90	42	130	40

4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity

Number of firms receiving USG assistance to improve their management practices

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	210	250	250	315	240

4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity

Number of public-private dialogue mechanisms utilized as a result of USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	35	35	39	35	42

1281
chars

4.6.2 Private Sector Productivity narrative (no more than 1500 characters)

•Amount of Private Financing Mobilized with a DCA Guarantee – In FY07, 96% of this target was achieved indicating that companies are investing in production upgrades and expansion. • No. of firms receiving USG assistance to invest in improved technologies - Only 50% of the target has been achieved because in FY07, USAID decided to launch a separate project aimed at assisting SMEs in implementing ICT based business solutions. In light of this upcoming new project, the current implementer shifted its focus to other critical areas. The target for this indicator needs to be reduced from 130 to 40 for 2008. •No. of firms receiving USG assistance to improve their management practices - The target was achieved for FY07, but needs to be reduced to from 315 to 40 for 2008. USAID is awaiting permission to work with wood processing companies in the RS. This work was suspended in 2005 awaiting resolution of corruption charges. •No. of public-private dialogue mechanisms utilized as a result of USG assistance indicator – The FY07 target was surpassed, due to the demonstration effect of the successful public-private dialogue mechanisms in the Una Sana Canton, resulting in more transparent timber allocation to enterprises. Other companies agreed to replicate the process.

4.7 Economic Opportunity/4.7.2 Policy Environment for Micro and Small Enterprises

Number of proposed improvements in laws and regulations affecting the operations of micro

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7	60	94	70	70

4.7 Economic Opportunity/4.7.2 Policy Environment for Micro and Small Enterprises

Number of proposed improvements in laws and regulations affecting the registration of micro

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
14	6	12	7	7

703

4.7.2 Policy Environment for Micro and Small Enterprises narrative (no more than 1500 characters)

chars

• Number of proposed improvements in laws and regulations affecting the operations of mirco and small enterprises - This target was surpassed during FY07. • Number of proposed improvements in laws and regulations affecting the registration of mirco and small enterprises – This FY07 target was also surpassed. This was due in large part to the strong support in the Republic of Srpska for the reform program. Additionally, USAID was able to leverage activities with other similar USAID activities to broaden the reach of the program. In FY 08, USAID expects that with continued support from partner ministries, activities in this area will have similar success and demonstrate real reform progress.

