

Integrated Local Development Project Phase II: Final Evaluation Report

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All views expressed in this report and any unintended errors remain the responsibility of the consultant and do not express the position of the Government of Switzerland, UNDP or the project partners and stakeholders.

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Acronyms

AMCs	Associations of Municipalities and Cities
BiH	Bosnia and Herzegovina
CSA	Civil Service Agency
DIM	Direct Implementation Modality
DPA	Dayton Peace Agreement
DEP	Directorate for Economic Planning
DMU	Development Management Unit
EC	European Commission
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FDPI	Federal Development Planning Institute
IDBRS	Investment and Development Bank of RS
IEG	Independent Evaluation Group
ILDP	Integrated Local Development Project
IMC	Inter-Municipal Cooperation
IPA	Instrument for Pre-Accession Assistance
LED	Local Economic Development
LID	Local Integrated Development
LOA	Letter of Agreement
MALSG	Ministry of Administration and Local Self-Governance of RS
MDEC	Ministry of Development, Entrepreneurship and Crafts of FBiH
MDT	Municipal Development Teams
MERRC	Ministry of Economic Relations and Regional Cooperation of RS
MOF	Ministry of Finance of RS and FBiH
MOJ	Ministry of Justice of FBiH
MTS	Municipal Training System
MZ	Mjesne Zajednice (local communities)
OSCE	Organisation for Security and Cooperation in Europe
PCM	Project Cycle Management
PIMIS	Public Investment Management Information System
PIP	Public Investment Programme
RIA	Regulatory Impact Assessment
RS	Republika Srpska
SAA	Stabilization and Association Agreement
SDC	Swiss Agency for Development and Cooperation
SEE	South East Europe
SGIP	Strengthening Governing Institutions and Processes
Sida	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
SPU	Strategic Planning Unit
UNDP	United Nations Development Programme

Executive Summary

This report presents the final evaluation findings of the Integrated Local Development Project (ILDLP) Phase II and a way forward.

While peace has prevailed in Bosnia and Herzegovina (BiH) since the end of 1995, twenty years post the Dayton Peace Agreement, the country still struggles for socio-economic development, social inclusion and political stability. Amidst BiH multi-national federalism, systemic and principled planning is dovetailed into the existing strategic planning under the auspices of ILDP, a Government of Switzerland and UNDP supported initiative. The ILDP Phase II is an attempt to support the development of a critical mass of local governments to streamline a harmonized approach in strategic planning at local government and cantonal levels, manage the development process and enhance the vertical integration within the higher rungs of government strategic and financial planning frameworks. ILDP collaborated with a large number of partners and stakeholders to implement the project in the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) entities. Phase II of the Project, with a budget of about USD 7.2 million, was launched in 2012 and is expected to be completed by December 2016.

ILDLP's Phase II was evaluated for its relevance of design, effectiveness of implementation (based on project indicators), efficiency, impact, sustainability and appropriate exit strategy. Other key components covered in the evaluation were: gender equality, social inclusiveness of vulnerable groups as cross-cutting themes. Within the various evaluation criteria, aspects of ownership of stakeholders at different levels and potential for scaling up and replication were analysed. UNDP's results-based approach to capacity measurement assisted the evaluation process in measuring development results within the context of capacity development. Desk research of various policy and project documents, consultation with a number of stakeholders and available quantitative data provided the background context, and enabled enlisting of the achievements under ILDP Phase II. Consultations also helped highlight the challenges that still plague the operating environment of the project in the target operational area. Based on the evaluation findings, the recommendations and way forward have been postulated.

Key Findings

Overall, ILDP filled a critical capacity gap in strategic planning and management of strategies' implementation that was extremely relevant for a multi-layer governance structure of BiH, plagued by a fragmented and unrealistic planning system, weak socio-political economy, and an ineffective governance structure. BiH has also been reeling under national and European Union (EU) priorities and requirements for acceding to the EU under various Agreements. ILDP with its in built long perspective helped the partner institutions at local, cantonal and entity government levels to look beyond their immediate needs and enabled innovative visioning, undertake fairly radical reform measures in the spheres of organizational and social restructuring and, financial resource generation and prioritization.

Within the socio-economic and political-institutional complexity, ILDP provided effective support to several key institutions of the government ranging from promoting policy dialogue to the development of laws and by-laws, governing the wide spectrum of development processes within the FBiH and RS. Though process-oriented initiatives take long to reform policies, ILDP has been largely successful in triggering the process of transforming the planning process into a more integrated and decentralized process engaging all the stakeholders at the various levels. On the broader canvas, ILDP has been instrumental in ensuring proactive leadership of the

government agencies and the broader society in the development of integrated strategies, assisting in building relevant and appropriate capacities and formulating realistic plans to support ground level action processes and development projects. Through these initiatives of the ILDP, UNDP has been able to ground itself firmly at the local level, which so far no other agency has been able to do, thus making it a credible and recognized partner of the local governments. ILDP has also been a flagship programme and the backbone of the broader local governance and local development programme implemented by UNDP and is building on and expanding the ILDP.

The project design is closely linked to its strategic objectives and therefore facilitated the direction of intervention towards achievement of set outcomes. The critical pillars of the project (upstream policy dialogue for embedding local government level into higher strategic and financial planning frameworks, strategic planning at local and cantonal levels, development management capacities) articulate capacity development at institutional, organizational and individual levels. It however partially addresses the enabling environment of limited functional and fiscal decentralization, which has implications for effective strategies' implementation. The capacity development was reinforced by an implementation framework that ensured a highly participatory process engaging all stakeholders and partners in the development of each project intervention within their respective entities. The project also had strong management capacity with appropriate cost effective measures in place.

Overall, the ILDP has been highly successful in introducing a number of significant systemic changes. The project made some notable achievements in its outcomes as the rallying point for strategic planning in BiH. ILDP is in an advanced stage of institutionalization of the strategic planning system in the FBiH. This includes establishing a planning system, which is long-term, participatory, integrated and pro-poor, socially inclusive and gender sensitive. It has begun to consolidate linkage with the public financial system, which is a noteworthy accomplishment. It has capacitated the local self-governments to perform fundamental functions that allowed them to represent the preferences of the citizens in the decision-making process. It has led to realistic planning within the existing budget allocation. A visible transformation in the planning culture (integrated, consultative, inclusive and transparent) was observed at local government and cantonal levels moving the bar towards EU norms and standards. Introducing such systemic changes has influenced and benefited a large number of people who were perhaps excluded from the development process.

Within the two major outcomes of the project, namely, endorsement of vertical linkage between the local development planning framework and financial cycles of immediate higher government levels; and harmonization of local government planning country-wide with its application in a critical mass of local governments along with strategies implementation, there are some very significant achievements with far-reaching and long term consequences that need specific mention.

Legislative impact and vertical integration:

Even if not specifically intended, the Federation domestic stakeholders transformed the policy dialogue process initiated by ILDP into a Draft Law on Development Planning and Management for institutionalizing strategic planning and more importantly supporting horizontal and vertical integration. Effectiveness was reflected in the leadership and ownership exhibited by the partner institutions, in the highly participatory process that was adopted and in the partnership developed with USAID in the sharing of responsibilities in the law drafting process. In the RS, work on finalization of the draft RS Development Strategy and the Draft Decision on Planning, Monitoring and Reporting was nearing completion as of the final evaluation. However, effective vertical integration with the planning and financial frameworks is

an issue that still needs to be contended with. Vertical and horizontal integration with higher up strategies and the sectoral strategies also appeared difficult owing to lack of these strategies at the higher levels of government.

There are issues about limited institutional and organizational capacities within the FBiH Development Planning Institute (FDPI) and Strategic Planning Unit (SPU) in the RS, as well as about their level of influence that still need to be dealt with for effective implementation of the draft law in FBiH and for catalyzing vertical linkages in both entities.

Entity level institutional capacity:

The capacity development interventions for the entity level Institutional Partners such as the FDPI and the SPU in RS has not yet enabled them to fully and adequately play their development planning coordination role. It is however important to note that the FDPI's role in coordination at Federation and canton levels has improved over the project period but the SPU in RS has been recently established. Similarly, the capacity intervention for both the entity AMCs through development of their service line on development planning and management has also not become a dynamic tool to serve the local governments. There were a number of internal and external institutional constraints including human resource, tools, political leverage that challenged the achievement of this intervention.

Public financial mechanisms for local development:

Entity based public funding financial mechanisms for local development were successfully piloted in two institutions (Investment and Development Bank of RS (IDBRS) and the FBiH Ministry of Development, Entrepreneurship and Crafts (FBiH MDEC) leading to the establishment of transparent financial mechanisms applying EU norms and resulting in developmental impact at local level. Institutions responsible for entity based financial mechanisms for promoting local development have internalized the systems promoted by the project and were leading the procurement, implementation and monitoring of projects. The impact of these financial mechanisms so far is visible in the lives of about 17,000 citizens with 106 agricultural farms improving their production and improved service delivery infrastructure in RS and 355 new jobs, 36 new SMEs and improved services to existing 194 SMEs in FBiH.

Integrated planning result:

Participatory and integrated strategic planning at cantonal level has been successfully achieved under the leadership of the Entity (FDPI) and Canton planning institutions. Ninety percent of the cantons have developed their strategies through a unified cantonal strategic planning methodology. As a matter of fact, these strategies have become policy tools for the Cantonal Prime Ministers (PMs) helping them to set out their strategic goals as well as develop action plans for socio-economic development of their respective cantons. Fifty percent of the cantons have developed their implementation plans. However, the operationalization of these implementation plans is yet to be fully realized.

Strategic planning, using the MiPRO methodology, managed to drive 45 percent of the local governments to develop their own specific municipal strategies, which accounted for 15 percent more than targeted municipalities. The replication of MiPRO in the development of integrated development strategies in the additional 15 percent municipalities reflects the domino/ripple effect that has happened at the initiative of the local governments and should be seen as a significant achievement of the project. The Mayors observed that they now have strategies that are realistic, integrated and inclusive.

Capacities to implement local strategies of 100 percent of partner local governments (40) had increased resulting in improved realistic three-year implementation planning, implementation and monitoring. The planning coordinators appreciated the benefits of capacity investments through introduction of management structures (28 % of municipalities had set up Development Management Units) within local governments' offices, and planning, monitoring and reporting tools. The effectiveness of these processes needs to be further increased and sustained.

Mayors and Planning Coordinators reflected that realistic financial planning has led to better targeting of available local government resources and its resultant impact on realized projects from the development strategies. However, due to low own-source revenues and external resources, overall financial resources to programme these strategies were inadequate. The data on external mobilization of resources shows that of the planned 78 percent in FBiH for the period 2013-2014, about 40 percent was mobilized on an average (range varying from 1 to 155 %); and in RS of the 79 percent, 80 percent was mobilized (range varying from 3 to 100%) for the implementation of local projects (from integrated development strategies). It was found that on an average, the realization of the annual implementation plans had increased from 21 percent in 2012 to 41 percent in 2015 for the 40 partner local governments.

Impact at community and individual level:

There was no doubt that there were tangible dividends from the project. There were several benefits accruing at the local government level as a result of various project interventions (planned under the implementation plans during the period 2013-2015). As noted, the local projects (from the integrated development strategies) implemented have led to the creation of infrastructure resulting in the development of business zones, better delivery of services such as improvement of water and sewerage systems and creation of jobs and employment opportunities as well as environmental impact. The benefits to direct beneficiaries through financial mechanism are indicated above and have reached out to more people than planned. Similarly, the gains from the seed fund have reached about 21,500 men and women (much more than planned) who have benefitted through newly built public infrastructure and service delivery. Additionally, post flood recovery reconstruction efforts have aided 200,000 citizens through restored public service delivery.

Gender Equality and Social inclusion

The project made strong efforts at mainstreaming gender equality and social inclusion principles but there are gaps in the effective integration of these principles in the various components of the project. The achievements are evident in the Draft Law on Development Planning and Management in the FBiH, participation in local priority setting and their translation into specific projects in implementation plans targeting women, Roma and the persons with disabilities. It is observed that participation rate of women in the different ILDP training programmes as well as in the Municipal Development Teams and Partnership Groups (responsible for development and consultation of local development strategies) is 33 percent.¹ While this is a relatively good result, there is a need to aim for participation of 50 percent of women. The FBiH Draft law also has specific articles on gender equality objective but there is no explicit focus on socially excluded people.

¹ 30 per cent is widely considered an important benchmark for women's representation. However in the European context, we should aim for a higher participation rate.

Sustainability

Significant gains have been made in the project at different levels with regard to its sustainability. With respect to institutional sustainability, the project activities have ensured that the government system has established a regulatory framework for ensuring continuation of systemic strategic planning and vertical alignment, with plans and budgets in one entity, and thus the process will continue beyond the project lifespan. Also organizational arrangements to sustain strategic planning and strategies' implementation were taking shape at entity, cantonal and local government levels but the system of continual capacity enhancement needs to be ensured. This is evidenced by the establishment of the SPU in RS, proposed Federation Council in FBiH and Development Management Units at canton and local government levels. Similarly, the linkage between financial planning frameworks and local development strategies have also been strengthened through the draft law on Development Planning and Management and decrees on Public Investment Planning (PIP) in both entities and realistic three year implementation planning system. But the overall limited budget availability could cripple strategies' implementation in the future. Financial sustainability therefore remains a critical issue given the unpredictable inter-governmental transfers, low local government revenue generation and inadequate fiscal decentralization policies.

Recommendations

Strategic Recommendations

- 1. Strengthen institutionalization of strategic planning for sustainability.** Based on the evaluation findings, need is strongly felt for a follow up phase (Phase III of ILDP) for strengthening sustainability of reforms in strategic planning, implementation and monitoring.
- 2. Focus on consolidation and expansion of strategic planning.** The follow up phase should focus on consolidating the demonstrated good practices in Phase II in strategic planning, organizational reforms for implementation of strategies and expanding and strengthening new complementary areas.
- 3. Target capacity development of existing partners at entity, cantonal and local government levels.** The consolidation phase should concentrate on institutionalization of policy and regulatory reform on strategic planning at entity level and planning assistance at cantonal level. The next phase should upscale strategic planning at local government level in another 25% of the local governments with special attention to insufficiently developed or underdeveloped to reach a greater threshold of demonstration in coherent local planning system.
- 4. Improve fiscal capacity and linkages of public financial mechanisms with local development under strategic planning.** To strengthen local development, regulatory and capacity development interventions for financial planning, budget adequacy with strong linkages to local plans should be further supported through expansion of the entity based financial mechanism for local development, strengthening harmonization of PIP with strategies' implementation process, developing a transparent and inclusive system of financial transfers, financial equalization models and revenue generation capacities within the cantons and local governments.
- 5. Improve access and absorption of EU IPA resources.** As BiH moves towards becoming a EU candidate country, it needs even greater support to

strengthen its capacities in strategic planning and implementation to acquire stronger assistance under IPA on regional and local development.

6. **Vertical and horizontal accountability mechanisms** need to be strengthened.
7. **Ensure effective inter-municipal cooperation.** IMC activities should be expanded in the context of BiH municipalities to address the issues of scale, learning and improving service delivery through enhancing the role and capacities of AMCs.
8. **Social inclusion of minority groups and gender sensitive planning are critical for ensuring voice and agency of these groups.** There is a need for stronger capacity development including coaching and mentoring of local government and cantonal institutions to enable them to ensure a more socially inclusive and gender sensitive planning, implementation and monitoring process.
9. **Facilitative capacity development of partners at entity (especially FDPI and SPU), canton and local government levels to consolidate efforts.** The ILDP team should act as facilitators, and to the extent possible, minimize the use of external catalysts in the form of private service providers. This should entail greater use of the training system, leadership of domestic partners in mentoring, peer-to-peer support, and increased exposure to nationally owned public sector capacity development initiatives for planning and budgeting in other countries. The accumulated knowledge and skills in the partner local governments and cantons will be strengthened by their continuous application in practice and expanding transfer of the knowledge and experience to a broader group of local governments and cantons.
10. **Advance effective national ownership through increased leadership role of national partners and aligning with national systems.** The follow up phase should develop a clear exit plan at the outset with the key entity level stakeholders. This process should outline the roles of the different actors and required capacity investments to ensure a sustainable transfer of management capacities. The next phase should be seen as a hybrid phase of DIM and NIM. This should ensure increasing use of Letter of Agreement modality under DIM and HACT roll out. The next stage, possibly in the third year of Phase III, should take a full transition to NIM with strong oversight of UNDP and Government of Switzerland.
11. **Partnerships for impact.** Strong partnership with other bilateral and multi-lateral agencies should be continued for complementarity and maximizing impact.

Specific recommendations for the consolidation phase

1. **Continue to advocate for enactment of the development planning and management Law and by-laws** in FBiH and continue engagement within RS for an equivalent framework with a strong thrust on the implementation of these legal frameworks.
2. **Vertical and horizontal harmonization of strategic documents through multi-stakeholder involvement should be pursued.** This should be done through consistent advocacy of various common planning principles and

inclusive structures at different levels as well as support in development of some of the key higher-level development strategies including key sectoral strategies reflecting focus on local level in both the entities as well as at the state level, through cooperation with several domestic and international sector partners. The existence of these strategies at higher levels of governance will support consistency between development priorities at different levels and consequently the expenditure priorities and resource allocations.

3. **Promote and develop sustainable models of development management structures** within a central authority within the local government (Mayors office) and cantons (Cantonal PM office), which provide the necessary power and position to coordinate development strategies and strategies' implementation.
4. **Consolidate leadership and technical capacity development for development management** and, expand and pilot some human resource management and financial management capacity development systems in few partner municipalities who are more advanced in their current capacities.

Way forward

Based on the lessons learned from the ILDP Phase II, the identified gaps and challenges that still remain should be addressed in the next phase (Phase III). Three inter-linked components along with their associated activities are proposed below.

1. Institutionalization of policy and regulatory reform on strategic planning.

- Development and finalization of laws, by-laws/regulations and policy guidelines and strategies in the FBiH and the RS;
- Consolidation of entity level institutional structures (SPU and Federation Council) and mechanisms for coordination of policies and legislations on strategic planning (organizational arrangements);
- Strengthening entity level institutional technical capabilities for implementation of public policies and legislation on strategic planning and development management (technical skills and knowledge).

2. Strategic planning and strategies' implementation system fully operational at cantonal and local government levels (partner cantons and municipalities/cities).

- Consolidate Cantonal planning assistance through both technical and political support on development strategies, regulations on planning and management and establishment of cantonal councils;
- Focused financial planning assistance to Cantons for implementation of strategies through improving cantonal fiscal capacity, public financial management and harmonization with PIP;
- Expanded support to cantons to manage the strategies' implementation by means of capacity development of DMU, human resource management, inter-cantonal networks;
- Local government strategic planning strengthened in existing partner municipalities/cities in RS and FBiH through development strategy revisions, alignment of local government competencies;
- Local government financial planning strengthened in existing partner municipalities/cities in RS and FBiH with improvements in local government

- fiscal space, vertical harmonization with PIP, local development financial mechanisms and financial management systems;
- Local government strategies' implementation and management strengthened in existing partner municipalities/cities in RS and FBiH through improving development management function, exposures, coaching and mentoring, peer-to-peer support, use of the training system and human resource management.

3. Strengthened AMCs and Inter-Municipal Cooperation for enabling democratic governance in FBiH and RS.

- Entity AMCs have the necessary capacities and tools to support municipalities/cities with leadership trainings, immersion programmes, improvements in service line facility, web platform;
- Inter-municipal cooperation (IMC) improved for service delivery by means of expansion of joint initiatives, exposure to best IMC practices and Mayor-Mayor networks.

1. Introduction

The Government of Switzerland supported the Integrated Local Development Project (ILDP) Phase II, which has been implemented by UNDP over the period of January 2012-December 2015, with an extension till December 2016. The following report presents the findings of the final evaluation of ILDP Phase II and the way forward.

The evaluation was commissioned by UNDP to ensure accountability to national stakeholders and its partners, and to serve as a tool for quality assurance and lessons learning to determine a way forward. The report begins with outlining the methodology used in the final evaluation. This is followed by a description of the governance and development challenges in Bosnia and Herzegovina (hence forth BiH) with its implication for strategic planning and local development. The next section describes the ILDP project in brief, followed by the evaluation findings. The remaining sections contain the conclusions, lessons learned and recommendations and a way forward for the next phase.

2. Evaluation Methodology

Approach

Using OECD-DAC Evaluation criteria, ILDP's Phase II was evaluated for its **relevance, effectiveness, efficiency, impact, and sustainability**. Within the design, the emphasis was on assessing the **relevance** of the initiative to national and EU priorities while the implementation was measured for its level of **effectiveness, efficiency and impact** (based on project indicators) of the project interventions. Its exit strategy covered elements of **sustainability** and replication. Overall, the evaluation specifically looked at different aspects of the integrated planning process and how it has been integrated within the government operational and financial framework. Within the various criteria, aspects of ownership of stakeholders at different levels, effectiveness of policy and planning processes, and potential for replication were analysed. Although the evaluation primarily focused on Phase II it also covered certain relevant elements of ILDP Phase I to provide a more holistic perspective. The details under each of these criteria are given in Annex 1.

The two transversal themes of gender equality and social inclusion have been given sufficient emphasis in the evaluation. **Gender** responsiveness within the larger framework of gender equality was specifically looked into, assessing how men and women participated in the development of viable municipal and cantonal strategies and translated their participation into strengthening inclusiveness in the context of gender-sensitive planning and gender-equitable impact. The evaluation also tried to understand the level of **social inclusion** within the planning system and how issues and concerns of Roma, IDPs, returnees and persons with disabilities have been addressed as an integral part of the integrated development strategies and strategies implementation.

UNDP's **results based approach** to capacity measurement² provided the evaluation framework for assessing the results within the context of capacity development. It

²UNDP Capacity Measurement: All institutions, formal and informal, in the public sector, civil society and private sector, have a purpose: they perform functions and produce products and services that make development possible. In so doing, they use an "existing endowment" of resources (human, financial and physical assets) and competencies to convert inputs to outputs such as policies, compliance regulations and mechanisms, and knowledge products; which in turn contribute to achievement of outcomes such as increased service delivery; which in turn again contribute to impact or achievement of national development goals such as improvement in public health and increase in employment. This chain of events, inputs – activities – outputs – outcomes – impact, is known as the results chain, and is

looked at **strategic planning**, and how it has led to developing capacities of the public sector and civil society organizations (CSOs) to perform their roles in determining stakeholder needs, aligning institutional arrangements, and allocating resources for meeting the development goals. It assessed the **outcome** in terms of the institutions' ability to work better and fulfill their mandate through institutional performance (effectiveness and efficiency), stability (institutionalization of good practices) and adaptability (continuous improvement for innovation). This further determined the ILDP **outputs** in terms of institutional arrangements (laws and regulations), leadership development (stakeholder interest), knowledge, training, as well as learning and accountability mechanisms relevant to reaching the outcomes. The outcomes and the outputs are captured in the results and resources framework of ILDP, which was also appraised to determine the changes in capacities that have emerged as a result of ILDP's response strategy.

The **impacts** of ILDP on the local planning system as well as higher government levels' emerging planning frameworks and changes in human development were assessed. An attempt was made to assess the level of investment of the project and other resources, and its impact on the lives of the people within the Phase II.³

During the process of this evaluation, efforts of the various initiatives with complementary objectives were reviewed to understand the potential for synergistic collaborations, and this included initiatives implemented by UNDP such as Local Integrated Development (LID) Project⁴, the Municipal Training System (MTS) Project finalized in 2015⁵ and the Strengthening the Role of Local Communities/Mjesne zajednice (MZs) Project.⁶ It also covered initiatives of some of the other international agencies to determine harmonization of different efforts at supporting strategic planning processes at entity, canton and local government levels.

It was equally important to assess the challenges that ILDP faced at different levels of implementation to elicit lessons learned.

Data Collection

The evaluation report is based on both primary and secondary sources of information. Different sets of instruments were used that included desk review, in-depth interviews with key informants and quantitative data available at the municipal level. It included desk review of a number of key policy and project documents affecting strategic planning and implementation (Annex 3). Tabulation of quantitative data was attempted based on data available from APIS (a customised tool in Excel that allows the ILDP partner local governments to have information on all their projects in one place) and SiMEI (systematic monitoring of socio-economic and environmental impact) to measure impact on people's wellbeing in the partner municipalities.

a simple, systematic cause-effect approach to managing and measuring development results in as tangible a manner as possible.

³See Annex 6 and 7.

⁴ The LID Project (financed by the EU) is being implemented in 21 partner local governments, of which 7 will be receiving assistance to develop their integrated local development strategies, based on the MiPRO methodology.

⁵ Municipal Training System Project (financed by Sida) helped to improve the capacity of the local government employees and elected officials through boosting the relevant training policies, strategies and training programmes..

⁶ The MZ Project (financed by the Government of Switzerland and the Government of Sweden) aims to foster citizen participation in municipal decision making, in provision of quality services by the municipality, and in the implementation of local development activities, by underlining the democratic role of MZs in BiH.

This information was supplemented by consultations and interviews with different institutional partners as well as donors and experts. For qualitative data, a number of interviews were conducted with different stakeholders at entity, cantonal and municipal levels (Evaluation Mission Schedule at Annex 4). The stakeholders included representatives (employees and decision-makers) from governments at local, cantonal and entity levels, Associations of Municipalities and Cities (AMCs), and international agencies especially representatives from the Embassy of Switzerland, USAID and SIDA⁷. Detailed discussions were also held with the ILDP Project team and UNDP representatives. A semi-structured questionnaire was prepared to conduct the interviews with different stakeholders (Evaluation Questions at Annex 2).

The field level discussions were undertaken in selected municipalities/cities that were a fair mix of those modelling good practices and those facing challenges in vertical alignment, and in the effective management of strategies' implementation.

Methodological Limitations

Given the complexity of BiH political and institutional context, ILDP's ambitious objectives, multiple stakeholders at different government levels, wide range of outputs, short evaluation period and subjectivity of responses, it was difficult for an evaluation of this nature to assess all aspects in a comprehensive way. For instance, a significant limitation was the lack of primary data on direct benefits to the community in terms of impact of service delivery or local development (such as increased literacy, potable water availability, increased income) that would have helped study the direct impact of the project on the quality of life of the ultimate beneficiaries/target population of ILDP. The evaluation had to depend on the secondary data at an output level and lack of human and financial resources set aside for the evaluation did not allow measurement of change in people's lives through detailed surveys. Other limitation included a vast geographic area given the scope and nature of the evaluation where the project had a large number of stakeholders and partners spread over different parts of the country and only a subset of partners could be interviewed within the given timeframe. The time frame was insufficient for detailed discussions on the different project outcomes and outputs. This by and large limited the nature and scope of the data collected.

⁷ Discussion with EU were planned but were cancelled due to their non-availability

3. Country and Development Context



Governance context

The Dayton Peace Agreement (DPA) helped establish and maintain peace in the region, and laid the groundwork for evolution of institutional architecture in BiH. The governance structure as outlined below (see Box 1) provided considerable power to the sub-national levels of government but also led to fragmentation and duplication of public services and decision-making. The

European Commission (EC) Progress Report of 2014 and the Country Strategy Paper 2014-2017 for BiH highlighted that the division of competencies between the different levels weaken the effectiveness and efficiency of service delivery.

Box 1: Governance Structure

Governing authority, functions and budgets are divided among the state, the two entities (each with substantial powers to pass legislation, impose taxes and govern), Brčko district, ten cantons within the FBiH and municipalities and cities.

The FBiH Law on Principles of Local Self-Government forms the basis of the canton laws on local self-government. The cantons are highly autonomous and have their own legislative frameworks that affect local governments. In the FBiH, it is the cantonal governments that keep regular contact with their municipalities and cities (81 local governments in the FBiH); however, canton-municipal relationships vary.

The RS has the entity and local government levels. The Law on Local Self-Government is one of the basic principles of the RS's Constitution. In the RS, the Ministry of Administration and Local Self-Governance performs administrative supervision of local government activities in municipalities and cities (63 local governments in the RS).

Local governments are the key drivers of essential public services in BiH. Mayors (who are directly elected) lead and manage enforcement of municipal council/assembly decisions and acts, propose decisions and manage the work of the municipal administration, propose and dismiss department heads and exercise rights and duties defined by municipal statutes and other regulations. Municipal administration has line departments responsible for direct or indirect provision. Municipal Council/assemblies supervise municipal administration.

The relevant legal framework in the FBiH defines MZs as legal and political community bodies that liaise and work closely with citizens; in RS, however, MZs are not legal entities. The laws establish mechanisms for citizen participation through public hearings, feedback lines; designated open office hours/day for municipal council/assembly members, Mayor and open MZ sessions, etc.

Further, lack of functional coordination coupled with fractured planning and budgeting processes and lack of proper accountability mechanisms, challenge the overall operating environment for local planning and implementation.

These challenges have continued to be noted in the EC progress Report 2015 for BiH with implications for the strategic planning process at the local level. The issues of

stabilisation and stimulation of economy, strengthening rule of law and public

administration reforms were some of the noted concerns. The Report also stated that while the entity legislation on local government was in line with the European Charter of Local Self-Government, what remains to be clarified was the division of powers between the entities, cantons and municipalities. Further, there was a low level of financial autonomy at the municipal level. Thus, unclear and unfunded mandates have had an adverse impact on the administrative and fiscal capacities of local governments. The Report additionally points out that there is a lack of medium-term harmonized planning at country-wide level, as well as lack of measures to ensure financial sustainability of sectoral strategies and programmes. Thus, the country's operating environment limits the effectiveness of local governments.

Socio-Economic Context

On a more positive note, there is some semblance of macro-economic stability within the economic and fiscal framework. Much of the destroyed infrastructure has been rebuilt. Economic links between the entities has improved, leading to better employment opportunities.⁸ However, the public sector was found to be large, drying public resources and lacking efficiency. Similarly, the private sector faced challenges of regulatory reforms and lack of infrastructure. These complexities continue to hinder local development processes. Further, the task of strategic planning for local development is thwarted by high poverty levels and persisting inequalities.

Box 2: Demography

Small population of 3.8 million with a majority of aging population, and continued emigration pose problems for service delivery, especially in rural areas. Average municipal population is around 27,000, but ranges between 62 (Istocni Drvar in RS) to 224,647 (Banja Luka). Average Canton population size in FBiH varies from 25,000 (Bosnian Podrinje) to 477,000 (Tuzla).

Source: Preliminary Results 2013 census

Relative poverty is 17.9 per cent (Extended Household Budget Survey 2011)⁹ and has not declined since 2008, with rural poverty being higher than urban poverty, and unemployment stands at 27.7 per cent (labour force survey 2015). Further the level of inequality in BiH is among the highest in the western Balkans (higher in FBiH than RS, higher in urban areas).

Legal provisions providing equality between women and men are broadly in place but are not being implemented in an effective manner. Implementation of gender policies in BiH was hampered by the fragmentation of powers and the multiple institutional bodies, as well as by limited budgetary resources. Women face socio-economic discrimination with regard to access to employment, in wage parities, access to care services and unequal household burden. This is despite the fact they have better educational qualifications (with more women enrolled in tertiary education).¹⁰

The inter-sectional discrimination faced by the largest minority, Roma, has an adverse impact as their challenges are multiplied due to social discrimination.¹¹ The EC report 2015 indicates that BiH is yet to fully grapple with addressing development priorities of minorities and their social inclusion. While there has been some positive development, Roma remain the most disadvantaged minority caused by segregation, lack of participation in mainstream policy processes and discrimination in access to jobs and basic services. Other groups that still face challenges include the returnees, internally displaced persons (IDPs) and persons with disabilities. According to UNHCR, 20 years after the war, an estimated 7,000 persons, including IDPs, continued to live in collective accommodations meant to be temporary. While the rate of physical violence against returnees subsided significantly after the war,

⁸ Bosnia and Herzegovina: Transforming the Economy to Achieve Sustainable Prosperity, World Bank, 2016

⁹ http://www.bhas.ba/saopstenja/2013/HBS_2011_Hr.pdf

¹⁰ World Bank Country Partnership Framework For Bosnia And Herzegovina For The Period FY16-FY20

¹¹ 2020 EU framework for National Roma Integration Strategies

isolated attacks have continued.¹²

With limited citizen satisfaction with government services, unequal access to services, high levels of unemployment and diminishing chances for out-migration, social tensions remain high. Coupled with the perception of endemic corruption and nepotism in resource allocation, strategic planning and achieving development goals remain a challenge.

Socio-economic development has, therefore, emerged as a priority for the country. Governments at state, entity and cantonal levels have endorsed the medium term BiH Reform Agenda in July 2015 for the period 2015-2018 (See Box 3).

Box 3: Medium Term Reform Agenda

The Reform Agenda targets six areas: fiscal sustainability and consolidation; business climate and competitiveness; labor market reform; social assistance and pension system reform; rule of law; and public administration reform. It also focuses on investments in energy and transport, as well as mitigation of adverse natural events such as floods and droughts. Recognizing that a large number of people were at risk of social exclusion, it has placed emphasis on social sustainability of reform.

The Reform Agenda is in line with the priorities outlined in Stabilisation and Association Agreement (SAA) and progress of reforms is linked to EU membership application. The Reform Agenda is also coupled with action plans at all government levels. With BiH as a potential candidate for EU membership, the SAA that came into force in June 2015 has put the country on track for eventual EU membership. The EU financial Instrument for Pre-Accession Assistance (IPA) continues to remain the main source for supporting reforms under different pillars. Support under both pillars of democracy and governance sector and competitiveness and growth will influence the capacity of the public administration to deliver services and local planning and implementation capacity for economic and social development.¹³

Overall, one may conclude, given this complex institutional governance structure and low public trust in tri-ethnic national level political institution compared to local political institution, it appears that the focus should be on local governments. This has been underlined in the EU Country Strategy Paper for BiH 2014-2017. Local government is a promising platform to strengthen government responsiveness across a range of basic services as they enjoy strong political legitimacy among citizens/people. Thus a range of measures initiated by ILDP for local development can add value to development effectiveness.

4. Project Description

The ILDP project, a joint initiative of the Government of Switzerland and UNDP, is implemented in partnership with the BiH Ministry of Human Rights and Refugees, the Federal Ministry of Justice, the RS Ministry for Administration and Local Self-Governance and the AMCs of both entities.

Phase I of ILDP (2008-2011) facilitated the creation and piloting of a concept of unified integrated and participatory local development planning (MiPRO¹⁴) in BiH. It

¹² Country Reports on Human Rights Practices for 2015, United States Department of State, Bureau of Democracy, Human Rights and Labor

¹³ Under the IPA II for BiH, the funding allocation for 2014-2017 is €165.8 million. Among the various priority sectors for funding in this period, the Democracy & governance sector under Pillar I will focus on strengthening democratic institutions and reforming the civil service – in particular by improving economic governance, public financial management, and public service delivery, and fighting corruption. Under Pillar II, competitiveness and growth, IPA II will focus on providing support to partnerships for economic and social development at the local level, building on the existing local development strategies and the operational structures involved. Support under both pillars have implications for strategies' implementation.

¹⁴ MiPRO is the abbreviated name of the methodology made up of the first letters in BSC (*Metodologija za integrirano planiranje razvoja općina* / methodology for integrated municipal development planning),

ensured institutional anchoring of the methodology and formulation of development strategies by developing required competencies of 23 local governments and other partners. However, for wider and more lasting impact, it was imperative that the methodology be effectively implemented on a wider scale and harmonized with the planning cycle through integration with the development strategies at higher levels as well as with the budgeting process. Embedding this ILDP approach and strategy into the existing strategic framework of the local self-governments will not only strengthen the capacities and functioning of these bodies but will also ensure greater long-term sustainability of the project impact.

Box 4: Integrated Local Development Planning

Planning involves gathering of relevant data, analysing it to set priorities, matching the set priorities to available budgets, defining processes of implementation and the setting and monitoring of targets. Canton/Local Government planning comprises of what different planning units within their jurisdiction can achieve by envisioning collectively, operating their budgets, exercising their skills and leveraging their initiative. The strategy for each local government should reflect people's priorities in the context of local needs and should be broadly consistent with state, entity, canton, EU policy and priorities as applicable in BiH. Successful integration of the larger vision with local-level planning largely depends upon providing useful information on state or entity, canton level priorities to those leading planning in each local government.

The ILDP Phase II was therefore necessitated to develop the critical mass of local governments using the unified planning methodology, move from planning to implementation and facilitate vertical integration into higher governments' strategic and financial planning systems, while strengthening the capacities of the entity, cantonal and local government agencies responsible for strategic coordination and financial planning. The ILDP Phase II with a budget of about USD 7.2 million reached out to a large number of partners that included additional 19 BiH local governments, making it a total of 40¹⁵, 10 cantons, entity level public institutions and AMCs in both entities. Additionally, many public institutions and civil society groups were involved indirectly through participation in trainings and consultations.

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ILDP Phase II has two components with several outputs and activities outlined below in the Chart.

Figure 1: ILDP Project Activities and Results



with a symbolic meaning that it is US ("mi" in BSC languages), who plan in a participatory manner at the local level and who are proactive in the sense that we shape our own future.

¹⁵ It includes 21 local governments from the Phase I and 19 from the Phase II (18 + the City of Mostar).

5. Evaluation Findings

5.1 Relevance

Overall Finding: Given the fragmented governance structure and layers of decision-making, an external project of this nature was timely and needed for the country. The ILDP objective of institutionalizing a strategic planning process within the government system for advancing integrated local development was found to be consistent with the requirement of the national priorities, appropriate to the EU context and strategically designed for maximum impact. All of this was much corroborated by the stakeholder interviews and various secondary documentation scanned and reviewed during the evaluation process.

5.1.1 ILDP relevance to national priorities

Finding: ILDP is very relevant to the country context for pursuing development goals.

The interviewees indicated that the planning process in the country was fragmented, not structured and integrated and lacked coordination between the different levels of government. Political bottlenecks had also paralysed planning and budgeting processes impeding development. At the same time, with poverty and high levels of unemployment, the impact of development strategies at higher government levels was not clear. Thus, all key stakeholders identified the ILDP-implemented strategic planning as a critical intervention to address the prevailing environment. ILDP had incorporated a situation analysis in their design, which helped matching interventions with country's needs. It is very evident that government authorities attach high priority to this project, as they see it as addressing its major concern related to socio-economic development.

The contextual relevance of ILDP is further evident. While the Constitution/s of FBiH and RS as well as the laws on local self-governance provide a mandate to prepare local development and sectoral plans as well as implementation plans, there is no legal and institutional framework to help link up different strategies vertically or horizontally or define any coordination mechanisms, systems or processes. Further, the Independent Evaluation Group of World Bank¹⁶ had outlined that 'solid planning, coordination and project ownership' gain critical importance in the context of BiH, given its complicated administrative environment and divided responsibilities. Additionally, persisting poverty and high unemployment levels as well as limited resources of local governments show that they need to act, develop necessary capacities to plan effectively, have adequate resources, and implement actions to meet people's local needs. The global trend and the Post 2015 consultations, which were led by the UN have also emphasized the role of decentralized governments in service delivery and local development aligned to the subsidiarity principle. The above makes a good case for a unified and systemic local development planning approach and capacity and thus the relevance of ILDP towards realization of development goals. The development of a long-term perspective is imperative, because it steps beyond the four corners of implementation into the far horizon of meeting development goals that is locally contextualized, locally driven and locally owned. In fact, a well-reasoned strategy becomes a guiding framework in deciding and justifying the expenditure priorities of the government over the long-term.

The relevance of the standardized strategic planning approach was further confirmed

¹⁶World Bank Country Partnership Framework For Bosnia And Herzegovina For The Period FY16-FY20

when both entity governments and AMCs officially recommended the MiPRO.¹⁷ Discussions with entity, cantonal and local government institutional agents corroborated this further where they indicated that MiPRO had been fully adopted in practice and was the only strategic planning tool that was being applied at the local level and the adapted methodology at cantonal level. They stated that the project had capacitated them in realistic planning, budgeting, implementation and monitoring to advance the development goals.

5.1.2 EU Requirements

Finding: ILDP design is oriented to meeting EU requirements of BiH and the strategic planning capacity developed under the project will gain further significance with the progression in EU integration.

Given that EU policies accord primacy to sustainable regional and territorial development, it makes a case for BiH to prepare itself for the same. EU member countries require certain processes to be followed to enable them to access state or EU resources, where governments at all tiers must have a development strategy outlining their development priorities, that are aligned within the different tiers of governance. Thus, with multi-level governance structure in BiH, there is a need to apply similar principles and have a well thought-out strategy, which is participatory, integrated and harmonized with financial planning cycles of the different levels of government. Additionally, the local governments need to have the required capacity to implement more than 60 percent of all mandatory European-law-based regulations (*Acquis Communautaire*). This puts the onus of EU integration to a large extent at local government level.

Several project partners indicated that ILDP was also conceived in an environment where the local governments lacked the required capacity to plan and be drivers of development change/results. International agencies opined that strategic planning at the local level was an important input into the EU accession process, and ILDP was helping strengthen the local self-governments to undertake the same. ILDP support to capacity development and institutionalization in strategic planning, implementation and management of development was critical for the different levels of government and especially, local governments to be ready to receive funding under the EU IPA that will require effective local management and efficient delivery of projects.

The continued support in this area still holds relevance as BiH moves towards becoming an EU candidate country, and acquires further assistance under IPA on regional development and local development. In this process, the local governments as well as other levels of governments need to be compliant with standards under the European practices for modern government.

5.1.3 Relevance of project design and approach

Finding: The project design is closely linked to its strategic objectives and therefore facilitated the direction of intervention towards achievement of set outcomes. The critical pillars of the project (upstream policy dialogue for embedding local government level into higher strategic and financial planning frameworks, strategic planning at local and cantonal levels, development management capacities) articulate capacity development at institutional, organizational and individual levels but partially address the enabling environment. The implementation framework ensured a highly participatory process. It however does not engender full national leadership of all project

¹⁷ FBiH government decision of 12/11/2009 and RS government decision of 23/12/2009

activities.

Project design

The **strategic design of the project** positioned ILDP for maximum impact. ILDP strategy was consistent with the earlier UNDP Country Programme and continues to remain so with the current UNDP Country Programme (2015-2019). ILDP has also been a flagship programme and the backbone of the broader local governance and local development programme implemented by UNDP and is building on and expanding the ILDP. It is important to note that the ILDP was the main intervention in the local governance and municipal services domain of Swiss Cooperation Strategy of 2013-2016. ILDP was designed with a view to addressing the strategic planning gaps existing in the country deemed important for increasing both development effectiveness and future EU integration and specifically for sustainable local, regional development and territorial cohesion. The project had a clear logic model that was derived from a comprehensive analysis and aligned to the multi-level governance structure, BiH socio-economic and political complexities, fragmented planning systems and limited organizational and management capacities. The design also appropriately addressed the issues of existing gender inequity and social exclusion vital for meeting wider development objectives. Learnings from Phase I alluded to under Project Description informed the design of Phase II and rightly led to formation of a critical mass of capacity and vertical integration for stirring further growth and development at local level.

However, it did not adequately take into consideration the challenges of the **enabling environment** such as the extent of decentralization, which has implications for effective strategies' implementation. As a result, the project has not sufficiently engaged with those partners with a role in functional and fiscal decentralization. Some of the Mayors and cantonal actors interviewed noted challenges of inadequate functional decentralization (competencies) and discrepancy between expenditure responsibilities and revenue assignments, and expressed their inability to implement projects from their limited own-source revenues and fiscal transfers. The project design aimed well to address the institutional financial planning system but needed greater emphasis for it to be the driving force and sufficiently resourcing the strategies' implementation. The project also may not have paid adequate attention to the political context leading to lack of decisiveness among partners, which affected expected result in one entity.

Another important factor in this process is civil service reform to improve the system of capacity of local and cantonal governments to implement strategies and achieve development results. The EC progress report for BiH has noted the PAR challenges with its resultant adverse impact on service delivery. While this was constrained by the overall Public Administration Reform strategy in the country, which was ineffectively implemented, the project, through collaboration with other associated partners in this sector, needed to support reform in this area to further improve administrative capacity for local strategies' implementation supported by ILDP. In any local development strategy, accountability plays an important role. The strategy for citizens' accountability mechanisms, although indicated in the project strategy, was not sufficiently developed in the project.

Overall, the **results framework** was logical and comprehensive with indicators to track the full range of expected outcomes and results. The results chain of the project had been adequately developed, with detailed activities and indicators for each output with relevant risk factors. The project design had two clear outcomes with appropriate outputs aligned to each of the outcomes. The outcome level indicators

were suitably set but were not clearly formulated in terms of measurability (e.g., the first indicator for Outcome 1 could have been more clearly developed like as in here 'Number of key policy guidelines/decrees on strategic planning....adopted by entity governments...'). Each output had a number of indicators, which could have been reduced and brought down to key specific strategic indicators (e.g., indicators such as capacity of 20 community moderators strengthened, or number of workshops held, etc., were not strategic). There also appears to be some overlap between some indicators across the outputs (reflected under section 5.2.1), which could have been rationalized. The indicators further measure development of planning capacities at the state level (Output indicator 5 in Table 2), with no associated interventions in the project.

The project design was good in outlining the process to support **vertical integration** of local planning into the strategic and financial systems of higher government levels. However, the project seems to have assumed sustained availability of entity level development strategies and sectoral strategies for vertical¹⁸ and horizontal harmonization¹⁹, which is not the case but is necessary for ensuring consistency between development priorities and consequent expenditure priorities and resource allocation. These strategies mentioned above are to serve as the basis for public investment programming. It should have been seen as an important risk factor. The project had also considered gender-based budgeting as one of the indicators, which again assumed existence or formulation of programme based budgeting that is not developed yet. The project strategy (measured by indicators) aimed to develop specific tools for gender equality and social inclusion in service delivery, however no specific activities were included for the same.

The project design did not outline a clear **exit plan** and the sustainability strategy was not well spelt out even though it implicitly has most of the elements of sustainability (refer to section 7). This is also notwithstanding the number of system-wide initiatives as part of the project that helped to institutionalize some of the systems, structures and processes detailed later.

Project approach

Given the nature of the project and implementation arrangements, a complex and a flexible approach was imperative by default, which helped to deliver the necessary project results. The **flexibility** of the project helped it to adjust to emerging country needs. The project openly responded to the need for a harmonized strategic planning approach at the cantonal level based on the emerging demand from partners at entity and canton levels midway through the course of the project, which was the most neglected government level in terms of capacity development interventions. This led to revision of the project and eventual support to all 10 cantons in the design of their development strategies. Again the project together with the support of the Government of Switzerland showed great flexibility in responding to the emergency crisis during the 2014 floods, resulting in a reprioritization of local development thrust areas.

The **highly participatory approach** of the overall project was evident where several levels of stakeholder consultations had taken place for stock taking, policy debates with state, non-state and international actors, through informed situational analysis, prior to arriving at a common vision and formulation of project components. This

¹⁸ Vertical harmonisation includes harmonisation of strategic documents at various levels of government.

¹⁹ Horizontal harmonisation includes harmonisation of strategic documents, harmonisation of development strategy and sectoral strategies at the same governance level in Federation, cantons and LSGUs.

came through very strongly during the discussions with each of the partners where there was overwhelming appreciation as well as deep sense of ownership over each of the project interventions. This approach was continually pursued even for specific project components such as for policy and law making, and harmonization of the strategic planning approach that yielded positive results, and led to demonstrated ownership of entity level domestic partners. For instance, during the development of the draft law in the FBiH, the project ensured a demand-led approach from below, involving widespread consultation of all critical stakeholders at different levels, limited technical assistance from the project and leadership of the domestic partners, which generated full ownership. Similarly, discussions with institutions responsible for entity based financial mechanisms also showed how they had led and internalized the systems promoted by the project (outlined later under *Project Effectiveness*).

At the same time, while the project ensured collaborative and participatory management processes for project outputs and used the Letter of Agreement (LOA) modality²⁰, some of the activities were implemented with a **stronger role of ILDP project team members or external service providers** contracted by UNDP, as it was a directly implemented project (DIM). The decision-making power was limited by the final authority of the Project Board in some of the activities (e.g., approval of seed fund proposals, IMC projects), which may have undermined the full responsibility and accountability of the local government partners. Additionally, a number of external catalysts in the form of experts and service providers were used, who seem to have played a greater leadership role in development of integrated strategies, fund proposals or management capacities within the partners, increasing their dependence on them. At other times, ILDP project team was directly sought for support by local governments than their own institutional mechanisms. To an extent, this was in response to ensure implementation within a capacity constrained institutional environment; and as long as service providers or ILDP teams put in strong **institutional learning and capacity enhancement** measures during the process, the approach was good. However, in the lack of proper mentoring and capacity building of key service receivers/partners in management of producing project results and being accountable for project implementation, it could be cited as capacity substitution hindering transfer to national implementation. A number of Project Board members have also underlined the need for increasing the role of national institutions as managers of project interventions in the second phase and reducing the role of the project team. This is also discussed later.

Thus, while the project's relevance to national priorities and strategies is not in doubt, its implementation framework was not fully aligned to ensuring full **national leadership** of different project partners. Given that this is the second phase of the project, greater focus on paving the way for eventual national implementation (as per UNDP NIM) would have presupposed increased attention in the second half of project implementation on ensuring national institutional readiness of key entity level institutions for assuming their leadership roles. This is in other words institutional strengthening, building internal resources (administrative, financial, procurement, accountability) which overall constitute an integral part of the "Exit strategy" and "long term sustainability". While the project has considered it, this does not appear to have been adequately addressed.

The project approach is relevant in respect of alignment and **coordination with other donors**. The approach leveraged EU and other international good practices to influence the form and content of strategic planning. Synergies with existing training system initiative (MTS), SDC migration for development project and USAID

²⁰ Letter of Agreement is a modality that is used under Direct Implementation Modality (DIM) of UNDP.

Strengthening Governing Institutions and Processes (SGIP) among others have helped to further complement the project activities. The project made noteworthy efforts to coordinate its initiatives with other projects (covered later).

5.2 Effectiveness and Efficiency of ILDP results

5.2.1 Project Results

This section will measure the extent to which ILDP has achieved the outputs and outcomes as outlined in the Results and Resource Framework of the project document. The effectiveness of the different outputs is captured under section 5.2.2.

Outlined below are summary of results based on outcome and output indicators. It can be ascertained from the below although majority of the output indicators were achieved, no outputs were fully achieved. Out of the 39 output indicators, 23 were fully achieved and remaining were partially achieved (Table 1 and 2). The details are provided in Annex 8.

Table 1: Overall status of performance targets by Outcomes/outputs

Outcome/Output	Fully Achieved Indicators	Partially Achieved Indicators
Outcome 1 4 Outputs	11	9
Outcome 2 4 Outputs	12	7
Total	23	16

However, as the project has been extended till December 2016, these partially achieved indicators are likely to be fully achieved.

Table 2: Status of results by each Outcome and Output indicators

Outcome /Outputs	Indicators	Status of achievements of Results as of April 2016
Overall Goal Delivery of public services by local governments is effective and efficient and sustainable socio-economic local development contributing to the wellbeing of population is enhanced, where citizens actively participate in decision-making processes. By 2016, local strategic planning system in BiH is further consolidated by enhancing its vertical integration with higher government planning frameworks, up-	Impact indicators By 2016 the local strategic planning system is vertically embedded in the higher government levels' strategic and financial planning frameworks and its operational processes;	As evident from the evaluation, ILDP II has been partially able to meet its overall goal. The indicators at the goal level do not fully capture the intended impact. Vertical embedding into higher government strategic and financial planning process is reflected by: FBiH government decision of 12/1/2009 and RS government decision of 23/12/2009 on official adoption of MiPRO; FBiH draft law on Development Planning in FBiH. But the equivalent of FBiH draft law in RS is yet to be forged. Similarly, Draft development planning regulation in Zenica-Doboj canton is another reflection of institutionalization of

<p>scaling its coverage country-wide and strengthening local governments and their socio-economic partners' development.</p>	<p>In FBiH Implementation Monitoring and Evaluation Plan of the CDS and the SIS include the local level;</p> <p>By 2016 at least 35 % of local governments country-wide and all 10 cantons in the FBiH apply a unified and integrated approach to development planning, based on principles of social inclusion and gender equality;</p> <p>By 2016 at least 30 % of BiH local governments and 80% of cantons strengthen their capacities for integrated local development management and engage in local and regional development initiatives together with socio-economic partners (gender equality is a horizontal principle of capacity building measures).</p>	<p>strategic planning. However, as the process is still not complete, it's entrenching into the operational processes has not been initiated.</p> <p>Both CDS and SIS have ceased to exist in FBiH. However, with the draft law on Development planning, a by-law on M&E would be developed covering the local level.</p> <p>The project has exceeded this achievement as 45% of local governments have integrated development strategies and 90% of the cantons have achieved this and the remaining one canton is expected to achieve before year end.</p> <p>This is fully achieved for 30% of local governments but partially (50%) for cantons. However, in qualitative terms, there is further scope for improvement. The engagement of local governments and cantons in regional development initiatives needs to be further developed.</p>
<p>Outcome 1 By 2016 bottom-up vertical linkage between the local development planning framework and policies and financial cycles of immediate higher government levels is endorsed and harmonized.</p>	<p>Outcome Indicators Local strategic planning system is embedded in the immediate higher government levels' strategic planning framework and its operational processes as a result of a public policy dialogue and based on policy documents adopted by relevant higher governments (i.e. instructions, guidelines, etc.).</p> <p>Local financial planning approach to up-ward linkage with immediate higher government levels harmonized based on public dialogue and unified guidelines for vertically sound financial planning process widely-shared among local governments (with gender aspects taken into account – gender based budgeting)</p>	<p>This indicator is partly repeated and achievement is reflected above. The participatory policy dialogue process for vertical integration reached different stages in the two entities.</p> <p>This is partially achieved. Integration with financial framework has been limited due to various challenges listed later. Efforts at harmonization of alignment of public financial mechanisms meant for local development with local strategic priorities has been undertaken through different measures such as the policy dialogue process in both entities, development of the</p>

	<p>By the end of 2016 all 10 cantons in the FBiH apply a unified approach to development planning, vertically aligned with both local, as well as higher government levels' priorities, while development management function is in place within at least 80 % of cantons.</p> <p>At least 30 % of BiH local governments apply the unified guidelines for harmonized financial planning and budgeting considering the financial framework of local development strategies, where a bottom-up harmonization between local and immediate higher government levels mechanism is piloted.</p>	<p>draft law on development planning in FBiH which indicates harmonization with PIP and linking of strategic implementation plan (1+2) with municipal budget, entity, canton and state sources of funds. Support to PIMIS initiated at canton level will also help in linking of strategic plans with PIP. Gender based budgeting has not been adequately addressed by the project. Absence of programme based budgeting has also further constrained it.</p> <p>This indicator has been captured above.</p> <p>This has been partially achieved.</p>
<p>Outcome 2 By 2016 local planning is further harmonized country-wide and a critical mass of local governments are enabled to apply an integrated and inclusive approach to strategic planning and strategies' implementation, together with their socio-economic partners.</p>	<p>Indicators: By 2016 at least 20 additional BiH local governments apply a unified and integrated approach to local development planning, which leads to application of a harmonized planning approach by at least 35 % of local governments country-wide, where particular focus is placed on ensuring social inclusion and gender equality within the planning process; At least 40 BiH local governments increase their local development management capacities with at least 1 level in comparison with the entry-point capacity status; By 2015 at least 35 partner local governments, together with their socio-economic partners increase the level of externally mobilized financial resources by at least 10 % in comparison with 2012;</p>	<p>This indicator has also been captured above.</p> <p>This has been fully achieved.</p> <p>It is not possible to assess this indicator fully due to lack of full data. Based on the data available for the implementation plan of 2013-2014, it appears that on an average about 40% of</p>

	<p>By 2016 at least 40 partner local governments progressively increase the level of realization of their annual implementation plans with at least 20 % annually.</p>	<p>resources (including resources from state, entity and private and donor funds) were mobilized against the planned amount in FBiH and 80% in RS.</p> <p>This has been partially achieved. The realization of annual implementation plans was 21% in 2012, 37% in 2013, 40% in 2014 and 42% in 2015. Given that this is governed by a number of external factors and challenges, expecting a realization rate of 20% annually was ambitious.</p>
Outcome 1: By 2016 bottom-up vertical linkage between the local development planning framework and policies and financial cycles of immediate higher government levels is endorsed and harmonized.		
Output 1 Local strategic and financial planning is embedded into higher governments' frameworks and operational processes as a result of a policy dialogue.	<ol style="list-style-type: none"> 1. At least 80 % of targeted planning institutions at state, entity, cantonal and local levels respond to the situation analysis questionnaire; 2. A series of at least 4 awareness-raising and public dialogue events are organized, which result in concrete agreements among all relevant stakeholders on the practical embedding of the local planning level into the operational framework of higher governments. 3. Concrete guidelines related to financial planning and its linkage with priorities from local strategies are developed for local governments and the immediate next government level, publicly agreed upon and widely shared (with gender aspects taken into account – gender based budgeting). 4. At least 40 partner local governments apply in practice the newly-designed guidelines for upward harmonization of financial planning processes by the end of 2014 (considering gender based budgeting). 	<p>This was achieved.</p> <p>This was partially achieved. It led to the development of Draft Development Planning and Management law in FBiH but agreement on the concept in RS is still pending. ILDP had facilitated the process effectively in both entities but external factors in RS led to delays and different outcomes.</p> <p>This is already captured above.</p> <p>This has been partially achieved through reflection of the same in the three-year implementation plans of the local governments. But there is a need for harmonizing medium and annual planning across the levels.</p>
Output 2 Key institutional and organisational actors responsible for coordinating and supporting local strategic planning strengthen their	<ol style="list-style-type: none"> 5. Functional capacities of relevant planning structures at state, entity and cantonal levels to coordinate and support local development planning strengthened with at least one level compared to the baseline status. 	<p>This was partially achieved. The capacity to use and apply the standardized planning methodology has been demonstrated by canton planning institutions. At the entity level, some of these tools have been</p>

capacities.	<p>6. Concrete operational mechanisms and process-tools related to support to local development planning are institutionally anchored within the daily operation of relevant institutional partners, including tools to promote gender equality and social inclusion in service delivery.</p> <p>7. A local development planning service line is anchored within both AMCs by the end of 2013.</p>	<p>transferred to FDPI. This however has not been achieved for the RS entity as the entity level strategic planning unit has been recently established. This has also not been achieved for the state level institution as there was no strategy.</p> <p>This has been achieved.</p>
<p>Output 3 An integrated and harmonised approach to strategic planning at the FBiH cantonal level is created, institutionally anchored and piloted.</p>	<p>8. The local development planning methodology for BiH is successfully adapted for the FBiH cantonal level and serves as a new policy tool to harmonies strategic planning processes, where social inclusion and gender equality are underlying principles.</p> <p>9. The newly designed harmonized methodology for strategic planning at the FBiH cantonal level is piloted within at least 1 canton and presents a good practice in bottom-up harmonized strategic planning, taking into consideration the local level and applying in practice the principles of social inclusion and gender equality.</p> <p>10. 10 integrated cantonal development strategies 2014 - 2020 in place, considering strategic priorities of its constituent local governments, as well as higher government levels are developed in partnership with socio-economic stakeholders and adopted by cantonal governments.</p> <p>11. Development management function and basic regulatory and institutional framework for effective operationalization and implementation of cantonal strategies are in place within at least 1 canton in the FBiH by the end of 2015 and further mainstreamed to at least 80% of other cantons by the end of 2016.</p> <p>12. Harmonized platform for public investment planning and aligned with strategic planning set in place in 80% of cantons and at least 80% cantons prepared their public investment programme using the</p>	<p>This has been fully achieved. This has also been captured above.</p> <p>This had been partially achieved and the work on installation of PIMIS at the canton level was currently ongoing.</p>

	<p>standardized IT platform.</p> <p>13. Standard methodology for transparent and strategy-based funding of CSO project from cantonal budgets is piloted within at least 1 canton;</p> <p>14. Strengthened project capacity of cantonal counterparts contribute to realization of at least 3 inter-municipal cooperation projects in each partner canton, which contribute to socio-economic development and better service delivery.</p>	<p>This had not been achieved and can only be done once the cantonal implementation plans were ready.</p> <p>This had not been achieved and can only be done once the canton implementation plans were ready.</p>
<p>Output 4 Enhanced policy dialogue and enabled effective linkages between public financial mechanisms supporting development priorities within strategies.</p>	<p>15. Public financial mechanisms in BiH supporting local development apply criteria related to linkage of applicant projects to local development strategies increase progressively each following year, as follows: at least 2 public financial mechanisms in 2013 and at least 3 public financial mechanisms in 2014;</p> <p>16. At least 3 workshops/round tables organized to discuss the concept with line ministries from cantonal, entity, state levels, where equal participation of men and women is encouraged.</p> <p>17. Entity-based Local Development Funds based on project financial support co-funded by relevant governments at the level of at least 30 % and at the level of final beneficiaries – 10 % are endorsed as a policy mechanism to support local development;</p> <p>18. At least 10 large-scale local government projects are realized via the LDF, as defined within local strategies and positively affecting life of at least 3,000 citizens, placing focus on socially excluded community groups and women.</p> <p>19. Second cycle of entity-based Local Development Funds implemented based on project financial support co-funded by relevant governments at the level of at least 50 % and at the level of final beneficiaries – 20%;</p> <p>20. At least 10 large-scale local government projects are realized with the support of the second cycle of LDFs, addressing direct needs, as defined within local strategies in social, economic, environmental areas and positively affecting life of at least 3,000 citizens (incl. projects</p>	<p>This had been fully achieved and the number of proposals exceeded the target.</p>

	targeting socially excluded groups and gender equality).	
Outcome 2: Local planning is further harmonized country-wide and a critical mass of local governments are enabled to apply an integrated and inclusive approach to strategic planning and strategies` implementation, together with their socio-economic partners.		
Output 5 Harmonization of local development planning is further supported by expanding application of the unified methodology strengthening capacities of at least 20 BiH local governments and their socio-economic partners.	21. At least 20 BiH local governments increase their local development planning capacities with at least 1 level in comparison with the entry-point capacity status; 22. At least 20 integrated local development strategies developed by partner local governments and their socio-economic partners and adopted by the Municipal Councils/Assemblies. The strategies are based on the principles of social inclusion and gender equality; 23. Capacities of at least 20 community moderators, both men and women, within partner local governments strengthened; 24. Community Development Partnerships within at least 20 partner local governments (with an outreach of minimum 40 citizens per locality) are established and undertake a consultative role in the process of strategic planning and ensuring effective participation of socially excluded groups and both men and women throughout the process. 25. At least 18 local governments from the first project phase supported with limited technical assistance in revising their integrated development strategies reflecting the change of priorities caused by the May floods where relevant as well as integrating disaster risk reduction measures.	This output was fully achieved. The revision of local development strategies in Phase I was ongoing (8 completed, 6 in process and 4 in the process of evaluation)
Output 6 Capacities of local governments to effectively lead and manage integrated implementation and monitoring of local strategies together with their socio-economic partners is strengthened.	26. At least 40 BiH local governments increase their local development management capacities and IMC with at least 1 level in comparison with the entry-point capacity status; 27. Effective gender-sensitive internal management processes and tools are embedded within at least 30 partner local governments and thus enable strengthened local development management and service delivery capacities. 28. By 2015 at least 40 partner local governments progressively increase the level of realization of their annual implementation plans with at least 20 % annually, where the	This output was partially achieved and the status of some of the indicators is already captured above.

	<p>baseline implementation % is in average 20 %.</p> <p>29. 43 partner local governments increase the level of externally mobilized financial resources by at least 10 % in every next year of project realization.</p> <p>30. At least 30 priority projects originating from local development strategies are successfully implemented by partners and contribute to solving existing socio-economic needs of local communities (incl. promotion of gender equality).</p> <p>31. At least 3,000 citizens, both men and women, within partner local governments benefit directly from improved public infrastructure.</p> <p>32. Community Development Partnerships within at least 20 partner local governments are functional and undertake a monitoring role in the process of strategy implementation and at the same time enabling effective participation of socially excluded groups and promoting gender equality;</p> <p>33. Capacities of at least 20 community moderators within partner local governments strengthened.</p> <p>34. At least 30 local governments have created and applied internal procedures enabling transformation of strategic priorities into concrete actions.</p> <p>35. IT platform for integrated local development management upgraded and piloted in at least 3 local governments.</p>	
<p>Output 7 Inter-municipal cooperation and regional economic partnerships contributing to the realization of local strategies are endorsed.</p>	<p>36. Capacities of all 43 partner local governments in the area of inter-municipal cooperation are strengthened.</p> <p>37. At least 3 priority area-based economic development initiatives are developed and supported via the financial mechanisms of the project, or by external financial resources.</p>	<p>This was achieved and the number of IMC projects supported exceeded the target.</p>
<p>Output 8 Support Immediate post flood recovery in local governments most severely affected by the floods.</p>	<p>38. Full reconstruction and equipping of citizen service centres in Dobož and Maglaj local governments.</p> <p>39. Identify critical gaps and support a number of other local governments in revitalising public</p>	<p>This was fully achieved.</p>

	service delivery.	
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5.2.2 Project Effectiveness

Contribution to ILDP outcomes and outputs

Overall Finding: With reference to the two key project outcomes, namely, a) endorsement of vertical linkage between the local development planning framework and financial cycles of immediate higher government levels; and b) harmonization of local government planning country-wide with its application in a critical mass of local governments along with strategies implementation, the project has made very significant achievements.

There has been substantial progress towards the overall objective of vertical integration with higher government planning and financial frameworks which has helped to build bridges and narrow gap between the lower local government bodies and the higher level planning and financial administrative set up. It led to the legislative change on development planning in FBiH, entity based financial mechanism emerging as a public policy mechanism linking higher government financial planning with local development, cantons using strategic plans as a policy tool for development and adoption and replication of MiPRO beyond partner local governments with strong ownership at different levels. There have also been a few gaps, which will be stated below.

The project effectiveness is reflected below against the outputs.

Finding: ILDP initiated policy process for integration of strategic and financial planning into higher government levels has been effective in FBiH resulting in development of a draft law. In the RS, however, it has had limited impact.

The policy process with sound concept notes for vertical alignments, representative working group and public promotion were the right inputs provided by ILDP to meet the desired output. The **policy process for vertical integration** of the integrated strategic planning had reached a critical juncture although at different stages in the two entities. While the project output or indicators did not explicitly indicate development of a legal framework, the policy process in the FBiH, led to the creation of the draft Law on Development Planning and Management.²¹ The process of development of the Law was equally sound and rigorous. The project partners interviewed indicated that the domestic institutions (FDPI and the FBiH Ministry of Justice/MoJ) led the consultation and the drafting process, reflecting a strong institutional ownership and legitimacy as well as political will and commitment. They also highlighted the thoroughness of the development process with high levels of participation (round tables, public consultations) and use of due procedure, which was different from the earlier legislative processes. Partnership contributed to the effectiveness of this output with USAID SGIP project and ILDP combining their strengths. SGIP contributed to capacity enhancement of partners in conducting

²¹ The draft law on Development Planning and Management (modeled on experiences of Croatia and Bulgaria) outlined the principles of strategic planning, definitions of integrated development strategy, defines the types of strategic documents to be developed at federation/canton/municipal levels, linkages with sectoral strategies (driven by EU IPA funds), documents required for strategies' implementation, integration of development strategies and sectoral strategies with budgets/Public Investment Programme and bodies/structures responsible for development planning and management processes at FBiH, Cantonal and local self-government levels. It defines nature of by-laws, methodologies to be developed for implementation of the law. It defines requirements for programming, monitoring, evaluation and reporting on the implementation of strategic documents. It further indicates supervision mechanisms for the implementation of the law. The draft law has a language that respects the competencies at different levels based on a constitutional division of powers.

regulatory impact assessment (RIA) and using due procedures in the adoption of the Law while ILDP provided constructive inputs into the content of the Law as well as supported the entire process. The law ensured integration of gender equality objectives through drawing inputs from the Gender Centre, women's caucuses in FBiH Parliament and women focused NGO and its specific articulation in Art. 3 (15) and Art. 4 (4) of the Draft Law. While social inclusion of minorities and other groups were not indicated in the draft law, the category of vulnerable communities is expected to be reflected in the development of the by-laws.

The Law will help in institutionalizing and embedding the local strategic and financial planning with higher government frameworks in FBiH thus supporting the achievement of the associated output. It is worth pointing out that based on the Federal Draft Law on Development Planning and Management, the project through FDPI supported Zenica-Doboj and Central Bosnia cantons in preparing a Draft Decision on Planning, Management and Reporting to institutionalize strategic planning and ensure buy-in from Sectoral Ministries and their consultation with local governments.

In the RS, on the other hand, the results have been below expectations. Despite a good Concept Note on Strategic Planning and Policy Coordination with ILDP support and initial agreements with RS key stakeholders, the RS Ministries did not demonstrate sufficient participation and coordination to take the process to its logical conclusion. In spite of this setback, a key step was taken by the RS Government in setting up the Strategic Planning Unit (SPU) within the RS Government Secretariat, which was in line with one of the options offered by the Concept Note. Setting up the SPU within the RS Government Secretariat clearly reflects the primacy accorded to development planning as a central function, it being now located within a central authority, and in close proximity to the Prime Minister (a balance of strategic, financial and operational framework). This fits into the existing mechanism of budgetary planning and investment, which is necessary for harmonizing local strategies with the RS Development Strategy. It is hoped that this will further contribute to achievement of the key output of linking local strategic and financial planning with higher tier government processes and frameworks. On the other hand, in order for the output on vertical alignment to gain momentum, entity level strategies must be developed, and for their effective implementation, regulation on planning, monitoring and reporting is also critical. Discussions with stakeholders revealed limited progress on this due to delays in the adoption of the 'RS Development Strategy 2017-2021', the Draft 'Decision on Planning, Monitoring and Reporting on the adopted strategies and plans for the Government' and, the Draft Decision on PIP.²² Limited participation of representatives from Sector Ministries and local governments (apart from nomination from AMC Presidency) has further contributed to this slow progress. At the same time, however, some key partners also expressed the commitment of the government for the need of having a planning system that would help in making strategic investments.

Finding: The entity level institutional partners' capacity is not effectively developed to play their development planning coordination role. The capacity intervention for both entity AMCs through development of their service line on development planning and management has also not become a dynamic tool to serve the local governments.

²² Another Decision on aligning entity strategic planning with PIP (and municipal on PIMIS establishment) is awaiting adoption. The Decision has 16 articles and 7 attachments outlining criteria for projects aligned to municipal strategic plan, process for PIP, ranking of projects, gap analysis. A current article, which allows selection of projects from outside the strategic plan list will be eventually removed to reduce political expediency and increase transparency in selection of projects.

There has been some level of ILDP contribution to development of the entity level organizational capacity in supporting development planning and management. Its effectiveness can be judged in the leadership taken by FDPI in the policy and legislative coordination process outlined above. Similarly, the FDPI's role in coordination at Federation and canton levels has improved over the project period, which has not been the case before. However, overall FDPI has had limited impact in supporting the capacity development of cantons and local governments. Thus, despite the project investing in developing capacity of partners in development planning coordination, this area appears to remain constrained. Being newly established and with inadequate progress mentioned above, the functional capacities of SPU in RS have not been invested in. In fact, lack of institutional and organizational capacities of the FDPI in FBiH, and the SPU in RS, as well as the lack of authority of FDPI over the line ministries and other levels of government may eventually become a stumbling block in exercising their leadership and ultimately - in the sustainability of the project interventions or for that matter any future interventions.

Support to the two AMCs was a small feature of ILDP but investments so far have achieved partial results in improving the effectiveness of this input. To some extent, the AMCs have benefitted from ILDP in developing their service line/helpdesk feature on development planning and management. This has paid off in some ways. The AMCs have been active in monitoring the status of the development and implementation of the local strategies. They have mapped resource requirements of municipalities/cities for projects under integrated strategy and available resources from state/entity and shared the information with the municipalities. They had also been taking municipal projects to donors as per sector requirements of the respective municipalities. Additionally, the dedicated website space of AMCs on strategic planning was rich with information to be tapped by local governments. Both AMCs acknowledged MiPRO as the only methodology for municipal development strategy and they had incorporated the same along with the help desk feature and some other project elements in the AMC strategic document (2015-2019) that outlined their strategic goals and programme areas.

However, it seems that the overall limited institutional capacity of the AMCs was influencing the effectiveness of any capacity investment under the project. Discussions revealed that the service line did not appear to be a dynamic tool and a lot of the compilation of information was being supported directly by the ILDP project team than being led by the AMCs. Further, while they had been mapping resources and matching with strategies' implementation requirements, it had not translated into resource mobilization. With the high level of involvement of ILDP with municipalities, they tended to view UNDP instead of AMC as a provider of information on strategic planning. Moreover, the coordinators within AMC Secretariat lacked some basic understanding about the project and had at best only partial understanding of MiPRO; as well as of the functions of Development Management Units (DMUs) in the municipalities and IMC projects. Thus there appeared to be a lack of full ownership and leadership of AMCs.

Finding: Participatory and integrated strategic planning at canton level²³ has been successfully achieved (90% cantons) under the leadership of entity (FDPI) and canton planning institutions.

Box 5: Cantonal Integrated Development Strategy

In one of the Cantons, **Zenica-Doboj**, the Cantonal Coordinator responsible for strategic planning indicated that while this canton had a history of developing development strategy (2010-2020), this strategy was more of a paper document led mostly by experts, did not have projects or implementation plan or reporting mechanism and was not adopted by the Cantonal Assembly. However, after the introduction of the harmonized methodology for cantonal development planning, this strategy was revised through a transparent and broad based consultative process with the participation of line ministries, specialized departments/agencies, municipalities, academics, NGOs and regional and municipal development agencies. It was particularly pointed out that with municipalities already having developed their strategies, their participation was excellent in comparison to cantonal ministries, which felt overburdened by the process. The strategy took into consideration some of the sectoral strategies that existed at that point but the integrated strategy will become the roof strategy for development of detailed sector strategies. The Integrated strategy serves as a vision document for the Prime Minister, which sets out the strategic goals of the government, determines the annual action plan of the government and outlines the annual activities/projects for the government.

Unlike Zenica, discussions in **Canton 10** revealed that the Canton had engaged in the development of an integrated strategy (2016-2020) for the first time, which has been adopted by the Assembly. They found the single planning methodology to be very useful in engaging the different stakeholders of Line Ministries, municipalities, AMC and NGOs. However, they did face difficulties in engaging the municipalities throughout the process. They also do not have sectoral strategies, which will be influenced by the overall integrated development strategy. Thus harmonization with the sectoral strategies was not possible, although vertical harmonisation with EU 2020 strategy had been made. The strategy, apart from Cantonal and municipal projects in different sectors, also indicates required legislative changes.

The operationalization of the implementation plans is however yet to be fully developed and realized.

This is evidenced by the fact that the project partner (FDPI) led an inter-institutional working group, which culminated in the development and full endorsement of a **unified cantonal strategic planning methodology** (adapted from MiPRO) for cantons. This policy dialogue process on development of a standardized cantonal planning tool was a success. As envisaged, this tool was not only piloted but it also finally led to the development of **comprehensive**

strategies in nine of the ten cantons. These strategies were vertically aligned downward with their constituent available local government strategies and upward with the FBiH Strategic Development objective 2010-2020 (although no formal entity strategy exists) and to the EU 2020 Strategy. The canton level partners noted, that while there was high level of participation in the development of the strategy, it varied from high level of participation of local governments and line ministries in some cantons to low levels in others apart from involvement of NGOs, academics and experts. First-time participation of local governments in cantonal strategy development was nevertheless a high point. It was also found that different cantons were at different stages of readiness for developing their integrated strategies (See Box 5). Given party politics in specific cantons, the adoption of the cantonal integrated development strategy by some of the Cantonal Assemblies may take more time than usual.

ILDP facilitated the development of an effective **institutional mechanism** through the Cantonal Development Boards (established in 9 cantons with 297 male and 251 female representatives from canton and local governments) for catalyzing integrated strategy development and Partnership groups (in 7 cantons - 144 females and 291 males) that enabled wider participation of socio-economic stakeholders in key phases of the planning processes. ILDP enhanced the strategy development process through planning related trainings for key people involved in strategic planning (75 females and 98 males). Planning was, however, challenged by a lack of reliable data²⁴, weak capacities of smaller cantons and the difficulty in vertical and horizontal

²³ This intervention was added later during the course of the project and did not exist earlier.

²⁴ Every plan starts with a vision. This vision must have a strong empirical grounding provided through rigorous compilation and analysis of baseline data, which needs to be strongly institutionalized in the

alignment due to lack of sectoral or entity strategies. Other limiting factors pointed out by stakeholders included lack of sufficient political engagement at senior levels, which affected strategies' implementation and harmonization with sectoral strategies.

While the **implementation of the cantonal development strategies** was envisioned for one canton by 2015 and 80% by end of 2016, it was found that so far 50% of the cantons had developed their 1+2 implementation plans (See Box 6). Given the importance of public investment planning (PIP) for implementation of these plans, ILDP support at the cantonal level for setting up of the information platform (PIMIS)²⁵ through necessary hardware and software support would enable establishment of a harmonized PIP process. However, its establishment in the proposed 80% of the cantons has not been achieved yet and the work is currently going on. At the same time, the stakeholders interviewed indicated that its effectiveness might be undermined unless proper support for new hardware, quality project proposal preparation (as the quality of PIP forms submitted was low), Project Cycle Management (PCM) and continued coaching by the service provider is ensured.

Box 6: USC Canton Budget

Implementation of the Development Strategy of the Una-Sana Canton for the period 2014-2020 is planned through implementation of 50 measures of total financial value 235.938.000 KM. Financial framework for measures implementation is created in cooperation with the Ministry of Finance of USC, and it is harmonized with funds allocated in USC budget for three-year period. 30% of total planned funds will be provided from USC budget, and 70% of total funds will be provided from other sources (Federal budget, municipal budget, international sources of funding).

The effectiveness of the institutional mechanism for implementation of the cantonal strategies is critical for its success. It

Box 7: Policy Coordination Structure in Zenica-Doboj canton

A Development Council, a high level policy making body comprising of Cantonal Prime Minister, Ministers, Mayors of constituent local governments, representatives of trade union, association of entrepreneurs and civil society was established to oversee strategy development, provide feedback, monitor the implementation process and catalyse partnerships for implementation of strategic priorities. This would lead to a higher buy-in of the decision-makers in the strategic planning process.

is found that different structures were assessed and tested (See Box 7). Use of Cantonal Development Agencies piloted, such as in Una Sana Canton (USC), sitting outside the cantonal administration, carried less influence. Whereas DMU within the Prime Minister's office in Canton 10 (focusing on providing professional service for strategic

plan implementation and EU integration) or in Zenica-Doboj (Department of Development and International Projects/Office of EU integration) with a wider coordination mandate with different sector Ministries has both the required position and authority. Given that the implementation process at the canton level has been initiated recently, insufficient human and knowledge resources, non-existence of other capacity development initiatives and political challenges currently affected implementation effectiveness.

Finding: Effective and transparent public financial mechanisms for local development have been successfully piloted leading to developmental impact at local level.

With a view to creating an effective linkage between public financial mechanism and local development (emerging from local development strategy) based on EU model of practices, ILDP technically and financially supported the partners to establish an **entity based financial mechanism** in both entities with different approaches. The

planning system itself. One of the biggest stumbling blocks to good meaningful planning is the lack of primary and secondary data.

²⁵ The PIMIS on-line system for budget and public Investment planning in BiH and FBiH MoF supported by SIDA has been adapted for application at cantonal level by ILDP.

success of this public funding mechanism is noted in both entities. Discussions with both entity institutions (the IDBRS and the FBiH MDEC) revealed that ILDP technical assistance did help them set up efficient operating procedures using EU standards for management of grant schemes and witness the link of their investments with local development (See Box 8). Further, these rigorous and transparent financial mechanisms have been institutionalized for screening and finalization of proposals, procurement processes as well as for monitoring implementation and measuring outcomes. Several other partners also perceived the positive impact of these financial instruments including the recipient municipalities. While overall 20 projects were planned to be supported, the target was exceeded as 18 proposals²⁶ had been supported in RS and 24 in FBiH, which have generated impact at the local level such as improved agriculture production, improved service delivery, namely, water supply, waste management and health services. Although this mechanism is a good practice to be promoted, its effectiveness was affected by the low quality of some of the proposals submitted by the local governments and more strategic proposals with greater development orientation would enhance the impact of this mechanism.

Box 8: Financial Mechanism Impact

MDEC noted that 1/5th of their total grant (500,000 KM) routed through this mechanism has benefitted in terms of supporting projects beyond hard infrastructure, improved monitoring and evaluation systems of such grants, increased transparency as per EU norms, and enabled achieving aims of the Ministry on supporting SMEs and job creation. It was acknowledged that this experience would also have a spillover effect in management of their balance grant resources within MDEC (400,000 KM) as per the EU norms. The result generated with this 100,000 KM includes 355 new jobs, 36 new SMEs, improved services to existing 194 SMEs and improved conditions for new investment in the selected business zones.

IDBRS indicated that with 18 projects implemented with a total cost of 2 million BAM over 2014-2015 has benefitted 16,882 citizens, resulted in 106 agricultural farms improve their production and ensured additional source of income and 16, 249 meters of water supply infrastructure.

Finding: Participatory and integrated planning and implementation has been achieved on a wider scale (45%) in local governments. Planning culture, in terms of both long-term priority setting and medium (and annual) term, has been established within the local governments. Replication of the planning methodology has taken place at the initiative of the municipalities beyond the ILDP partner municipalities. Given the intensity of the process (large number of stakeholders and the steps) required in developing these local government strategic plans, ILDP has been able to demonstrate effective implementation of an ambitious goal, as well as cross their target despite the disastrous floods in 2014.

It was documented that ILDP Phase I was successful in creating a **nation-wide harmonized methodology (MiPRO)** of local strategic planning and in mobilizing a number of institutional partners at state, entity, cantonal and municipal levels. In Phase II, ILDP applied the lessons from Phase I and fully achieved **horizontal scaling up of integrated local strategic planning** in 18 new local governments (11 in FBiH and 7 in RS) through facilitating the application of MiPRO, preparing more realistic local development strategy, and establishing community development partnerships enabling social inclusion. Overall, 42 local governments from Phase I and II developed their strategies that had been adopted by the Municipal Council/Assembly. By 2015, MiPRO application had been achieved in 45 percent (compared to 16% (about 23 municipalities) in 2012) of the local governments (that includes 30% of ILDP partner municipalities and 15% of additional municipalities who undertook application of MiPRO at their own initiative) to arrive at a critical mass.²⁷

²⁶ The implementation of projects from second cycle are currently ongoing. UNDP LID support to the Financing Mechanisms (under IPA II) includes co-funding additional two cycles of projects (one in 2016 and 2017).

²⁷ The city of Mostar due to its specific political situation and upon request was also included for support

This is a notable achievement as it provides evidence of systemic changes that are continuing without external assistance. This is also a reflection of stability as good practices were being institutionalized. Government partners highlighted that MiPRO was a unique methodology and resulted in development of strategic plans. However, the selection criteria of the municipalities had led to the selection of more developed rather than under/insufficiently developed municipalities (7 out of 23 in FBiH and 8 out of 16 in RS).

As the first generation local government strategies (ILDP Phase I strategies) approached the end of 5-year period as per MiPRO, ILDP II adjusted its scope to include technical support to partner local governments requesting assistance in **revision of their strategies** (8 completed revision, 6 in the process of revision, additional 4 in the process of evaluation which precedes the revision). Lessons learned from the first generation municipalities led to building of more realistic second-generation strategies based on capacity and available resources. The municipal partners valued this support and demonstrated better leadership in the revision process. All this reflects ILDP adaptability and how, continuous improvement for innovation was being made as well as how the standard methodology was being replicated without external interventions. This not only reflects the usefulness and appreciation of the value of the methodology by local stakeholders but also sustainability in the long run.

Meaningful and need based strategic plans were developed through required **capacity inputs** by ILDP to all the main actors that included the Municipal Development Teams (MDTs), local government employees, Partnership Groups (PGs) and AMCs in steering and developing integrated strategic plans. It is observed that the training sessions included both men and women, in almost equal numbers -- 15 training programmes to 232 women and 241 men). The local governments planning capacity was enhanced as demonstrated by an assessment of exit capacity index.²⁸ This had increased not only the stakeholder interest but also the leadership capacity in leading the strategic planning process. Synergy with UNDP MTS (training) project was pursued which partnered with both entity AMCs to train the elected members and local government employees with Civil Service Agency (CSA) and Ministry of Administration and Local Self Governance (MALSG) in strategic

Box 9: Reflections on Strategic Planning in Municipality

We see a clear difference between the strategy that we developed ourselves in 2007 through a consultancy company and that we developed through MiPRO. Our earlier strategy was not realistic, not connected to local development and could therefore not be implemented. MiPRO on the other hand, helped us to develop a realistic strategy with a realistic budget and measurable indicators and in accordance with the competencies assigned to us under the local self-government law. We developed it in a participatory manner with Partnership Groups as well as through public debates, media advertisement and even put it up on our website to get feedback.

Mayor and Planning Coordinator (head of MDT)

planning. However, the low motivation levels of MDTs and PGs, which dipped their participation in some municipalities, unfavorably affected the quality of the strategic planning process. But this also stemmed from the reversal of the roles of these groups as development shapers than being tax collectors or basic service providers.

Municipalities and cities confirmed the benefit of using MiPRO for strategic planning through ILDP technical support (See Box 9). Mayors and Planning Coordinators in different municipalities and cities reiterated that they were better

able to articulate a long-term vision and develop an integrated and inclusive strategy. Overall, the strategic planning method has helped local governments to improve

in strategic planning during the second phase. Further, MiPRO is now being used as a tool under the UNDP's LID project in seven more municipalities.

²⁸ An assessment showed average exit capacity index for 40 municipalities was 732 (level 4-very good) compared to an average entry capacity index of 572 (level 3-good).

targeting their resources, develop partnerships and ensure social inclusion. The resulting higher level of participation of women, minority groups and persons with disabilities led to incorporation of their concerns, issues, and recommendations/projects into strategies. For instance, in the case of a city, projects for persons with disabilities, children with special needs, women entrepreneur start-ups, environment protection became an integral part of the strategic plans. Another Mayor reflecting the general mood across all municipalities and cities, remarkably noted that, the 'municipality now belongs to the people' and not to the administration, thus leading to the inclusion of many suggestions of projects from CSOs in the strategic plans.

As far as **vertical harmonization** of local level with higher-level development strategies is concerned, this could not be adequately achieved. While efforts at process harmonization and inclusive structures with participation of stakeholders from different levels has taken place, the harmonization was limited to a certain degree as higher level strategies (entity/state/sectoral) had either expired, or were being revised or were non-existent, and canton integrated development strategies had just been developed. Lack of entity strategy prevented municipalities and cities to know higher-level strategic priorities and consequently the resource priorities and situation.

On the other hand, as envisaged, ILDP effort to ensure translation of the long-term local development strategies to medium and short-term **implementable action plans** has been very successful. ILDP's technical investment in improving the capacities²⁹ of municipal administration has resulted in all partner municipalities (100%) preparing their three-year (1+2) implementation and resource plans (directly linked to municipal budgets and external fund sources), departmental plans and project proposals and annual reports. Several municipalities are now able to prepare these plans with greater level of independence and minimal project support than others. This achievement is noteworthy, as prior assessment had shown lack of systems and capacity in multi-year planning, preparing proposals, monitoring and reporting results among the municipalities.

Box 10: Seed Fund support under ILDP

In order to incentivize and develop capacities of local partners, the project had planned for a '**seed fund**' to support 30 priority projects of local governments and socio-economic partners. Of these 24 priority projects that have been prepared so far, 19 have been completed resulting in construction of newly built public infrastructure (including bus stops), receiving SME support in a business zone, installation of energy efficiency measures and service delivery improvements. While these may have played an important role in seeding priority projects, developing capacity of local partners; and with co-funding from local governments and higher authorities, this modality is not sustainable in the longer run. Instead, strategies' implementation should be linked as much as possible to mainstream public financial mechanisms and other external funds such as EU IPA.

The project strategy had planned to increase the level of **externally mobilized financial resources**. Planned budget 2013-2014 showed that on an average about 22 percent of the budget for 1+2 plans were funded by municipal sources and 78 percent - from external sources (Annex 6). There were municipalities, which could meet 65 percent of the budget through their own sources but there were others who could meet only 3 percent of the budget, and consequently the range of external sources varied from 35 to 97 percent. This data shows that while ILDP had made efforts in realistic planning, budget envelope itself is an issue that requires earnest intervention. Overall analysis of data on external mobilization of resources shows that of the planned 78 percent in FBiH for the period 2013-2014, about 40 percent were mobilized (range varying from 1 to 155 %) and in RS of the 79 percent, 80 percent were mobilized (range varying from 3 to 100%). Analysis of visited municipalities/cities shows that some have managed to realize only about 8 percent and others one-fourth from the planned external sources for the

²⁹ They have capitalised on the integrated development management practices introduced by the MTS Project.

period 2013-2014. It was, however, noted in 2014 *Annual Report* that 10 municipalities had doubled the level of externally mobilized resources. The promise of strategic planning had also attracted diaspora to invest technically and financially into the strategic plans supported through another UNDP initiative on migration for development. But as evident from data (Annex 6), in other municipalities, overall financial resources to programme these strategies were inadequate. All stakeholders interviewed at different levels and especially at local government levels indicated limited financial resources to effectively meet their planned requirements. While there are many reasons for the same such as inadequate fiscal decentralization, unpredictable intergovernmental transfers, these were beyond the scope of the current project phase.

Although the **development management capacity** has been improved, these gains can be further enhanced by institutionalizing these processes through appropriate structural arrangements³⁰. The DMU/function was agreed to be established in 25 municipalities through changes in internal organizational rules, but are so far functional in 11 municipalities. As far as the remaining partner municipalities are concerned, the process of establishment of the development management function was going on in six more municipalities and the remaining eight municipalities were yet to begin the process. There was consensus among the municipal/city stakeholders about the value of these structural modifications, as well as about importance of positioning them within the Mayors' office that empowers/authorizes them to coordinate with different departments and ensures proper planning, prioritization, overseeing of implementation, monitoring and reporting (See Box 11).

The project helped the DMU/function with Monitoring and Evaluation (**M&E**) tools such as APIS and SiMEI to track local project progress and socio-economic and environmental development trends. As indicated by the municipal planning coordinators, these tools were supporting the preparation of the Annual Reports on implementation of local strategies. However, these tools could not be fully exploited as they were mostly offline tools. Also paucity of data (within statistical systems) to generate information through these tools was an issue that affected its usefulness. Besides, there is also a certain lack of culture of results-based reporting among the stakeholders, who are more accustomed to an output-based annual reporting system. Further, these reports are to be made available to public and municipal council/assembly members. However, it was clear from discussions with several stakeholders that the council members had not actively reviewed and debated the annual reports. Furthermore, while the project had planned for citizen monitoring through community moderators and revitalization of Partnership Groups, it was unclear if they had taken an active role in project monitoring and if at all they had, how this has translated into effective transparency and accountability. It is also important to note that the current accountability structures isolate municipalities from feedback, which they in fact require from CSOs

Box 11: Increased Management Efficiency

Mayors acknowledged that they were able to undertake strategic plan implementation and management in a more effective and efficient manner and improved readiness of local governments and new governance practices would further enable them to access EU IPA II funds in the future.

In RS, for instance, in one municipality, the Mayor and the Planning Coordinator indicated that they had set up a Development Management unit with changes in their internal organizational rules, and they indicated that this was important (even if they have not yet hired one of the two staff) for preparing the implementation plan, coordinating inputs and preparing the Annual report for municipal council. In FBiH, in one municipality, the rule book for internal organization was changed to set up a DMU/Service with 6 people along with the participation of representatives of municipal departments to develop and review the Annual implementation plans and develop annual reports. These plans were discussed with municipal council and after adoption are adjusted in accordance with the budget envelope.

³⁰ This included creating a new function and setting up of DMUs for coordination and management of strategies' implementation and monitoring.

to manage performance improvement.³¹ Thus, service users and citizens have had limited ways to hold delivery providers accountable.

Effectiveness of the project is also reflected in the **realization of annual implementation plans** that increased from 21 percent in 2012 to 41 percent in 2015 (average for the 40 partner local governments). This translated into funding, implementation and completion of projects. While this is low compared to the planned 20 percent annual increase, the realization rate is, in fact, significant compared to the earlier scenario where the municipal strategies were not implemented. This achievement is even more significant because the performance was actually affected adversely by political and financial instability due to low municipal financial resources owing to 2009/2010 financial crisis, blocking of the work of the entire administration by municipal assemblies in few cases, and reprioritization of funds by government and international partners in the wake of the 2014 floods.

Notwithstanding the achievements, discussions with partners and project team members revealed a number of issues that undermined the effectiveness of implementation. Among the challenges to harmonization of departmental plans, limited realism in medium and annual planning and budget projections is perceived as a significant one. The other major obstacle includes low capacity of municipal employees, NGOs, and private companies for preparing realistic and feasible project proposals --including in English, to apply for various EU/other funds.

While standard operating procedures have been introduced, mindsets have not been fully oriented towards these changes, at the same time the staff felt overwhelmed by the demands of planning and implementation. This was further seen in the fact, that though a few MDT members remained active, even fewer were involved in the implementation planning, monitoring and evaluation. It is important to be cognizant of the fact that the cultural mindset of the existing administrators and governance actors has the remnants of the earlier era. They are new to the notion of integration, cooperation, accountability and transparency. It will thus take a long time for a sustained cultural change in mindsets to take place at different levels of the government.

Finding: While ILDP support for Inter-municipal cooperation (IMC) forged relationships between the municipalities, this area has had modest achievements. Given that the IMC model is still new for partner municipalities and not fully understood, IMC project proposals do not fully reflect the concept and are crafted to mainly acquire resources.

The historical legacy of political and administrative centralization has prevented the development of horizontal relations between municipalities, which has resulted in a lack of awareness, capacity and experience in IMC. Given this scenario, ILDP support to IMC was moderately effective. The project was able to improve cooperation in both FBiH and RS entities.

Box 12: IMC examples

Three municipalities joined hands to support waste management, which helped them to jointly develop by-law and in another case, two bordering municipalities (Jajce/FBiH and Mrkonjić Grad/RS) across the two entities came together to develop their tourism potential and the Mayor of Mrkonjić Grad noted that the IMC has led to improvement in relationship between the two Mayors and their municipal staff.

In addition to trainings in IMC, ILDP also encouraged and provided funds for IMC joint initiatives cutting across municipalities and focusing on agricultural sector, greenhouse production, solid waste management and tourism promotion (see Box

³¹ The EC report has pointed out that partnership between the government and CSOs remained constrained.

12). So far 4 joint initiatives have been supported with co-funding from the municipalities. Through training programmes, the pilot IMC initiatives have helped boost active engagement of the municipalities with each other. The process helped develop institutional capacity in preparing IMC proposals and encouraged coordination among the different municipalities on a range of issues. Partners particularly noted the inter-entity municipal cooperation especially in border municipalities. Seeing its effectiveness and benefits, IMC is now being promoted in the amended RS law on Local Self-Government. However, as the process of joint initiatives is still new, establishment of strong institutional linkages and fostering of the new found cooperation among the municipalities is not sufficient. Some municipal authorities expressed that they were still on the learning curve. In many EU countries, IMC has been used as an instrument to overcome the local public service delivery inefficiency issues given the small size of municipalities, which was also a reality in BiH. IMC is also perceived as key to accessing EU funds for local development and thus the concept needs to be well grounded through effective mechanisms. The stakeholders also articulated this.

5.2.3 Project Efficiency

Finding: The project appears to have strong management capacity with appropriate cost effective measures in place.

5.2.3.1 Management and Organizational arrangements:

The **decision making process** in the project is seen as being quite efficient as the various project management structures use a very democratic and consultative process, with the Project Team being responsible for the day-to-day management, and the Project Board setting an example by making decisions through consensus. This was reflected in the Project Board minutes. The role of the Project advisory board (proposed in the implementation arrangement) responsible for providing strategic inputs into project interventions was however not reflected, as its usefulness was not fully appreciated by the partners. As far as accountability is concerned, the Project Board has been ensuring that the project Annual Plans are reviewed and approved as per the Project Agreements, and that the selection of project proposals under different funding mechanisms are being undertaken in a transparent manner offering the best value for money. This was indicated by the Project Board minutes, which reflect critical observations from Project Board members. It has been working effectively and efficiently and the project has benefited due to the proactive role played by its members. However, it is observed that the required quarterly meetings in a year had not been held in any of the four years of Phase II, and in 2013 and 2015 only two meetings were held in each of the years.

Efficiency is also reflected in the **procurement processes**. These are in general carried out in accordance with UNDP agreed procedures (UNDP methods of open and transparent processes). Due diligence has been effectively observed in these matters. No negative observations were found in the Project Progress Reports. Maintaining competitive procurement processes for hiring Experts, Consultants and other Service Providers has led to cost effectiveness through the selection of lowest bidders and observation of appropriate procedures.

As this was a directly implemented project, the responsibility of the project for achievement of its results lay with UNDP. The **Project staff** seemed adequate and competent to pursue the project activities although they faced some delays in recruitment in the first year. The Project Management has worked extremely efficiently which is reflected in the timely delivery of majority of the outputs including managing additional activities (not envisaged at the project design stage). Each and

every partner appreciated the efforts of the project team. While some activities were postponed especially in the first year, it was largely due to external factors beyond the control of the project team. The project team ensured timely planning, procurement of services and delivery of the activities as per the annual plans. They have prepared timely and good quality progress reports as well.

With regard to **national ownership over management processes**, apart from ensuring leadership of partners in various project activities, the LoA modality has been used with a number of project partners to handover responsibility to national stakeholders for procurement and fund transfer to local governments. This was evident in the case of interventions such as entity based financial mechanism, seed fund and IMC activities. This reflected transfer of decision-making to national partners, which would foster national ownership. This also has implications for increasing efficiency of the project by reducing project management costs. However, this transfer of accountability was not in full as UNDP has certain management responsibilities within these interventions as outlined earlier under project approach. Thus, with growing capacities within some of the institution, continued use of direct implementation modality may undermine the principles of national ownership and sustainability in the longer run.

5.2.3.2 Expenditure Efficiency

The project has followed a consistent disbursement pattern in conformity with the execution strategy. Based on the available cumulative expenditure data (Table 3), the annual rate of utilization of the budget was reasonable.

Table 3: Rate of Project Budget Expenditure against Planned

Outputs	2012	2013	2014	2015	2016
Outcome 1 (output 1,2,3)	82%	83%	64%	112%	
Outcome 2 (output 5,6,7)	56%	115%	114%	83%	
Output 8	-	-	100%	100%	
Annual utilization	71 %	105%	89%	99%	
Total percentage of the project budget	5%	22%	24%	32%	17%

Source: Annual Progress Reports

Thus, the overall **budget delivery** was very satisfactory and more or less commensurate with the rate of delivery of substantive outputs. The progress reports show equal rate of production of outputs through timely conduct of the activities. Minor deviations have happened more on account of external factors. While the expenditure data and progress reports demonstrate a slow start of activities, it picked up momentum and was fairly distributed among different years. The drop in 2014 was mainly due to the natural disaster.

The project has engaged intensely and provided excellent support for all the different components of the project through service providers (11) and experts (22 approx.) apart from the technical support of ILDP team in planning, implementation, development management, PIMIS (software design/adaptation), policy process and development of laws/by-laws. To determine the cost efficiency of these **technical inputs**, cost benefit analysis will be a useful approach but was not part of the scope of the evaluation. It could however be taken up later if required.

The project used saved resources due to currency gain (favourable USD to BAM exchange rate) to fund additional projects under the entity based Financial mechanism accruing additional benefits to community, thus reflecting efficient use of

resources. At the same time, the contribution from the government partners (entity and local government levels) in the form of **co-funding** under some of the project activities such as cantonal planning, entity based financial mechanism and seed funding enabled the project to expand the number of development initiatives. This was demonstrated by secured co-funding for the entity based financial mechanism from entity governments (28% higher than ILDP contribution) and local governments (USD 1 million) and EU IPA II (USD 900,000 for 2016-2017). The project partners have also contributed training venues and covered partial cost of capacity development interventions. This not only displays ownership and commitment of the government but also efficient utilization of resources. Further, another pertinent example demonstrating improvement in efficient use of resources is where FBiH MDEC under the entity based financial mechanism increased transparency in management of its grant scheme through establishing EU management norms.

The project had grouped the partner local governments into **territorial intervention clusters** to enable economy of scale for future field distance, inter-municipal cooperation, cross-entity, cross-cantonal and cross-border cooperation and this helped in increasing cost effectiveness of capacity development interventions.

5.2.3.3 Partnership and Synergies:

The project document outlined a **partnership strategy**, which has been implemented and resulted in ILDP collaborating with various partners in the context of relevant project outputs and enabled division of labour. A good example of cost-sharing measure taken by the project was demonstrated in the policy component of the project where ILDP partnered with USAID SGIP and which led to the efficient sharing of responsibilities in the process of the draft law making. Similarly, undertaking complementary activities with the SIDA funded UNDP MTS project helped ILDP to capitalize on the capacities of local self-government employees and municipal councilors developed in strategic planning through the MTS training packages. This saved resources of the ILDP project.

The project is also cooperating with EU-funded UNDP LID project and helping it upscale ILDP strategic planning process in additional municipalities and in supporting of projects under the local development financial mechanisms. Additionally, both Municipal Environmental and Economic Governance (MEEG) and LID projects will also support deepening of development management capacities within existing partner municipalities. This would amount to increasing the cost-effectiveness of the project and therefore its efficiency. Facilitation of local development donor coordination group by UNDP helped in developing synergies between the ILDP and other donor projects and continues to do so. This has helped reduce duplication of interventions and increased complementarities thereby increasing efficient utilization of public resources.

5.2.4 Responsiveness to Gender Equality and Social Inclusion in planning and strategies' implementation

Finding: The project has made strong efforts at mainstreaming gender equality and social inclusion principles in practice but there are gaps in their effective integration in some aspects of the project.

The project envisaged **gender equality** as an essential concept and a key prerequisite in strategic planning. Among others, it indicated representation of at least 30 percent of females in the new organizational structures, in the implementation of the strategy, updating the plans and strategies, as well as in the preparation of projects and PCM. It further specified representation of women in capacity building, allocation of funding for women's priorities within plans as well as

gender-disaggregated data in monitoring and evaluation. It underlined the importance of inclusion of minorities especially Roma, and other vulnerable groups such as persons with disabilities, IDPs and returnees.

The MiPRO facilitated design of socially **inclusive and gender responsive strategies** with data and measures for different socio-economic groups. There were evidences of participation of women and minorities during the development of the strategic plans at the local government level. It was noted that the voice of women and minorities was reflected in the plans of 42 municipalities/cities covered in both Phases.³² It appeared from the data that overall about one-third of the participants in the MDTs and partnership groups were women and other vulnerable groups along with men (Annex 5). Based on discussion with municipalities and cities, it revealed that participation of women and other vulnerable groups through Partnership Groups or specific focus groups led to the framing of strategic plan goals and incorporation of their priorities and projects focused on SME aimed at women entrepreneurs, projects for persons with disabilities, education/scholarships for Roma, day care centers for women and other community initiatives with impact on women and vulnerable groups (Annex 7). Further, both men and women had been part of the capacity development initiatives and about 33 percent of participants were women in the different training programmes. Women were also represented at the decision-making level within some of the DMUs in municipalities and cantons (Annex 5). While this a relatively good result, there is a need to aim for participation of 50 percent of women.

Gender sensitivity of the policy and law making process in the project was ensured. Both FBiH and RS have established the institutional mechanism of Gender Centres, which have played some role in the project. As noted earlier, the FBiH Gender Centre as well as the women's caucus within the FBiH Parliament had provided inputs into the preparation of the Draft law on Development Planning and Management in FBiH. It was, however, expressed that the Gender Centers had limited capacities to be able to provide any significant support in the implementation of the law. Additionally, social inclusion as a category is not reflected in the Draft Law but the partners are conscious of the same and would address it. However, in RS the inclusion of gender equality aspects in the Concept for Establishing a Consolidated System of Development Planning and Policy Coordination was not evident.

The above provides examples where women's priorities as well as that of marginalized communities have been brought forward by the local partnership groups and have been incorporated in the development strategy and prioritized in the implementation timeline. At the same time, it was acknowledged that the strategy for gender mainstreaming in strategic planning has not been very effective and further work was required for effective gender responsive planning. Thus it was not clear if the local government and cantonal integrated development strategies developed so far have a deeper analysis on women's constraints (discrimination, equity) and social exclusion (in their respective relevant territories) with measures to address the same across the social, economic and environmental development areas. The rights perspective, had there been one, would have ensured that the structural issues of gender inequalities and social inclusion were addressed. Protection of rights and entitlements of certain vulnerable groups may also need to be addressed by policies of higher governments. It requires further analysis to assess the extent to which the strategies and implementation plans and M&E systems were gender responsive and led to women's access to services, resources and employment as well as change in

³² It was also brought to the attention of the evaluator that the project introduced indicators within the application forms for the financing mechanisms and the seed fund, which gave additional weight to projects working on gender equality and social exclusion. This implied mainstreaming and encouraging partners at the local level to come up with projects, which are taking into consideration these two aspects.

their human development condition. The monitoring system of the project faces constraints in having an effective gender disaggregated system and capturing of gender disaggregated results due to lack of data from official statistical institutions as well as the nature of selected projects (such as infrastructure). Furthermore, gender responsive planning and implementation capacity of the DMUs may be an issue that needs to be further explored.

6. Project Impact

Overall Finding: ILDP has been highly successful in introducing a number of significant systemic changes that include legislative reforms, financial streamlining and institutionalization of a pro-poor, gender sensitive and socially inclusive strategic planning system with tangible dividends for the people in social services, economic benefits and environmental impact.

6.1 Systemic impact

The most significant impact is seen in the arena of **legislative changes** that were brought about during the life of the project, in development planning and management in FBiH and in the associated policy changes of the processes brought about by the adoption of the standardized planning methodology at local government and cantonal levels. ILDP is in an advanced stage of institutionalizing the strategic planning system in FBiH. This includes establishing a planning system which is long-term, participatory, integrated, pro-poor, socially inclusive and gender sensitive. As a result, the strategic plans have now become indispensable policy tools for the local governments. The stakeholders at local government and canton levels see tangible changes in their strategic thinking, long-term planning processes, realistic planning and budgeting as well as in the implementation and management of these projects. A visible transformation in the planning culture that is more and more consistently becoming integrated, consultative, inclusive and transparent, was observed at local government and cantonal levels moving the bar towards EU norms and standards.

Financial streamlining has been the other critical area of systemic change. It has begun to consolidate linking with the public financial system. It has capacitated the local government to perform fundamental functions that allow them to represent the preferences of the citizens in the decision-making process. It has led to realistic planning and linking within the existing budgetary allocations (municipal and other sources). With regard to resource mobilization – which is also seen as a result of the strategic planning reforms - the local governments have made modest achievements in increasing mobilization of external resources. Mayors and cantonal actors noted that they were able to attract IPA funds for projects emerging from integrated development strategies, donors also confirmed this and they attributed this to ILDP. The data on external mobilization of resources shows that of the planned 78 percent in FBiH for the period 2013-2014, about 40 percent was mobilized (range varying from 1 to 155 %); and in RS of the 79 percent, 80 percent was mobilized (range varying from 3 to 100%) for the implementation of strategic plan projects.

The third major area of systemic change is the **institutionalization of development management**, which to some extent is also linked to the regulatory reforms. All the stakeholders are increasingly and consciously making efforts to institutionalize the good practices of planning and management (structures, tools and processes) including integration of M&E and other accountability systems into the very structure of the local bodies (these are detailed in the section on *Project Effectiveness*). As a result the realization of annual implementation plans, which reflects implementation and completion of projects, increased from 21 percent in 2012 to 41 percent in 2015

(on an average for 40 partner local governments). While this was low compared to the planned 20 percent annual increase, the realization rate is still very significant if compared to the earlier scenario where the municipal strategies were not implemented at all.

Box 12: Unintended positive effects

As captured earlier this includes:

- development of the FBiH law (draft) on development planning and management which evolved from the policy dialogue process
- replication of the strategic planning in additional 15 percent of the local governments emerging from their own initiative
- increased efficiency through leveraging funds from different partners including from EU IPA
- establishment of a coordination mechanism bringing all sector partners working on strategic planning together tactically positioning UNDP and Government of Switzerland in this area.

Thus, introducing such systemic changes has influenced and benefited a large number of people who were by and large excluded from the development processes. It was here that ILDP had been instrumental in ensuring leadership of the

government agencies and broader society in the development of the integrated strategies, capacities and realistic plans to support action plans and individual projects. At the same time, while not explicitly envisaged in the project design, the evaluation also reveals **unintended positive effects** that have emerged during the course of the project (See Box 12).

However, while these impressive changes have taken place as a result of the project, the sustainability of these systems face challenges in terms of financial resources, organizational capacities and political coordination. The actual impact at the policy level or on the well-being of people is affected by many factors, all of which are beyond the project control or that of the cantons and local government agencies. This includes, for instance, the legislative environment where several laws (e.g., related to functional and fiscal decentralization) and procedures impinge on strategic planning, extensive bureaucracy at various levels, economic downturn, and natural disasters in the region.

6.2 Impact at community and individual levels

At the local level, the project had aimed to benefit 6000 citizens from financing mechanisms. As captured earlier, the **financial mechanism** in FBiH led to creation of 355 new jobs, 36 new SMEs, improved services to existing 194 SMEs and improved conditions for new investment in the selected business zones. In RS, over 2014-2015 the financial mechanism has benefitted 16,882 citizens, resulted in 106 agricultural farms improve their production and ensured additional source of income and 16, 249 meters of water supply infrastructure. The **seed fund** meant to benefit 3,000 citizens (men and women) claimed reaching about 21,500 men and women who have benefitted through newly built public infrastructure and service delivery. Additionally, post flood recovery reconstruction efforts have reached out to 200,000 citizens through restored public service delivery.

There was no doubt that there were **tangible dividends from ILDP through the implementation of local projects**’ (supported under integrated development strategies) funded by government and other sources. The benefits accrued at the local government level as a result of various project interventions (planned under the strategic implementation plans over a period of 2013-2015) are captured in Annex 7. It outlines the results in terms of infrastructure that has been created, services that have been delivered and jobs/employment opportunities that have been enabled by the ongoing projects. This includes development of water supply facilities, sewerage systems, roads, education and sports amenities and health infrastructure under social services, vocational training, support to agriculture sector, businesses and creation of jobs under economic support and increasing green areas and energy

efficiency measures under environmental areas. For example, development of a Business zone in Livno led to the creation of new businesses and jobs, farmers have been supported through financial incentives, orchard development, transportation system, construction and reconstruction of water supply and sewage system in Vlasenica, Gradačac, Srebrenik, thus providing improved basic services to people.

The local development strategies addressed inclusion of **specific vulnerable groups** such as women, minorities, persons with disabilities and returnees. For instance, 131 returnee families in Jablanica received housing assistance, special centre for children with disabilities was constructed in Ljubuški, 60 unemployed women/victims of violence trained for job opportunities in Bosanska Krupa and sewage system was reconstructed for Roma settlement.

The project has enabled local governments to act as catalysts for **local economic development** based on the strategic plans, including business investment climate, investment in infrastructure to promote employment based growth. For instance, Cazin municipality saw the development of support environment for formation of business zone, Gradačac saw the development of infrastructure in business zone and Maglaj saw the benefit of registration of new businesses. Municipalities and cities visited indicated receipt of the **BFC certificate** (Business Friendly Certificate) and attributed this achievement to the capacity developed by the project.

While noting these remarkable achievements of the project both direct and indirect, it needs to be also stated that there are certain limitations in assessing these gains. One among them is the dependence on the local government's annual implementation reports. These mainly generate information at the output level of projects from strategic implementation plans, and hence it is difficult to ascertain meaningful change in people's lives. Secondly, given the nature of the evaluation and the lack of 'control group' it is difficult to fully discern whether benefits to people and the change in their well-being can be directly and exclusively attributed to ILDP support. Several other factors too have played a role in this, although one can assume that the project did have a significant catalytic role in the achievement of these gains to the target population.

7. Sustainability and Replication Potential

As part of the project design, ILDP had essentially envisaged transfer and embedding of strategic planning tools, knowledge and processes within relevant organizational partners at entity, cantonal and local government levels, reduction of external project assistance and change of roles of national stakeholders towards full ownership, as contributive factors to sustainability of the project interventions.

The evaluation assessed sustainability of project interventions from a broader perspective and looked at institutional, organizational and financial perspectives to measure the extent to which project benefits could be scaled up and could continue without external assistance. Institutional sustainability measured institutional processes or regulatory reforms, efforts at vertical alignment, prospects initiated or undertaken for institutional anchoring of the strategic planning process at different levels, and outlook for horizontal replication of MiPRO application. Organizational reforms helped to understand the structures, organizations' set up and their capacities to implement the strategies as well as replicate strategic planning. Full and genuine ownership by local stakeholders at different levels, namely, municipal/city councils, administration, and communities, and ensuring their continued engagement in the implementation and monitoring of the plans, activities and services are critical for enhancing project sustainability and thus became an important point to be gauged. Similarly financial sustainability is determined by the setting up of financial

mechanisms, systems and processes initiated to support and complement implementation of strategies.

7.1 Institutional sustainability

Finding: The project has made significant gains in ensuring that the government system had a regulatory framework for continuation of strategic planning and vertical alignment with plans and budgets in one entity, and thus the process will continue beyond the project lifespan.

Clearly, the detailed consultative policy process pursued by ILDP over the span of the project with key partners led to the development of the **draft law on Development Planning and Management** in FBiH. It is currently in parliamentary procedure, and is expected to be adopted before the end of this year. This has been done through creating strong ownership and is expected to eventually lead to the institutionalization of strategic integrated planning across the Federation at different levels. The FBiH Development Strategy will follow this draft law once adopted and a set of by-laws for further institutionalization of the planning system in the entire federation at all levels. These regulatory reforms will enable both vertical alignment between municipal, cantonal, entity and EU strategies, horizontal alignment with sectoral strategies as well as with financial and public investment planning. Initiation of similar regulatory reform processes at cantonal level and full endorsement of the adapted cantonal planning methodology (captured earlier) will further strengthen and sustain the efforts with the potential for replication in other cantons. It, however, needs to be complemented with organizational reforms, institutional mechanisms and capacities for sound implementation of these laws. Discussions with relevant FBiH partners confirmed their continued leadership and commitment to ensuring institutionalization of strategic planning.

In RS, there was no equivalent law, thus raising concerns about long-term sustainability of strategic planning as well as harmonization of strategies between different levels, in this entity notwithstanding the formal government Decision of 23/12/2009. However, ongoing work on finalizing the RS Development Strategy, Draft Decision on Planning, Monitoring and Reporting at entity level will help in horizontal integration at entity level. This calls for a further development of additional policy guidelines or by-laws for vertical alignment and sustainability of strategic planning. Stakeholders agreed that the EU accession process would drive and accelerate the above reform process. For sustaining vertical integration, continual existence of entity level development strategies and state level strategies would also need to be ensured. It would also be important that lack of political coordination should not pose a bottleneck.

The endorsement by FBiH AMC Presidency of the draft law and the inclusion of MiPRO methodology in the **AMC strategy document** of FBiH and RS for 2015-2019 increases the potential for replication of MiPRO methodology across the municipalities. Both AMCs reiterated that as this was part of their strategy document, they would pursue replication and continue use of MiPRO in all municipalities and cities. However, the capacity of both the AMCs to pursue this requires substantial support for them to become a driving force for replication.

7.2 Organizational sustainability

Finding: The organizational structures to sustain strategic planning have been taking shape at entity, cantonal and local government levels but the system of continual capacity enhancement needs to be ensured.

At the entity level, the **establishment of the Strategic Planning Unit** within the **RS** Government Secretariat provides the necessary position (within a central authority of the Government), influence for catalyzing development planning within the entity. However, its current capacity needs to be boosted before it can leverage its position. In **FBiH**, while FDPI has the main development planning coordination role, it is important to set up a **Development Council** (Federation Council) with key actors for higher buy-in from the government, and for leveraging their influence in driving strategic planning reforms through FDPI. As this has been proposed in the Draft Law on Development Planning and Management, it is important to ensure that the Federation Council becomes an influential structure and supports the FDPI in their responsibility. Hence, selection of the right institutional representatives for the Council will have a bearing on the institutionalization and sustainability of strategic planning at the horizontal and vertical levels. Similarly, the Zenica-Doboj Development Council model at the canton level lends itself for replication.³³ Additionally, the current organisational capacities of FDPI require additional support for it to implement the law on Development Planning and Management in a sustained manner.

At the canton and local government levels, institutional anchoring requires dedicated organizations/units/departments to steer the strategic planning process and implementation in future. At the local government level in RS and FBiH, the establishment of the **DMU/function** within the Mayors' office through effecting change in their rule books on internal organization systems will help to sustain the function of management of strategies' implementation, and provide the necessary power to coordinate with all departments. The same applies to the establishment of this unit/function within the cantonal PM's office. Any models where this unit is outside the influence of the Mayor's office or cantonal PM's office are less likely to be sustained or have the necessary influence and power to coordinate implementation. So, the DMU function under the Mayor and cantonal PM's office should be replicated.

Equally important are changes in the operational processes within canton and local government administration to ensure continuous medium term, annual planning and monitoring and reporting. Establishment and adoption of these **systems and procedures** in many municipalities by governments and assemblies are an important reflection of sustainability. While these have been introduced in some of the local governments and cantons, it requires further organizational reform and support for replication. It was also important to ensure that the sustainability of this DMU/function was not undermined by the turnover of staff losing developed skills and capacity.

The **training system**³⁴ established under MTS within the different organizations (CSA, MALSG and AMCs), would help to sustain the use of the training packages in strategic planning in both the entities for new entrants as well as for the old guards. The key institutions such as FDPI, SPU AMCs, CSA at entity level should become the repositories of strategic planning tools and knowledge and the cantonal and local governments should identify them as the leaders and champions of strategic planning in the country. While they expressed that they were ready to take that role,

³³ However, this should not be done at the cost of replacing Partnership Groups as this is an important mechanism to represent the voice of the citizens.

³⁴ Additional integrated local planning tools and materials were being transferred to the relevant institutions for them to share them with interested partners. However, there were a few issues for the training system (organizational and financial sustainability) as indicated by partners and reflected in the MTS project final evaluation that need to be ironed out for it to become sustainable. This is important for continual transfer of knowledge on strategic planning to the local government employees and councilors.

gaps in organizational capacity of some of these institutions continue. However, transferring that role completely from ILDP to these organizations in a phased manner may compel them to take on the responsibility more independently and reduce external project assistance. ILDP could then focus on consolidating systems and mechanisms (outlined in the way forward) to induce full leadership and ownership.

The **replication of MiPRO** in the development of integrated local government development strategies in the additional 15 percent of the municipalities reflects the domino/ripple effect. Some well-developed municipalities and cities also expressed interest in undertaking revision of their strategies without external support. This further reflects the independence the municipalities have now achieved in using MiPRO tools on their own. It also demonstrates the development of their capacities for undertaking these revisions. The capacity of teams developed in local strategic planning had given them the confidence to update their respective local development strategies with limited technical assistance from ILDP as well as support neighbouring municipalities in this process. The strategic planning capacities developed within the municipalities and cantons has improved their readiness for EU integration process as well as in receiving EU IPA funds that augurs well for sustainability. The government representatives indicated that given that this was a local planning system, the tools and capacities developed in strategic planning through ILDP would remain within the cantonal and municipal governments and would not face any setback due to broader political changes. Despite the above, the political-economy context of BiH bears a risk to long-term sustainability.

It is important to note here that given the **cultural mindset** of the administrators and governance actors in both the entities, the notion of vertical and horizontal integration introduced by the project, is in a sense alien to their accustomed way of functioning and hence, it is but natural to assume that it will take a considerable amount of time for a sustained change to occur in this regard at all the different levels of government. This has implications for improving the administrative capacity of the municipalities with the resultant benefits to local strategic planning and delivering development. This has further implications for the broader PAR process at the different levels for developing and sustaining human resource capacities.

7.3 Financial sustainability

Finding: ILDP is trying to address this through realistic planning and vertical alignment but limited budget could cripple strategic plan implementation in the future. This is a critical issue given the unpredictable inter-governmental transfers, low local government revenue generation and inadequate fiscal decentralization policies.

As mentioned earlier, the draft FBiH law on development planning and management will enable linking development strategies with PIP thus strengthening financial sustainability. The by-laws as a result, on linking PIP with development strategies at different levels have the potential to create the necessary enabling environment for accessing resources for strategic plan projects as well as for facilitating the vertical alignment with public financial framework. The stakeholders pointed out that while the FBiH **decree on development planning and monitoring of PIP** exists, the capacities for its implementation require support. In RS, the by-law/decree on the same is in the draft stage and is awaiting adoption.

The establishment of the **PIMIS** at cantonal level under ILDP will further help in the development of the vertical linkage with public financial mechanisms. This is further planned to be undertaken at the local government level by MoF but is yet to be

implemented. Thus replication of PIMIS at local government level is critical for long term sustainability of the project.

The policy reform established by entity based financial mechanism, has helped in setting EU standards in the **management of grant schemes** within FBiH MDEC and in linking with local development and appears to be a sustainable mechanism. The partner Ministry claimed of a spillover effect in the management of the balance grant amount within the Ministry with good scope for replication in other Ministries. Thus this will further enhance resourcing of local development. However, despite the efforts of IDBRS to expand its basket of donors and increasing government contribution, the sustainability of the grant mechanism in IDBRS remains an issue as IDBRS mainly deals with credit lines and was completely dependent on others to continue the grant scheme.

Realistic budgeting for strategies' implementation has been initiated. However, as outlined above there were a number of reforms that need to be undertaken for improving fiscal capacity for which continued advocacy with other relevant international partners would be required. At the same time, as stated earlier, capacities need to be developed at different levels for improving realistic planning and budgeting, project preparation and tapping different sources of funding. Accessing public or EU resources should be aligned with the need for local strategic plans and projects which will further act as a push factor. AMC's efforts in resource mobilization also need to be strengthened.

Given that SAA is in force in BiH, and strategic planning process will help the local governments to draw upon EU resources, it should be used as leverage for institutional anchoring of the strategic planning process within the financial planning systems.

8. Conclusions and Recommendations

Implementing a project such as ILDP has been a complex and challenging undertaking, particularly given its multiple objectives, covering different levels, a large number of institutional partners, and limited national capacity at all levels. The strategic design of the project positioned ILDP for maximum impact. It is clear from the above findings and analysis that ILDP has successfully filled a critical capacity gap for local development in Bosnia and Herzegovina. There is sufficient evidence to show that the project was both necessary and timely at all levels, including entity, cantonal and local government levels. There was consensus among all the stakeholders that the project was instrumental in embedding a strategic planning agenda within local governments and cantons and to a large extent at the entity level. This resulted in improving the effectiveness of the local governments, cantonal and entity institutions to ensure quality service delivery and to drive local development and thus contribute to overall human development and well-being. Although much still remains to be achieved, the project has set the wheels of vertical harmonization in motion. It has also made substantial gains in closing the gender gap, territorial disparity and social exclusion.

As part of the process, several good practices have emerged that could be replicated for wider extension across the entities, the main ones being: a) the legislative reform in FBiH for institutionalizing strategic planning and vertical integration, b) upscaling of realistic integrated planning at canton and local government levels, c) piloting of sustainable institutional mechanisms with the high scope for replication, and d) ensuring realistic planning resulting in implementation of projects with socio-economic and environmental impact at the community and individual levels.

The high level of participation and ownership of the domestic actors in both entities catalyzed by ILDP has been evident in different activities of the project. At the same time, the dynamics of the political economic environment has affected the pace of reform for fully institutionalizing the strategic planning system in the higher government levels. Nevertheless, to increase spin-off effects, these good practices that have been demonstrated and institutionalized deserve to be widely shared beyond Bosnia through the UNDP regional centre, UNDP global knowledge networks as well as through Government of Switzerland grids.

Lessons Learned: There have been many lessons learned during the implementation of the project. These include:

1. A more intensive engagement and work are needed with the legislative/decision-makers (entity, cantonal and local government levels) in system-changing efforts. Policy process takes time especially if they are to result in regulatory reform and this should be taken into cognizance as a number of by-laws have to be prepared under the Draft law on Development Planning and Management in FBiH as well as in RS. In addition sequencing and prioritization of necessary regulatory changes along with institutional frameworks for ensuring accountability is necessary and requires due thinking.
2. A high level of involvement and participation of different stakeholders reflects political will and commitment at different levels of governance. However, there has been a lack of sufficient political willingness among some of the partners, and the need for a greater buy-in from senior management within sectoral ministries as well as from within Mayors and PM Offices was felt imperative. At the same time, party and ethnic lines had adversely affected participation in cantons and municipalities as well as in budget adoption and allocations. This requires consistent engagement at the highest level to offset some of these challenges.
3. At both entity and local government levels, there are some external international or private sector actors with complementary and sometimes competing motives/interventions (capacity building, monitoring systems). This has implications for different engagement with the same partners under ILDP and conflicting methodologies. It is therefore important to ensure effective coordination of these different actors under the Management coordination structures (DMUs) developed at cantonal and local government levels.
4. While efforts have been made to ensure social inclusion of minority groups and gender sensitive planning, it has not led to effective impact on these vulnerable groups. More effective support is required in this area.
5. While the project followed an explicit approach on ensuring leadership of partners in project interventions, with increased capacity there is scope now for reducing dependence on external catalysts through various mechanisms outlined in the way forward. It is important to note that the engagement of experts and service providers should not diminish full leadership and the decision-making role of the local governments and administration.
6. With capacity gaps, there is a tendency to push for achievement of project outputs by project staff in the best interest, than wait for national partners to come on board, which may take more time than envisaged. This may have implications for the necessary knowledge transfer at institutional levels. Mechanisms for providing explicit decision-making authority and leadership of domestic partners for project activities despite their capacity gaps (and even in the DIM context)

should be pursued along with risk assessment measures. Necessary inputs must be made to support them as expressed by some of the stakeholders.

Recommendations: The Recommendations are based on lessons learned and are outlined in greater detail in the Way Forward Concept Note for the next phase. A few of these are outlined here.

Strategic Recommendations

- 1. Strengthen institutionalization of strategic planning.** The outreach of the interventions initiated through ILDP Phase II, need to be consolidated, expanded in specific areas, and results sustained for long-term impact on socio-economic development, which is an important priority of the medium term reform agenda of the government. Towards this, a longer-term vision needs to be designed for the creation of a sustainable model characterized by functional and vertically aligned policies, budgets, structures and capacities. Based on the evaluation findings, need is strongly felt for a follow up phase (Phase III of ILDP) for strengthening sustainability of reforms in strategic planning, implementation and monitoring. This is deemed essential for increasing the threshold of existing ILDP Phase II good practices to ensure robust and resilient institutionalization and application by the government and public sector institutions. This would also enable sound implementation of legislative and policy reform initiated in Phase II, which requires long-term engagement. Institutionalization of capacity development mechanisms that will ensure consolidation of ILDP in Phase III should be planned for a period of four to five years. The details are outlined in the way forward.
- 2. Focus on consolidation and expansion of strategic planning.** The follow up phase should focus on consolidating the demonstrated good practices in Phase II in strategic planning at local government and cantonal levels, organizational reforms for implementation of strategies. At the same time, the next phase should focus on certain new areas that would further strengthen the foundation and enabling environment of strategic planning, implementation and monitoring of strategies' implementation especially in view of required capacities for EU integration.
- 3. Target capacity development of existing partners at entity, cantonal and local government levels.** The consolidation phase should concentrate on institutionalization of policy and regulatory reform on strategic planning along with strengthening of institutional structures and mechanisms for coordination of policies and legislations on strategic planning and strengthening institutional technical capabilities at entity level. At Cantonal level, the planning assistance should be further streamlined through both technical and political support. The next phase should upscale strategic planning at local government level. The focus should be on replication of systemic strategic planning in another 25% of the local governments with special attention to insufficiently developed or underdeveloped to reach a greater threshold of demonstration in coherent local planning system. This will validate the capacity investments required for strategic planning in such type of local governments. This will also contribute to improving much needed service delivery and local development in these municipalities.
- 4. Improve fiscal capacity and linkages of public financial mechanisms with local development under strategic planning.** To strengthen local development, regulatory and capacity development interventions for financial planning, budget adequacy with strong linkages to local plans should be further supported. Given the demonstrated value of the entity based financial mechanism for local

development, expansion of its approach should be supported in other Ministries for creating stronger linkages with local development. Similarly, the current efforts at enabling cantons and local governments to use PIP as an instrument to mobilize resources must be further strengthened. Additionally, to enable equitable development, focus and support should be given to developing a transparent and inclusive system of financial transfers to local level, financial equalization models and revenue generation capacities within the cantons and local governments. The development strategies at local government and canton levels should become the basis for channeling public financial resources and external aid including IPA resources. This would entail developing greater capacity of the local governments in accessing external resources.

5. **Improve access and absorption of EU IPA resources.** As BiH moves towards becoming a EU candidate country, it needs even greater support to strengthen its capacities in strategic planning and implementation to acquire stronger assistance under IPA on regional and local development. Thus the enabling environment of a sound legal framework for regulating integrated and participatory planning principles, horizontal and vertical linkages between planning and financial frameworks and capacity development of local governments and cantons to access IPA resources and ensure sound implementation for effective absorption of the resources is necessary.
6. **Vertical and horizontal accountability mechanisms** need to be strengthened. This will help in creating a culture of measuring and tracking outcomes and applying results based M&E system.
7. **Ensure effective inter-municipal cooperation.** With the IMC seen as an important instrument to drive reforms and service delivery in EU countries, IMC activities should be expanded in the context of BiH municipalities to address the issues of scale, learning and improving service delivery through enhancing the role and capacities of AMCs. This is more so as SDC/SIDA joint initiative to support AMC will not focus on IMC.
8. **Social inclusion of minority groups and gender sensitive planning are critical for ensuring voice and agency of these groups.** Based on the evaluation findings, there is a need for stronger capacity development including coaching and mentoring of local government and cantonal institutions to enable them to ensure a more socially inclusive and gender sensitive planning, implementation and monitoring process.
9. **Facilitative capacity development of partners at entity, canton and local government levels to consolidate efforts.** ILDP should focus on developing capacities of the entity level institutions (especially FDPI and SPU) and consolidating efforts in partner local governments and cantons. Embedding of strategic planning tools, knowledge and processes within relevant government institutions at different levels requires long-term capacity inputs to ensure that the institutions have adequate capacities to utilize the embedded tools. The ILDP team should act as facilitators, and to the extent possible, minimize the use of external catalysts in the form of private service providers. This should entail greater use of the training system, leadership of domestic partners in mentoring, peer-to-peer support, use of regional and municipal development agencies and increased exposure (through twinning arrangements) to nationally owned public sector capacity development initiatives for planning and budgeting in other countries. Further inter-entity, inter-cantonal and inter-municipal common knowledge sharing dialogue platform should be institutionalized. The accumulated knowledge and skills in the partner local governments and cantons

will be strengthened by their continuous application in practice and expanding transfer of the knowledge and experience to a broader group of local governments and cantons.

10. Advance effective national ownership through increased leadership role of national partners and aligning with national systems. National leadership is the *raison d'être* for capacity development and should, therefore, be a major goal of the project with clearly defined risk management framework and timelines. The follow up phase should develop a clear exit plan at the outset with the key entity level stakeholders. This process should outline the roles of the different actors and required capacity investments to ensure a sustainable transfer of management capacities. The next phase should be seen as a hybrid phase of DIM and NIM with clear two sub-stages. In the first stage, towards NIM transition, a greater thrust in the first two years should be on capacity enhancement and knowledge transfer within the selected entity level institutions. During this process, there will be a need to benchmark capacities related to management arrangements, results based systems and accountability mechanisms within the selected partner agencies and identify the needs for reinforcement. Based on which targeted and structured capacity development followed by an evaluation towards NIM transition should be done. This stage should also see an increasing use of LOA modality for all project activities till national implementation becomes the norm. The next stage, possibly in the third year of Phase III, should take a full transition to NIM with strong oversight of UNDP and Government of Switzerland.

11. Partnerships for impact. ILDP should build on its current approach and work closely with national institutions and other international and UN partners to maximize and capitalize on the complementary areas of work/strengths of each of the actors/partner agencies. Strong partnership with other bilateral and multi-lateral agencies should be continued for complementarity and maximizing impact of development strategies. Thus, the various existing platforms for exchange of information and experiences should be leveraged for making integrated strategic plans at different levels to become the channel for all capacity development and financial mechanisms.

Specific recommendations for the consolidation phase

- 1. Continue to advocate for enactment of the development planning and management Law and by-laws** in FBiH and continue engagement within RS for an equivalent framework with a strong thrust on the implementation of these legal frameworks.
- 2. Vertical and horizontal harmonization of strategic documents through multi-stakeholder involvement should be pursued.** This should be done through consistent advocacy of various common planning principles and inclusive structures at different levels as well as support in development of some of the key higher-level development strategies including key sectoral strategies reflecting focus on local level in both the entities as well as at the state level, through cooperation with several domestic and international sector partners. The existence of these strategies at higher levels of governance will support consistency between development priorities at different levels and consequently the expenditure priorities and resource allocations.
- 3. Promote and develop sustainable models of development management structures** within a central authority within the local government (Mayors office) and cantons (Cantonal PM office), which provide the necessary power and position to coordinate development strategies and strategies' implementation.

4. **Consolidate leadership and technical capacity development for development management** and, expand and pilot some human resource management and financial management capacity development systems in few partner municipalities who are more advanced in their current capacities.

9. Way Forward

9.1. Background

At the time of the mid-term review of Phase II, ILDP had envisaged the development of a concrete phase out strategy. This strategy would aim to fully consolidate and set in motion an integrated local planning system in BiH, vertically aligned with higher government levels' strategies and financial processes, producing viable development results at the local level. More importantly, it was envisaged that the phase-out strategy would also propose concrete recommendations reflecting the change of roles of national stakeholders towards full ownership of the products and processes implemented within the project, while UNDP's role would be shifted towards being more facilitative.

ILDP was launched in 2008. As is evident from the evaluations so far, the project has made a significant contribution to the policy and legislative processes of governance within FBiH and RS, against the backdrop of a complex political, institutional and socio-economic situation. It has been able to ground an approach in integrated strategic planning in a critical mass of municipalities and cantons, catalyse regulatory reform³⁵ for institutionalizing strategic planning system, sow the seeds of a vital linkage and alignment between local planning and budgeting, and build and strengthen capacities within key planning institutions at entity, canton and local government levels.

However, the outreach of the interventions initiated through the project, need to be consolidated, expanded in specific areas, and results sustained for long term impact on socio-economic development, which is an important priority of the medium term reform agenda of the government. Towards this, a longer-term vision needs to be designed for the creation of a sustainable model characterized by functional and vertically aligned policies, budgets, structures and capacities.

9.2. BiH Complexities

The overall political and administrative environment in BiH continues to remain complicated in the two entities. Decentralised empowerment, in an ethnically diverse situation, does help targeted delivery of services and local development but it also results in issues of coordination.

2014 was a watershed year in the 'new history' of the country. The country faced challenges of violent protests in February-April on its socio-economic development scenario as well as confronted a major natural disaster in the form of unprecedented heavy rains, floods and landslides (not witnessed in the last 120 years) in May/August.³⁶ The General Elections in October led to changes in the governments at entity and cantonal levels. With changes in political leadership in many cantons, continued dialogue with the new actors was essential for consolidation of the ILDP activities for effective and sustained implementation of strategic integrated plans. October 2016 is likely to observe a change of leadership at the municipal level with due local government elections.

³⁵ The results vary in the two entities.

³⁶ This severely affected many of the partner local governments of ILDP and thus a lot of time, human, financial resources had to be rightly redirected including that of ILDP. The government had declared a state of emergency and thus all levels of government and administration were involved in the rehabilitation and recovery initiatives, which continued throughout 2015 with support of the government and international community. This delayed the project activities and should be factored in along with other delays due to political reasons.

On a positive note, the stalled process of EU integration gained impetus with the activation of the SAA between BiH and the European Union in March 2015. The renewed course of accession in BiH provides good prospects to development partners. The Governments Reform Agenda 2015-2018³⁷ is a step in this direction to push for the necessary reforms. Within the process for EU integration, BiH will need to ensure creation of a sustained legal framework for regulating planning principles and methods, implementation, horizontal and vertical linkages between planning and financial frameworks as a pre-condition for access to structural funds. ILDP approach for local strategic planning has been recognized as an important priority within the EU Country Strategy Paper for the EU IPA II 2014-2017 where the model for integrated local development planning and management will be utilized to deliver financial assistance to local governments. Strategic local planning and implementation capacities harmonized at different levels for local development are priorities in EU IPA II 2014-2017. At the same time, the EC Progress Report 2015 underlines the continuing challenges of structural issues in civil service reform, levels of decentralization, political and ethnic influences, corruption, poor social service delivery, persisting inequalities and inadequate socio-economic development, with consequent implications for strategic planning and implementation. Thus, it becomes imperative that fiscal and functional decentralization, gender sensitive and socially inclusive management reforms, and capacities and accountability mechanisms are adequately addressed for full and effective functioning of the local planning system.

9.3. Proposed Strategies for ILDP next phase (Phase III)

Given the above background, UNDP and the Government of Switzerland should facilitate the leadership of Government of BiH at different levels towards a more coherent and strategic planning agenda of the two entities that supports the implementation of the aligned policies, budgets and structures with requisite capacities for equitable socio-economic development to benefit all people of BiH.

Overall, the first generation of work in strategic planning has taken place, that is a robust methodology has already been put in place, and the second generation set of reforms is currently ongoing, i.e., institutionalization and, applying and testing with implementation. With the completion of the final evaluation of ILDP II, need is strongly felt for a third generation (Phase III of ILDP) of facilitative support for consolidating and expanding key areas identified in the evaluation, through strengthening of the processes of institutionalization of reforms in planning, implementation and monitoring.

The vision of Phase III, therefore, should be to have a well-grounded fully functional and harmonized planning system efficiently managing resources for local development impact, which is nationally led by government and fully aligned to EU standards. Thus, Phase III would enable full integration of development planning and management at entity, cantonal and local government levels in both entities with the local development strategies becoming a conduit for at least 50 percent of public and external resources; and with this 75 percent (at least) of the local governments and cantons achieving a minimum of 60 percent annual implementation realization rates resulting in improved local development and service delivery.

³⁷ Strategic framework for BiH has also been prepared pursuant to the Decision on the Medium-Term Planning, Monitoring and Reporting Process in the Institutions of Bosnia and Herzegovina¹ and it will serve as a guiding portfolio of strategic objectives for preparation of the Medium-Term Work Programme of the Council of Ministers for the period 2016-2018.

Given the nature of the interventions proposed below in Table 4, ILDP³⁸ should build on its current approach and work closely with national institutions and other international and UN partners to maximize and capitalize on the complementary areas of work/strengths of each of the actors/partner agencies.³⁹ Secondly, the ILDP team should act as facilitators, and to the extent possible, minimize the use of external catalysts in the form of private service providers. This should entail greater use of the training system, leadership of domestic partners in mentoring (champions from within the government system), peer-to-peer support, use of regional and municipal development agencies and increased exposure (through twinning arrangements) to nationally owned public sector capacity development initiatives for planning and budgeting in other countries. Further inter-entity, inter-cantonal and inter-municipal common knowledge sharing dialogue platform should be institutionalized. The accumulated knowledge and skills in the partner local governments and cantons will be strengthened by their continuous application in practice and expanding transfer of the knowledge and experience to a broader group of local governments and cantons.

Ultimately, effective national ownership should be advanced through increased leadership role of national partners and aligning with national systems. National leadership is the *raison d'être* for capacity development and should, therefore, be a major goal of the project with clearly defined risk management framework and timelines. The next phase should be seen as a hybrid phase of DIM and NIM with clear two sub-stages. In the first stage, towards NIM transition, a greater thrust in the first two years should be on capacity enhancement and knowledge transfer within the selected entity level institutions. During this process, there will be a need to benchmark capacities related to management arrangements, results based systems and accountability mechanisms within the selected partner agencies and identify the needs for reinforcement. Based on which targeted and structured capacity development followed by an evaluation towards NIM transition should be done. This stage should also see an increasing use of LOA modality for all project activities till national implementation becomes the norm. The next stage, possibly in the third year of Phase III, should take a full transition to NIM with strong oversight of UNDP and Government of Switzerland.

Based on the foregoing, a strategy for consolidation and expansion including geographic scope and partnerships is proposed below (Table 4). The detailed strategy is outlined in the following section.

Table 4: Proposed Phase III intervention areas

Areas and activities for consolidation (elements)	Areas for expansion (elements)	Coverage	Partnerships	Indicative Timeline
1. Institutionalization of policy and regulatory reform in strategic planning				
Finalization of Development Planning and Management law/by-laws in FBiH and RS		Entity	FDPI, MoJ, MoF SPU, MALSG, MoF	2016-2017
	Facilitate development of entity level development and	Entities	FDPI under the law	2017-2019

³⁸ ILDP serves as the backbone of local governance and local development initiatives supported by UNDP and donors across BiH. UNDP Country Programme 2015-2019 shifts focus towards integrated local development and local governance with 60% of new programme under this domain. This positions the importance of ILDP in the next phase.

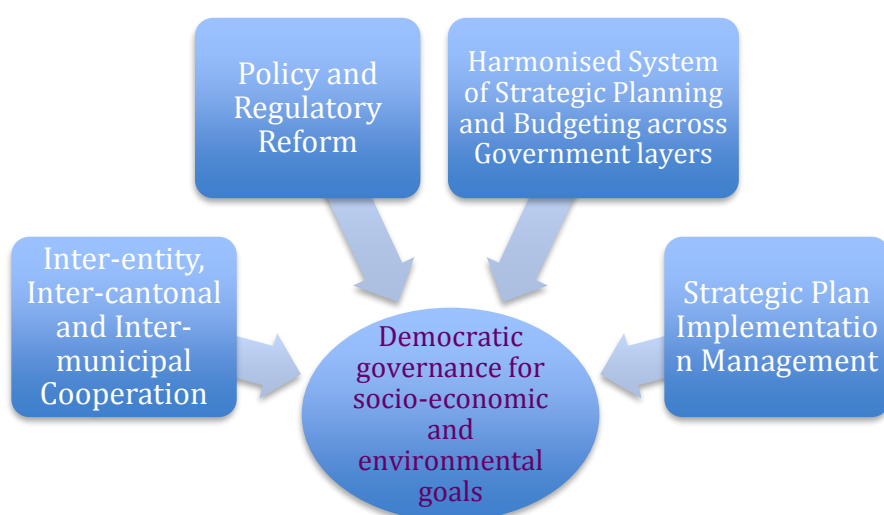
³⁹ Main partners could be UNDP, Government of Switzerland, SIDA, USAID, EU, WB, GIZ, UN Women, OSCE.

Areas and activities for consolidation (elements)	Areas for expansion (elements)	Coverage	Partnerships	Indicative Timeline
	sectoral strategies (key sectors)		SPU in RS Coordination with EU, UN and multilateral agencies involved in state level and sectoral strategies	
Consolidation of entity level structures for strategic planning		Entity level	FDPI, PM Office and SPU, MALSG, MERRC, MoF in RS	
Institutional capacity development in strategic planning		Entity level	FDPI, Federation Council SPU in RS, MALSG, MERRC, MoF	
	FBiH: Development of new or enhancement of existing training tools, equipment, softwares, twinning arrangements, network of domestic practitioners and experts SPU: International expert, training tools, exposure visit for SPU and key Government Secretariat and training tools	Entity level	FDPI SPU	2016-2017 2016-2017
2. Strategic planning and strategies' implementation at cantonal and local government levels				
Finalisation of canton level strategic plans		10 cantons	DMU, Cantonal PM office, Planning teams	2016
	Mid-term evaluation and revision of cantonal strategic plans initiated in 2013-2014 and sharing experiences with the remaining or involving them.	Cantons (Number to be determined based on requirement)	DMU, Cantonal PM office, Planning teams	2018-2019
	Development of key sectoral strategies at cantonal level in large cantons (systemic intervention)	Cantons	FDPI EU and engage other international agencies	2017-2019
Development of 'decision on planning and management and reporting' in few cantons and sharing of experiences in		5 cantons		2016-2017

Areas and activities for consolidation (elements)	Areas for expansion (elements)	Coverage	Partnerships	Indicative Timeline
others				
	Cantonal fiscal capacity interventions –roundtables, exposure visits, by-law (systemic interventions)	All Cantons	FDPI Federation Council, Cantonal PMs, DMUs, FBiH MoF, IMF, Government of Switzerland	2017-2019
Hardware support for PIMIS installation, Training on PIP process, quality project preparation		All cantons	Cantonal DMUs	2016-2017
	Limited public financial management interventions	2-3 cantons	FDPI, Cantonal DMUs, expert	2017-2018
Setting up Development Management function under PM Office in remaining cantons		5 cantons	Cantonal PM office, FDPI	2016-2017
Trainings, coaching and mentoring, networking of DMUs in PCM, M&E, gender and other outlined areas			FDPI, RDAs, national coaches from the market and from within the system. EU twinning arrangements	2016-2018
Community of Practice network to be strengthened		All cantons	FDPI, Cantonal DMUs	2016-2017
	Human Resource Management in key cantonal Ministries	5 cantons		2017-2018
Finalisation of revision of strategies in remaining partner municipalities of Phase I		10 municipalities		2016-2017
Mid term evaluation and revision of strategic plans in few partner municipalities in Phase II		Few Phase II partner municipalities (number to be determined based on requirement)		2017-2018
	Local government fiscal space improvement	Entity, cantonal and local government units	MoFs, MALSG, IMF, WB, SIDA	2017-2019
	Training and coaching in PIP, project preparation	30-40 Partner municipalities	Local government DMUs, cantonal and entity MoFs	2017-2018
Support to MDEC in FBiH and IDBRS in RS (for finalization of				2016

Areas and activities for consolidation (elements)	Areas for expansion (elements)	Coverage	Partnerships	Indicative Timeline
implementation of ongoing projects)				
	Replication of Entity based financial mechanism	2 Ministries each in FBiH and RS	MoF, MALSG, IDBRS, other Ministries	2017-2018
	Local government Financial management system	5-10 Partner municipalities each in FBiH and RS	MoF, DMUs, relevant departments	2017-2018
DMUs/service to be established		29 partner municipalities	Mayors, DMUs, FDPI, MALSG	2017-2018
Capacity development to be continued - Complete transfer of all training tools to respective institutions. Need based exposure visits, coaching and mentoring of municipal staff and project implementation partners, peer support system		40 partner municipalities	Local government DMUs, FDPI, AMCs, MALSG	2017-2019
	Human Resource management system	5-10 municipalities within each entity	Mayors, DMUs, Key departments within municipalities	2018-2019
Simplification of M&E tools- APIS/SIMEI and creation of online M&E tools		40 Partner municipalities	Mayors, DMUs, FDPI, MALSG	2017
	Strengthening mechanisms for vertical accountability and sharing experiences with the rest	10 partner municipalities in each entity	Mayors, DMUs, FDPI, MALSG	2017-2019
3. Strengthen AMCs and IMC				
Leadership trainings, immersion programmes, service line, web platform			AMCs, MALSG	2016
Finalise ongoing IMC activities				2016-2017
	IMC joint initiatives	10 projects		2017-2019
4. DIM to NIM transition				
Capacity benchmarking of partner agencies				2016-2017
	Targeted capacity enhancement for NIM			2017-2018
	Evaluation of developed capacity for NIM			2018
	DIM to NIM handover with UNDP oversight			2018-2020

9.4 Detailed and complementary strategies are proposed below for different levels and the two entities for sustained institutional development for delivering socio-economic and environmental goals. This would include efforts to address institutional arrangement, institutional leadership, knowledge and accountability mechanisms through partnerships.



9.4.1 Institutionalization of policy and regulatory reform on strategic planning: ILDP has initiated the legislative process on vertical alignment of strategic and financial planning frameworks. While this has gained momentum, a lot of intensive negotiation is required with key policy makers in both the entities to institutionalize vertical and horizontal integration and alignment. The following outlines potential support at entity level.

9.4.1.1 Development and finalization of laws, by-laws/regulations and policy guidelines and entity strategies in the FBiH and the RS

ILDP should continue to support FDPI and MoJ in the Federation to provide a better and stronger platform for enforcing the passage of the draft Law on Development Planning and Management. This needs to be followed up by providing technical support for the **development of the five by-laws** viz., the strategic planning/documents, the alignment with budgets/PIP, Medium-term/Annual planning, M&E and Reporting, and the local development index. The effective partnership with USAID/SGIP project in the development of the draft law should be continued and leveraged for development of the by-laws proposed under the Draft Law. It is also important that required assistance is provided for development of **Federation Development strategy**. FDPI would need support in their initial sessions for development of the internal documents and the Federation Development strategy. Support is equally important to ensure that **entity sectoral strategies** and policies are in alignment with the canton and municipal integrated strategies. It will also be important that any additional improvements and harmonization of the MiPRO methodology for all levels including entity, canton and municipal levels is completed under the leadership of FDPI in FBiH and the SPU in RS Government Secretariat.

Additionally, it is essential that **FBiH Decree on development and monitoring of PIP** is fully aligned with the Draft Federal law on Development Planning and Management, and that the decree is also supported for implementation by boosting the necessary capacities at different levels. The above are important interventions for securing vertical and horizontal integration.

Similarly, in RS, the SPU should be supported with technical assistance for **finalization of the Draft Decision on Planning, Monitoring and Reporting** on adopted strategies and plans of the Government at entity level. Support should also be aimed at finalization of the RS Development Strategy as well as key **sectoral strategies** (with extensive impact at local level) ensuring local government participation. It may be important to leverage the strength of other organisations such as EC, UN and other multi-lateral agencies and UNDP SPPD project that is engaged in developing key sector strategies. While further discussion is required with the RS Government, there is a need for either drafting of a law or policy guidelines on vertical alignment establishing strong linkages between entity and municipal levels as well as with broader reform and EU processes. As the RS **draft by-law on development and monitoring of PIP** and the amended local self-government law are awaiting adoption, it is important that these are well tied to strategic planning to drive vertical linkages.

9.4.1.2 Consolidation of institutional structures and mechanisms for coordination of policies and legislations on strategic planning (organizational arrangements)

The regulatory reform such as the development of the draft law on Development Planning and Management in FBiH will require support for implementation. As outlined earlier, the influence of FDPI need to be increased for implementation of the law and for playing their coordination mandate. FDPI has the technical coordination potential but requires political muscle to drive strategic planning and implementation across different levels. This would mean support for improving political support/backing to FDPI. It is proposed that a **FBiH Development Council** (Federation Council as outlined in the Draft law on Development Planning) be set up with the PM and other key people from the General Secretariat of the PM's office that should also include Secretary of the Sectoral Ministries, Cantonal PMs and AMC thus comprising of people of authority to enable FDPI in the development of FBiH development strategy and facilitating sectoral plans and for playing its role (upon adoption of the draft law) at horizontal and vertical levels.

In RS, the **structure of SPU** exists within a central authority, which has the necessary powers to coordinate development planning, and brings the strategic, financial and operational framework together. It will be important to ensure that SPU has a strong coordination mechanism with MALSG, MERRC, MOF and key sectoral Ministries to catalyse integrated development planning across the entity and municipal levels.

9.4.1.3 Strengthening institutional technical capabilities for implementation of public policies and legislation on strategic planning and development management at the entity level (technical skills and knowledge).

In order to ensure that **FDPI leadership in strategic planning process** is sustained in the long term and serve the EU integration agenda, support to

FDPI⁴⁰ capacity development is critical. While it will build on the capacity development activities initiated in previous phase, this will require detailed analysis to determine the exact needs. A few areas are outlined as possible inputs. Firstly, they would require further trainings, coaching and mentoring in strategic planning to coordinate the same at entity and other levels. Thus associated tools in the form of manuals, equipment support for coordination with planning units at different levels (video-conferencing facility at FDPI, Canton and municipal levels) and software (online databases) to track progress of plans are needed. At the same time, they would require help in developing their internal capacities through access to international expert advice through online mechanisms on different planning related issues from other Planning Institutes in the neighboring countries such as Slovenia and Croatia. Scoping for twinning⁴¹ arrangements with the Planning institutes in EU countries could also be explored under the EU instrument for institutional cooperation. It is also important to create domestic network to support this process. Thus FDPI should be helped to develop a sustained network with other institutions such as Civil Service Agency, AMC, Regional Development Agencies and a network of practitioners (existing national experts and think tanks) and selected Planning and Implementation Coordinators (with demonstrated high level of capacity) from canton and municipal levels.

RS SPU, being newly established with a current strength of three people, clearly needs **technical expertise** in the form of an international expert in strategic planning in their team, who could mentor them to strengthen the strategic planning system at entity level and support harmonization of local development strategic planning to RS Development Strategy and sectoral strategies. This could be extended in coordination with EU delegation. The SPU and other key actors from the Government Secretariat could also learn about similar strategic planning interventions from other countries that have gone through the EU accession process. This might act as an additional booster. Their exact capacity requirements need to be assessed in consultation with the General Secretariat, MERRC, MALSG and MOF. This should serve as the basis for further support.

9.4.2 Strategic planning and strategies' implementation system fully operational at cantonal and local government levels (partner cantons and municipalities/cities)

It is important to note that as cantons have different capacity levels and are at different stages of development and planning processes, variation in approach should be used for different cantons. It may be possible to focus on setting up the Cantonal Development Council or creating a draft by-law on planning in some cantons whereas in others, it may be better to concentrate on strengthening the development management function.

9.4.2.1 Consolidate cantonal planning assistance through both technical and political support

While cantonal integrated development strategic planning was achieved for a significant number of the cantons, it should be finalized in the remaining cantons. The scope for **revisiting the development strategy** priorities in the cantons that had initiated the process first could be looked into for any revisions that might be affected due to cantonal sectoral strategies or FBiH entity strategy (to be

⁴⁰ FDPI recent capacity assessment has indicated the need for 43 people at the institute whereas they have only 18 people in their institution.

⁴¹ Twinning arrangements help to share good practices developed within the EU with beneficiary public administrations and foster long-term relationships between administrations of existing and future EU countries.

developed), BiH State-wide strategy (to be developed) or other relevant strategic documents and vertical harmonization of strategies can be ensured. Experience gained can be shared with the remaining cantons through inter-cantonal network. There is a need for supporting the development of sectoral strategies with local government participation for supporting horizontal and vertical alignment. This could look at one or two key sectors with potential for extensive impact at the local level (e.g., Ministry of Economy and Ministry of Agriculture, Water Management and Forestry) in large cantons. The cantons need knowledge and skills to undertake gender responsive⁴² and socially inclusive planning. The Canton Planning units should coordinate these processes with minimal support from the project, and receive assistance only in the form of sharing necessary tools and establishing linkages with external planning facilitators/experts. However, this may require further capacity assessment.

In order to institutionalize planning at canton level, **replication of the Zenica model of draft decision on Planning, Management and Reporting** in other cantons should be explored. Zenica planning team or involved institutional actors should share their experience and benefits of drafting of the law and support other interested cantons to develop the same. Similarly, there should be a buy-in of the strategic planning process, as well as that of horizontal and vertical integration of strategies. This would require political commitment from Cantonal PM, Assistant Ministers of Line Ministries and participation of Mayors and other key actors. It is worth assessing the effectiveness of the **Zenica Development Council (Cantonal Councils as referred to in the Draft law on Development Planning and Management)** and sharing the good practice with other Cantons for their emulation.

9.4.2.2 Focused financial planning assistance to Cantons for implementation of strategies

In order to ensure that different cantons especially the insufficiently and underdeveloped cantons gradually develop their financial resource base for implementation of strategies, it is critical that there is both a political will and a framework for increasing their revenue generation capacity and ensuring equitable and predictable **inter-governmental transfers** from entity level to cantons. This may require a number of measures and will need to be well coordinated with national and international stakeholders working in this area.

Thus to better **Cantonal fiscal capacity**, it may be worth exploring the sources of revenues and improving the various sources of income and fiscal space of cantons based on the current regulatory framework. Furthermore, the revenue sharing law⁴³ may need to be seen in partnership with FBiH MOF and IMF (IMF had conducted a study on revenue sharing) through supporting Cantonal consultations with Federal MOF to create a just system. This is an opportunity to explore further. Given that the different cantons have varying revenue generation capacity, it may be worth learning about inter-cantonal fiscal equalization models pursued in other countries (e.g., Switzerland) with MoF to benefit underdeveloped cantons in BiH. Based on an agreement with Federal Government and Cantonal Governments, this could be piloted on a limited scale. At the same time, balanced

⁴² Women along with men should be encouraged to actively reflect upon their issues and problems, and to also debate the connotations and interpretations surrounding those issues freely. This process can transform the whole cognitive framework that drives the traditional view of the gender aspects. Such participation can be empowering for the women and can also engender a balanced vision of local development. It is therefore necessary that the strategic planning teams at the canton/local government level regularly interact with women representations before arriving at the plans.

⁴³ Sensitive issue- linked to competencies, macro-economic stability, demographic data. But cannot address deficits at all levels, Linked to GDP growth, size of administration (public spending high). It should be a collective cooperation between Federation and Cantons.

economic development in the region should be kept under consideration.

Commitment of the cantons to improve inter-governmental transfers to municipalities should be regulated by a by-law in order for Cantons to support their constituent municipalities in strategies' implementation. This will help to increase political commitment to municipalities and reduce party/ethnic line discriminatory allocations.

While ILDP has already started the harmonization process of linking the **strategies' implementation with the PIP**, a number of efforts are yet to be made in this area. Cantonal Commissions for PIP along with municipal projects will need support to ensure that they harmonise with the PIP calendar and development strategies/sector strategies as per IP requirements. Establishment of the PIMIS at cantonal level for using PIP as an instrument to mobilise budget/loans from entity needs to be supported through trainings and coaching on entire PIP process including support for quality project preparation. Given that hardware is extremely old in the cantons, they will need hardware support to install PIMIS through either project or IPA⁴⁴ funds. The Canton planning and implementation units will require continued support for some more time to ensure smooth PIMIS implementation through constant coordination with MoF. As SIDA is also planning to support this component (not confirmed), partnership with them is essential.

Further, it is also important that **Public Financial Management Systems** within the canton are strengthened even, if on a limited scale. This will require improving efficiencies of their accounting systems, internal control framework and this could perhaps be initiated as a pilot in two or three cantons, which can then become models for replication through systematic exchange of experiences. It would be worthwhile to learn from other EU countries that have gone through the accession process and have faced similar difficulties and overcome them.

9.4.2.3 Expanded support to cantons to manage the strategies' implementation

Given that most cantons have now prepared their Integrated Development Strategies, it is critical that the implementation mechanisms are streamlined and strengthened. The **Development management function** (operational body) should be **under a central authority** (PM office), with autonomy and influence to coordinate with line ministries, ensure horizontal and vertical linkages with strategic development strategies/plans and perform their monitoring function. Here the Zenica model, which demonstrated both the position and capacity of such a function could be used as a good practice. Towards this, the Rule Book on Internal Organization System will need to be assessed and appropriately amended as required to centrally position this function.

While the three-year implementation planning has been initiated, there is a need for harmonizing medium term and annual planning processes across the levels. Furthermore, DMU's **capacity development** for development of instruments in planning cycles, PCM, management of annual plans, project preparation, implementation report preparation and results based M&E system should be ensured with necessary tools and a coaching and mentoring/on-the-job training approach (than conduct of training workshops alone). The DMUs would also need training in gender responsive planning and implementation. It needs to be ensured that there is no or limited turnover of staff as well as training of the appropriate/suitable staff to sustain developed skills and capacity. Their capacities need to be developed for harmonising their internal systems with EU standards to increase efficiency. Training System under MTS through CSA as

⁴⁴ Access to IPA funds may take longer and must be factored into the timeline for PIP process.

well as through FDPI should be exploited to support strategic planning, management and business friendly cantons. As some cantons have demonstrated higher capacity, they should create peer-to-peer cantons networks and support in mentoring others (e.g., Zenica coordinators can support others). It is important to create linkages and dependence on Regional Development Agencies (RDAs) who have been associated with the strategic planning process. Thus, Cantonal DMU/Sectoral Ministries could be supported to develop strong partnership with regional development agencies ⁴⁵ [Tuzla (NERDA), Mostar (REDA), Zenica (REZDA) and Sarajevo (SERDA)] as well as in creating their own roster of experts/ organisations to tap expertise for generic planning or sectoral planning processes.

In this process, inter-cantonal cooperation should be strengthened. This could be done through setting up of a **Community of Practice/Solution Exchange mechanism** to network the cantonal planning and implementation coordinators for exchange of strategic planning experiences at a technical level. Each canton can host a roundtable on learning on an identified theme on a rotational basis. FDPI can support the inter-cantonal cooperation process to coordinate strategic planning. The cooperation and coordination of cantonal planning and implementation coordinators over a period of time is important to feed into each other's learnings. This would also lead to creation of internal change agents and successors of strategic planning.

Efforts should also be made to support **human resource management** within key cantonal ministries (e.g., Ministry of Economy and Ministry of Agriculture, Water Management and Forestry) actively engaging in strategic planning.⁴⁶ This should be linked with the PAR process at this level to improve the administrative capacity to deliver development results. In this effort, it may be important look into issues of right sizing of the administration, to link staff performance with strategies' implementation results and providing incentives. These incentives could be in a non-monetary form in terms of trainings, exposure visits to other countries to see relevant sectors that have achieved EU standards or get support from EU twinning projects.

9.4.2.4 Local government strategic planning strengthened in existing partner and new municipalities/cities in RS and FBiH

While the critical mass of municipalities undertaking integrated municipal development strategy has been reached and there is evidence of replication effect in other municipalities, support may be provided for **mid-term evaluation and revision of these strategies in partner municipalities (which are relatively more developed)**. But there is a need to focus on supporting under and insufficiently developed municipalities to reach a greater threshold of demonstration in coherent local planning system. This will validate the capacity investments required for strategic planning in such type of local governments. This will also contribute to improving much needed service delivery and local development in these municipalities. Thus **horizontal replication can be targeted in selected underdeveloped/insufficiently developed municipalities** (where the capacity is lower than others), where they can be helped to align with new sectoral or other development strategies (that might become available in due course) and undertake risk analysis for creating a more realistic strategy.

It is also true that unless FBiH Development strategy and RS Development Strategy are ready, vertical harmonization with these higher-level strategies is

⁴⁵ RDAs have undergone MiPRO training

⁴⁶ There are no EU projects for capacity development at Cantonal level.

limited. Thus support to the development/revision and finalization of these strategies at the higher levels is critical for ensuring consistency between development priorities at different levels and resource allocation and expenditure priorities.

The development strategies are also linked with municipal competencies and hence efforts may be required for a **fair distribution of competencies** along with resources for better planning and impact. This calls for necessary regulatory reform and could be aligned with current amendments in local self-governance law in RS and other processes in FBiH. As other agencies (such as SIDA/SDC or OSCE) might be working on issues of division of powers within the different levels, the project could support them through their established partnerships with MALSG, MOF, FDPI and Mayors.

9.4.2.5 Local government financial planning strengthened in existing partner municipalities in RS and FBiH

Fiscal space of municipalities/cities needs to be enhanced to create equitable and predictable financial resources for various projects in both FBiH and RS. There is a need for creating better linkages between municipal development strategies and budget of the FBiH and the RS Government for realistic planning. Thus the **inter-governmental transfer system** needs to be improved and it is important that in FBiH, resource transfer from Federation and canton to local government units, and from RS entity to local governments is dealt with effectively. This will help to ensure predictable fiscal flows to enable realistic planning. While no lead role for ILDP is suggested in this sphere, collaborative effort with MOF, IMF and other institutions engaged in this area for revenue sharing may be explored wherein ILDP can bring in experiences of fiscal constraints faced by local governments with resultant adverse impact on strategies' implementation. There may also be a need to work with institutional partners such as MoF and other relevant sectoral agencies and partners for potential legislative changes to improve benefit sharing from natural resources between State, Federation, Cantons and municipalities, and between RS entity and municipalities. As per EU principles, local government resources/funds should be commensurate with their function and weaker local government units should be protected through fiscal equalization measures by intergovernmental transfers to correct the unequal revenue potential.

At the same time, efforts at better **municipal and city revenue generation** are required for creating more options for resources to meet the strategic plan needs. ILDP should evolve a partnership approach to address this gap. It may be worthwhile to understand and explore partnership with the World Bank (WB) project on municipal finances for improving revenue generation capacity.

In order to enable municipalities to use **PIP as an instrument** to mobilize resources from entity, PIMIS needs to be operationalised and well developed at municipal level as per the decrees on PIP in both the entities. As indicated earlier, this would also require harmonization of different formats for medium term and annual planning and aligning it with PIP. ILDP should help the municipalities to design and rank projects as per the strategic plan, align them to PIP Calendar and introduce capacities to manage PIMIS. This would require training and coaching on the entire PIP process including support for quality project preparation. Intensive capacity development support is essential for good quality project preparation and evaluation process as required by PIP decree. Furthermore, it also needs to be ensured that the PIMIS and the DMU coordinators at municipal level have effective coordination to make sure that

priority projects from the development strategies are included and that PIMIS⁴⁷ is able to track outcomes as per implementation plan. This will ensure vertical alignment of the plans with the public financial framework. As SIDA has supported this process in the past and is planning to support PIP process at Canton and municipal levels, cooperation with SIDA in this area becomes inevitable. The municipalities also need guidelines, information on budget sources, implementation instructions, project preparation and budget proposals, familiarization with formats, understanding of various government procedures and skills of filling in data formats.

There is also a need for actively supporting local governments in **tapping other sources of funds** especially from the EU IPA programme and other donors. Resources from the Diaspora can also be tapped under the Migration for Development project.

While the value of **entity based financial mechanism** has been demonstrated, it requires continuous support. Modalities used in both the entities should be further expanded. A number of interventions are required to strengthen the financial mechanism as well as expand its potential for creating capacities to adhere to EU norms and standards. There is a need to expand this mechanism in other sectors through IDBRS in RS and in FBiH. In both RS and FBiH, possibilities of introducing this mechanism in other Ministries such as Ministry of Agriculture, Water and others with large grant schemes for local development could be explored. As far as support to specific projects is concerned, the focus should be on strategic priorities with a greater development orientation and seeding innovations than has been the case so far; emphasis could be on underdeveloped municipalities who have a development strategy but are unable to demonstrate project preparation capacity. Most importantly, there is a need to improve the overall project preparation capacity of municipalities. Other minor issues such as fixing payment channels through the treasury system need to be looked into. It is also important to enlarge the basket of donors and expand financial contribution from the government. The experience of IDBRS and MDEC in FBiH should be widely shared with other key Ministries and donors to understand the benefits of such mechanisms. Integration of the financial mechanism in the laws supporting financing of local governments in both the entities should be explored.

It is also important to beef up the **financial management systems** at the municipal level to a limited extent and improve checks/balances through strengthening internal control and audit systems and have the necessary software to track plan and budget expenditures. This can be undertaken in a few partner local governments and experiences shared in others.

9.4.2.6 Local government strategies' implementation and management strengthened in existing partner and new municipalities in RS and FBiH

This requires consolidation and expansion as new models, new structures, new principles and a new way of thinking for the leadership had been introduced through this process. However, as DMUs/functions are operational in only 11 municipalities, this process requires considerable investment.⁴⁸ This needs to

⁴⁷ As PIP includes only larger public investment projects hence PIMIS is not a complete solution for the local level development management. However, the ILDP is in the process of conducting an analysis of needs at the local level that will be compared with options offered under PIMIS.

⁴⁸ Development management capacities are also going to be built within the existing partner municipalities under Municipal Environmental and Economic Governance (MEEG) and LID projects and thus this needs to be factored into the planning process of Phase III.

have a strong footing given that it requires a large number of institutional, organizational changes and for individuals within the system to have the necessary skill sets and accept, adopt and implement the changes. This is also important as post-development strategy preparation, implementation capacities are crucial for ensuring translation of the vision into practical initiatives on the ground benefitting people for achieving development outcomes and development effectiveness. This would provide examples for government to replicate the same in other municipalities.

As part of this, the **development management function** (operational body) should be under a central authority (Mayors office), with autonomy and influence to coordinate with line departments and ensure horizontal and vertical linkages with integrated development strategies (under ILDP in remaining partner municipalities/cities and LID under new municipalities with development strategy). This would entail changes in the rule book on internal organization system in other partner municipalities/cities.

Further support ⁴⁹ should be provided through **exposing** the critical representatives (**policy makers and senior civil servants**) to well established EU good practices on investment efficiency of development strategy to increase their commitment to build and sustain the development management function. There is a need for expanding the circle of people for development management beyond the DMU, increasing engagement and leadership of Mayors in this process as it is enabling system building for EU accession.

A more **coaching and mentoring approach** with easy-to-do reference manuals over a period can help institutionalize processes and sustain them and become routine government systems. In the process, simple reference manuals on PCM could be prepared and coaching should be done on preparing implementation and departmental plans as well as on quality project preparation for **municipal staff and prospective project implementation partners** (e.g., NGOs/companies), and progress reports for municipal council/assembly. They also need support in analysing data and understanding on how information is to flow to other planning units and develop implementation plans that can be used by the other levels of plan aggregation.

It is important that the **training system** developed under MTS is fully utilized in the process with additional support for strategic planning, management, business friendly municipalities, and gender responsive planning. This may require ensuring availability of good quality trainers, improved training impact assessment mechanisms and better financial sustainability models. The capacity development must be linked to entity capacity development strategies for municipalities. (e.g., the amended law on local self-government in RS after adoption will be followed by a Capacity Development Strategy for LSGs 2017-2021). All the strategic planning and implementation training resources developed under ILDP or other projects must be fully transferred to the appropriate agencies such as FDPI, CSA, MALSG and AMCs and they should all have the capacities to share and use it at the municipal level. Further, municipal/city DMU could be supported by FDPI and assisted to develop strong partnership with municipal development agencies (where such agencies exist) and RDAs. They could also be supported in creating their own roster of experts/organisations to tap external expertise for strategies' implementation processes.

⁴⁹ DMU/function is still new and Mayors/DMU coordinators requested support.

Given that these processes are new for municipalities, it is important to bolster their motivation levels and catalyse **mindset changes**. This could be done through leadership trainings, motivational talks by Mayors, quarterly citizen-department dialogue (coordinated by DMU) to witness the impact of municipal initiatives. There is also a need to create **peer-to-peer support** among municipalities in mentoring others (e.g., Bijelina city planning and implementation coordinators can support others). In this process, specific champions in key areas of planning, implementation and management can be identified and matched with the needs of the specific municipalities. For this, a network of Planning and Implementation Coordinators at an operational level and Mayors at a policy level could be created to meet every six months or at a regular interval to learn from each other and strengthen peer-to-peer support system.

Besides, there is a need for supporting additional interventions within the **human resource management system**. This should be linked with the PAR process at this level to support improving administrative capacity to plan and deliver services and implement strategies supported by ILDP. In order to improve the effectiveness of implementation and management, it is important to address issues of right sizing of the municipal administration, linking staff performance management with medium term and annual implementation plan results (based on development strategies) and incentives (rewards). This could be piloted in a few municipalities. It can also build on the work on the HRM systems and performance management developed under the MTS project.

Further assistance is required for developing **horizontal and vertical accountability mechanisms**.

There is a need for investing into creating a culture of measuring and tracking outcomes, applying results based M&E system and sharing best practices in this area with its associated benefits. Additionally, provide training, coaching and mentoring to planning and implementation coordinators in DMU and other municipal staff to undertake gender sensitive monitoring of results. There is a need to create an online tool (as APIS and SiMEI are offline tools) with improved indicators. As part of this process, there is a need to simplify and harmonise APIS, SiMEI, PIMIS and other M&E tools that may have been introduced by other agencies. Importantly, coordination with the statistical system of the country should be done to improve availability of disaggregated data for informed decision-making through these tools. These interventions are also important to be in line with the EU demands of modern municipal management.

Last but not the least, it is important that municipal councilors actively review and discuss the annual reports on strategies' implementation in the municipal councils/assemblies. At the same time vertical accountability needs to be improved. Voice and participation of the Partnership Groups, NGOs, MZs⁵⁰ should be increased for making municipal actors accountable and tracking impact from citizens' perspective. Use of citizen accountability forums (e.g. in Bijelina), town hall meetings, citizen report cards mechanisms, public disclosure of annual implementation reports on websites/newspapers (as per LSG law) can

⁵⁰ There is a need for collaboration with 'strengthening MZ project'. MZs can play an effective role in ensuring community participation and ensure social inclusion of marginalised and vulnerable groups including women during the planning, implementation and monitoring process at the local level. The MZs can play an important role in increasing governmental accountability as this project will help in developing their capacities in understanding policy making, budget formulation and resource allocation.

be some of the mechanisms for improving transparency and accountability as well as civic engagement and ownership of development choices.

9.4.3. Strengthened AMCs and Inter-Municipal Cooperation for enabling democratic governance in FBiH and RS.

In order to further strengthen democratic governance, both entity AMCs need to become more credible, capacitated, legitimate and influential.

9.4.3.1 Entity AMCs have the necessary capacities and tools to support municipalities/cities.

Given the capacity levels of AMCs, both entity AMCs would require long-term support. At the same time, despite the current capacity levels of AMCs, a conscious effort has to be made that they lead project-supported interventions. Interventions in the next phase of ILDP need to complement the planned activities under the forthcoming SDC/SIDA support to AMCs for harmonization of interventions.

Some of the activities could cover the provision of **leadership trainings** for the AMC secretariat. The AMC secretariat could be supported by strong and capacitated committee member representatives or experienced municipal councilors. In order to ensure that AMCs become an influential voice, the RS AMC can be further supported in their **advocacy efforts** with Entity Assembly Board for Local Self Governance and Board for Finances on development of a law on Development Planning and Management as in FBiH, linking RS Development Strategy with local government strategic plans and advocate with MALSG and MoF for higher resource transfers to municipalities.

Further, help should be provided for training both entity AMC coordinators in the Secretariat through an **immersion programme on MiPRO and plan implementation management** in a municipality – to improve their service line on advising on processes for revision of strategies and coordinating support to new municipalities in strategic planning and implementation. The **service line/help desk feature** needs to be further enhanced, and become a dynamic service for municipalities translating into effective feedback to municipalities on their strategic plan and establishing links with actual resources from different sources. This should be supported by the **AMC training unit**, in providing advice to other municipalities, on planning or help them gain experience from neighboring municipalities. The current **web platform** of AMC can be supported for further improvements in enhancing its usefulness.

With the municipal elections due in October 2016, the new municipal councilors should be trained in strategic planning. This may need to be coordinated under the new SDC/SIDA support to AMCs.

9.4.3.2 Inter-municipal cooperation improved for service delivery

The IMC has been an important instrument to drive reforms and service delivery in EU countries. It is critical for addressing issues of scale, learnings and supporting service delivery across small size municipalities. It can become a channel for accessing EU funds and this should be demonstrated in the next phase. This is becoming more important as the IMC has been incorporated in the amended law on Local Self-Government in RS.

Thus, the activities initiated on **IMC need to be expanded**. This is more so as SDC/SIDA joint initiative to support AMCs will not focus on IMC. In the next phase, the AMCs should be used to foster IMC. AMCs can support IMC in many

ways through organizing sharing of good practices in strategic planning and implementation. To further strengthen the IMC, Mayor–Mayor peer/collegial relationship needs to be strengthened. IMC manuals developed by Council of Europe, UNDP and Open Society initiative may also be adapted and shared with AMCs and Mayors. The elected mayors in BiH with their desire to create well-run municipalities and strengthen their peer-to-peer relationships through IMC can increase both competitiveness and the mutual support to drive reforms.

More joint initiatives to enable IMC should be supported with a focus on inter-entity and intra-entity initiatives. These initiatives could be determined from the strategic plan of adjoining municipalities and could focus on mutual benefits in service delivery, local economic development or environment protection. In the next phase, funds could be passed through AMCs for IMC activities thereby helping them to build their capacity and legitimacy with municipalities. It may be important to analyse the capacity of the AMCs in the management of other donor projects.⁵¹ Given that RS amended law has a focus on IMC, it may be worthwhile to co-fund IMC initiatives with MALSG. A 'Fit for the EU' fund could be created to drive IMC activities.

In order to further nurture IMC activities, **best IMC practices in other EU countries** can be determined, to expose AMC secretariat and selected Mayors to the same and opportunities to twin them should be explored. This should be coordinated with SDC/SIDA efforts. Further networking with AMCs in the neighboring countries could be pursued and support of Commonwealth Local Government Forum (CLGF) and UNDP ART GOLD initiative could be sought in this regard.

Overall, ILDP must strengthen and harmonise all future ILDP processes and procedures as per EU Integration requirements. They should also engage in greater communication and advocacy efforts at different forums such as state level coordination mechanism (for entities, Cantons, municipalities) supported by EU delegation, at Donor Coordination Forum led by MOFT, and Donor coordination under Directorate of European Integration (obligation under IPA II), relevant UN IAWGs, local governance coordination mechanisms (led by UNDP) and Inter-municipal and inter-cantonal exchange mechanisms. This will lead to sustaining the institutionalization of strategic planning process and better harmonization of interventions of all partners.

⁵¹ RS AMC is managing a GIZ project in municipality.

Annex 1: Evaluation Criteria

Relevance	Effectiveness-measuring change/quality of change in outputs/outcomes Efficiency-use of resources/input/CBA	Sustainability	Impact
<ul style="list-style-type: none"> - National Priority - EU requirements - Relevance of Project Design and Approach 	<ul style="list-style-type: none"> -Progress towards outputs/outcomes -Role of different institutions at entity/cantonal/municipal levels in integrated local development planning system - development and implementation - key decision makers- role in influencing implementation of MiPRO. -Leadership role of FDPI in policy/legal reform for Strategic Planning in FBiH and ILDP support -Role of RS institutions in development of concept on development planning and coordination/RS government draft decision on Planning, Monitoring and Reporting on Adopted Strategies/Plans. -Result of the policy consultation processes and integration at higher levels – cantonal/entity level - Change in development planning process - effectiveness of institution policies to meet beneficiaries needs 	<ul style="list-style-type: none"> - Institutional leadership/ownership in reforms for strategic planning and implementation - Organizational capacities at entity, canton and local government levels to sustain strategic planning and implementation - Financial mechanisms for continual funding of strategic plan/priorities/projects - Response to changing environment 	<ul style="list-style-type: none"> - System level impact - Benefits to people as a result of plan/priority/project implementation (especially, women, IDPs, returnees, persons with disabilities, minorities- Roma)
	<ul style="list-style-type: none"> - Capacity of FBiH/RS Ministries and cantonal governments and LSG Units (LSGU) in implementation of the standardized Integrated planning methodology for development of strategies/ viable plans/projects in FBiH/RS. - Gender 	<ul style="list-style-type: none"> -institutional capacity for development management - systems/structures/staff/expertise (PAR) -investments of other sector partners in this area and synergy with other similar initiatives 	<ul style="list-style-type: none"> Unintended effects- Macro and micro level Impact Measurement mechanisms

	<p>equity/participatory/social inclusion principles used by institutions in developing these plans at Cantonal/municipal levels</p> <ul style="list-style-type: none"> - CSO involvement in ensuring an open, transparent and inclusive planning process through Partnership Groups - Vertical & horizontal Coordination between different institutions and sector strategies at entity, cantonal & municipal level in development planning. - Cantonal institutions capacity in development management (operational efficiency) - Viable local development strategies, funded & implemented - Inter-municipal cooperation - Public finance allocation system for these plans. <ul style="list-style-type: none"> • Municipal/Cantonal budget for these plans. • Harmonisation of integrated strategies and cantonal/municipal implementation plans with the budget /PIP/budget calendar in RS/FBiH. • Resource mobilization from external resources (including EU assistance) • Gender sensitive budgeting - Capacity of Cantons/LSGUs in implementation of these plans - Aligning organizational structures- Administrative implementation modalities- any changes within FBiH/RS – structures/processes. - M&E systems- accountability mechanisms <p>- Project efficiency-Management</p>		
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	efficiency, efficient use of resources for delivering interventions and leveraging partnerships for cost-effectiveness		
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Annex 2: Semi-structured: Interview Questions for ILDP stakeholders

Relevance of the project

1. How does the ILDP meet the country's needs and socio-economic priorities?
2. How would ILDP meet BiH's Medium Term Reform Agenda?
3. How does ILDP meet EU integration needs? How is it linked to EU IPA II?
4. How does ILDP help the country in meeting its decentralisation agenda?
5. How does the ILDP serve the cantonal and municipal strategic planning process? Examples?
6. To what extent ILDP met the gender equality objectives? Does it advance the gender equality objectives of the FBiH/ RS? How?
7. How was the project design and approach aligned to stakeholder needs?
8. What are the three broad challenges that the ILDP project faced and three important lessons?
9. Are there other international agencies supporting you in strategic planning and implementation processes at entity, cantonal or municipal levels and in what way? How do you ensure synergy and coordination amongst different investment support that you receive in this area?

Effectiveness and Efficiency of the project results

1. How did the project strategy meet its intended outcomes and outputs? How effective was the process?

Planning

2. Who led the ILDP local strategic planning process within the local governments and Cantons? To what extent was it successful in ensuring Canton leadership and local government leadership in the strategic planning process as well in institutionalising it? Please provide concrete examples.
3. What has been the role of Working Groups/Cantonal Development Board/Municipal Development Teams and Partnership Groups in leading the local strategic planning process- development of Cantonal Development methodology/strategic planning process in Cantons/Municipalities? How well have the sectoral Ministries/departments participated in the process? How have you ensured horizontal coordination with sector strategies/plans? Are these plans discussed in Cantonal or Municipal Assembly?
4. What have been the changes in the development planning processes and plan approval processes? How have the Municipal leadership/Canton/Entity/State supported the strategic planning process?
5. How have women and minorities and other vulnerable participated in the planning process? How gender equitable and socially inclusive are the plans? What was ILDP support?
6. What have been the lessons from the pilot Cantons (USC/WH) and also others in integrated strategic planning? How effective was the engagement with municipalities?
7. How many viable development projects have emerged under the three-year implementation plans and implemented? Though what resources?
8. How are the different levels of strategic plans aligned? How are these local integrated plans aligned and harmonised with Canton Strategic Plans, FBiH 2010-2020 and RS Development strategies and BiH Development strategy and Social Inclusion Strategy?
9. How have the sectoral Ministries/departments reacted and adopted the process of integrated planning? How are the strategies at various levels integrated with sectoral strategies?
10. What has been the partnership strategy?

Policy/Legal reform

11. How effective was the policy dialogue process and what did it lead to?

12. How would you say that the development process of the FBiH Draft law on Development Planning and Management has been an effective process?
13. What has been the leadership role of FDPI and MoJ in policy reform process for development planning and management? (law/by-law/regulations) How powerful is the legal framework and what change can it bring? How does it enable link between strategies' implementation/medium term plan and PIP (role of MoF)?
14. How sensitive is the Draft law on development planning and management – from a gender and social inclusion perspective? What was the catalytic role played by ILDP? How will you ensure that the law is implemented/enforcing mechanism? What role do you envisage for ILDP in the future?
15. How has ILDP contributed to the concept of development planning and policy coordination for RS (and the draft Decision on Planning, monitoring and reporting on adopted strategies and plans by the RS government)? What is the status of RS Development Strategy and how does it link up with local government strategies? What has been the value addition of ILDP local strategic planning at the municipal level? How will it be taken forward or aligned with the RS entity level strategy and what support do you envisage from ILDP? How have gender equality and social inclusion principles integrated in these various documents?
16. Are there any reforms that are required within the sectors (name one or two) which have implications for implementation of the development strategies? – social/economic/environmental sector?
17. What has been the partnership strategy?

Alignment of development strategies/strategies' implementation priorities with public and external resources

18. How effective was the vertical integration of local level with public investment planning process?
19. How is the budget allocated for a Public Investment Programme (PIP) for medium term strategies' implementation plan at the Canton and municipal levels?
20. To what extent have the budget framework and the PIP of Government been harmonised to the integrated three-year implementation plans at Cantonal and municipal levels (supported under ILDP)? What is the process of ensuring harmonisation of medium term and annual implementation plan priorities and budget calendar?
21. How has PIMIS been adapted to for the Cantonal and municipal levels and how will it be used for management of public investment and how is it linked to the medium term plan implementation at the Cantonal and municipal levels?
22. How do sectoral Ministries/municipal line departments allocate budget for the strategies implementation plan priorities/projects?
23. To what extent are the Cantonal and municipal budgets aligned to the strategies' medium term and annual plans? What are the processes for mobilising external resources including EU IPA resources/loans? What are the views on fiscal equalisation models?
24. How gender sensitive are the budgets of the strategies' implementation plans? How do you prioritise and ensure that funds for women and other minority/vulnerable groups are prioritised? How has ILDP/other agencies supported the process? Is there any support envisaged in this area from ILDP?
25. How have the entity based financial mechanism for local development (LDF) been implemented? Which all agencies (MoF, Line Ministries, private, EU IPA II 2014-2020) have contributed to it? How are UNDP resources transferred to IDBRS and MDEC? How effective and efficient was the process of project development, selection and monitoring under this financial mechanism? How is linked to EU standards? What has been the impact? What role has ILDP played? How can this become a fully adopted tool for financing local development by the government? Is this an efficient model?
26. How have the mechanisms of Seed fund been implemented? How efficient was the process of project development, selection and monitoring under this financial mechanism? What was the impact? What role has ILDP played? What lessons have been learnt?
27. What has been the partnership strategy in resource mobilisation?

Development Management

28. How has the development management function been improved? How have the operational processes (departmental plans, annual implementation plans, process reengineering, monitoring and reporting) of the municipal departments/Cantonal departments/Ministries changed as a result of project interventions? What are the lessons?
29. What is your view on setting up of the development management units within municipalities/Cantons? What kind of organisational changes has it brought about? How have the development management units been performing and what change has it led to in implementation, management and reporting of strategies' implementation?
30. Has the skill set of municipal/city administration improved as a result of training in planning and implementation? How have the trainings, coaching by experts helped in improving operational efficiency? Is there any continuous need for them?
31. How have the internal management processes been made gender sensitive?
32. Are there any state/entity/Canton/Local government level training institutes for capacity building of local governments/municipal administration/sectoral departments? What is the current Training System?
33. Has efficiency and effectiveness of municipalities and Canton administrations changed in planning, preparation and implementation of projects, resource mobilisation, results based monitoring and evaluation, delivery of services and in what way? Please give concrete examples of each of the areas. What role did ILDP play in the same?
34. How is the process of improving development management function linked to the broader PAR agenda?
35. How are the organisational changes perceived in view of EU standards?
36. What are the necessary reforms for effective operation of the planning system?

AMC/IMC

37. How have the AMCs benefitted through ILDP? What changes have you seen in the effectiveness of your operation?
38. How have they promoted MiPRO? How effective is their service line function and what benefits has it accrued to municipalities? How is the training unit within AMC (thru MTS) functioning to support strategic planning?
39. How have the AMCs supported in linking strategies' implementation plans with PIP and advancing fiscal decentralisation?
40. How effective is inter-municipal cooperation? What are the lessons learned from IMC? What have been the changes over the last three years? What are the reasons for those changes? How has ILDP supported this process?
41. What are the future areas of support?

Accountability by CSO

42. How have the CSOs engaged in making the strategies' plan implementation accountable? How do they coordinate with municipalities?
43. How do citizens/women/minorities/vulnerable groups participate in making municipal administration accountable in service delivery and plan projections and disbursement? Are there any mechanisms?

Project Efficiency

How did the project demonstrate efficiency through project management, financial and other cost-effective measures?

Impact

44. What are the ILDP impacts on changing the planning system and on lives of the people?
45. What is the perception of impact of implementation of development strategies/priorities/projects at the municipal level/cantonal level?

46. How have people, women, minorities and other vulnerable groups benefitted? What is the extent of impact? – economic/environmental/social?
47. Are there some impacts that you did not expect but happened- positive/negative? Examples?
48. How do you measure impact? APIS/SiMEI/PIMIS/any other system? How reliable is the data? How is the data used and shared?
49. To what extent ILDP is responsible for the impact? Are there other external factors?

Sustainability

50. How sustainable are the various interventions and the results of the project beyond the project lifespan? What all elements have replication and scaling up potential?
51. Who is in the driver seat of the project? Who leads the various components of the project? UNDP/donors/Government/Administration?
52. To what extent does your institution own the various components of the project? To what extent will you rely on UNDP/ILDP?
53. How do you visualise the future of strategic planning and implementation in BiH? Who will continue to revise or develop the strategic plans in the future without ILDP?
54. How will the FBiH law on development planning and management become operational? What all future work is required (by laws...monitoring system)? Do you envisage ILDP support – in what way and for how long? What process support is required in RS after adoption of the draft Decision on Planning, monitoring and reporting on adopted strategies and plans by the RS government?
55. Do you think the entity financial resource mechanisms have a future?
56. How much of the processes initiated on development management be sustained within the local governments and Cantons? How important is the need for Development Management Units? How can performance improvement of municipalities respond to changing environment in aligning and implementing the priorities of the development strategies, implementation plan? What are the future investments required in improving development management? Do you envisage ILDP support?
57. How do you see the work on strategic planning and implementation linked to government's medium-term reform agenda (including reforms on PAR implementation and increasing transparency and accountability)?
58. How can coordination with other sector partners improve for effective impact?
59. What if? UNDP decides to stop support to processes now? How will the partners continue the ILDP interventions?
60. What are the risks and factors that might negatively impact on the projects sustainability?
61. What is the future expected support from the project?

Concluding Points

62. How was your overall experience in cooperating with UNDP?

Annex 3: ILDP Final Project Evaluation – Documents for Review

ILDP phase I:

- Project Document & LogFrame
- End of phase Report (Final Report)
- Final Evaluation Report

ILDP phase II:

- Project Document (LogFrame included)
- Annual Reports (2012, 2013, 2014, 2015)
- Annual Work Plans (2012, 2013, 2014, 2015, 2016)
- Project Board meetings minutes (minutes from the 7th PB meeting are missing as it was held electronically and correspondence is not available in English)
- Participatory Mid-Term Review Report
- ILDP Fact Sheet

Key ILDP products available in English:

- Methodology for Integrated Local Development Planning - Theoretical & Practical Part (approved by entity governments and associations of municipalities and cities in 2009)
- Initial Policy Note on consultation processes for consolidation of planning system in the entity of Federation of Bosnia and Herzegovina (2012)
- Initial Policy Note on consultation processes for consolidation of planning system in the entity of Federation of Bosnia and Herzegovina (2012)
- Concept for Establishing a Consolidated System of Development Planning and Policy Coordination in Republika Srpska (2013)
- Proposed Modality for Establishment of Local Development Fund in the entity of Federation of Bosnia and Herzegovina (now called „Grant Scheme for Support to Business Zones“ established within the FBiH Ministry for Development, Entrepreneurship and Crafts)
- Proposed Modality for Establishment of Local Development Fund in the entity of Republika Srpska (now called „Financing Mechanism for Support to Integrated and Sustainable Local Development, established within the RS Investment and Development Bank)
- Development Strategy of Una-Sana Canton 2014-2020 (1st generation of cantonal strategies)
- Analysis on the selection of ILDP partner local governments (2012)
- Report on selection of projects funded under ILDP Seed Fund 1 (2013, approved by the Project Board)
- Guidelines for selection of under ILDP Seed Fund 2
- Report on selection of projects funded under ILDP Seed Fund 2 (2014, approved by the Project Board)
- Report on selection of inter-municipal cooperation funded under ILDP (2015, approved by the Project Board)
- Final report from service provider upon delivery of technical assistance in strategic planning to 4 local governments (2013).
- Final report from service provider upon delivery of technical assistance in operationalisation of development strategies to 4 local governments (2013)
- Draft Law on Development Planning and Management in the entity of Federation of Bosnia and Herzegovina (adopted by the FBiH Parliament in late 2015, currently in the public discussions process)

Annex 4: Mission Schedule (Tentative)

ACTIVITY	LOCATION	TENTATIVE TIMEFRAME
Thursday, 14 April	-	
Initial meeting with Ms. Aida Laković Hošo, ILDP Project Manager	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo Conference room, floor III	09.00– 10.30
Initial meeting with Ms. Adela Pozder Čengić, UNDP Rural and Regional Development Sector Leader	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo Conference room, floor III	10.30 – 11.30
Meeting with Mrs. Zahira Virani UNDP Deputy Resident Representative	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo	12.00 – 12.45
Lunch with ILDP Project Manager		12.45 – 14.00
Meeting with Ms. Alma Zukorlić, LG National Program Officer and Ms. Regula Babler, Local Governance and Migration&Development Advisor, Swiss Embassy (responsible for local governance and municipal services domain in the Embassy, including ILDP)	Swiss Embassy, Zmaja od Bosne 11, 71 000 Sarajevo	14.00 – 15.30
Meeting with ILDP Project Manager, topic: ILDP policy level activities; vertical integration of planning and local development funds	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo Conference room, floor II	15.30 – 16.30
Friday, 15 April		
Meeting with ILDP Team, topic: development planning and management at cantonal and local level	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo Conference room, floor I	09.00 - 11.30
Meeting with Ljubiša Đapan, Director and Mr. Nijaz Avdukić, Assistant Director, FBiH Development Planning Institute (key partner institution in the FBiH and beneficiary of ILDP support in establishing a strategic planning system in FBiH)	FBiH Development Planning Institute, Dola 15, Sarajevo	12.00 – 13.00
Lunch with Ms. Marina Dimova UNDP Governance Chief Technical Advisor (former ILDP project manager, ILDP as backbone of UNDP local governance interventions, local development and local governance challenges, including planning, ways forward)	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo	13.30 – 15.00
Sunday, 17 April		16.00
Travel to Jajce and overnight (2,5 hour drive)		
Monday, 18 April		
Travel to Mrkonjić Grad		07.45 – 08.30
Meeting with Ms. Divna Aničić, Mayor of Mrkonjić Grad Municipality and Mr. Tomislav Todorović, Planning Coordinator (beneficiary of ILDP	Mrkonjić Grad Municipality, Trg Kralja Petra	08.30 – 09.30

technical assistance in planning and setting up development management system, beneficiary of seed-fund and IMC project, beneficiary of RS Financing Mechanism for supporting local development)	Karađorđevića 1, Mrkonjić Grad	
Travel to Banja Luka		09.30 – 10.30
Meeting with Ms. Radmila Mihić, Assistant Minister, RS Ministry of Finance	RS Ministry of Finance, Trg Republike Srpske 1	10.30 – 11.30
Meeting with Mr. Ivan Vidović and Mr. Mirko Bošnjak, RS Investment and Development Bank (management of the Financing Mechanism for support to local development, beneficiary of ILDP financial and technical assistance)	IRBRS, Vidovdanska 2, 78 000 Banja Luka	12.00 – 13.00
Tuesday, 19 April		
Meeting with Ms. Milanka Šopin, Assistant Minister and Ms. Novka Blagojević, Senior Associate for LG development, RS Ministry for Administration and Local Self-Governance (key institutional partner in the RS, member of the ILDP Project Board)	RS Ministry for Administration and Local Self-Governance, Trg Republike Srpske 1	08.30 – 09.30
Meeting with Slobodanka Dubravac, Assistant Minister, RS Ministry for Economic Relation and Regional Cooperation and Ms. Irena Korica, RS Strategic Planning Unit	General Secretariat of the RS Government, Trg Republike Srpske 1	09.30 – 10.30
Travel to Bosanska Krupa Municipality		10.30 – 12.30
Meeting with Mr. Armin Halitović, Mayor and Ms. Esma Hergić, planning coordinator, Bosanska Krupa Municipality (beneficiary of ILDP technical assistance in planning and setting up development management system, beneficiary of IMC project, beneficiary of FBiH Grant Scheme for supporting business zones development)	Bosanska Krupa Municipality, Terzića b.b., Bosanska Krupa	12.30 – 13.30
Lunch, travel to Livno (3-hour drive)		
Wednesday, 20 April		
Meeting with Mr. Draško Dalić, Prime Minister and Ms. Ivana Mišković, planning coordinator, Canton 10 (beneficiary of ILDP technical assistance in cantonal strategic planning)	Government of Canton 10, Stjepana II. Kotromanića bb, Livno	08.30 – 10.00
Travel to Zenica		10.00 – 12.30
Meeting with Ms. Đenana Čolaković, planning coordinator, Head of Department for Development and International Projects of Canton Zenica (beneficiary of ILDP technical assistance in cantonal strategic planning)	Government of Zenica-Doboj Canton, Kučukovići 2, Zenica	12.30 – 14.00
Meeting with Mr. Muhsin Ibrahimagić (member of Cantonal Development Board in Zenica Canton/planning coordinator in City of Zenica on behalf local development agency Zeda)	ZEDA, Školska 4, Zenica	15.00 – 16.00
Travel to Sarajevo (1-hour drive)		
Thursday, 21 April		

Meeting with Mr. Samir Bakić, Assistant Minister and Mr. Jasna Vukasović, Senior Associate, FBiH Ministry of Finance	FBiH Ministry of Finance, Mehmeda Spahić 5, 71 000 Sarajevo	08.30 – 09.30
Meeting with Mr. Zoran Zeljko, Director of DEP BiH (newly appointed)	DEP BiH, Maršala Tita 9a, Sarajevo	10.00 – 11.00
Meeting with Ms. Christian Haupt, Chief of Party and Sanela Paripović, Deputy Chief of Party, USAID - Strengthening Governing Institutions and Processes (SGIP) in BiH (synergies and support in designing the legal framework on development planning and management in FBiH)	USAID, Roberta C. Frasurea 1, Sarajevo	11.15– 12.15
Meeting with Ms. Alma Kobašlija, Strategic Planning Senior Associate, FBiH Ministry of Justice (member of ILDP Project Board, key partner in ILDP policy level activities related to strategic planning system in FBiH)	FBiH Ministry of Justice, Valtera Perića 15, Sarajevo	12.30 – 13.30
Lunch with Mr. Nedim Čelebić, consultant (overview of situation and challenges in strategic planning at the BiH, entity and cantonal level in FBiH, including SPPD).		14.00 – 15.30
Meeting with ILDP team (clarifications, reflections, any issues that may have come up)	UN House Sarajevo, Zmaja od Bosne b.b., Sarajevo Conference room, floor II	16.30 – 17.30
Friday, 22 April		
Travel to Tuzla		07.00 – 09.30
Meeting with Mr. Bego Gutić, Prime Minister (or Minister for Development) and Mr. Senad Ovčina, Planning Coordinator (beneficiary of ILDP technical assistance in cantonal strategic planning)	Government of Tuzla Canton, Rudarska 65, Tuzla	09.30 – 10.30
Meeting with Mr. Muris Bulić (member of Cantonal Development Board, NGO Center for Civic Initiatives, Tuzla)	NGO Center for Civic Initiatives, Ludviga Kube 7, Tuzla	11.00 – 12.00
Travel to Bijeljina		12.00 – 13.00
Meeting with Ms. Ankica Todorović, planning coordinator & Mr. Dragan Vujić, Advisor to the Mayor, City of Bijeljina (beneficiary of ILDP technical assistance in planning and setting up development management system, beneficiary of seed-fund and IMC project, beneficiary of RS Financing Mechanism for supporting local development)	Trg kralja Petra I Karađorđevića 1, Bijeljina	14.00 – 15.00
Meeting with Mr. Aco Pantić, General Secretary and Mr. Goran Rakić, RS Association of Municipalities and Cities (beneficiary of ILDP technical assistance in establishing a service line to support local governments)	Gavrila Principa 11 / Nušićeva 1, Bijeljina	15.15 – 16.15
Travel to Sarajevo		16.15 – 20.00
Monday, 25 April		
Travel to Mostar		07.00 – 09.00

Meeting with Mr. Zdravko Čerović, Assistant Minister, FBiH Ministry for Development, Entrepreneurship and Crafts (management of grant scheme for business zones development in FBiH, beneficiary of ILDP technical assistance)	FBiH Ministry for Development, Entrepreneurship and Crafts, dr. Ante Starčevića bb, Mostar	09.00 – 10.00
Coffee/brunch with Ms. Božena Kaltak, Head of UNDP Regional Office in Mostar and Ms. Mirela Sutton Williams, ILDP Field Officer		10.00 – 12.00
Travel to Sarajevo		12.00 – 14.00
Meeting with Ms. Zara Halilović, Head of Sector for Coordination of Assistance, BiH Directorate for EU Integration	Trg BiH 3, Sarajevo	14.00 – 15.00
Meeting with Sanja Tica, Programme Manager, EU Delegation to BiH	Skenderija 3a, Sarajevo	15.30 – 16.30
Meeting with Vesna Travljanin and Zlata Tukrić, FBiH Association of Municipalities and Cities (beneficiary of ILDP technical assistance in establishing a service line to support local governments)	FBiH AMC, Musala 5/1, Sarajevo	16.45 – 17.45
Tuesday, 26 April		
Meeting with Mr. Mario Vignjević, National Programme Officer, Sida (public administration reform, local governance, Sida ongoing and planned activities and synergies with ILDP)	Embassy of Sweden-Sida Ferhadija 20, Sarajevo	08.00 – 10.30
Debriefing with IDLP team		

Annex 5: Women's participation

Cantons/Municipality	Participation of women and men in MDTs/Canton planning teams	Participation of women and men in Local Partnership Groups	Participation of women in different Trainings	Strategic 1+2 Plans indicating women's priorities among the total number of priorities	Women representatives in Canton/Municipal Development Management Units
FBiH					
Una-Sana Canton	11 F/14 M		6		11
Bosanski Petrovac	5 F/9 M	9 F/14 M	8	1	5
Bosanska Krupa	5 F/7 M	9 F/20M	9	0	5
Buzim	4 F/11 M	2 F/14 M	3	1	4
Cazin	6 F/13 M	10 F/20 M	9	2	6
Bihac	6 F/1 M	20 F/67 M	10	0	6
Kljuc	8 F/5 M	15 F/33 M	10	2	8
Sanski Most	7 F/6 M	14 F/31 M	9	1	7
Velika Kladusa	6 F/13 M	16 F/40 M	8	1	6
Posavina Canton	4 F/ 5 M	12 F / 27 M	1		4
Odzak	6 F/9 M	18 F/36 M	8	0	6
Orasje	3 F/12 M	7 F/17 M	6	0	3
Tuzla Canton	11 F/11M	24 F/53 M	6		11
Srebrenik	0 F/7 M	5 F/21 M	3		0
Gracanica	9 F/14 M	6 F/17 M	13	0	9
Doboj Istok	1 F/9 M	3 F/30 M	2	1	1
Gradacac	3 F/12 M	12 F/39 M	7	1	3
Zenica-Doboj Canton	16 F/ 21 M	7 F / 33 M	4		16
Doboj Jug	3 F/4 M	3 F/11 M	8	0	3
Zenica	3 F/6 M	3 F/35 M	11	2	3
Maglaj	4 F/8 M	8 F/12 M	7	0	4
Herzegovina-Neretva Canton	4F /16 M				4
Jablanica	4 F/11 M	20 F/72 M	7	0	4
Central Bosnia Canton	8 F/ 16 M	10 F / 34 M	12		8
Jajce	2 F/14 M	18 F/45 M	4	2	2
Canton 10	6 F /21 M	6 F/17M	0		6
Livno	7 F/8 M	15 F/30 M	7	3	7
Western-Herzegovina Canton	3 F / 15 M		2		3
Ljubuski	1 F/13 M	7 F/17 M	4	1	1

Posusje	1 F/15 M	13 F/30M	3	1	1
Canton Sarajevo	22 F / 20 M		7		22
Novo Sarajevo	10 F/14 M	16 F/32 M	11	1	10
Bosnian Podrinje Canton	9 F/ 13 M	8 F / 19 M	2		9

Municipality	Participation of women and men in MDTs	Participation of women and men in Local Partnership Groups	Participation of women in different Trainings	Strategic 1+2 Plans indicating women's priorities among the total number of priorities	Women representatives in Municipal Development Management Units
RS					
Kostajnica	2 F/7 M	9 F/20 M	3	3	2
Šamac	3 F/12 M	6 F/52 M	3	2	3
Osmaci	2 F/10 M	15 F/26 M	4	0	2
Srbac	3 F/12 M	7 F/47 M	3	0	3
Kotor Varoš	5 F/6 M	8 F/23 M	7	1	5
Prnjavor	10 F/8 M	5 F/33 M	10	1	10
Doboj	5 F/13 M	18 F/48 M	9	1	5
Ljubinje	5 F/10 M	16 F/33 M	5	0	5
Trnovo	7 F/8 M	13 F/19 M	7	0	7
Bijeljina	9 F/12 M	17 F/42 M	10	2	9
Laktaši	7 F/11 M	16 F/37 M	12	2	7
Lopare	5 F/8 M	14 F/31 M	6	1	5
Mrkonjić Grad	5 F/11 M	16 F/38 M	10	2	5
Nevesinje	4 F/8 M	7 F/38 M	4	0	4
Prijedor	8 F/24 M	15 F/46 M	11	1	8
Vlasenica	5 F/7 M	10 F/22 M	5	0	5