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MID-TERM EVALUATION OF THE GOVERNANCE ACCOUNTABILITY PROJECT – GAP2

FINAL REPORT

MAY 2010

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

ABBREVIATIONS

BiH	Bosnia and Herzegovina
CDPC	Community Development Planning Committee
CIP	Capital Improvement Plan (or Planning)
CPF	Capital Projects Fund
CoE	Council of Europe
CSC	Citizen Service Center
CSPC	Civil Society Promotion Centre
DfID	UK Department for International Development
EKN	Embassy of the Kingdom of the Netherlands in Bosnia-Herzegovina
FBiH	Federation of Bosnia and Herzegovina entity
GAP	Governance Accountability Project, Phase II
GIS	Geographic Information System
HRIS	Human Resources Information System
IABS	Integrated Accounting and Budgeting System
ISO	International Organization for Standardization
IT	Information Technology
JMC	Joint Management Committee (USAID, SIDA, EKN)
KRA	Key Results Area
LAN	Local Area Network
LED	Local Economic Development
LI	Local Interventions
LSG	Local Self-Government
MAP	Municipal Action Plan
MC	Municipal Council
MCI	Municipal Capacity Index
MoF	Ministry of Finance
MoJ	Ministry of Justice
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
OSCE	Organization for Security and Cooperation in Europe
OHR	Office of the High Representative
PMP	Performance Monitoring Plan
POI	Public Outreach Initiative
RS	Republic of Srpska entity
SIDA	Swedish International Development Cooperation Agency
SIPU	Swedish Institute for Public Administration
SOW	Scope of Work (or Statement of Work)
SNV	Netherlands Development Network
SPIRA	Streamlining Permits and Inspection Regimes Activity, a USAID program
STTA	Short-Term Technical Assistance (or Short-Term Technical Advisor)
TA	Technical Assistance
UI	Urban Institute
UNDP	United Nations Development Programme
UPP	Urban Planning and Permitting
UPC	Urban Permitting Center
USAID	United States Agency for International Development
VNG	International Cooperation Agency of the Association of Netherlands
WG	Working Group

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EXECUTIVE SUMMARY

The Governance Accountability Project (GAP2) is a \$30 million, five-year program of assistance to municipal governments in Bosnia and Herzegovina, funded by the United States Agency for International Development (USAID),¹ the Swedish International Development Cooperation Agency (SIDA),² and the Embassy of the Kingdom of the Netherlands (EKN). GAP2 is a follow-on project to a very similar \$20 million, three-year project (GAP1) co-funded by USAID and SIDA. GAP2 is currently being implemented in 72 municipalities, following the same organizational structure as GAP1, with four field offices and a main office in Sarajevo.

Programmatically, GAP2 is organized around two main components or activity areas: (1) Local Interventions at the municipal level, which include citizen service centers (“one-stop shops”), small infrastructure grants, capital improvement planning committees, urban permitting centers, financial software for budget management, and municipal action plans; and (2) Policy Interventions at the entity and state levels in such fields as indirect taxation revenue sharing, electronic data processing and exchange of vital records laws, and legislation for municipalities regarding concessions and forestry. Three Cross-Cutting Activities support the two components: (a) assisting municipal borrowing in commercial markets, (b) developing a consultancy market, and (c) promoting gender equity in municipal governance.

OVERALL STATUS

GAP2 is generally meeting its program output targets thus far, and its municipal clients in particular are very pleased with the assistance they have received from GAP2 staff and the results achieved to date. In this sense, GAP2 can be considered a successful project. However, in judging project performance against the higher level key objectives of the project -- to improve the ability of municipalities to better serve and improve the quality of life of citizens, and to support a policy and fiscal framework conducive to democratic governance -- we find that GAP2 is not achieving its full potential and should be reprogrammed to focus on results that will have a greater strategic impact.

Relying heavily on the successes and methodology of its predecessor, GAP2’s technical packages and delivery model for target municipalities are becoming dated and should be revised as part of the recommended reprogramming. GAP2 should attempt to achieve the “spread effect” of program interventions in less labor-intensive fashion using a revised delivery model for existing or any new partner municipalities and, in some cases, non-GAP municipalities. GAP2 also should focus more on strengthening the policy component of the project to seek greater impact and to ensure the local ownership and sustainability of processes initiated in GAP.

We recommend significant mid-project program changes designed to expand the scope of municipal service delivery beyond the current focus on municipal *administrative*

¹ USAID Contract No. 168-C-00-08-00001-00.

² SIDA Contribution Nos. 76003104 and 76003623.

services. These changes will seek to include within GAP2’s definition of service delivery more of the “normal” municipal-level services (e.g., trash removal, primary education, road repair, street lighting and cleaning) that directly improve the quality of citizens’ lives and support local economic development. Many of these responsibilities or “competencies” and budget funding for them are not within the current authority or budgets of municipal governments, instead being performed by cantonal or entity governments.

Such a framework is not consistent with the accepted democratic principle of “subsidiarity,” which calls for services to be provided at the lowest possible level of government (municipal), that closest to the citizens served. This fundamental objective of empowered democratic governance is not the main focus of the GAP2 Policy Interventions component as it should be, and the limited administrative service objectives of the Local Interventions component do not focus on the real need for expanded competencies and service delivery.

GAP2 and the earlier GAP1 project are reaching 72 municipalities, half of the 142 municipalities in BiH. Critical mass from the large pilot effort and a follow-on spread effect to other municipalities should have been achieved by now with this number and the more than five years of work. GAP as designed for local interventions has already proved itself. It was never meant to reach all BiH municipalities, even though the demand may exist. Reaching non-GAP municipalities that are not adopting best practices on their own, if it is to be attempted within this project’s timeframe, will require a different model for technical assistance delivery. New municipalities should not be added, such as in a suggested Cohort 5, except within a revised program design that changes the focus of local interventions.

LOCAL INTERVENTIONS (COMPONENT 1)

The Citizen Service Centers (CSC) are still the flagship activity of GAP2 as they were in GAP1, and they have come to symbolize the shift to a citizen service mentality on the part of municipal governments and employees. These “one-stop shops” do indeed perform well in that they save citizens time in obtaining the basic birth and citizenship documents they need. The renovated spaces have produced an open, customer-oriented “front office” environment, and this together with the “back office” process reengineering that is essential for service improvements have combined to raise productivity and efficiency significantly. The CSCs are also highly visible to the public and modern in layout and appearance, which together with faster, improved service make them very popular with citizens and staff members. In spite of this clear success, the true impact of the CSCs is limited when seen in the larger context of unmet needs for many other services appropriate to the municipal level beyond the provision of documentary records.

Urban Permitting Centers (UPCs) have been worthwhile adjuncts to the CSCs, improving service delivery of required permits for construction activities and the like. They also are the public face of the beginnings of more serious and professional urban planning units in municipal governments, currently absent in most municipalities.

Technical assistance in the use of Capital Improvement Planning (CIP) methodology is another part of the GAP2 package of local interventions for municipalities. The CIP methodology is designed to provide both much-needed funding for small-scale infrastructure projects and an empowering mechanism for greater citizen participation in the selection and execution of projects. CIP is as popular and visible as the CSCs in showing results at the local level; but the investment resources and additions to physical capital achieved with the CIP methodology have been limited due to the funding ceiling for a municipality. In terms of CIP interventions, the learning process for citizens and local governments is ultimately the most important element of value added, as it contributes to the local capacity building objectives of GAP2 and enhances the possibilities for leveraging other funding.

Yet another part of the GAP2 package provides software, training and some hardware for improving municipal financial management. This Integrated Budget and Accounting System (IABS) has been well received and has increased the efficiency and productivity of municipal finance offices as well as building a stronger foundation for financial accountability. IABS does not, however, address the *quality* of expenditures in any program sense, and we find the expenditure profile of municipal governments to be very poor. In other words, a better accounting system only keeps better track of marginally useful expenditures. GAP2 should focus more on expenditure issues.

POLICY INTERVENTIONS (COMPONENT 2)

Although GAP2 has a high-quality policy analysis team, we find that the Policy Interventions component is not using that capacity to full potential. The defined policy objectives do not address directly the most important challenges for achieving the ultimate goal of local governments “operating within a policy and fiscal framework that supports democratic governance.” Such a democratic governance framework will require more and broader competencies and stronger own-source revenue fiscal authority at the municipal level.

While in GAP1 the policy team distinguished itself with its role in the successful passage of the value added tax (VAT) revenue-sharing measure, in GAP 2 we find the policy agenda too diffuse and fragmented to achieve comparable impact. The agenda lacks any aspiration to tackle the most important issues of competencies needed at the local level for meaningful, effective, and democratic local governance. Policy interventions so far have not managed fully to link fiscal decentralization issues with the empowerment of municipal government or integrate such interventions with the ground-level work of the local intervention teams. The JMC should make changes to the contractor’s SOW in order to establish higher impact policy reform goals related to municipal competencies, even if difficult to achieve in full.

In addition, GAP2 activities undertaken with the municipal associations, while supportive and appreciated, do not deal seriously with the “hand off” and sustainability issue of how and where the policy analysis capability can be maintained after GAP2 terminates (The same may be said about local technical package capability, but that role can more easily be assumed by the private sector). The associations benefit from GAP2’s issue-by-issue involvement with their policy reform agendas, but advocacy by the associations without

the underpinnings of sound technical analysis is not persuasive in debates in the public policy arena.

In particular, GAP2 has not been tasked or engaged enough on strengthening the respective entity-level municipal associations to represent mayors and other key actors in reform, and in building with them a real home for future policy work. To the contrary, core institutional capacity building assistance was *prohibited* in the SOW. Linkages to an important new SIDA-funded institutional strengthening project will be important. Also, work with entity-level associations, while necessary, should be matched by a clear objective to build a national municipal association with greater economies of scale and unity of voice.

CROSS-CUTTING ACTIVITIES

The current national fiscal situation, affected by the global recession, does not provide a favorable enabling environment for promoting any new large-scale initiatives for municipal borrowing through commercial banking institutions or bond issuance. In any event, only a limited number of more creditworthy municipalities could qualify, and those municipalities, though perhaps possible “trailblazers,” are among the least needy municipalities for GAP2 assistance. Though new sources of capital investment financing are much needed, we do not think this cross-cutting activity is relevant or feasible enough in the current climate or the near-term future. We recommend that it be discontinued in order to help achieve a sharper focus on other key objectives.

With respect to the goal of private consultancy market development, GAP2 has supported the Association of Cities and Municipalities in both the RS entity and the FBiH entity of BiH in building consultancy databases as one of the services they provide to their member municipalities. GAP2 also supported the associations in their efforts to popularize this service. Although there are potentially very promising opportunities in BiH, GAP2 has not focused in any strategic way on aiding development of a private consultancy market in the long term. In particular, the program has not attempted to create an “incubator,” using the highly qualified staff currently working in regional offices and the policy unit as a future core cadre of private consultants and entrepreneurial talent.

Even though promotion of gender equity in municipal governance has been done through cooperation with UNIFEM on the implementation of a series of regional workshops on gender-responsive budgeting for municipal finance officers, it is evident that there is a lack of any systematic approach to addressing gender issues fully throughout the work plans of individual project components. Seeking and tracking parity in training opportunities is not sufficient.

INTRODUCTION AND BACKGROUND

The Governance Accountability Project (GAP2) is a five-year, \$30 million program of assistance to municipal governments that is funded equally by USAID, SIDA and EKN, whose representatives are also in charge of management oversight of the program via participation in the Joint Management Committee. As highlighted in the interviews with donors and partners and in the quarterly reports of the implementing contractor, this joint sponsorship affords GAP2 a significantly better status, standing and influence than would have been the case with a single donor. It also provides more flexibility and a greater array of intervention tools because of the three different funding sources.

The program is currently being implemented in 72 municipalities, whose combined populations represent more than 50% of the total population of the country. GAP2 follows the same organizational structure as GAP1, keeping four hub operational field offices, located in Sarajevo, Tuzla, Banja Luka and Mostar, and a main office in Sarajevo.

Building on the first Governance Accountability Project (GAP1), the objective of GAP2 is to improve the capacity of 72 municipalities in Bosnia-Herzegovina (BiH) to provide better services to citizens, increase transparency and responsible decision-making, effectively manage human and capital resources, and support a policy and fiscal framework conducive to accountable local government.

At the mid-point of the project, the evaluation team of Charles Costello, Democracy International (team leader) contracted by USAID, and Anamaria Golemac Powell, proMente (senior consultant) contracted by SIDA, was tasked with conducting an evaluation of GAP2. The team represented all three donors, irrespective of contracting procedures.³ The team commenced its fieldwork on March 18, 2010 in Sarajevo; and field visits, interviews and information gathering were concluded on April 2, 2010, with debriefs for the JMC members and the contractor.

MAIN FINDINGS

The team judged the overall performance of GAP2 against its stated key objectives:

- ⇒ Improve the ability of municipalities to better serve their clients (Component 1);
- ⇒ Support a policy and fiscal framework conducive to democratic governance (Component 2), including the key results of the three additional Cross-Cutting Activities:
 - Assisting municipal borrowing in commercial credit markets;

³ The evaluation team wishes to acknowledge the outstanding support and participation of the sponsoring donors of GAP2 - Sweden, the United States and the Netherlands - that made our work much more productive as well as enjoyable. The same is true for GAP2 staff and Bosnian counterparts with whom we met. In particular, we wish to thank Marinko Sakic of USAID, who so efficiently served as our main contact throughout the evaluation.

- Developing a private sector market for consulting services to municipal governments;
- Promoting gender equity in local governance.

Four guiding principles articulated by the contractor in its technical proposal then underlay this project architecture, which we discuss below:

- (1) Maintain the momentum of reform;
- (2) Build institutional and technical sustainability
- (3) Foster local ownership of reform; and
- (4) Facilitate effective communication.

To maintain the momentum of reform, both that developed in GAP1 and the reforms envisioned in GAP2, start-up activities were developed in a deliberately aggressive fashion. The workplan and project resource allocation called for ongoing contact with all 41 partner municipalities from GAP1 (“legacy municipalities”) to prevent backsliding, and the monitoring and evaluation plan was designed to help identify municipalities where reform might be slowing in sufficient time to take corrective action. The new GAP2 municipalities, envisioned to include 30 municipalities in two cohorts of 15 one year apart, were to be brought up to the capacity level of legacy municipalities by the end of year three, at which point no further assistance would be provided to the 41 legacy municipalities. The 31⁴ new municipalities would complete the assistance cycle over the following two years.

Although this plan was helpful in ensuring that the achievements and momentum of GAP1 were not lost and the capacity of GAP2 municipalities was increased more quickly, it meant that available funds were used at a rapid pace (high “burn rate”). The project now faces a sharp drop off in expenditure of funds and staffing levels to service the remaining 31 municipalities in the final 2 ½ years, which puts the project onto a glide path of low momentum and phase down in the local government field. Such a *de facto* exit strategy is contrary to the expressed intentions of USAID and SIDA to continue to treat local government as a strategic priority in democratic development (The Netherlands plans to close out its bilateral assistance program in BiH). This argues for sustaining a higher level of effort in GAP2.

GAP2’s second guiding principle is to build institutional and technical sustainability. We find that participating municipalities are improving their governance capabilities in a sustainable fashion as to the internal operations of records management, budgeting, accounting and other aspects of staff functions. This unseen “back office” process reengineering with GAP technical assistance and the provision of hardware and software is what makes possible the visible, more efficient “front office” service delivery at the CSCs and UPCs. The same can be said for improvements in the capital projects planning process, including public participation and project cycle management.

⁴ GAP added an additional municipality to Cohort 4, bringing the total to 31.

However, the same caveat as expressed earlier applies, namely that the actual municipal services delivered are mainly administrative in nature and involve only the provision of official records or permits to requesting citizens. This is a small fraction of the services citizens should receive from local governments were they empowered to European standards consistent with the European Charter on Local Self Governance, to which BiH is a signatory.

We also find that GAP2 has not been very successful in improving collective advocacy through the municipal associations or developing the private sector market for local government consulting expertise, with clear strategies and work plans that offer good prospects for achieving sustainability by the time GAP2 terminates. Further, a more comprehensive sustainability strategy will require the project to reach well beyond its partner municipalities to other local governments in BiH in new ways through the associations, and to mentor staff members within the associations and government agencies. Aside from their inclusion in project training and workshops where available, that kind of strategic outreach to other local governments and staff members was not evident during this evaluation. A new SIDA-funded project with the associations for institutional development will be an important new factor.

“GAP” is a well-known “brand” and municipalities have been eager to partake in the project. At the Local Interventions level (Component 1), the project has managed to foster local ownership of reform. Participating municipalities show pride in the modernized layout, open atmosphere and service-trained staff of their CSCs and UPCs. Feedback from citizen users is strongly positive. Small-scale infrastructure projects through CIP are also led actively by local officials and eagerly adopted by the public because they include citizen participation and show tangible results from municipal government efforts.

GAP2 is very prominent in the policy arena (Component 2), perhaps too much so. Local ownership is weaker because counterparts tend to look to the GAP2 policy unit to do their work for them. Municipal officials and employees as well as other actors, who are best positioned to determine their policy priorities and need for assistance as well as the feasibility and sequencing of reform options, appear often to hold back and be less proactive because of the strong leading role of GAP2. This works against stronger local ownership of policy reform efforts, especially with more complex technical studies.

In terms of facilitation of effective communication as a means both to achieving project goals and institutionalizing reforms, the project has managed to promote a higher level of horizontal communication within and between municipalities. GAP2 also has made significant strides in establishing mechanisms for more effective vertical communication between municipal and higher levels of government, although attempts to codify and institutionalize this cooperation with more formal arrangements have proven difficult and less successful to date.

LOCAL INTERVENTIONS (COMPONENT ONE)

Improving Service Delivery in Legacy and New Municipalities

Overall, the Local Interventions component is performing well and is meeting all its targets under the current SOW. Both government and citizen municipal clients are pleased with the results achieved under this component and were vocal in expressing their satisfaction in interviews with the team. We find, however, that many of these interventions, such as CSCs, UPCs and CIPs tend to be “overrated” as to the importance of their actual effects on improving local citizens’ lives when measured against the wide range of more important municipal government service functions that go unattended because of limited budgets or competencies denied to local governments. The great strength of this program element - the promise of change that is visible and real to citizens and the provision of improved services in areas that are important to them – is weakened by the limited scope of administrative services in the case of CSCs and UPCs and projects in the case of CIPs.

Citizen Service Centers

This intervention fits within the framework of GAP2’s “core” assistance package. The purpose was to bring new municipalities up to the level of legacy municipalities within three years, as measured by the Municipal Capacity Index (developed with donor resources under GAP). So far, GAP2 has helped establish or improve “one-stop shops” -- the CSCs -- for citizen services (mainly administrative) in 30 municipalities. In total, there are currently 71 GAP2-supported CSCs. The initiative has leveraged significant cost sharing from municipal governments, which is a good proxy for desired local ownership. Typical cost-share for CSCs under GAP averaged about 30%, with municipalities usually financing most necessary physical reconstruction and GAP2 assistance financing IT equipment, financial management software, document tracking software or other office equipment.

The technical assistance and training package that GAP2 uses to create CSCs is well designed and appropriate for all but the largest municipalities, which are ready for more complex systems. The GAP2 field staff has built excellent working relationships with their municipal clients, who praised them effusively in our interviews. The approach used is one of partnership without any outside impositions, which has built strong support for the innovations offered. We find the local interventions that create CSCs to be a very successful element of GAP2, with only the reservations noted above. It is sometimes hard for outside observers to recognize how much the very fact of practical assistance packages reaching the local level directly is appreciated by the beneficiaries.

Urban Permitting Centers/Urban Planning Functions

The UPCs are a valuable add-on to the services offered by the CSCs in terms of improving the speed of permit issuance for construction and related business activities. The UPC element was made part of the core assistance package for Cohorts 3 and 4, a wise decision. Most of the UPCs are now equipped with the necessary technological packages, although some are still awaiting installation of additional software. As is the case with the CSCs, the UPCs’ target level of service (project outcomes) under GAP is

quite limited in scope. As the name indicates, the UPCs concern themselves mainly with administrative service functions for required documents. Some more advanced urban planning applications are available by choice from the MAP menu. Geographic information system (GIS) software, for example, is spreading as a popular technology.

The UPC assistance package, however, does not address the key policy issues of technical and legal constraints in municipal operating environments that prevent municipalities from fully employing the concepts and practices of modern urban planning. Larger cities such as Banja Luka also find this package lacking in the sophistication they need for their larger scale and technical competency, but they are atypical.

A number of municipalities are adding urban spatial planning personnel to their staffs. When working with GAP2 on urban issues and a UPC, a special *ad hoc* committee is formed to coordinate efforts. These can serve as the forerunners of urban planning offices in municipal governments, which can eventually take on more substantive work than permit issuance. Most cities visited showed strong interest in services that included physical planning, environmental protection and zoning that would offer attractive sites to investors.

Improve Municipal Administration, Budgeting and Financial Management

As part of the core assistance package for participating municipalities, GAP2 provides training, software and some equipment to improve the operations of local government finance offices. Again, these packages are well designed and installed with hands-on assistance from the GAP2 regional hub offices. They have helped to bring order and greater transparency to municipal finances. They are giving local governments a greater ability to prepare and manage their budgets using accurate data.

The IABS has been put into practice in 52 out of 72 partner municipalities. The 20 remaining municipalities either already possessed a satisfactory integrated budget system solution and did not find it appropriate to implement a new system, or (in the RS entity) *could not* implement IABS because of entity government-imposed treasury software (Oracle). GAP did provide some RS municipalities with separate IABS modules, which are lacking in the Oracle system, and continues its efforts to link IABS with the RS treasury system.

On a networked basis, IABS makes real-time financial information much more readily available to diverse users. Municipalities do not use the program budget system now in operation at higher levels of government but will be required to do so within two years. IABS is a line item budget system not designed for program budget tracking, but it serves as a good foundation for the transition to a program budgeting system.

According to the contractor, IABS has built-in capacities for any necessary upgrades (with some reprogramming or redesigning as part of regular maintenance agreements with vendors) once program budgeting is implemented and a regulatory framework for municipal finance management is in place. This also applies to updates or changes as

needed for the new FBiH treasury system. GAP2 has been working to introduce a simpler program budgeting approach for municipalities similar to the one initially introduced at higher levels of government.

Vertical integration with higher levels is being studied. Some interviewees told the team that integration of systems will not be a major problem, but others said the technical solutions are not yet clear and are still being studied for feasibility. This is a question that needs to be resolved as soon as possible. Entity and state level governments will need more accurate reporting of municipal financial data for national economic planning and reporting, especially as to expenditure levels. This is the main reason for GAP2's newer activities on chart of accounts.

It will be very important to ensure future compatibility of IABS with the single account Treasury structure and program budgeting system requirements soon to be extended to the municipal level. Thus, care should be taken to ensure that GAP2 advances will feed smoothly into long-term public financial management modernization in BiH as well.

Capital Improvements

Co-financing for capital projects is provided from the \$6,500,000 capital projects fund, which is financed by SIDA. Municipalities use their own procurement systems to ensure adherence to the BiH procurement law. The value of project support per municipality is KM 125,000 (approximately \$90,000), and the maximum percentage of project support is 50%, with the municipality expected to provide at least 50%. The stated purpose of this fund is to “encourage participatory budgeting and implementation of capital projects designed to improve the business environment and quality of life in participating GAP2 municipalities.” The team noted that GAP2 has developed clear written procedures and guidelines for the capital projects fund.

Although recent reports point to extensive work undertaken by GAP2 teams with municipalities to ensure participatory and professional capital improvement planning is in place, we were unable to verify in any empirical way the active participation of citizens in the project process. One informant with close ties to groups outside the core urban areas was of the opinion that marginalized or rural residents had little chance of having their voices heard. A few of the projects we observed were located in surprisingly close proximity to the municipal building.

The contractor helpfully pointed us to a P-BMP performance indicator measuring the number of applications submitted to the CIP Coordination Team or similar bodies for capital improvement projects (disaggregated by categories) to use as a surrogate. Records for this indicator show that GAP received 5,816 applications and proposals for co-financing of capital projects from the start of GAP2 to the end of 2009. Fifty percent of these proposals came from local community councils, about 14% from municipalities themselves, almost 13% from individuals and the remainder from NGOs, schools, condominium councils and other sources.

As CIP support may cover several small projects but the cycle of GAP2 CIP assistance is not repeated after the first time through, the team could not ascertain the sustainability of

the participatory process. Whatever the level of active citizen participation in project execution, the small-scale infrastructure projects are nonetheless very popular with the public even if the economic value of the resource transfer involved is quite small.

Given the current global economic downturn, the expected co-financing in conjunction with larger projects financed through bank lending understandably could not be pursued aggressively in this project phase. Even so, the decision to mark the capital projects fund as a co-financing arrangement, rather than as “grants”, was an excellent one that gave GAP2 significant leveraging opportunity for cost sharing with municipalities that also strengthened local ownership of the process. And in some cases additional external funding was realized.

Perhaps the most noteworthy such results in GAP capital improvement planning have been where GAP provided initial seed funding, and the municipality used CIP methodology to obtain funding going well beyond this initial investment. For instance, in Trebinje the municipality is completing work on a €5 million water project begun with CIP funding. In Tomislavgrad, the municipality just obtained a €4 million loan for a water and sewer project in which the initial GAP investment was KM 125,000; and in Jablanica the municipality has borrowed another \$2 million beyond GAP’s initial co-financing amount.

We believe that the “process learning” gained is ultimately the most important value-added element of this activity. There was an overall impression that CIP team members feel more confident in their own technical capacity after their joint work with capital project managers in drafting the project proposals. They stated in several of the interviews that now they can use those same skills to write effective proposals for IPA and similar funding sources.

POLICY INTERVENTIONS (COMPONENT TWO)

The SOW was clear in highlighting the aim of the Policy Interventions component for the GAP2 contractor. The Local Self-Governance Development Strategy in BiH was to serve as the primary policy guidance for GAP2. Furthermore, priority policy goals from the Strategy, including the accomplishment of “Essential Functional Decentralization” (Goal I) and the accomplishment of “Appropriate Fiscal Decentralisation” were to be the focus of the contractor’s work in the second phase. The Strategy was to be adopted by both municipal associations, but this has not happened. The FBiH entity government expresses support for decentralization and has passed a framework law, but is too preoccupied with other issues and internal crises to follow through effectively. In any event, most of the competencies in question rest with the FBiH cantonal governments, which are reluctant to give up current functions and revenues. The RS entity government is pursuing greater municipal efficiency and has passed a decentralization law, but in fact it appears to favor tight centralized control over municipal finance and operations. For example, in the RS entity municipal budgets cannot become effective without the signature of the entity minister of finance. The current entity government also attempted unsuccessfully to make mayors appointed rather than elected by local voters.

The GAP2 policy team is currently working on several laws, including some dealing with fiscal decentralization, but fiscal decentralization cannot be addressed separately from expenditure assignment and the rationalization of functions. GAP2 has not addressed such legislation in a meaningful way (nor has it been pressed to do so). Although the GAP2 policy team should be credited for its work on issues with the Electronic Data Processing law and the development and implementation of solutions for the Vital Records law (both are milestones in the contract), this kind of legislation was not meant originally to be the main focus of the Policy Interventions component. Both laws are timely and respond to real needs, but they appear to represent fallback options in a strategic sense. Another example is the Law on Concessions and Forestry in the FBiH entity, which has become a valuable target of opportunity, as it does deal with significant revenues that might accrue to municipalities if they gain greater authority over forest resources within their borders and the revenues from concessions. Most of this authority and the fee income presently rest with the cantons without sharing with municipalities.

However, we note that the SOW pointed to the need for a policy team to work with mayors, municipal associations and ministries towards a more accountable and efficient governance structure. Given that this approach would require the definition of roles and responsibilities for all governments in BiH, with fiscal mechanisms conducive to the decentralization of service provision and investments, this means that the contractor to date has missed the opportunity to work seriously on the policy issues involving the most important target -- competencies needed at the local level for good governance.

In GAP1 the policy team utilized substantial interventions from both American and Swedish Embassy personnel and USAID Sarajevo in securing passage of pivotal fiscal reform legislation. Such involvement has not happened in this phase, for the most part due to narrowly defined parameters for the GAP2 Policy Interventions component by the JMC and the contractor.

Most important, in terms of the focus in the next two years, the Policy Team should work to keep the policy agenda of fiscal decentralization linked with the policy agenda of the rationalizations of functions. This is consistent with the democratic principle of “subsidiarity” that calls for services to be provided at the lowest possible level of government (municipal), that closest to the citizens served. Subsidiarity also means keeping as much accountability as possible at that level where citizens have the greatest direct involvement and ability to influence public decision-making. This fundamental objective of empowered democratic governance is not the main focus of the GAP2 Policy Interventions component as it should be, and the limited administrative service objectives of the Local Interventions component do not focus on the real need for expanded competencies and service delivery in a way that could serve to integrate the two components.

A policy agenda of this sort is not without problems. Realistically, it must be recognized that serious obstacles stand in the way. Thus far, BiH has a very mixed record in decentralization, with unclear or inconsistent expenditure assignments, limited revenue assignments, and either discretionary or very limited horizontal aid. At this time we cannot find that good progress is being made on the key substantive reforms necessary to empower municipal government. Neither can we see clear political will currently from government and political party leaders pushing for strong democratic local governance in ei-

ther the FBiH or RS entities. The political culture and institutional structures in BiH still favor centralized approaches. Leaders, mainly elected mayors, are speaking out strongly in favor of decentralization, but they have not yet gained sufficient support within the political class or with the public at large. Nonetheless, in field visit interviews we did find a strong consensus on the part of municipal authorities that they would like to assume greater responsibilities in order to meet public needs and demands, but of course they cited lack of funds to do so.

Another important piece in this puzzle is own-source revenue. Actually, we were somewhat surprised in field interviews to find that shared revenues from indirect taxes did not always represent the overwhelming majority of total revenues as we had assumed at the start. We can report anecdotally and by reference to GAP2 municipal revenue profiles that many municipalities are generating 20-50% of their revenues from their own non-tax sources such as licensing fees and rents. And these are revenues the municipal governments can control were they to make changes in expenditure priorities. GAP2 is ahead of target in meeting its contract deliverable of a 25% increase in municipal own-source revenues by the end of year four. 2008 increased by 28% over 2007, following an increase of 10% in 2007 over 2006. Adjusted for inflation the increase already totals 19%.

CROSS-CUTTING ACTIVITIES

Cross-cutting activities by their nature will have to be reassessed in order to ensure that they fit changes in the Local Interventions and Policy Interventions components of GAP2. Our recommendations are therefore subject to that caveat. Three findings about cross-cutting activities at this mid-point evaluation stage stand out.

First, the long-term sustainability of GAP2's business model for the delivery of technical assistance through local interventions makes a serious market development strategy for national consultants critical. Action on such a strategy is needed to ensure the continued use of GAP staff members and other Bosnian experts' expertise to meet future municipal needs for specialized short-term services. This holds true even if the municipal associations play a leading role in institutional continuity. The current GAP2 work plan does not give any strategic importance to either of these two sustainability options, although the development of the national consultancy market does get limited attention. GAP2 staff members are aware that it would be advisable to have a closer and more substantive mentoring relationship with the associations. The project has supported the associations in their efforts to popularize this service by putting the links to the consultancy database onto their home pages⁵ and by organizing municipal fairs where project materials, CDs, information on the consultancy market, and manuals were provided. Visitors included representatives from municipalities aspiring to enter GAP2.

Second, promoting gender equity in municipal governance is an important objective, and it needs to be reflected in substantive ways throughout the project's plans. The proposed reprogramming of GAP2 will open up new opportunities to work on important gender

⁵ FBiH link is on the front page <http://www.sogfbih.ba>, and the RS link is in their sub-directory "Services" <http://www.alvrs.com/srpski/usluge.html>.

issues by deepening cooperation with UNIFEM and gender mechanisms in addressing specific gender issues at the local level.

Third, as discussed earlier, current economic conditions nationally and internationally in financial markets make innovations in municipal borrowing extremely difficult. Although introducing Bosnian municipalities to private credit sources and blended financing arrangements would be highly desirable, the required positive enabling environment does not exist now and cannot be expected in the near future. As a result, this cross-cutting activity has to be given a low priority when considering trade-offs in any reprogramming of GAP2 in spite of the interest shown by a number of municipalities. We learned in field interviews that some municipalities in fact are proceeding with borrowing innovations on their own, but opportunities are limited except for a few larger and more creditworthy cities.

CONCLUSIONS AND RECOMMENDATIONS

Focus Sharply on True Strategic Objectives

As stated earlier, maintaining the momentum of GAP1 reform interventions in legacy municipalities and ensuring the success of the core program in new GAP municipalities in the first half of the GAP2 project used an unexpectedly large proportion of available human and financial resources (fast “burn rate”). Project expenditures, staffing and the overall level of effort will soon begin to drop in a steep curve until the end of the project. This puts GAP2 at a crossroads, making important strategic choices timely.

The JMC can decide to continue with this planned phase down implementation schedule with confidence that GAP2 will still be considered a successful project when it ends in 2012. Alternatively, the JMC can decide to accept a higher level of risk and “raise the bar” for GAP2 by focusing sharply on more ambitious results objectives that represent the true strategic objectives of this local governance program. We favor the latter option because we believe it is feasible, it will have much greater impact and it can be pursued without sacrificing gains to date. We assume the preferred option will require a contract modification and to carry out at the preferred level of effort will require additional funding for GAP2. Overall, we recommend:

- ⇒ Make changes in the GAP2 strategy and program, including a likely contract modification, to set practical, measurable goals for: (1) expanding municipal competencies; (2) improving municipal service delivery beyond administrative services and internal functions; and (3) using criteria of expenditure quality and point-of-service citizen/customer accountability to guide local intervention activities;
- ⇒ Make the focus of Local Interventions (Component 1) be on truly important line functions and citizen services that affect the daily lives and quality of life of local citizens, e.g. clean streets and parks, garbage removal, timely street and sidewalk repairs, proper maintenance of public buildings, especially schools, and the like;

- ⇒ Prune a diffuse policy agenda and make the primary focus of Policy Interventions (Component 2) be on statutory and policy reforms that directly support serious decentralization and robust, democratic local governance meeting European standards, e.g. expanded functional competencies, budget autonomy, increased fiscal authority for own-source revenues, greater share of national tax revenues in line with increased responsibilities, and the like;
- ⇒ Align GAP2’s strong policy unit to concentrate on key functional and fiscal decentralization issues and then to work in closer concert with the equally strong field office teams on validating the application of new substantive competencies or the use of existing ones for new service delivery activities that can empirically support policy reforms.

Thus, activities under the Local Interventions component should place greater emphasis on line services delivery using existing and to-be-expanded municipal competencies. These activities should in turn be linked with the priority activities in the Policy Intervention component to ensure that the local activities and key policy reforms are integrated and lead to the achievement of the strategic objectives pertaining to democratic governance as well as demonstrating practical, visible results on the ground.

If municipal empowerment is the strategic goal of GAP (as it is stated to be), the work being done currently is not sufficiently focused or integrated to deliver the desired result. At the moment, the project is improving the efficiency of the existing system but is not doing nearly as much as it might to transform the relevance and impact of local government in BiH. In this sense, GAP2 is an underachiever, having not yet realized its full potential nor taken full advantage of its successes to date and the popularity of the “GAP” brand in Bosnia.

The proposed changes at the current funding level would require programmatic trade-offs, cutting back or eliminating some current activities so that others could be introduced. This would be difficult, as most GAP2 resources in Component 1 are already fully committed to planned future local interventions. Narrowing the policy agenda would generate some human resource budget savings in Component 2 that might be redirected to new tasks, but the amount freed would be marginal.

The JMC has mentioned the possibility of additional funds for GAP2, which certainly could be used to increase (or at least maintain) GAP2’s level of effort in the next 2 ½ years. One option under discussion for the use of additional funds is the so-called “Cohort 5” option to add 10 new municipalities, which would follow the same project cycle and package of activities as previous cohorts. We recommend:

- ⇒ Not adding a Cohort 5 of the type described above, because: (1) the opportunity cost of doing the same work in 10 new municipalities compared to other program choices is too high; (2) the current GAP technical package has already proved effective in 72 municipalities (a critical mass) and needs no further expansion to demonstrate best practices to the rest of BiH; and (3) the current technical pack-

age is becoming outmoded after five years (“been there, done that”) and new “core” products should be developed by GAP2 for delivery of other municipal services that can produce greater value-added.

This recommendation does not mean that GAP2 should initiate ad hoc new activities, particularly using MAP menu choices (projects), mainly with the 41 legacy municipalities. We think it would be important to deliver new “core” assistance packages to some selected new municipalities that combine “back office” process reengineering with “front office” services such as street cleaning or school maintenance rather than the CSCs, CIPs and MAPs, or even perhaps the IABS, of Cohorts 1-4. A focus on expenditure choices and measurement of service standards with citizen participation would become the new model piloted. New municipalities would not have to go through the current standard cycle before being “qualified” as capable to receive “higher level” interventions using the new funding. And the competencies/services targeted would be linked to the work agenda of the policy team and its policy reform objectives. This is what we mean by calling for updated technical assistance packages and new products. We are not referring to the quality of software products in current use.

Local Interventions

The Local Interventions component is appropriately targeted to reengineer the internal operating processes of municipal governments. Its success is a notable GAP achievement; however, we question the cost-benefit ratio when we analyze the limited value of the front office services delivered as a result of the costly engagement in back office process reengineering. To improve that ratio and to take better advantage of the strengthened municipal government management capacity and systems platforms developed with GAP assistance, we recommend:

- ⇒ Declare victory with the CSCs, and to a lesser extent the UPCs, and the administrative services they provide, using the reengineered systems and staff functions to support the new focus on other municipal services outside the municipal building;
- ⇒ Increase engagement with UPCs back office professional staff with a stated anticipated result of creating formal urban planning departments as an important new function (in larger municipalities);
- ⇒ Align the CIP project activities as much as possible to support the new focus on expanded municipal competencies as well as in traditional municipal functions;
- ⇒ Offer a revised MAP menu with more choices related to line service delivery to citizens, including the option of amending scopes of work with Cohorts 1-4
- ⇒ Upgrade the IABS line-item budget management tool to support the coming program budget system and to ensure compatibility with the financial reporting systems used at higher levels of government to inform national economic planning and decision-making.

Policy Interventions

The work done under the Policy Interventions component has been an important part of GAP’s success, especially in GAP1. However, we conclude that the sustainability and a successful handoff of GAP2’s impressive institutional capacity and policy work are in serious jeopardy. We see no nationalization or exit strategy in motion.

We also have reached a strong conclusion that a high priority policy target should be an assessment of municipal management and finances on the expenditure side (not only on the revenue side) in order to show the extent to which municipalities are delivering (or not delivering) other much-needed services. We note that GAP2 will begin expenditure analysis work later this year. This work without doubt will show the poor quality of the current expenditures profile and provide an empirical base for the policy debates needed about a new division of functional responsibilities, expenditure assignment and sources of municipal revenue. We recommend:

- ⇒ Revise substantially the policy work plan of GAP2 as part of the strategic programming changes recommended in this report;
- ⇒ Cut back sharply on the number of listed items on the policy agenda in order to focus on highest priority policy reforms;
- ⇒ Draft policy papers and legislative outlines for a model decentralization law with teeth to supplant the toothless FBiH entity framework law and RS entity law, neither of which serves to achieve real decentralization;
- ⇒ Draft policy papers showing how the fiscal reforms for sharing of indirect tax receipts with municipalities have improved revenues but have not led to comparable improvements in the quality of expenditures, and what is needed to match expenditure assignments appropriately with functional responsibilities and revenue sources;
- ⇒ Use revenue profiles now prepared by GAP2 in pie chart form to show both revenues and expenditures (executed budget) on an annual basis for publication at the local level as part of an effort to show the need for better expenditure quality;
- ⇒ Conduct policy analysis to offer solutions to issues of economy of scale limiting expanded competencies, be it in the FBiH as between cantons and municipalities or in both entities as to municipalities that are too small or poor to be viable, e.g. service agreements, regional compacts, mergers.

We do not think that the policy agenda should be entirely “demand driven” and based solely on the annual policy agendas adopted by the municipal associations. To some degree, the GAP2 policy unit should be “ahead of the curve” and “pushing the envelope” on policy issues in order to better serve JMC interests in trying to advance serious decentralization reforms that will require a longer-term focus and perseverance in dealing with the political sensitivities and complexities of BiH. The donors, working on their own and

through the implementing contractor, should be exercising leadership themselves on policy dialogue as part of their support to democratic local governance.

Municipal Associations as Key to Program Sustainability

Without putting the Associations at the center of activities, GAP2 will have difficulty ensuring any institutional sustainability of the knowledge bank represented by GAP 2 staff members, both in the central policy unit and in the regional teams operating at the local level. Although the evaluation team is aware of the new institutional strengthening project with the entity municipal associations about to commence with SIDA funding, it is critically important that GAP2 not take that as a signal to downgrade its level of work with the associations in the remaining 2 ½ years of the project.

To the contrary, better communication and more explicit collaboration with the associations is called for as part of a hand-off and sustainability strategy now receiving only lip service from GAP2. Because of the positive national image that GAP has achieved in the sector, GAP can provide the associations with entry points with new clients and can bestow prestige merely by introducing the associations more actively into its work, in particular in the Policy Interventions component of the project. We recommend:

- ⇒ Sign a Memorandum of Understanding among USAID (GAP2), SIDA (Implementing Contractor TBD) and the Municipal Associations of the FBiH and RS entities showing how the workplan for institutional strengthening objectives of the new SIDA-funded project will be integrated with GAP2's activities with the associations, and a GAP strategy for the role of the associations in making GAP's institutional capacity sustainable when the project ends;
- ⇒ Draft a GAP successor institution(s) sustainability strategy, which of necessity will include a leading role for the entity associations (or preferably a single, merged national association), with specific targets and timelines, and dedicate resources to implementation of the strategy;
- ⇒ Integrate an action plan for the associations with the new strategy and action plan for market development of private consulting services so that two-pronged sustainability programming will operate synergistically;
- ⇒ Find an institutional home for the mayors' policy advocacy, most likely with the associations but preferably in a national adjunct to the associations (unless merged), for example, a "Mayors Leadership Council" in which they will have a clear leadership role and political voice to express common municipal interests across entity lines in favor of nationwide decentralization reforms, including constitutional reforms as necessary; this is not a taboo subject for GAP2, and it is clearly demand-driven by powerful and vocal mayors.

Cross-Cutting Activities

Cross cutting activities will need to be reassessed in order to ensure that they fit changes in the Local Interventions and Policy Interventions components of GAP2. Recommendations are therefore subject to that caveat. Consistent with earlier findings about cross-cutting activities, at this mid-point of the project we recommend:

- ⇒ In the interests of sustainability, GAP2 has to show a more accountable, comprehensive strategy for promoting development of a local consulting market that can service municipalities that are building capacity, e.g. (1) a possible spin off of the GAP2 staff into an NGO or for-profit private consulting firm; (2) subsidies on a declining basis to municipalities or the municipal associations to help cover market rates for consulting services in early years; or (3) business incubator activities to help start-ups in the municipal consulting services field;
- ⇒ Make annual work plans highlight gender equity actions throughout the components rather than in a few stand-alone activities or the output numbers in trainings;
- ⇒ Discontinue all activities in the existing program description to promote municipal borrowing in private credit markets through commercial banking institutions;
- ⇒ If a contract modification is decided upon by the JMC as recommended herein, consider simplifying the project structure by eliminating “Cross-Cutting Activities” once development of a private consulting market and gender equity considerations have been identifiably and strategically integrated into the contractor’s tasks and workplans for Components 1 and 2, especially regarding sustainability and expenditure impacts.

Other Issues

Two other issues merit additional discussion and recommendations. First is the monitoring and evaluation system being used in GAP2. It is far superior in design, data collection and reporting than M&E plans used in most projects. The contractor and professional staff are to be congratulated. However, in similar fashion to some of our criticisms as to the real impact of some of the project’s interventions, we feel the M&E system is unduly complex and expensive given the relative value or ultimate importance of many of the outputs or results being tracked. We recommend that its size and breadth be pruned back or “rightsized” in the interest of conserving scarce project resources, although we do not have any data that shows its actual costs. The integrity of the system can be maintained for critical measures without it being overdimensioned.

Second is how best to promote the “spread effect” of GAP municipalities’ “best practices” to the 72 non-GAP municipalities. The given is that GAP will never be in a position to offer full technical assistance packages and capital project funding of the same nature as done for GAP-assisted municipalities to all remaining 72 municipalities in BiH.

Therefore, one argument is that the demonstration effect of better services in a critical mass of municipalities will stimulate citizen demand elsewhere and prod municipal governments to upgrade their operations. To some extent, this is already happening as word of the service improvements such as CSCs spreads, and elected mayors and other municipal authorities feel a competitive pressure to keep up with their more progressive neighbors. Such a spontaneous or self-generating spread effect over time may be the most that the donors should expect from a large-scale piloting effort such as GAP that never contemplated full nationwide coverage. GAP2 efforts to develop the private consultancy market could play a helpful role as well by stimulating the supply side.

However, the spread effect described above cannot be assured by any means. Another argument for promoting the spread effect is for the donors (in this case the JMC) to have a resourced strategy to take action to reach non-GAP municipalities, in addition to GAP municipalities, with some lesser assistance offerings. This approach was not built into GAP2, but could be part of any new funding for the project if considered important enough. We do not feel confident in making an actual recommendation that covers this topic. It is a judgment call that the JMC must make when setting priorities for use of any new funding. We do include this issue in making additional practical suggestions about possible reprogramming in the following section.

Additional Suggestions for Reprogramming GAP2 Components

At the JMC’s request, we have tried to be as specific and practical as possible in our recommendations. Perhaps going beyond the range of our investigation and interviews, we nonetheless venture to make the following additional suggestions:

As a way of testing gender-sensitive budgeting and program expenditure, GAP2 might select one new municipality to focus almost entirely on women’s issues as it moves through the assistance cycle. Alternatively, this approach could be used with an existing municipality receiving redesigned technical assistance interventions.

If the JMC decides to incorporate a new spread effect intervention for non-GAP municipalities, we suggest an approach that would not be as labor-intensive or expensive as the current delivery model of customized hands-on TA delivery at each municipal site. Municipalities could be clustered into groups of 5-10 and employees brought to the regional hubs for training. Participants would cover their own travel costs. Each municipality could be twinned with a nearby GAP municipality for independent peer-to-peer learning and first hand observation of the modernized procedures. Some of the trainings could use leading municipal practitioners of the best practices rather than GAP2 staff. Staff from the Associations might also be used on a cost-reimbursable basis. Software vendors might supply trainers in the interest of future market development. It would have to be understood that neither “core” material support for installations nor CIP funding would be available. In short, GAP2 would need to design a new lower-cost, less thorough, economy version of its core assistance package for such municipalities. Call it “GAP2 light.” It can open the eyes of participants, but they will have to show much greater initiative to

realize the full benefits. Hopefully, they will also use Bosnian private consulting services to a greater extent in the process.

A similar approach might be tried in work with existing municipalities to apply the recommended redesigned interventions for service delivery and expenditure quality. Given their familiarity with GAP, it might be possible to cluster them as well and reach a much larger number of municipalities overall.

ANNEX 1: List of Interviews

Municipalities

Amira Djelilbasic	Mayor’s Assistant for Economy and Development, GAP Coordinator, Travnik
Azra Colic	Advisor for Urban Planning, Travnik
Tahir Lendo	Mayor of Travnik
Jasmina Zutic	Advisor for Budget Matters, Travnik
Gordan Zec	Mayor’s Assitent for Urban Planning and Infrastructure, Travnik
Cedo Vukovic	Mayor of Knezevo,
Ranko Glamocic	Deputy Mayor, Knezevo
Radojko Veleusic	Chief of Staff, Knezevo
Goran Aleksic	Head of the Municipality Council, Knezevo
Dragan Davidovic	Mayor of Banja Luka,
Jasmin Komic	Deputy Mayor, Banja Luka
Mirjana Lukac	Chief of Staff, Banja Luka
Ljiljana Vasojevic-Radovanovic	Chief of IT Department, Banja Luka
Radmila Stojnic	Finance Department, Banja Luka
Biljana Birac	Chief of Staff, GAP coordinator, Banja Luka
Milanka Zec	Urban Planning Department, (GIS), Banja Luka
Radenka Slavic	GAP coordinator – Mayor’s Legal Advisor, Kotor Varos
Vojislav Glavas	Advisor for local self-governance, Kotor Varos
Nedeljko Glamocak	Mayor’s Advisor for Finance. Kotor Varos
Tomic Ilija	Chief of Urban Planning Department, IT Manager, Kotor Varos
Savo Kasapovic	Mayor of Teslic,
Drago Jazbec	Chief of CSC – GAP Coordinator, Teslic

Kasim Salkic	Chief of Staff, Teslic
Ljubisa Vukovic	IT manager, Teslic
Mira Kuzmanovic	Urban Planning Department, Teslic
Jasmin Imamovic	Mayor of Tuzla, Anela Garcevic-Huskic Department for Public Utilities, Infrastructure and Local Communities, Tuzla
Vesna Marincic	Chief of CSC, Tuzla
Snjezana Divkovic	Chief of Financial and Budget Department, Tuzla
Jasmin Piralic	IT manager, Tuzla
Svjatlana Kakes	Chief of Mayor’s Office Staff, Tuzla
Ahmetovic Edina	Chief of Staff, Visoko
Omerbegovic Amra	GAP Coordinator, Visoko
Salcinovic Arnesa	CSC Manager, Visoko
Drugovic Muvedeta	Chief of Department of Finance and Budget, Visoko
Koljenovic Suada	Chief of Urban Planning Department, Visoko
Ivo Jerkic	Mayor of Citluk,
Mario Rozic	Municipal Secretary, Citluk
Ankica Saravanja	Mayor’s Secretary, GAP Coordinator, Ljubuski
Ruza Bosnjak	Chief of CSC Department, Ljubuski
Irena Bakalar Bulm	Chief of Urban Planning Department, Capljina
Andjelka Udzenija	Chief of Staff and CSC, GAP Coordinator, Capljina
<i>GAP2 Staff</i>	
Dana Frey	Chief of Party, GAP office Sarajevo
Sanin Dzidic	Monitoring and Evaluation Director, GAP office Sarajevo
Slavisa Sucur	Policy/Association Advisor, GAP office Sarajevo

Tatjana Muhic	Regional Coordinator, GAP office Sarajevo
Zlatan Music	Municipal Coordinator, GAP office Sarajevo
Denisa Sarajlic-Maglic	Policy Director, GAP office Sarajevo
Gordana Vucinic	CIP coordinator, GAP Office Banja Luka
Brankica Lenic	Fiscal and Policy Advisor, GAP Office Banja Luka
Slavica Rokvic	Regional Coordinator, GAP Office Banja Luka
Tanja Mihajlovic	Municipal Coordinator, GAP Office Banja Luka
Sinisa Petrovic	Municipal Coordinator, GAP Office Banja Luka
Subhija Ponjavic	Regional Coordinator, GAP Office Tuzla
Merdza Handalic	Municipal Coordinator, GAP Office Tuzla
Meliha Memisevic	Capital Project Manager, GAP Office Tuzla
Esad Smajlovic	Municipal Coordinator, GAP Office Tuzla
Jasmina Repak-Zuljevic	Capital Project Manager, GAP Office Mostar
Halko Basaric	Municipal Coordinator, GAP Office Mostar
Elma Schuster	Project Administrator, GAP Office Mostar

Ministries and Associations

Milanka Sopin	Ministry for Local Self-Governance Republika Srpska, Banja Luka
Sejla Hasic	Project coordinator, Association of Municipalities and Cities of the Federation of BiH

IFI and International Development Agencies

Milan Cuc	Resident Representative, IMF
Irena Jankulov	Economist, IMF
Christian Hainzl	Local Governance Portfolio Manager, UNDP Bosnia and Herzegovina
Marina Dimova	Integrated Local Development Project Manager/ Chief Technical Advisor, UNDP Bosnia and Herzegovina

Audunn Bjarni Olarfsson Regional Director, PEP International

Martin Bowen Chief of Party, PKF- SPEM 3

Donors - Interviewed

Kristine Herrmann DeLuca Director, Democracy Office, USAID/Bosnia and Herzegovina

Marinko Sakic Democracy Office, USAID/Bosnia and Herzegovina

Mario Vignjevic Program Coordinator, SIDA

Anders Hedlund Counselor, Embassy of Sweden, SIDA

Donors – Participated in General Meetings

Fatima Krivosija Commercial Section Program Officer, Embassy of the Kingdom of the Netherlands in Bosnia and Herzegovina

ANNEX 2: References

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GAP Implementation Schedule Jan 2008 to Dec 2012

GAP Implementation Schedule Jan 2010 to Dec 2012

GAP Capital Projects Implementation Chart

GAP Capital Projects Fund Manual

GAP MAP Book: Municipal Action Plan Handbook for GAP Partner Municipalities

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GAP Year 1 Work Plan

GAP Year 2 Work Plan

GAP Year 3 Work Plan

GAP Year 3 Work Plan: Clarifications and Revisions

Joint Financing Agreement for GAP

Law on Principles of Local Self-Government in the Federation of Bosnia and Herzegovina

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