Andrea Spear

Midterm Review of the 'Capacity Development of Municipal Associations' Programme (CDMA)

Final Report

Sida

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Abbreviations and Acronyms

AMC	Association of Municipalities and Cities (two in BiH: one in the Federation and one in the Republika Srpska)
BiH	Bosnia and Herzegovina ('State')
CDMA	'Capacity Development for Municipal Associations': Sida programme to assist BiH's 2 Associations of Municipalities and Cities
CED	Centre for Education and Dialogue, a framework for offering paid and free member services under one umbrella (in one of the 'strategic documents' produced for AMC FBH)
EDA	Economic Development Agency, Banja Luka, Republika Srpska
FBH	Federation of Bosnia and Herzegovina ('Entity')
GAP	Governance Accountability Project (a 2-phase project to aid local authorities; funded by Sida, USAID, Netherlands Government; implementation overseen by USAID (not to be confused with Good Agricultural Practices, value chain and *gap* analyses)
GIZ	German International Cooperation agency
IFC	International Finance Corporation (World Bank)
IPA	EU Instrument for Pre-Accession Assistance
ILDP	Integrated Local Development Project (UNDP/SDC) 2007-2011
ISO	International Standards Organisation
KM	Bosnia and Herzegovina convertible mark, *konvertibilna marka*
KS	Norwegian Association of Municipalities
MASCIP	Municipal Associations Capacity Improvement Program, Netherlands Government, implemented by VNG in 2003-05; 2006-08
M&E	Monitoring and Evaluation
MTS	Municipal Training Systems Project, funded by Sida and implemented by UNDP in cooperation with the BiH Civil Service Agencies and the AMCs (2010-2012)
NERDA	Northeast Regional Development Association (based in Tuzla, FBH)
OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Cooperation in Europe (source of Beacon Scheme and Local First initiatives)
REDAH	Regional Economic Development Association for Herzegovina (based in Mostar, FBH)
RS	Republika Srpska ('Entity')
SDC	Swiss Development Cooperation
SEK	Swedish krona
Sida	Swedish International Development Cooperation Agency
SIPU Int'l	Consulting arm of ex-Swedish Institute of Public Administration (now part of FCC Group of Finland)
SLS	Strengthening Local Government project (GIZ): Nov 2010-Dec 2012 (strategies, urban planning/budgeting, participatory approach, gender equality, intermunicipal cooperation
SMEs	Small and Medium Enterprises
SNV	Netherlands international aid agency: 'Localisation of European Union' project: 2010-2012. Training to prepare municipalities for EU obligations and standards.
ToR	Terms of Reference
USAID	US Agency for International Development
VNG Int'l	International projects arm of the Association of Dutch Municipalities

Preface

This Mid-term evaluation of the project "Capacity Development of Municipal Associations in BiH" was commissioned by the Embassy of Sweden in Bosnia, to ensure that the current assistant is useful, efficient, sustainable, relevant and in line with the contract. The overall objective of the project is to strengthen democratic processes in the BiH and to contribute to EU accession progress.

Indevelop undertook the evaluation through Sida's Framework Agreement for Reviews, Evaluations and Advisory services on Results Frameworks. In this particular evaluation, Indevelop cooperated with GRM International (UK). Indevelop provided active support in planning and execution of the evaluation as well as quality assurance of all reports produced.

The evaluation was conducted by Andrea Spear who is senior evaluation specialist who has undertaken several evaluations for Sida in Bosnia.

Executive Summary

I. Objectives of this Review and of the CDMA Programme

In August 2010, Sida initiated a SEK16m, 3+2-year programme entitled 'Capacity Development for Municipal Associations' (CDMA) in Bosnia and Herzegovina (BiH). The Programme aims to assist BiH's two Associations of Municipalities and Cities (AMCs)[1] to improve their capacity to deliver services to and advocate the interests of their members at higher levels of government on a sustainable basis. This in turn will underpin the broader objective of strengthening democratic processes in BiH and paving the way toward EU integration.

This review takes place at the end of Phase 1 of two implementation phases scheduled to end in November 2013. Its objective is three-fold: (1) to assess how well VNG International has implemented the programme in its first 22 months to June 2012; (2) to articulate lessons learned; and (3) to provide guidance for Phase 2.

II. Key Findings

Both AMCs are progressing in the right direction and have achieved concrete results in the past 22 months. This is attributed largely to the impetus and direction provided by the CDMA, which has built on and complemented previous and ongoing capacity building by other donors. The contribution of the CDMA project is recognised and appreciated by AMCs, their Presidencies and relevant Government officials.

Nevertheless, the Programme was poorly planned and managed. It is recommended that the objectives and priorities be updated, and that Phase 2 be restructured accordingly.

Initial Results and Impacts

Both AMC Presidents independently said the greatest achievement of the CDMA project was the 'continued existence' of the two AMCs.

The CDMA team implemented an impressive array of activities within the work plan. These included: recruitment of finance and legal advisers for each AMC; numerous training and skills building activities for AMC and municipality staff; two study tours; and preparation of strategic approaches for priority functions. Generally, these activities appear to have been well implemented, with good feedback from AMCs and participants. Local officials particularly appreciated the participatory approach adopted for the preparation of the strategies. Members of the Presidencies of the two AMCs lauded the programme's efforts and achievements, especially the legal and finance advisers, the strategies, the training courses, and the AMCs' improved visibility, credibility and access to higher levels.

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[1] AMC Federation of BiH (AMC FBH) and AMC Republika Srpska (AMC RS).

> **Activity Indicators**
>
> Between 15 November 2010 and 31 May 2012, roughly 70% of the targets for Phase 1 were achieved. See Annex G for details.
>
> Of the <u>five</u> strategic documents scheduled to be produced by December 2011, each AMC had completed <u>three</u> final products or final drafts by June 2012 (Development, Lobbying, Communications). The other two documents (Services Development and Human Resources) were still being designed (FBH: HR strategy) or drafted.
>
> Of the <u>31</u> seminars/roundtables scheduled for Phase 1, <u>20</u> were held: 10 by each AMC. The two joint study tours were completed.
>
> Of the <u>16</u> 'coaching' sessions planned for Phase 1, <u>12</u> took place: 6 for each AMC, including 2 cases each where activities were merged. However, in two key areas where the heads of the AMCs requested delivery of scheduled 'coaching': leadership and management (FBH), and legal adviser (RS), no action was taken.
>
> The Project Office spent 96% of the amount budgeted in Phase 1 on fees (SEK3.96m of SEK4.11m) and 46% of the budget on reimbursables (SEK445,836 of SEK825,660). It also disbursed SEK1.65m (47%) of the SEK3.5m available in the Project Fund for short-term experts and activities in both Phases.
>
> *Source*: various progress reports and the final report for Phase 1

While it is too early to measure any impacts, stakeholders mentioned some welcome **initial outcomes** which are relevant to all the programme objectives (see Box 1, Section 2.1):

- greater visibility and credibility for AMCs, both among members and at higher levels
- improved AMC access to higher levels ('voice being heard')
- improved rate and quality of AMC participation in high-level working groups on legislation, etc
- emerging changes in attitude on the image and utility of AMCs for municipalities, entity governments and donors
- expression of willingness among numerous mayors to share in the costs of value-added services (especially those that will generate income for the local authorities).

All of these advances are crucial for the AMCs' sustainability. In Phase 2 the improvements need to be nurtured and promoted through more intensive interaction between the AMCs and their members at the working level, and between the AMCs and higher levels of government.

Relevance

The programme is highly relevant in aiming to improve the capacity of the Associations to respond to local authorities' needs and advocate their common interests. It complements other donors' efforts by helping the Associations enhance their capacity to absorb and sustain delivery of the products and services being provided to local authorities by various donors. It also addresses a number of well documented AMC and local authority needs. The programme is timely, since many of these donor projects are coming to an end - notably the Governance Accountability Project (GAP) and the Municipal Training System (MTS) project being funded or co-funded by Sida.

Quality, Efficiency and Effectiveness

The quality of the design, planning, management and implementation was not up to par.

<u>Analysis and planning</u>
The pre-design analysis (Concept Paper, preventative audits) brought out issues (such as target beneficiaries' capacity to absorb) that should have been studied in greater depth before proceeding to tender. While VNG's tender Proposal was generally professional and covered most of the right issues, the company's inception report was poorly crafted, incomplete, un-

focused, in poor English, and did not reflect professional analysis and planning practices. The results indicators had no baseline information to facilitate evaluation. Neither the work plan nor the structure of the project office, nor the budgeting, was thought through in terms of actual implementation efficiency and effectiveness. The proposal and inception report perpetuated aspects of VNG's previous projects with the AMCs that had not produced sustainable results.

The priority need of both AMCs for modern management systems and procedures was largely ignored - even in Component 1D: *Increased training and management capacity of AMCs*, which focused instead on train-the-trainers and study visits, and never did deliver the planned 'coaching' on leadership and management.

Management systems
Good management starts at home. The CDMA Project Office in Sarajevo did not have good management and control systems. Even before the contract was signed, alarm signals appeared (e.g., in the minutes of the pre-contract meeting). The auditor's report showed the Project did not run a 'tight ship'. The AMCs said the team leader should have been more engaged. The problems were due in part to the Project Office, in part to VNG's centralised system in Holland, and in part to inadequate oversight by Sida.

Staffing
Recruitment of the two project managers *and* the four legal and finance advisers was possibly too ambitious for the 3-month inception period. At that early stage, it might have been best to focus on hiring the project managers and doing that well, possibly avoiding some of the problems that arose later. The advisers could easily have been recruited in Phase 1. The ToRs were cut and pasted, and were not the same for similar positions (e.g., project managers). Selection criteria were not always observed (e.g., requirement of a university degree for project managers), and equal payment for equal work was not respected.

None of the CDMA staff had individual work, performance or capacity-building plans. The project managers' and the legal and finance advisers' roles were not adequately thought through and agreed *a priori* with the respective AMC heads - although these were on the selection committees. As a result, the first project manager for AMC RS resigned in June 2011 and was only replaced in October after an acrimonious selection process.

Reporting
CMDA Project Office reporting generally has been thorough. However, it was difficult to ascertain the exact state of play at the various stages of the project, because reports from the respective AMCs and the Project Office did not always coincide in terms of dates and titles of activities. AMC reports often included non-CDMA activities under CDMA components.

Efficiency and Effectiveness
Parallel delivery of nearly every activity in *each* Entity was inefficient and costly, and resulted in lost opportunities for the two AMCs to develop a more harmonised approach and closer relations. The Programme could have been implemented much more efficiently if most of the strategic planning and training activities had been offered under one umbrella, instead of being delivered by separate consultants in each Entity. This would have avoided unnecessary duplication of activities and might have kept the AMC RS programme on track during the several months it was without a project manager.
Another efficiency and effectiveness issue was that the project managers were not officially based in the respective AMCs, but rather in the Sarajevo Project Office.

Perhaps the most critical matter was that the contractor was not effective in managing a series of crucial issues.

The main body of the Report covers these and other issues in depth. The responses to Sida's ToR questions in Section 7 provide a general overview of the main conclusions.

III. Next Steps

Because progress is occurring and the CDMA programme has given the AMCs a 'new lease on life', it is important for Sida to continue the assistance without interruption. This means it will have to take early decisions on how to restructure the programme before embarking on Phase 2. Section 8 provides options for Sida to consider.

BRIEF TECHNICAL DESCRIPTION OF THE CDMA PROJECT

Title	CDMA (Capacity Development for the Entity Associations of Municipalities and Cities (AMCs) in Bosnia and Herzegovina (BiH))
Contract number	C53072
Location	Bosnia and Herzegovina
Contractor	VNG International in consortium with SIPU International (Sweden) and EDA (Banja Luka)
Resource partner	Standing Conference of Towns and Municipalities of the Republic of Serbia (SCTM)
Contracting authority	Swedish International Development Cooperation Agency (Sida) Ferhadija 20, 71000 Sarajevo Programme Officer : Mario Vignjevic
Beneficiaries	The Association of Municipalities and Cities of Republika Srpska (AMC RS) The Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina (AMC FBH)
Prog. starting date	16 August 2010
- Phase 0:	16 August - 15 November 2010
- Phase 1:	15 November 2010-31 May 2012
- Phase 2:	1 September 2012-15 November 2013
Prog. ending date	15 January 2014
Total Programme Budget, of which:	Ceiling amount: SEK16 million
Contractors	Contractual ceiling amounts: SEK 9.1m (4.9m in Phase 1; 4.1 m in Phase 2), including fees and reimbursables. CMDA Phase 1 Report budget: Phase 1 ceiling: SEK 4,110,340 + SEK 895,660 (contract says SEK 797,485) Phase 2: SEK 4,083,825
Project Fund	SEK 3.5m (for short-term experts and activities)
- AMC FBH	SEK 1.5m (on-request facility)
- AMC RS	SEK 1.5m (on-request facility)

Source: Various project documents

1 Introduction

1.1 PURPOSE OF THIS REPORT

This report constitutes the midterm review of Sida's 'Capacity Development for Municipal Associations' Programme (CDMA) in Bosnia and Herzegovina (BiH). This SEK16m, 3+2-year programme aims to assist BiH's two Associations of Municipalities and Cities (AMCs)[2] to develop the capacity to deliver services to and advocate the interests of their members on a sustainable basis. This in turn underpins the broader objective of strengthening democratic processes in BiH and paving the way toward EU integration.

The specific purposes of the Review are:

1. to assess the extent to which the CDMA programme is: 'useful, efficient, sustainable, relevant, necessary and in line with the project Concept Note, Project Proposal and Contract' (ToR)
2. to assess progress towards the CDMA Programme's desired results
3. to provide lessons learned and recommendations for Phase 2.

This Review takes place 22 months into the 38-month CDMA Programme, which is organised as follows:

- Phase 0 (16 August-15 November 2010) focused mainly on groundwork such as needs analyses, project organisation, staff recruitment and preparation of the inception report.
- Phase 1 (15 November 2010-31 May 2012) saw launching of key activities and services, such as salary support for the AMCs to recruit additional legal and finance advisers, numerous training activities, and initial work on strategies.
- Phase 2 (1 September 2012- 15 November 2013) will intensify implementation activities, which will be refined to take into consideration the Midterm Review.
- The Phase-Out Phase (16 November 2013-15 January 2014) will see completion of end-of-programme paperwork, etc.
- The Programme has scope for two one-year extensions, to end-2015.

The CDMA Programme contractor is VNG International, the overseas projects arm of the Netherlands Association of Municipalities. It had been assisting the two AMCs since 2001 under various donor interventions.

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[2] Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina (AMC FBH) and of the Republika Srpska (AMC RS), respectively.

1.2 EVALUATION SCOPE AND METHODOLOGY

1.2.1 Scope

Following Sida evaluation guidelines and principles, the review team undertook desk analysis and field interviews to assess the following issues and progress toward the desired results set out in CDMA programme documents.

- <u>Relevance</u> of the CDMA assistance to Municipality Associations (AMCs) (Is it necessary? Is it useful? Does it fill gaps in other assistance programmes? Is it harmonised with other assistance programmes?)

- <u>Quality</u> of the CDMA programme design (Does it meet the <u>real needs</u> of the Associations and member Municipalities? Is the implementation design realistic in terms of delivering the desired results?)

- <u>Efficiency</u> of implementation (Has it been carried out in a timely, streamlined and cost-effective manner?)

- <u>Effectiveness</u> of implementation of Phase 1 (Has it achieved the objectives, desired results and activities in the most well managed and appropriate manner?)

- Extent to which 'crosscutting issues' such as <u>gender equality</u>, <u>environment sustainability</u> and <u>poverty reduction</u> are reflected in the assistance programme and desired results

- <u>Prospects and conditions for achieving the desired results</u> during Phase 2, including <u>sustainability</u> (Has enough been accomplished in Phase 1 to ensure that the desired results will be attained during Phase 2? What improvements or additional efforts are needed to enhance progress? At the end of Phase 2, as currently designed, to what extent will the two Municipality Associations be capable of providing the services and support that their Members need in order to achieve their development priorities?).

The review team also responded to the list of questions that Sida included in the ToR (see Section 7).

1.2.2 Review Methodology

The Work Programme involved a week of pre-mission preparation (analysis of documents and mission organisation), 10 days of field interviews with 50 people around BiH, 2 half-day sessions with Sida Sarajevo, and a week of post-mission follow-up and report preparation.

1. Desk analysis of relevant materials supplied by programme and project officers, as well as documentation secured from other sources before, during and after the field mission.

2. Preparation, translation and transmission of Questionnaires tailored to each group of people to be interviewed: CDMA, AMC, AMC Presidency, CDMA Advisory Board members, randomly selected local officials, local and international experts contracted by the project, donors assisting local authorities and AMCs.

3. Pre-field-mission meeting with Sida to discuss the desk analysis, key issues, approach, questionnaires, etc; refinement of questionnaires followed this meeting.

4. Structured and semi-structured interviews were held during 18 June-3 July with some 50 people from Sarajevo, East Sarajevo, Foća, Gorazde, Bijeljina, Banja Luka, Kakanj, Kiseljak, Travnik, Bosanski Petrović, Tomislavgrad, Siroki Brijeg., Mostar, Nevesinje, Jablanica and Vitez. These included:
    - Sida Director and Programme Officer
    - CDMA implementation team (5: Team Leader, 2 project managers, Project Assistant, Office Manager - in a group and individually)

- CDMA Advisory Board members (5 mayors, 2 AMC Directors, Sida Project Officer, VNG Team Leader)
- AMC FBH Director and Team (6: Director, Legal and Finance Advisers supported by CDMA, 3 other senior officers)
- AMC RS Secretary-General and Team (6: Secretary-General, project manager, Office Manager/PR officer, KS project manager/finance officer, Finance Adviser, Legal Adviser)
- Local authorities (17: members of AMC executive bodies and randomly selected mayors and other local officials. These interviews were useful in determining how well AMCs understand and meet member/clients' needs and expectations. They also identified AMC and local authority strengths, weaknesses, key issues, gaps, areas for improvement, etc, from a variety of perspectives.
- External experts contracted by project (met/wrote to 10 experts; 6 replied
- Relevant Entity-level agencies (2 in RS; 2 in FBH - Ministries and Parliament)
- Partners, donors and international organisations working with municipalities in BiH, particularly USAID, the Governance Accountability Project (GAP - Sida/USAID/Dutch Government); the Municipal Training Systems(MTS - Sida/UNDP); the Swiss Development Cooperation (SDC) 'Integrated Local Development' project; REDAH CREDO programme (Sida).

6. Checking and double-checking, with a variety of sources, project assumptions, facts, figures, findings, praise, complaints, recommendations, etc, to ensure accuracy, relevance and usefulness.
7. Formulation of initial findings, conclusions and recommendations.
8. Discussion of findings and suggestions for improvements with Sida on 3 July.
9. Follow-up with Sida, CDMA contractors and AMCs during preparation of the Draft Review Report.
10. Submission of Draft Report to Sida for comment two weeks after the field mission.
11. Finalisation of the Review Report in late July.

For further details, please see Annex C*: Work Programme;* D: *Meetings List;* E: *Questions*.

1.2.3   Review Challenges and Limitations

The short notice for this assignment and summer holidays meant we were not able to cover all the issues as thoroughly as we would have liked, or meet all the people we needed to. Given the complexity and sensitivity of the issues that emerged during the review, and the need to travel around the country to visit AMCs and municipalities, it would have been more appropriate to have had three weeks for the field fact-finding mission, instead of the two that were allocated.

Challenges were encountered in securing documentation and responses to questions in a timely fashion. Many documents requested during and after the mission were only provided after several email requests - partly because people were on holiday, partly because they could not find the documents requested. It was also time-consuming to ascertain which documents actually existed.

The poor quality of many key documents posed a major challenge. For example, the inception report and its annexes contained many mistakes, indicating no one had proofed them before submission to Sida. In many documents - e.g., some of the auditors' reports - whole paragraphs made no sense. The English translations of the AMC FBH strategies - including the publicity brochures - were very poor, even though the Team Leader said they had been outsourced to a professional translation agency.

In addition, it was difficult to identify certain documents, because their e-names (in a long list of attachments) sometimes did not indicate what they were (e.g., the initial Concept Paper was simply called 'Project Document'; according to the project manager, it served the double purpose of concept note and ToR for the tender.

A very frustrating issue was that many of the contractor's reports did not have issue dates, making it difficult to verify the final of several versions provided to the review team.

The lack of baselines for most of the results indicators complicated assessment of progress. Finally, the budgets submitted in the inception report were in local currency and euros, while the budget report at the end of Phase 1 was in SEK. This made it difficult to compare expenditures against budget by component and activity line.

1.3 TIMELINE FOR CDMA MIDTERM REVIEW

Timeline: Sida CDMA Review

	AS	DK	June 2012			July 2012				
			w24	w25	w26	w27	w28	w29	w30	w31
Review documents, prepare field mission, questionnaires, draft Report Outline, Work Programme	5	3	11-15/6							
Submit Work Programme/brief inception report to Sida			15/6							
Briefing meeting with Sida	0.5	0.5		**18/6**						
Field Mission: meetings and interviews	11	10		18/6 - 22/6	25-29/6	2-4/7				
Present preliminary findings to Sida in Sarajevo	0.5	0.5				3/7				
Prepare Draft Evaluation Report	5	1					9-13/7	16-22/7		
Submit Draft Report to Sida for comment								25/7		
Receive Feedback from Sida									4/8	
Finalise Report and QA	1									10/8
Submit Final Report to Sida										**10/8**
Total days	23	15								
Initials: AS= Andrea Spear, DK = Dejan Kavalec										

2 Programme Relevance and Harmonisation

2.1 RELEVANCE OF CDMA'S OBJECTIVES AND PRIORITIES

The CDMA programme *per se* is highly relevant in that it addresses important issues and needs, and is aligned with national and local development priorities.

It complements other donor programmes by helping the AMCs prepare to take over donor-funded services and products upon their exit. This is especially true as concerns the Governance Accountability Project (GAP), funded by USAID, Sida and the Dutch Government, and the Municipal Training Systems Project (MTS), funded by Sida and implemented by UNDP in cooperation with the BiH Civil Service Agencies. Both of these end in 2012.

All donors consulted recognised the contribution of Sida's CDMA programme to the sustainability of their own efforts to support and strengthen local authorities and local democracy.

Do programme <u>objectives and priorities</u> adequately address the problems to be solved?
The objectives and priorities from the Proposal and Inception Report (box below) cover many of the issues that were considered pressing at the time (2009-2010).

Box 1: CDMA Programme Objectives and Desired Results

Overall objective: To strengthen democratic processes in BiH and to contribute to BiH's EU accession process.

Specific objectives:
1. To strengthen and further institutionalise AMCs in BiH, ensuring AMCs' independence, clear mandates and accountability to their constituencies: the municipalities and the citizens of BiH.
2. To facilitate the development of strategic documents and services, enhancing the AMCs' capacity to act as democratic, legitimate, transparent, effective and sustainable institutions that provide services to their members and enhance municipalities' influence on higher levels of government.
3. To help AMCs bridge the current gap of in-house expertise, and achieve a higher level of organisational and functional development, with inspiration from AMCs in other transitional countries.

Expected Results
1. AMCs' institutional strategic capacity strengthened through:
   A. Updated strategic documents
   B. Increased resource mobilisation and self -sustainability
   C. Recruitment of AMC-based staff for new services portfolio
   D. Increased training and management capacity of AMCs

2. AMCs' lobby and advocacy position improved through:
   A. Strengthened lobbying & advocacy skills of AMC staff and AMC committees
   B. Enhanced relations between AMCs and key stakeholders (media, government, donors)
   C. Improved coordination between SOG RS and SOG FBH

3. AMCs' services portfolio tuned to current developments in municipal needs through:
   A. Improved municipal finance-related services
   B. Increased resource mobilisation and self-sustainability (in Work Plan 3B is '*Updated legal advice services'*)
   C. Updated information & communication services
   D. Establishment of Units for EU Integration in each AMC
   Source: VNG Project Proposal and Inception Report

However, some of the components ('expected results') listed in the box may have been less relevant than others. There appears to be a recycling of activities from previous VNG activities - e.g., 'strategic documents', 'recruitment of officers to deliver new services', 'coordination of AMC FBH and AMC RS', and 'EU integration units'. Similar activities had reportedly not produced sustainable results in the past. Neither the Concept Paper commissioned by Sida nor the VNG inception report explored *why* previous assistance did not deliver the desired results. Such analyses were lacking in both reports' Situation and Risk Analyses. One exception to this was the statement in the VNG inception report that coordination efforts had failed under their MASCIP project because these were too ambitious. Interviews with mayors indicated that this component was probably irrelevant.

Does CDMA fill gaps/meet needs that other programmes do not address adequately?
Indeed, the CDMA was originally conceived to fill a gap in donors' efforts to strengthen local authorities and local governance. Numerous donor projects targeting local authorities were being carried out in partnership with the AMCs - with the expectation that these would continue to deliver the products and services thereafter. To do so, however, the AMCs needed to considerably strengthen their management, communications, advocacy, financial and legal expertise, core services, and dialogue and cooperation mechanisms. They also needed to improve their influence and credibility, vis-à-vis members and higher levels of government.

The Associations' priority capacity-building needs were largely defined by members and staff in the 2010 inception surveys. The needs emerging from the surveys related mainly to core services required by local governments, as well as institutional strengthening of the AMCs. However, the VNG inception report sum-up of priority needs (below) is haphazard and, apart from the first two points, is not prioritised.

Box 2: Priority Needs Listed in VNG Inception Report, 2010
1. Assistance in legal issues, law drafting and adoption
2. Lobbying in the process of constitutional changes for an improved position and influence of local governments in power and revenue sharing
3. Establishing a special EU Integration Division within AMCs
4. Assistance in project development and applying for EU and international funds
5. Education on treasury system, municipal borrowing, budgeting, concessions, public procurement
6. Establishing a training centre for various types of education, including external experts for specific topics
7. Improved information exchange system, including regularly updated data base of public invitations for international funds, list of potential donors, citizen surveys, daily maintained web page
8. Assistance in cross/border cooperation and development of inter/municipal projects
9. Operational strategic plan.

The 2009 Concept Paper that formed the basis of the original Project Terms of Reference touched on these and other needs. They were also evoked in earlier assessments (e.g., GAP 2007 which, among others, listed all the issues in #5 above).

Over the years, donors have been assisting local governments to address these and the other needs. A few donors have directly assisted the AMCs since 2001, including three projects implemented by VNG, but none have successfully dealt with basic management issues.

The Review interviews indicated that AMCs' and local authorities' capacities have evolved, and <u>some of the needs listed in the box are less pressing now</u>. This is due to three factors:

1. capabilities strengthened directly and indirectly by other donor projects have started to bear fruit, with local authorities and AMCs both claiming higher levels of professional confidence and skills;
2. the CDMA project has begun to address them in Phase 1 (e.g., with financial and legal advisers, strategy elaboration, information exchange, communications infrastructure, some training activities);
3. some of the needs were not 'pressing' in the first place.

Updated needs, based on the interviews with municipal officers, are covered in Section 6. Numerous local officials suggested that the AMCs should conduct a needs assessment survey each year and use the results to refine their forward work plans.

2.2 RELEVANCE AND ACCURACY OF CDMA'S 'THEORY OF CHANGE'

CDMA's objective of strengthening the Associations and thereby enhancing the role of local communities in democratic processes is contingent on changes in mindset and behaviour expected of the main target groups: associations, local authorities and higher levels of government.

The underlying assumptions in this regard are that:

1. AMCs will embrace the opportunity offered by the CDMA to strengthen themselves, their services, their credibility and their value in the eyes of members and higher levels of government
2. Local authorities will increasingly channel their 'voice' through AMCs and support the AMCs' efforts to defend and advocate the common interests of their members
3. Higher levels of government will increasingly involve AMCs in policy making, law making and other activities related to local government
4. Local authorities will use the CDMA-fostered services, products and training activities (advocacy, advisory services, knowledge, skills, funding, networks and collaborative approaches) to strengthen their own capacities.

Interviews indicated that <u>in the FBH</u>, the assumptions remained relevant and accurate, and that some behavioural and mindset changes were already occurring, boding well for the project – *if they continued to be nurtured proactively over the next 2-3 years.* However, interviews also suggested that the AMC needs to approach the introduction of fee-based services carefully, in full consultation with members - especially those that might be marginalised.

<u>In the RS</u>, while Assumptions 2-4 remain valid, the first assumption is presenting challenges in terms of 'embracing the CDMA'. This is due to the problematic start-up of the programme in the RS and to tensions between the contractor and the AMC RS Secretary-General.

Since these assumptions are risk-management issues as well, addressing management weaknesses will enhance the AMCs' sustainability and underpin the ongoing validity of the other assumptions. These issues are explored further in Section 5.4: *Effectiveness of Issues Management*.

2.3 HARMONISATION WITH OTHER PROJECTS

In the future AMCs could play an increasingly important role as a vehicle for coordinating and channelling donors' assistance to local authorities.

Coordination of CDMA with other donor projects and activities assisting AMCs
The VNG Proposal and inception report listed relevant donor projects and made a commitment to coordinate and collaborate with them. So far, it appears to have collaborated most closely with the GAP project, in which it is a contractor, and which is keen to see AMCs absorb and continue to deliver the various products and services listed below.

Sections 7 and 8 explore options for enhancing donor cooperation in Phase 2 and beyond.

The main donor programmes of relevance are listed below. The information comes from their websites and from the BiH Donor Mapping website.

Table 1: Relevant Donor Programmes

Donor Programme	Objectives and Products	Time-frame
CDMA: Sida, implemented by VNG	Assist AMCs to develop capacity to assume full responsibility for donor project products/services when donors exit. Support democratic processes and EU integration. • Develop in-house expertise and advisory services in law, finance, communications • Develop training products (trainers pool, modules) • Strengthen capacity of AMC staff and member municipalities to advocate, lobby, prepare legislation, and generally participate constructively in democratic processes • Develop strategic approaches for specific functions (overall AMC development, lobbying/advocacy, communications, services development, HR development)	2010-2013
Governance Accountability Project (GAP) 1 and 2: USAID/Sida/NL Govt. GAP 1 implemented by EDA and others. GAP 2 implemented by Chemonics, Urban Institute, VNG, SIPU, Civil Society Promotion Centre	Strengthen democratic local governance; improve local govt ability to serve citizens; support policy/fiscal framework conducive to accountable democratic governance. • Codex for Inter-administrative Relations • Municipal Work Plan/Action Plan training • Capital Improvement Planning training • Performance-Based Monitoring planning • Municipal Capacity Index • Budget Guide • Revenue Profiles • Database of local consultants for local authorities • implementing Law on Local Self-Governance • property and asset management training	2004-2007 2007-2012
Municipal Training System (MTS): Sida/UNDP, implemented by UNDP, RA and FBH Ministries, Civil Service Agencies (CSAs), AMCs (e.g., AMC FBH has special Training Unit managed by the Sida-funded Legal Adviser; AMC is responsible for training *elected officials* under Training Strategy)	Facilitate competent, professional local administrations that can effectively manage development processes and deliver quality services to citizens. Strengthen client orientation and EU integration. Establish a high-quality municipal training system with common standards applied by all programmes and providers. • Education and training of civil service employees (CSAs) and elected officials (AMCs) • Human resource development and management functions • Capacity to conduct local training needs assessment and prepare training plans • Database of trainers and train-the-trainer programmes • Regional Training Centres (**FBH**: Bosanski Petrovac, Ilidža, Tomislavgrad, Tuzla, Vitez. **RS**: Banja Luka, Bijeljina, Istočna Ilidža,Trebinje. • Training Strategy for Local Governments (respective Entity Ministries, Civil Service Agencies, AMCs) • Training Coordination Body (respective Entity Ministries, Civil Service Agencies, AMCs)	2010-2012

Integrated Local Development Project (ILDP): Swiss Development Cooperation/SECO/UNDP. Involves BiH Ministry of Human Rights & Refugees, FBH Min. of Justice, RS Min. of Admin & Local Self-Govt, both AMCs. Implemented by UNDP, EDA, AMCs.	• Harmonisation of local strategic planning • Social, economic, environment project implementation • Replicable local planning/management models in 23 municipalities.	2007-2011
Strengthening Local Government (SLS): GIZ, in cooperation with RS Ministry of Admin & Local Self-Govt and FBH Ministry of Justice. EDA & AMCs involved in implementation.	Support sustainable development at local level. • Needs analysis (EDA: interesting findings, but no rec's) • Improve municipal management capacity • Improve ability to implement development strategies • Link development strategies to urban planning/ budgeting • Support participatory democracy and gender equality • Promote inter-municipal cooperation	2010-2012
Beacon Scheme: ex-OSCE, Council of Europe; funding from UK and Switzerland. Now financed by RS Ministry of Admin & Local Self-Govt and FBH Ministry of Justice;delivered by AMCs	• Award scheme to encourage innovation and excellence at local level • Annual awards for excellence in selected themes • Municipalities apply for awards (small grants) to share the good practices to other local authorities.	8/2005-present (ongoing grants scheme)
Local First: OSCE, with NGOs & Government	• Strengthen citizens' engagement with municipalities to ensure an equitable and accountable allocation of public goods and services. • Promote citizens' capacity to make requests to local governments, hold them to account, take action to benefit local communities • Assist local authorities to develop the accountability, political will, institutional capacity to address citizens' requests and needs in an efficient, fair and transparent manner. • Assembly/council support; management; media/communications; youth employment, project management	2009-2011? (no final date on OSCE website; not listed on BiH donor map)
Localisation of the EU: SNV in cooperation with Directorate for EU Integration, BiH Council of Ministers. AMCs involved.	• Accelerate BiH EU integration, improve living standards • Direct support to AMCs and municipalities via training programme on providing public services in compliance with the EU standards and principles • Direct support to enhance capacity to absorb pre-accession funds for socioeconomic development • 2007-08: PPP at local level, peer review, EU Localisation Guide, Pilot EU Guide training with 8 municipalities from both entities • 2010-12: on-the-job training with selected municipalities on EU matters, media training and e-learning	2007-2008 2010-2012
KS: Norwegian Association of Municipalities (Kommunenes Sentralforbund)	• Municipal officers training • Numerous municipal projects with AMCs	Many small projects in recent years
France	• Cooperation between French and BiH municipalities	2010-11
Municipality Development Programme (MDP): Suisse	• Phase 3: helping 8 municipalities in Dorboj Region	2008-2011
Subnational Competitiveness Programme: IFC	• Regulatory reform and administrative streamlining • Business procedures and laws registries • New project starting in 2012	2009-2011
Local Environmental Action Plan (LEAP): Sida	• Overcome barriers in effective delivery of environmental services and management at the local level • Support Local Environmental Action Plans	2007-2011 Phase 2
Solid Waste Management: Sida, World Bank	• Helps municipalities improve the handling of solid waste.	2010-2014
Waste Water Treatment: Sida, World Bank	• Regional assistance (Mostar)	2010-12

Source: Interviews, CDMA project documents, http://db.donormapping.ba/default.aspx

3 Quality and Coherence of Design

3.1 FOCUS OF DESIGN

Does the programme design meet the real needs? Does the design focus adequately on desired results and impacts? Is the implementation design realistic? What other options might have been considered?

The CDMA programme design meets many of the real needs of AMCs and their members. It also focuses on stated objectives and expected results. However, the implementation design was not realistic in terms of prioritising and sequencing, nor did it focus sufficiently on the most pressing need: AMC management, planning, structure and staff. The strategic planning exercises, for example, could have been held in parallel with the strengthening of basic management systems and practices. Training activities should have been timed and sequenced for optimum application of the skills and knowledge acquired.

In addition, given the clear awareness of members' reluctance to pay for AMC services (documented in the Proposal, the needs assessment and the inception report), the decision to focus strongly on developing paid services in the first phase was questionable.

Similarly, given the political sensitivities, the failure of coordination efforts in the past (similarly documented in project documents), and members' views on the issue[3], the inclusion of a component on 'improved coordination between Associations' was also questionable. Delivering more of the training and advisory activities jointly instead of separately might have been another way to address this issue.

How has the actual implementation reflected on the quality of the design?
The Programme has to date been too ambitious for the AMCs to absorb the assistance and use it well. The CDMA Team Leader said the AMCs had been 'overloaded'. In its Phase 1 Report, VNG admitted the programme had been too ambitious. The AMC FBH suggested some of the strategies were 'too enthusiastic'. The Secretary-General of AMC RS indicated he felt 'driven over'.

In Phase 1, a component to deal with basic management issues as a top-priority activity would have been highly appropriate in responding to real documented needs - particularly to improve AMCs' capacity to absorb and sustain relevant people, products and services from CDMA and other donor activities - one of the raisons d'être of the whole Programme.

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[3] Mayors (members of AMC Presidencies) said in interviews that 'coordination' was not a priority, and that the AMCs cooperated as necessary and had good relations in general.

3.2 QUALITY OF PREPARATORY OUTPUTS AND ACTIVITIES

Many of the problems relating to the implementation of the CDMA programme derive from the early design phase, starting with the 2009 Concept Paper and the 2010 Preventative Audits of the two AMCs. Both sets of documents identified problems that should have raised alarm signals - especially as concerns the capacity of the Associations (particularly the AMC RS) to absorb and effectively utilise the planned assistance.

The Concept Paper offered a framework for a project, but did not include in-depth analysis of the situation in the AMCs and municipalities, or of the results of previous donor assistance to the AMCs. In particular, the Concept Paper should have investigated the successes and failures of the donor programmes that directly assisted the two AMCs since 2001. It hinted at problems, but did not explore them further.

The Preventative Audits presented similar issues. The Auditors for AMC RS (Business Audit of Sarajevo) stated that they did not receive access to key materials and accounts, that management system were very poor, and that irregularities existed. This is despite AMC RS's commitment under the MOU to 'enable Sida representatives to…inspect property, goods, records and documents'.

The Preventative Audit for AMC FBH, done by the same company as for the AMC RS, was much more complete, as auditors had access to most of the necessary documents. This audit also highlighted important management shortcomings and suggested that priority attention be directed to correcting these weaknesses.

The VNG Proposal and Inception Report mentioned management issues in the Objectives and Desired Results. Yet the only weaknesses addressed directly through training and advisory services in Phase 1 were overall planning (vision, direction) and financial management. The other management issues on the list (human resources development strategy and leadership and management coaching) were either barely touched (HRD), or postponed to Phase 2 (coaching). The Director of AMC FBH told us she had requested this coaching in Phase 1, but it was not provided, despite being scheduled in the work plan for May 2011 and March 2012. While financial management is a pressing issue and an area of great interest to all donors working with the AMCs, addressing this in isolation to other management issues cannot deliver the desired impact of sustainable AMCs.

Moreover, given that the CDMA programme was meant to prepare AMCs to take on and continue supplying exiting donors' products and services, the Concept Paper should have at least included the starting and ending dates of *all* relevant donor programmes. For the same reasons, the VNG documents should have analysed donor programmes in depth, including all the relevant dates. This information should have been used to sequence capacity-building activities to prepare the AMCs to take over the relevant products and services in good time.

Logic: Are targets, activities and indicators linked to results?
The original Proposal and its logical framework linked activities to results. The Logframe listed the concrete outputs per activity in the 'Indicators' column and spelled out the Purpose (e.g., desired result), etc, in the 'Explanation' column. The inception report also linked activities to results but did not include a revised logframe; in fact, it did not include any Logframe. This was replaced by the Work Plan cum Performance Monitoring Plan, which replicated virtually all of the activities listed in the Proposal, but offered less concrete, less ambitious, less measurable targets and results in the Explanations and Indicators columns.

Realistic, pragmatic and easy to verify baselines, performance and M&E indicators?

In the Logframe, the <u>activity indicators</u> were generally straightforward, focusing on attendance of relevant people at training sessions and on concrete outputs of workshops (e.g., strategy documents, assessments, training modules). The main problem in verifying lies in defining which participants were 'relevant'.

The <u>results indicators</u>, however, <u>lack the necessary baseline data</u> to measure progress. For example, Component 2: Lobby and Advocacy lists desired results as: 'Lobby and advocacy position of AMCs improved through *strengthened* …skills; *enhanced* relations…; *improved* coordination between…'. The relevant indicators are 'skills…are *strengthened*'; 'media coverage…*improved*'; '*increased* public awareness'; '*regular* dialogue'. *Strengthened, improved, and increased* from what level? *Regular* means how frequent?

Moreover, the lack of basic performance monitoring practices, like asking participants in training exercises to fill out evaluation forms at the end of a course, makes it difficult to assess the quality of activities, outputs and service providers.

For purposes of attribution, at times it is difficult to differentiate between activities funded by other donors and those unique to CDMA. Sida-funded staff (finance/legal advisers) often work in close cooperation with other donor projects as part of their duties, and some activities and outputs are joint endeavours.

Adequate budget allocations and disbursement schedule?

The allocations and disbursements were adequate. For the contractor, the fees and reimbursables (maximum SEK 4.9 in Phase 1 and SEK 4.1 in Phase 2) were payable based upon invoices sent in arrears. A SEK3.5m Project Fund was established to fund for short-term external experts and implementation of project activities. For the AMCs, the schedule of on-request disbursements set out in the MOUs appears adequate (SEK1.5 million over 2010-2013 for each). Some of it is for the salaries of the legal and finance advisers; these are on a phase-out basis whereby Sida funds 100% in Year 1, 75% in Year 2 and 50% in Year 3.

Clear responsibilities for execution and accountability?

The 'Work Plan and Performance Monitoring Plan' does not have a column listing who is to do what. Nor do the five CDMA project team members have individual work plans, or performance and development plans. Nevertheless, they all had a clear sense of their respective responsibilities and said they plan their work in line with the CDMA work plan. The same did not apply to the Sida-funded legal and finance advisers placed in the AMCs; they were subject to the multitasking that is seen as an AMC HR management weakness.

Adequate risk assessment, compared with actual challenges encountered?

The Concept Paper listed a few risks. The VNG project proposal and inception report went into more detail, adequately covering the main issues and in most cases suggesting how they might deal with them. One issue that was not included - which might have been foreseeable given past experience - was the political situation in FBH which led to the lack of a government for part of Phase 1 and affected delivery of some activities. In addition, some of the challenges relating to the AMC RS should have been foreseeable, given VNG's long experience with that body. See 3.2 above for more discussion of risks and assumptions.

Has the design has proved sufficiently flexible to allow for refinements as needed?

Perhaps the design was too flexible, since the inception documents gave little thought to Phase 2. This again highlights the poor planning and sequencing of activities. The inception report states, "…a fixed and overly detailed workplan may not be sufficiently adequate and correspondent to local needs due changes in the local situation. Therefore, we have developed a tailor made flexible system in which the activities are subject to requests of the AMCS and changing needs through the course of the time….".

4 Management and Operational Efficiency

Has the project been implemented in a timely, streamlined and cost-effective manner?

While the CDMA programme posted clear progress in a number of subcomponents in Phase 1, it could have been executed more efficiently.

Parallel delivery of nearly every activity in *each* Entity was inefficient and costly, and resulted in lost opportunities for the two AMCs to develop a more harmonised approach and closer relations. (See 5.3.)

For example, in developing the 'strategic documents', it would have been much more efficient to hire one set of experts to work with AMCs and members - even jointly - to produce most of these plans; instead, parallel processes ensued with two teams of experts. Both sets of 'strategic documents' addressed similar topics, followed similar principles and practices, and met similar needs. Presumably, they could have been tailored to fit individual circumstances such as distinct legal and other situations. In any case, it is primarily in the Action Plan stage (Phase 2) that specific tailoring will really become necessary.

Similar questions exist regarding training and advisory services: why was a separate parallel approach pursued in most cases?

Another efficiency and effectiveness issue was that the project managers were not officially based in the respective AMCs, but rather in the Sarajevo Project Office. The project manager for the RS spends most of her time in the AMC RS's Bijeljina head office, with frequent travel to the Banja Luka branch office where the legal and finance advisers are based. Because she receives travel and per diems, it would be much less expensive if she were to be officially based in Bijeljina. A similar situation applies for the Project Assistant hired to support the AMC RS project. Likewise, it would also have been more efficient and effective if the AMC FBH project manager were located in the AMC offices.

Efficiency and timeliness of budget execution and channelling of funds
The Project Office spent 96% of the amount budgeted in Phase 1 onr fees (SEK3.96m of SEK4.11m) and 46% of the budget on reimbursables (SEK445,836 of SEK825,660). It also disbursed SEK1.65m (47%) of the SEK3.5m available in the Project Fund for short-term experts and activities in both Phases. If SEK3.5m is divided equally between Phases 1 and 2, then 94% was disbursed in Phase 1.

The Auditor's reports showed that the budget was executed in a timely fashion, but suggested that internal controls be strengthened, that cash payments to staff and consultants cease, and that tax obligations be verified. VNG is seeking legal advice on regularising its obligations.

Have procurement processes delivered the best 'value for money'?
The process on paper is in line with good practice. Feedback from international and local experts indicates that the procurement process was professional and efficient. However, it is too early to judge if the people, equipment or office space were the 'best value for money'.

One partner in the VNG 'consortium' (EDA, based on Banja Luka) delivered more than 40% of the activities, as per its agreement with VNG. Another such partner, SIPU, delivered nothing, because, according to the Team Leader, they had no experts available when he approached them. The Standing Conference of the Serbian Association of Towns and Municipalities was also due to provide experts under the project plan (and AMCs were expecting this), but again the Team Leader said that except on 2-3 occasions, they did not have people available when he requested them. SCTM did host a successful study tour in December 2010.

The Team Leader said the translations of FBH strategies - or at least of the two brochures - had been contracted to a professional translation agency. However, the quality of the English in the brochures (and the strategies) is so poor that this procurement contract should be investigated.

Flexibility, within programme design, to adopt more cost-effective approaches
This flexibility existed in the design, and indeed was used on a few occasions to combine activities such as CDMA staff meetings with study tours and other collective occasions. Some of the programmed 'coaching' events were done by the project managers instead of outside experts - and they probably should have been designed that way in the first place since these activities needed more of a facilitator/moderator than an expert on specific issues.

5 Management and Implementation Effectiveness

5.1 PROGRESS TOWARD ACHIEVEMENT OF THE STATED OBJECTIVES, DESIRED RESULTS

Has the CDMA programme achieved the objectives, desired results and activities in the most well managed and appropriate manner?

The Programme has made good progress toward a number of the desired results, and is appreciated by all stakeholders in the AMCs. Nevertheless, as explained in Section 4: '*Efficiency*', design, management and delivery could have been managed better.

5.1.1 Achievements

Both AMC Presidents independently said the greatest achievement of the CDMA programme was the 'continued existence' of the two AMCs.

Apart from that, AMC heads and staff, members of the respective Presidencies, and Government officials in both Entities agreed that CDMA had contributed strongly to important outcomes: greater visibility and credibility; greater access to higher levels; better image for AMCs; clearer strategic direction; a welcome new focus on participatory planning;, better information and communications; more professional event organisation; and a more practical orientation of training.

The CDMA team implemented an impressive array of activities within the work plan. Those most frequently highlighted by AMC staff, mayors and government officials were:
- preparation of roadmaps (strategies) for priority functions
- recruitment of finance and legal advisers for each AMC, and their contribution to a legislative drafting and advocacy
- training and skills-building activities for AMC and municipality staff
- the enhanced trainers pool and training modules
- improved websites and FAQ and financial databases.

The purchase of the AMC RS branch office in Banja Luka was partially underwritten by Sida, under the separate CDMA funding package for the AMCs (mainly for the salaries of the legal and financial advisers).

Generally, these activities appear to have been well implemented, with positive feedback from AMCs and participants. Local officials particularly appreciated the participatory approach adopted for the preparation of the strategies.

The mayors interviewed particularly appreciated the improved access to higher levels, the strategies and the advisers. They also appreciated - and requested more - CDMA-facilitated opportunities to interact with other mayors - especially informal opportunities to share experiences. They said coffee breaks sometimes yielded the best ideas.

Local officials agreed that <u>mayors now rely more on the AMCs</u> to advocate their interests at higher levels, and that <u>higher levels increasingly see AMCs as the 'partner of choice'</u> in dealing with local matters. It helps that the laws (implementing the EU Charter on Local Government) require the governments in both entities to consult with local authorities. They increasingly do so through the AMCs, and involve them in law-drafting working groups - a key achievement for the AMCs in terms of credibility and influence. As ministry officials said in both Entities: "It is easier to work with one body than with 63 (RS) or 80 (FBH)".

Ministries and MPs report that the AMC FBH is "well prepared, has high-quality suggestions based on good analysis, and is increasingly contributing constructive solutions which are being accepted".

Of course, these are early days, and the AMCs will need to build up experience, confidence and expertise, but mayors think they are heading in the right direction.

One common comment from mayors was that they themselves and other local officials ought to get involved more seriously in advocacy work - i.e., 'you have to be in it to win it'.

5.1.2   Progress towards Desired Results

By 1 June 2012, between two-thirds and three-quarters of the major milestones and targets for Phases 1 had been achieved. See Annex G for details.

Of the five strategic documents scheduled to be produced by December 2011, each AMC had completed 3 final products or final drafts by June 2012 (Development, Lobbying, Communications). According to the CDMA final report for Phase 1, the other two documents (Services Development and Human Resources) were still being designed or drafted. However, the AMC FBH Presidency adopted the Services Development strategy (CED concept) in April.

Of the 31 seminars/roundtables scheduled for Phase 1, 20 were held: 10 for each AMC.

Of the 16 'coaching' sessions planned for Phase 1, 12 took place: 6 for each AMC, including 2 cases each where activities were merged. The merged activities were FAQ databases and procedures for responding to requests - 4 sessions merged into 2; and municipal budgeting - 2 coaching sessions merged with seminars. So in effect, efficiencies were made. However, in two key areas where the heads of the AMCs requested 'coaching': leadership and management (FBH), and legal adviser (RS), no action was taken.

Following is a brief recap of Phase 1 progress against the Programme's overall objectives and desired results, and suggestions (in red) for refocusing efforts in Phase 2.

Table 2: Progress against Objectives & Expected Results, 15 Nov 2010-31 May 2011

Objectives and Expected Results of CDMA Programme (Inception Report) (suggestions for Phase 2 in red and strikeouts. **Key issues in bold**)	**Progress in Phase 1** (suggestions for Phase 2 in red)
	Comments
Overall objective: To strengthen democratic processes in BiH and to contribute to BiH's EU accession process.	*Progress noted.* Democratic processes strengthened. Participatory process in producing strategies was very well received in local communities. Good precedent set. EU accession process to be addressed in Phase 2.
Specific objectives: (rework these for Phase 2)	
1. To **strengthen and further institutionalise** AMCs in BiH, ensuring AMCs' independence, **clear mandates** and **accountability** to their constituencies: the municipalities and the citizens.	*Remains high priority.* Needs more intensive, targeted approach - particularly on instituting good management practices and strengthening core services development and delivery. Tied closely to #3.
2. To facilitate the development and **implementation** of strategic plans for priority activities and services, enhancing the AMCs' capacity to act as democratic, legitimate, transparent, **effective and sustainable** institutions that provide services to their members and enhance municipalities' **influence** on higher levels of government.	*Progressing.* 'Strategies' have been finalised (development roadmap, communications, lobbying) and are being drafted (HR, services development). In most cases, these constitute proposed approaches and 'how-to' guides more than strategies. Phase 2 will feature implementation action plans - which will give rise to the real strategies. To become 'transparent, effective and sustainable institutions', both AMCs need to *implement* professional management systems and good practices. (They have some of these on paper already.)
3. To help AMCs bridge the current gap of in-house expertise, and achieve a higher level of **organisational and functional development**.	*Progressing.* Phase 1 helped bridge the gap of in-house expertise with the sponsoring of Legal and Finance Advisers in both AMCs. This part of the objective is no longer a pressing priority - unless the advisers resign. The objective of 'higher organisational and functional development', combined with 'transparent, effective and sustainable institutions' should be Objective 1 or 2 in Phase 2. Management and institutional strengthening remain *urgent* top priorities. Structure and work organisation of AMCs and their Committees need to be on the agenda - probably as part of implementing strategies.
Expected Results (rework these for Phase 2)	
1. AMCs' institutional and strategic capacity strengthened through	*Some progress*
A. Updated strategic documents (In Phase 2: 'Strategies **implemented**')	*Progressing.* Strategic approaches developed for overall development roadmap, advocacy/lobbying and communications. Drafts progressing for human resources and services development. Phase 2 requires proper *strategic action plans* and well sequenced capacity-building and 'learning by doing' for implementation.
B. Increased resource mobilisation and self-sustainability	*Little progress.* Should be part of strategic planning. Key sustainability issues are efficient, effective management and strong core services that will enhance AMCs' value to members and government. Paid value-added services can be added if, when and how members agree (e.g., cost-sharing in activities facilitated by AMCs). Issue of paid services (e.g., CED in AMC FBH) needs to be carefully managed. May be premature, given absorption capacity of AMCs and members' financial situation. Resource mobilisation should strategically focus on projects and services that will directly help local authorities.
C. Recruitment of AMC-based staff for new services portfolio (for Phase 2: Finance and Legal advisers become valued partners for local authorities in pursuing legislative and financial objectives.)	*Achieved.* Finance and Legal advisers recruited for both AMCs. Good impact on image and credibility of AMCs. Their services and relationships with municipalities, government ministries and parliamentarians need to be strengthened, nurtured and promoted in Phase 2.

D. Increased training and **management capacity** of AMCs (In Phase 2, management capacity-building should be the top priority - to introduce and institutionalise good management practices and systems. Without these, the CDMA project will fail to produce lasting solutions.)	*Progressing in training. Little progress in management.* Training capacity improved with train-the-trainer programmes and modules. Improvements seen in work organisation (Presidency meetings are more well organised, as are advocacy activities). Basic management education, systems and good practices - including HR management - are urgently needed, and should be a top priority for Phase 2.
2. AMCs' **lobby and advocacy** position improved through:	*Progressing, according to mayors, but more work needed.*
A Strengthened lobbying & advocacy skills of AMC staff and AMC committees	*Progressing,* but mayors and ministries say there is still significant room for improvement. Mayors need to seriously assume responsibility for advocacy vis-à-vis MPs.
B. Enhanced relations between AMCs and key stakeholders (media, government, donors)	*Progressing,* but still significant room for improvement - especially with media and government. Mayors and ministries say AMCs need to work hard on improving their influence and visibility at higher levels.
C. Improved coordination between SOG RS and SOG FBH *(mayors did not think this should be a CDMA priority)*	*No activity.* Most members say relations are as good as they were. Many don't see a need for greater coordination *except in specific areas* such as 'crossborder' cooperation on utilities, roads, water, waste management and other shared infrastructure and services. These are largely cantonal or 'bilateral' issues, but AMCs could possibly play a facilitating or mediating role.
3. AMCs' services portfolio aligned to current and emerging municipal needs through:	*Little progress.* Still needs a **major** effort, including a comprehensive strategic plan for developing and delivering core and value-added services..
A. Updated municipal finance-related services	*Progressing but remains high priority.* More intensive training and advisory assistance should have priority in Phase 2.
B. Note: This should be 'Updated legal advice services' as in Work Plan. *(The title of this part of the objectives/results box in all project reporting is erroneous: Increased resource mobilisation and self-sustainability.*	*Legal services progressing, but still need a lot of work.* This subcomponent needs redefining vis-à-vis finance services, since they often seem to overlap. The legal advisers in both AMCs (and the finance adviser in AMC RS) appear to need more well-defined roles and delegations.
B. Updated **information & communication** services	*Progress noted,* especially on databases, websites, communication links, strategies. Still a priority - particularly in basics (i.e., getting municipal staff to use email, websites, databases, online tools, etc.). Be wary about charging members for these services.
C. Establishment of Units for EU Integration in each AMC	*Little progress.* Needs to be thoroughly analysed to determine exactly what is required to meet members' *real needs* (legal and good practice obligations of EU accession, and accessing EU funds). It might be more efficient to outsource the fundraising/project writing elements to external experts who have been working with municipalities on these issues for some time (e.g., REDAH, etc).

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5.2 QUALITY OF CDMA MANAGEMENT AND OPERATIONS

This Section follows on from Section 3: *Quality of Design*, where a number of management and operational issues were already covered.

Staffing
Recruitment of the two project managers and four legal and finance advisers was possibly too ambitious in the 3-month inception period. At that early stage, it might have been best to focus on hiring the project managers and doing that well, possibly avoiding some of the problems that arose later. The advisers could easily have been recruited in Phase 1.

The project managers' and the legal and finance advisers' roles were not adequately defined and agreed *a priori* with the respective AMC heads - although these were on the selection committees. The ToRs were cut and pasted, and were not the same for similar positions (e.g., project managers). Selection criteria were not always observed (e.g., requirement of a university degree for project managers), nor was equal payment for equal work respected.

For example, although VNG charge Sida the same SEK1350/day for both (€150), the RS project manager (€110) receive less than the FBH project manager (€120), although she has a relevant Master's degree, 7 years' experience managing an NGO (including managing Sida funding) and arguably a more demanding job. The FBH project manager has only a secondary degree and 10 years' experience as a local VNG consultant, mostly with AMC FBH. When asked why he was receiving more, the TL said he was getting what VNG had been paying him before. VNG wrote to Sida on 4 June 2012: "The rates…are based on a number of factors, including years of relevant experience, performance, salary demands of individual experts, etc….Furthermore, VNG overhead - time spent by myself…our financial department - is covered from the margin between buying and selling our experts and project staff. This explains the difference between the rates we invoice to Sida and the rates we pay our experts."

The first project manager for AMC RS resigned in June 2011 and was only replaced in October 2011 after an acrimonious selection process. The new project manager then had to implement an accelerated action plan in order to catch up. A project assistant was hired to assist her. This team has been quite successful in getting the AMC RS part of the project back on track and in earning the respect of the AMC staff and Secretary-General - not an easy feat.

Quality and ownership of performance and action plans
The CDMA 'Work Plan and Performance Monitoring Plan' is based on the key components of the programme: strategic planning, expert advisory services and reports, and training activities. Under each of the 11 components, key activities are listed along with targets/indicators, explanations and assumptions (in some cases). A separate timeline shows when each activity is scheduled to take place. A revised timeline has not been produced to reflect the considerable modifications in dates of activities. (See Annex G.)

None of the CDMA staff has individual work, performance or capacity-building plans. However, they demonstrated a clear understanding of their responsibilities and full ownership of the overall work and activity plan, which they say serves as their own work plan. They appeared professional, motivated and enthusiastic.

The finance and legal advisers have not necessarily been used to their full potential in the AMCs. This is due to multitasking and other weaknesses in management and communications which need to be addressed in Phase 2. Some of them would also benefit from extra 'coaching' on technical and professional issues. In the AMC FBH, the advisers are well inte-

grated into the team. In the AMC RS, however, they are located in the capital, Banja Luka, several hours drive from Bijeljina where the head office and the rest of the team are located. Additional teambuilding efforts are required in Phase 2.

Reporting

CMDA Project Office reporting has generally been thorough. However, it has been difficult to ascertain the exact state of play at the various stages of the project, because reports from the respective AMCs and the Project Office did not always coincide in terms of dates and titles of activities. AMC reports often included non-CDMA activities under CDMA components. In addition, the status report against the timetable in the Final Report on Phase 1 listed as 'done': at least one activity that was only partially finished (2A3); as 'ongoing': activities where nothing was accomplished (1B2, 1D2); and blank space where progress had occurred, especially in the RS (2B1, 3B2, 3C2).

Typos and errors present in the original documents remained uncorrected in the interim and final reports for Phase 1. For example, in the *Objectives and Desired Results* box above - and replicated in all reporting documents - Result 3B: *Increased resource mobilisation and self-sustainability* was an error (repeated from 1B or switched to 1B at an earlier stage). In the Logframe, Work Plan and narrative reporting, 3B is referred to as 'legal advice' or 'updated services in legal advice'. The *Objectives and Desired Results* were never corrected. This is just one example of poor attention to detail.

Reporting has not referred to the indicators/targets set in the original Logframe and Work Plan/ Performance Monitoring Plan (see table below). Reviewer attempted to identify which activities had been completed, but CDMA and AMC reporting under these components did not clearly identify these particular indicators. An update was requested from the CDMA Project Team, partial feedback was received before the report was submitted.

Table 3: Original Planned Outputs by Activity/Result Component projected in the CDMA 'Work Plan and Performance Monitoring Plan' 15 Nov. 2010

Component and Output	Date Completed (best efforts attempt to identify relevant activities)
1B1: revenue raising assessments (each AMC)	**RS:** 25/5/12 **FBH**: n.a.
1B3: multiyear expenditure prognosis	**RS: April 2012** **FBH**: July 2012?
1B3: multiyear financial planning	**RS: April 2012** **FBH**: July 2012?
1B3: annual budget cycle procedures	**RS: April 2012** **FBH**: July 2012?
1B3: cash flow management and monitoring	**RS: April 2012** **FBH**: July 2012?
1C1: detailed financial models (each AMC)	**RS: ??** **FBH**:??
1D1: 'at least 4' training modules: **RS**: municipal finance (2), legal issues, communications, EU integration. **FBH:** urban land rights, property rights law, project cycle management/proposal writing; PR in local authorities; internal audit law implementation.	**RS:** May-June 2012 (5) **FBH**:Feb-Mar 2012 (5)
2A2: amendment or draft law submitted (each AMC) *Note: amendments/draft laws submitted, but not under this activity*	**RS:** not produced **FBH**: not produced; (in both cases, not deemed in line with participants' needs)
2B4: 'at least 5 media items' appearing on each AMC following better press releases	**RS:** **FBH**:
3A3: model set of treasury procedures (each AMC)	**RS:** ? **FBH**: CD, set of documents
3A3: model budget plan (each AMC)	**RS:** ? **FBH**: CD, set of documents
3A3: public consultation plan (each AMC) same as 3C3?	**RS:** ? **FBH**: see 3C3

3B2: model by-law on topical issues (each AMC)	**RS:** 3B2 not done yet **FBH**: examples on website
3B2: explanatory side letter on legislation (each AMC)	**RS:** 3B2 not done yet **FBH**: Manual on admin procedures produced date?
3C3: model communication plan - e.g., crisis management & information campaign (each AMC)	**RS:** 28 Feb 2012 outputs: ideas for optimising use of internet (e.g., e-products) **FBH**: 1-2 June 2011 outputs: draft rules of procedure
3C3: model plan for citizen consultation (each AMC)	**RS:** ? **FBH**: 1-2 June 2011, how-to guide for organising public hearings

Quality of procurement processes
In interviews, experts said tender information was easy to understand, the application process was straightforward, the staff members were responsive to questions, and procedures were completed in a timely and efficient fashion.

Quality of audits
The quality of the preventative audits was covered in Chapter 2. The Independent Auditor's Report of the CDMA Project 16 August 2010-31 October 2011 (Merfi, January 2012) did not comment on management systems, procurement practices, etc. It did, however, query the lack of internal control systems and procedures, lack of company registration, lack of work permit for the team leader, lack of fee payment to the team leader between January and October, cash payments to employees and experts, non-payment of local taxes, etc. It did not query the project manager fees invoiced for the months in which there was no RS project manager. VNG has sought legal advice on its obligations.

The AMC RS audit did not do what was required in the Sida MOU with the AMC. The ToR did not specify the tasks, eased the qualifications, and did not attach background documents for reference (e.g., preventative audit which the auditor was supposed to use to comment on how the irregularities mentioned therein had been dealt with). The AMC Fed ToR, by contrast, was quite clear on all these things, and the auditor reported on how the AMC had addressed the shortcomings identified in the preventative audit.

Sum-up of CDMA management and M&E issues
- Insufficient analysis and investigation in pre-project phases
- Insufficient risk analysis and risk management strategies in Concept Paper and in the inception report. It is quite likely that more thorough pre-project consultations and risk analyses by Sida, VNG and the AMCs would have led to better ways of dealing with potential problems up front.
- Lack of baseline information for proper monitoring and evaluation (throughout)
- Inadequate surveillance by Sida (inadequate attention to detail at the right time)
- Careless documentation and management by the contractor (e.g., poor attention to detail in position descriptions, recruiting, human resources management, conflicts of interest, legalities, perception of pandering to certain employees, transparency, etc.)
- Poor communications - not necessarily in frequency but in terms of quality and purpose.
- Mismanagement of people, personalities and expectations (resignation of RS PM after less than a year, perception of neglect by AMC RS, perception of passivity of TL, dissatisfaction among AMC RS advisers, etc)
- Misunderstandings, deterioration of trust.

5.3 QUALITY OF OUTPUTS AND ACTIVITIES

The main outputs to date have been threefold:
1.   the seminars, training and 'coaching' activities and related outputs
2.   the new advisers' activities and outputs
3.   the various strategies.

The activities were relevant and well targeted. Few, however, were delivered as per the original timeline; a number were merged with other activities; and others were postponed until Phase 2. (See Annex G.) As mentioned earlier, the training activities should have been sequenced to focus on the basics and pressing issues first, and then to build up knowledge and capacity in technical and other issues, using where possible a 'learning by doing' approach. In addition, with better planning and foresight, many of the activities could have been delivered more cohesively and cost-efficiently through a combined, rather than separate, approach.

Training
The training activities generally received high marks from AMC staff who participated in them and from the working-level officers interviewed in municipalities. The Reviewer requested the training course and study tour evaluation sheets from the CDMG project office, but the Team Leader reported that they had not circulated evaluation forms after activities.

AMC FBH provided a list of the trainers they thought were very good and would like to see again (mostly VNG international and EDA local experts). They spoke especially highly of Mr Schep. Similarly, AMC RS said that the VNG and EDA trainers were very good, although the Secretary-General was disappointed in the VNG finance consultant.

New Advisers
Comments on the quality of the new advisers' outputs varied in line with their relative experience. The Financial Adviser in the FBH and the Legal Adviser in the RS received accolades from Presidency members and from their respective Secretary-General and Director. The less experienced Financial Adviser in the RS and Legal Adviser in the FBH were seen to be 'developing nicely', according to the SG and Director. The advisers were instrumental in developing the Frequently Asked Questions databases for both websites

Strategies
Still awaiting the translated copies (or summaries) of the AMC RS strategies and two of the five AMC FBH strategies, the Reviewer could not comment on their quality by the deadline for this Report. The comments below refer only to the quality of the three AMC FBH strategies that were provided in English.

Basically, while all provide good analyses, approaches and roadmaps, none is a comprehensive strategic plan, nor are the 'impact indicators' proper indicators. Like all the other project documents, there are no proper baselines for measuring progress and results. It will be important during the Action Planning stage to correct these deficiencies.

The three FBH 'strategic documents'
The AMC FBH 'Development Strategy' (+brochure) is a good introduction to the AMC's vision, mission and main issues it needs to address. The participatory approach to creating the strategy (town hall meetings and public hearings) was welcome, according to both AMC staff and local authorities, and set an important precedent and good practice model for consultations. The SWOT analysis is honest, though the statement about weaknesses in 'management standards' is unclear. Section 5.3 - Third Strategic Objective - deals with management issues, saying '*Competent, effective and efficient administration…is precondition for realisation of other strategic objectives*'. This should therefore have been the *First* Strategic Objec-

tive. Likewise, Section 5.4 - Fourth Strategic Objective: *Transparency and Financial Sustainability* - could have been incorporated into Section 5.3, since all these things are basic 'sustainability' issues.

The 'Lobbying Strategy' (+brochure) is a good description of a structured approach and a 'how-to' guide, but it is not a full-fledged strategy.

The 'Services Development Strategy' is not the 'services development' strategy that was envisaged to address members' needs as per the 2010 needs assessment. Rather, it is a description of an institutional framework for mostly paid services called the Centre for Education and Dialogue (CED). It proposes centralising services delivery (including training) under one umbrella that would offer both free and fee-based services. It classifies members into five groups based on fee arrears; those who are severely in arrears would get very few services or information - effectively marginalising poorer municipalities.

These issues are explored more in depth in Sections 5.4, 6 and 7.

The AMC RS documents
The tables of contents of the AMC RS 'Lobbying' and 'Communications' Strategies were provided in English. The Lobbying document takes a similar approach to the AMC FBH one: i.e., it offers a good 'how-to' guide. The table of contents of the communications strategy was too general to tell if it conformed to the ToR, which *did* require a proper strategy. The table below summarises comments on the various outputs.

Table 4: CDMA: Major Outputs and Activities, 2010-2012

Product/Activity	Feedback from Members
1. **Legal and Finance Advisers for both AMCs**	"Helpdesks operational; FAQ database will be useful. AMCs now have stronger analytical capacity, professional expertise. Need to be more engaged." Members want them to work more closely with individual municipalities. RS Ministry officials want to see RS advisers more often.
Legal Adviser AMC RS	"Experienced"
Finance Adviser AMC RS	"Developing"
Legal Adviser AMC FBH	"Solid legal analysis and good suggestions in drafting working groups; developing nicely."
Finance Adviser AMC FBH	"Contributing strongly to improved AMC visibility and credibility on crucial financial and legal issues."
2. **'Strategic documents'**	"One of the main achievements. Provide a way forward. Strategic action plans will help focus further. Participatory preparation a big plus."
AMC FBH:	**Comments by Reviewer:**
Development Strategy AMC FBH	Provides vision, mission, SWOT, issues analysis, direction forward; needs proper indicators
Lobbying AMC FEB	An approach and 'how-to' guide
Communications AMC FBH	No English version, so can't comment
Human Resources AMC FBH	No English version, so can't comment
Services Development AMCFBH	Not about services development; only covers the Centre for Education and Dialogue conceptual framework for (mainly) paid services. Members uncomfortable with idea of paid services while core services are not yet up to par.
AMC RS:	
Overall Strategy AMC RS	No English version, but ToR proposed a proper approach.
Lobbying AMC RS	A good approach and 'how-to' guide
Communications AMC RS	Table of contents too general to tell if it is a good strategy
Human Resources AMC RS	No English version
Services Development AMCRS	No English version
3. Training activities	No evaluation forms. **Members' feedback** follows:
Trainers pool	"Very helpful."
Training modules	RS: 5 modules; FBH: 5 modules on "useful topics"
Training events, seminars, study tours involving municipalities	Positive feedback from many municipalities

Effectiveness in contributing to desired and sustainable results
It is too early to evaluate just how effectively these outputs and activities will contribute to results. However, judging by interim results and feedback to date, they are driving progress in the right direction. A priority for Phase 2 will be to implement the good practices promoted by the 'strategic documents' and training activities, through comprehensive strategic action plans and well sequenced capacity building linked to the implementation process.

5.4 EFFECTIVENESS IN ISSUES MANAGEMENT

The CDMA Project Office has not been effective in managing a number of crucial issues.

5.4.1 Regional dynamics
A major problem faced by the CDMA was hinted at in the original Risk Factors: i.e., one of the AMCs did not cooperate fully.

The two AMCs have been on somewhat different development tracks for years. The AMC FBH has had a critical mass of involved and proactive mayors united by common needs, while the AMC RS has until recently been divided along party lines. The AMC FBH is more apolitical, and has a strong team, while the AMC RS reportedly has poor team dynamics and is perceived as being tied to RS politics.

In what is viewed as a positive sign, the political character of the AMC RS is beginning to change as mayors for the first time find themselves able to drive changes contrary to the Minister's wishes (e.g., on revenue sharing). However, they are constrained by the poor management and organisation of the AMC RS - a factor that is also constraining the ability of the CDMA programme to deliver the desired results in the RS (and to a lesser degree in the AMC FBH). Section 8's suggestions for rethinking priorities address this issue.

The CDMA programme is also constrained by the tensions between the RS SG and the contractor over a series of incidents related to staff selection, the Banja Luka office, and perceived favouritism toward the other AMC. Given VNG's long experience with AMC RS, it should have anticipated that it would need to deal with the AMC and its longstanding chief strategically and with sensitivity. As one observer stated, "Neither side knew what they were getting into". The AMC RS issues are long-standing and challenging.

5.4 2 Paid services and the CED/MTS issue
Members are uncomfortable with the whole issue of paid services. This was stated several times in the VNG proposal and inception report (e.g., page 23), and was confirmed in Review interviews with Mayors. Members wanted the AMCs to concentrate on developing and delivering 'core' services (covered in the normal membership fee) before they move into new areas. While most members interviewed were not averse to contributing to the cost of hiring experts to provide value-added services, they wanted to be involved in deciding how their AMC would do this. A member of the AMC FBH Presidency, which adopted this draft strategy in April, indicated in the interview that they were not aware of the implications, and that the mayors he represented were strongly against paying for services at present.

The other problem is that in developing the CED concept, VNG did not consult with the Municipal Training Systems (MTS) - which is funded by Sida and implemented by UNDP, the Civil Service Agencies and the AMCs. The result is that the CED scheme appears to ignore the landmark agreements on strategy, coordination and division of labour that donors, AMCs, municipalities, civil service agencies and the relevant government agencies forged under the Sida MTS project.

Unlike the other strategic documents, in developing the Centre for Education and Dialogue (CED) strategy in AMC FBH, the Project Office did not pursue a participatory approach. Unveiled under the title of a Services Development Strategy at the May 2012 CDMA donors conference, this concept envisaged centralising FBH local civil service training and advisory activities under an (eventually) largely fee-for-service umbrella. This appeared to duplicate major aspects of the MTS programme, which already had well regarded regional training centres for local authorities around BiH, in partnership with the Civil Service Agencies (**FBH:** Bosanski Petrovac, Ilidža, Tomislavgrad, Tuzla, Vitez. **RS**: Banja Luka, Bijeljina, Istočna Ilidža, Trebinje).

The fact that UNDP was not consulted either in the inception or development stages of the CED went directly against the commitments expressed in the VNG Proposal and Inception Report to have "project management based on partnership, consultation and consensus" (page 24 of Proposal) and "we will streamline our main training activities with this (MTS) project" (page 7 of Proposal), and "in order to avoid overlap or even contradiction, this should be well coordinated with …the MTS project…" (Section 2.2.5 of Inception Report).

Moreover, the Proposal stated, "We will cooperate with the AMCs to assist them to perform the strategic actions they have set out for themselves, rather than imposing our strategic agenda upon them. This means we will not enforce blueprints of Dutch or Swedish success models in our activities…". Nevertheless, the CED blueprint came from a Dutch consultant, and the proposed EU units were to be based on VNG's own such unit in Holland (pg 18).

When Sida requested the CDMA Project Office to provide clarifications on the CED issues, VNG responded that the CED was not a CDMA-funded product, but rather an AMC FBH product. This was clearly not true because it was prepared as the 'Services Development Strategy' (component 1.A.1 of the Work Plan), and all the drafts bore this title, as well as the names of the CDMA project manager and VNG consultant hired under the project to assist on the strategies (he designed the concept). Moreover, the CED was presented to the AMC Presidency for adoption in April (though some mayors said they did not realise it was mainly about paid services). Because of these problems, the contractor's Final Report for Phase 1 said the Services Development Strategy was a work in progress.

UNDP has provided constructive comments on how to manage this issue. See Section 7.

What do members want?
Members said AMCs still had a long way to go to convince members they were capable of delivering core services on a sustainable, member-focused basis. They felt AMCs should focus on this before extending into paid services.

Mayors told the Review team that the AMC should cooperate more closely with donors and the Federal Civil Service Agency to provide collective training on key issues related to local self-government.

Interviews showed that members were only willing to pay for services if these offered 'value added' and if the AMCs did not stray beyond their role of facilitating access to such services. In other words, they were willing to share in the costs of hiring experts for seminars or dedicated advice, but not contribute to any profits the AMCs might make on such activities.

Some members indicated they would be willing to pay their AMC to facilitate or provide services they were already buying from external providers (e.g., legal and financial advice, proposal writing). However, they did not want the Associations to displace private sector providers. This issue should be studied carefully before competing services are offered.

Overall, members recognised that the AMCs needed to supplement their revenues, and thought that external 'subscribers' to services (i.e., not local authorities) or donor projects could be a good source of ongoing income.

5.5 STAKEHOLDER RELATIONS AND OWNERSHIP

Effectiveness of institutional arrangements
The CDMA Project Office had very good relations with the AMC FBH and variable relations with the AMC RS. The outgoing team leader suggested that MOUs between contractor and each AMC would be an important condition of Phase 2.

Relations with Advisory Board members, municipalities and other local stakeholders
The Advisory Board met only three times in 18 months, rather than the 3-4 times per year originally planned. Relations were described as 'normal'. CDMA relations with individual mayors and municipalities varied from 'close' to 'remote'.

CDMA's 'partners in delivery'
VNG's main partner was EDA of Banja Luka, which delivered more than 40% of the consultancy activities, according to its agreement with VNG. The other main partners, SIPU and SNV, did not participate in the CDMA activities. A 'resource partner', the Standing Conference of Associations of Towns and Municipalities of Serbia (SCTM), hosted a study tour and sent an expert for a couple of activities. The AMCs - especially in the RS - would have liked more experts from the Serbian Association, as they come from municipalities and 'speak the same language'. The AMCs would also like to see more experts from the Bulgarian Association, which also hosted a successful study tour. Because the Serbian Association has done well in paid services, and the Bulgarian Association has done well in member services, the AMCs are keen to learn from them directly. They should be used more in Phase 2.

5.6 COMMUNICATIONS AND VISIBILITY

Use of communications as a strategic tool for change
The CDMA project has several relevant components: information and communications management (e.g., website, databases, etc), a communication strategy, a lobbying/advocacy strategy, training modules on communications and PR, and training/coaching events on such issues, including successful panel sessions with journalists on how to improve reporting on local issues. However, the Project Office has no communications strategy.

Quality of communications materials (targeting, message, style, etc.)
The two bilingual brochures produced for the AMC FBH Development and Lobbying Strategies were pleasing to look at, but the English translation was poor, as mentioned previously. It is important to have good translations for potential donors and twinning organisations.

Indicators of effectiveness of communications
AMC FBH says hits have increased significantly since it improved its website with CDMA help. In addition, local officials told the Review Team that the websites are now more complete and easier to use. However, quite frequently communications by email and other electronic means to municipalities go unanswered because many people do not have the habit of working with emails. This needs to be addressed in Phase 2 when the communications strategies are implemented.

Response to advertisements for project managers, advisers and local experts
Response to advertisements has been very good, with a large field of applicants for most positions. However, many of the applicants did not meet the basic criteria, so the shortlists were very short in most cases.

Sida visibility
Sida's name should be used as a matter of course in all CDMA materials. Sida has brought this to the contractor's attention and informed them of the new Sida logo. The contractor has agreed to give it more visibility. Sida should also discuss this with the two AMCs.

5.7 CROSSCUTTING ISSUES

Gender, Environment, Poverty Reduction
The CDMA programme does not specifically address these issues. The AMC FBH, in its annual progress report of 15 October 2011, commented: "At five out of seven events organised as part of the CDMA project, the presenters were women. At the other AMCFED events, special attention went to including equally women and men as presenters and audience."

A number of municipalities have both gender and environmental protection programmes, often supported by donors, including Sida. The main problems cited by local officials were related to the environment - particularly waste management and waste water management (areas in which they appreciate Sida assistance).

Several local officials offered suggestions on how to address gender and environmental issues in the CDMA context.

These included building awareness of the need for more female mayors. This may not be a priority for AMCs, which need to focus on core services, but Sida has been involved in gender work, and the OSCE has activities on women in local politics.

Similarly, several mayors suggested a component to support inter-municipal or regional (e.g., Cantonal) projects on waste management. They thought the AMCs could provide a useful forum for facilitating advice and action on these matters.

Some mayors also suggested a component to help underdeveloped municipalities on environmental management.

6 Prospects and Conditions for Achievement of the Desired Results

If priorities and approaches are adjusted during Phase 2 and sensitive management issues are resolved, good progress toward the desired results can be achieved.

This Section explores the issues facing AMCs in their quest to become sustainable member-driven bodies. It draws on interviews with mayors (especially AMC Presidency members), government officials, parliamentarians, AMC and CDMA staff, and donors. It provides an update of the needs of AMCs and municipalities, and explores key areas the next Phase should address in its efforts to achieve sustainable AMCs and stronger democratic processes.

6.1 Summary of CDMA Outcomes and AMC Priorities for Phase 2

Stakeholders and partners want the Associations to survive over the long term. They recognise that they need such bodies to coordinate the gathering and disseminating of information, analysis and good practices; represent and advocate their interests at higher levels; facilitate access to funding and training; and foster cooperation and interaction among members.

As mentioned earlier, interviewees noted some welcome changes over the past two years due in part to the CDMA programme:

- greater visibility and credibility for AMCs, both among members and at higher levels
- improved AMC access to higher levels ('voice being heard')
- improved rate and quality of AMC participation in high-level working groups on legislation, etc
- emerging changes in attitude as concerns the image and utility of AMCs for municipalities, entity governments and donors
- greater recognition by mayors that they need to assume more responsibility for proactively lobbying MPs and supporting the AMCs' endeavours on their behalf
- expression of willingness among numerous mayors to share in the costs of value-added services (especially those that will generate income for the local authorities)
- decreasing politicisation of the AMC RS (AMC FBH was already largely apolitical).

All of these advances are crucial for the AMCs' sustainability. In Phase 2 they need to be nurtured and promoted through more intensive interaction between the AMCs and local authorities, and between the AMCs and higher levels.

Mayors and others agreed that the management situation of both AMCs must be addressed as an urgent sustainability issue. It is telling that the Presidents of both AMCs said the greatest achievement of the CDMA project was the 'continued existence' of the two AMCs. It is also telling that numerous FBH mayors were quite concerned that their Association might overextend itself and move away from servicing members' needs by its plan to offer a sophisticated array of paid services.

Each AMC needs a professional, experienced manager
The **AMC RS** in particular urgently needs a full-time **professional manager**. RS members may well decide to renew the Secretary-General's 4-year term again (he has been part-time S-G since 1998). If they do so, they will at the same time need to appoint an experienced manager to implement good practices in strategic planning, work organisation, systems and processes implementation, communications, and human resources, financial and client management. Members of the AMC RS Presidency commented that some of the employees did not

work very hard or have the right attitude. This was corroborated by staff members as well. Moreover, a financial expert hired by the CMDA project - Nada Djuric, internal auditor of the Bijeljina municipality - reported that the AMC RS was in danger of bankruptcy if it did not urgently improve its financial and management systems.

The **AMC FBH's** strategic plan highlighted many weaknesses in the capacity of the organisation and stressed the need for better management, more qualified staff and reallocation of responsibilities. The AMC would benefit from having a solid manager, leaving the Director freer to work on advocacy, legislative issues and public and client relations.

Both AMCs need to consider **restructuring**. This sort of analysis is a normal and necessary part of any strategic planning process. The strategies produced in Phase 1 already hinted at this. With new strategic development plans in place, it is an opportune time for both AMCs' executive bodies to commission an analysis of what structure and staff are needed to deliver the activities and objectives set by the Plans. The analysis should offer one or more option(s) based on reallocating current employees and resources, as well as options for new approaches and new employees to replace old ones.

The lack of a **clear division of labour** has a direct impact on AMCs' ability to deliver results in an efficient manner. The CDMA capacity-building is vital in helping AMC staff meet their growing and increasingly complex responsibilities. If this capacity building is to achieve sustainable results, it has to be underpinned by modern human resource management practices and systems.

No AMC employee had an individual work or performance/development plan. All AMC employees said they were 'multitasked'. This included the Sida-funded legal and finance advisers. In the AMC RS, for example, ad hoc tasking without proper delegation or information flows makes it difficult for employees to plan and implement their work, and gives rise to evident frustrations. In the AMC FBH, the officers appeared to be motivated and capable, and seemed to work well together. However, they too are multitasked and are often given ad hoc assignments. According to one well informed observer, the AMC FBH would benefit from defining roles clearly and helping staff to specialise in issues of importance to local authorities (e.g., administrative processes, natural resources, etc). He said the finance adviser has carved out her own well defined role, but the legal adviser needs more direction.

Committees
The AMCs also need to rethink their **Committee structures and composition**, to ensure that the right people are tackling the right issues. It was suggested in interviews that Committees comprised of working-level experts from municipalities would be more efficient and effective than the current high-level permanent Committees supplemented by working groups. It was also suggested that Committee members be selected through expressions of interest, and that they be conscious of and willing to assume the considerable responsibilities and time commitments required.

AMC Priority Needs
The key messages from municipalities, ministries, MPs, donors and the AMCs themselves, was that the AMCs needed to focus heavily on attaining:
1. good professional management and planning
2. healthy finances
3. a solid set of core services for members
4. staff capable of fully implementing strategies, providing core services, delivering results
5. effective communications (internal and external)
6. credibility, visibility, influence (this will come from achieving 1-5)
7. value-added services they can facilitate for a fee or commission to supplement their revenue base and meet evolving member requirements.

Municipalities' Priorities for Phase 2

According to the local officials we interviewed, municipalities in the RS and FBH want their Associations to <u>improve professional and service capacity and skills in the following areas</u>, which are broadly the same as those in Phase 1, though the emphasis is slightly different:

1. Legislative analysis, tracking, drafting and related representational/lobbying/advocacy work aimed at enhancing influence at higher levels

2. Awareness-building and skills enhancement on municipal financial issues (treasury system, municipal borrowing, budgeting, procurement, concessions, etc)

3. Good practices in municipal management, communications (internal and external), technology, outreach, and other local governance issues - including through interactive events, study tours, twinning and other arrangements with successful local authorities in BiH and abroad

4. EU integration: legal obligations and other requirements (e.g., application of standards, good practices, etc) of EU accession

5. Assistance in developing EU project proposals and learning how to access funds

6. Good practices in business and investment climate improvement, youth unemployment, waste management, inter-municipal and crossborder issues, infrastructure management (including dealing with shared infrastructure and services, and PPPs), etc.

Major factors influencing the achievement/non-achievement of objectives

1. Efficient, effective management, communications
2. Political will
3. Ownership and shared mission
4. Trust and transparency
5. Partnership mindset/participatory approach
6. Keeping AMCs, Presidencies, Committees focused on concrete results
7. Managing expectations, motivation and accountability

Another big challenge - and success factor - will be to inculcate 'ownership' of AMC agendas, activities and results. Only when the municipal representatives (Presidency) take full ownership of the agendas and assume accountability for the results, will the AMCs become more sustainable entities.

AMCs and members say that while ownership has improved measurably in recent years, members need to be more conscientious of their roles, take their representation responsibilities seriously. For example, in the FBH, Presidency members represent all the municipalities in their Canton but they rarely get together before or after Presidency sessions. Also, it became evident in interviews that some Presidency members did not read documents before sessions, and sometimes took decisions on things they had not studied. The AMCs said that about half of the Presidency members were really active.

One mayor suggested: "The role of the Presidency needs to be strengthened – set clear goals, define a clear work plan to present to the Assembly. Then the Presidency members must be held accountable for achieving the goals. After elections in October, carefully consider election of new members of the Presidency. Need to choose people are are professional, serious and hardworking. Members must acknowledge that the Presidency is not a privilege, but rather a lot of hard work! Perhaps they should sign a written commitment. The AMCs also need to find ways to encourage the Presidency members to engage actively and productively."

7 Main Findings and Conclusions

This Section provides:
1. responses to the questions posed by Sida in the Review ToR.
2. a summary of the Contractor's performance
3. key stakeholders' views on priorities for Phase 2
4. suggestions for dealing with two outstanding issues (Advisory Boards and CED/MTS)
5. lessons learned

7.1 RESPONSES TO THE QUESTIONS IN THE TOR

What is the general level of satisfaction of beneficiaries: both AMCs and municipal mayors, with the project? AMC FBH was very satisfied. AMC RS was not. Mayors were more aware of Sida's role in GAP and waste management than in the CDMA. Those who were aware (e.g., Presidency members) were supportive of the programme's efforts and achievements, especially regarding the legal and finance advisers, the strategies, the training courses, and the AMCs' improved visibility, credibility and access to higher levels.

What recommendations do you have for the contractor? See Section 8.

What recommendations do you have for Sida in managing CDMA? See Section 8.

What effects to AMCs' overall performance has CDMA had thus far? AMC FBH: measurable improvement. AMC RS: some improvement.

How has the assistance provided to AMCs improved their institutional capacity to analyse, lobby, support, inform, advocate, coach… Not enough - additional work needed. **Until they get their basic management systems and practices in line with good practice, they will not be able to do the rest.** This was a common message from mayors and other stakeholders**.** The AMC FBH Strategic Plan's Sections 5.3 and 5.4 provide some useful suggestions.

What is the level of sustainability of the invested efforts? See answer to previous question. Additional effort needs to go into institutional strengthening, management and communication basics. Until the AMCs get the basics right, they will not be able to absorb the invested efforts and make good use of them in future.

What is the impact of the specific CDMA's assistance? Impact is positive. Mayors say the most imporant achievement is that the AMCs still exist! They say the strategic documents, legal/financial advisers and improved access to higher levels are the most important deliverables of the project to date.

What additional actions does CDMA need to undertake to improve AMCs' work and service delivery? Strong focus on introduction and institutionalisation of good management systems and practices, including human resource/performance management systems. Facilitate AMC staff getting closer to their constituents in the field. Mayors and AMC staff say the AMC needs to be more present locally, ie, that the finance and legal advisers need to go to the field to work with - and learn from - their local counterparts. Strong focus on core services, based on annual needs assessment of AMC members and other stakeholders.

Could the intervention have been implemented with fewer resources without reducing the quality and quantity of the results? Yes. The Strategies could have been produced together, since they cover the same topics and address the same needs and similar beneficiaries. The Strategic Action Plans (not yet prepared) could then have been tailored to each AMC's particular circumstances. Some of the training could have been combined, instead of being delivered separately in the two Entities; this would have had the added benefit of bringing together participants from both entities.

Could more of the same result (better result) have been produced with the same resources? Yes, if things had been designed and managed better from the beginning. Lots of time was wasted on staffing issues in the RS. In fact, the whole approach to the AMC RS should have been professionally assessed and designed early on, to find an effective modus operandi, bearing in mind the realities of the situation. Parallel tracks (ie, separate approaches for each AMC) have arguably yielded no better results than a more efficient, harmonised 'single-track' approach would have.

What, if any, are the gaps in CDMA approach? The VNG approach and team which did not produce sustainable results in the past. Poor assessment of beneficiaries' capacity to absorb. Poor risk assessment and management. Inadequate communications. Poor management of expectations and personalities. Weak surveillance and monitoring. Ineffective Advisory Board. Donor fragmentation. Lack of emphasis on management issues in AMCs.

How these could be corrected in the second phase of the project? Reset the priorities and objectives, redesign the work programme and targets. New project structure. Better management and surveillance by all - Sida, contractor, project managers, AMCs and Advisory Board (if Board is really necessary). Clarify mutual expectations in updated MoUs with each AMC. See Section 8.

Are there specific activities that are NOT currently being implemented that should be included in the Project in order to further strengthen the AMCs? Yes - improving management systems and introducing and institutionalising good management practices should be a priority in Phase 2. Perhaps funding a professional manager on a phase-out basis like the advisers. Funding regular visits by legal and finance advisers to municipalities. Funding an annual needs assessment. In cooperation with other donors: develop a subcomponent to assist small, less-developed municipalities on pressing technical issues, including environment.

To what extent is interaction taking place between AMCs, mayors and policy makers to identify legislative improvements? Most mayors say this has improved significantly in the last 2 years, including AMC involvement in legislative working and drafting groups. However, a common message from virtually all mayors was that they wanted AMC staff - especially the advisers and technical experts - to visit them frequently and to interact regularly and in person with counterparts in municipalities. In addition, the RS Ministry said working-level interaction still needed attention, and that the BL-based legal and finance advisers should meet with them more often and give priority to participation in legislation and regulation working groups.

To what extent are the mayors an important part of the policy making process and are municipalities able to effectively advocate collectively through AMCs for necessary legislative and administrative changes? Their feedback was that this has improved steadily over the past two years, and they are pleased with the increased visibility, credibility, access and involvement with higher levels of government. Nevertheless, they said the AMCs should make an effort to establish closer, more personal, more visible relations with the local authorities. And that mayors should assume responsibillity for lobbying local MPs on key issues. The CDMA project can assist.

To what extent do the risks identified in the Project Document (listed below) influence the project results? How are these risks managed by the contractor? (Note: 'Project Document' is the Concept Paper on which the project is based.):

- *Upper level government limits cooperation with AMCs and local self-governments, thereby limiting capacities and outreach for the AMCs.* Mayors credit CDMA project (and the cumulative effect of other projects) with improving AMC access to and cooperation with higher levels (e.g., they cite the MOU between the AMC and FBH Government as a case in point). Government is obliged under the EU Charter to seek local authorities' views on legislation and regulation affecting their interests. A senior official in the FBH Ministry of Finance stated: "The AMC offers high-quality input and is really pushing for members' interests. Regular direct contact. Represents interests, presents facts, figures and analysis, and tries to find the best solution. It is important for the Ministry to get AMC support as this reflects House of Peoples membership. The House of Representatives Committee on Local Government depends on the AMC for consultations and suggestions."

- *Upper level government limits fiscal resources to local self-governments thereby limiting operational capacities of the AMCs.* CDMA Project has assisted AMCs to address these issues at higher levels. Laws and changes to laws are going through due process now, and once they are approved, they will have a positive impact on local authorities' resources. Some key laws in FBH should during the course of Phase 2. (Source: member of FBH Parliamentary Committee on Finance)

- *The AMCs' goals differ from those of the project. The AMCs do not show full interest to cooperate with the project.* This risk has not been managed well vis-à-vis the AMC RS. Some problems go back to the pre-design stage and should have been addressed then. Others have arisen as a result of misleading, misunderstandings and mismanaged expectations.

- *The AMCs do not manage to overcome political obstacles that hamper realisation of joint SOGRS/SOGFBiH interventions, such as issuing joint statements.* None of the mayors in FBH or RS mentioned any political obstacles (despite the RS government's well known stance on state-level initiatives). They all said that the lack of coordination between the two bodies was not politically driven but rather due to lack of time or concrete initiatives. They did not think it was an issue. They did not think 'coordination' was a pressing priority.

7.2 VNG PERFORMANCE IN DESIGNING AND IMPLEMENTING CDMA

The CDMA is credited with providing a needed boost to the AMCs when they really needed it, and two-thirds to three-fourths of the planned outputs and activities were delivered in Phase 1. Nevertheless, the Programme was not designed to tackle very basic sustainability issues such as management, and therefore was set above the AMCs' absorption capacity.

While VNG's Project Proposal was well written, its commitment to high-quality management, planning, performance control, consultation, etc, was not borne out by the results. The inception report's quality was disappointing and inefficiencies abounded in project structure and design, though some were corrected as activities were implemented. Perhaps this rather haphazard approach indicates why other donors cautioned Sida, and why the capacity building VNG provided to the AMCs since 2001 did not instil good management practices.

Reporting was generally thorough and on time. The CDMA 5-member Project Team was motivated, experienced and results-oriented, though lacking in business acumen.

The AMC FBH provided very positive feedback on CDMA, as did numerous mayors, government officials and donors. However, the head of the AMC RS was not satisfied with the programme, feeling the Sarajevo-based Project Office had neglected the RS in many ways, and that certain things had been imposed on him (e.g., Banja Luka office).

Although the Proposal said that any issues would be dealt with quickly and in full consultation with Sida, the relationship with the AMC RS was allowed to deteriorate progressively. All parties were at fault, but VNG had been working with the AMC RS for a decade and knew the complex situation there. They should have managed it more strategically.

VNG's carelessness regarding potential conflicts of interest and strict compliance with company and labour laws raised other issues that Sida should have tackled from the beginning, as they appeared first in the minutes of the pre-contract meetings. The audit highlighted some of these and raised additional concerns regarding payments to staff and consultants and other practices. VNG sought legal advice on its obligations, with a view to regularising the situation. A number of other incidents occurred in 2012 which led to the Team Leader resigning in June, with effect on 1 August.

7.3 AMC SUSTAINABILITY

Mayors and other stakeholders suggested the following priorities to help AMCs improve their sustainability during Phase 2. These are addressed in more detail in Section 6.

The Programme should focus on assisting the AMCs to:
1. Address core management issues (management, finance, human resources management, communications).
2. Seek a coherent, integrated donor approach for assistance for local government and AMCs, rather than the current fragmented practices (which also tend to fragment AMCs internally).
3. Implement the strategies in line with members' needs (annual needs assessments, comprehensive Strategic Plans, Action Plans, capacity-building plans, M&E plans, etc).
4. Continue to improve credibility, visibility and influence with members and governments.
5. Focus on core business, ie: perfecting core services and service provision to members in policy advice and legislative tracking, drafting, advocacy and lobbying in key areas of interest to constituents (assess needs/interests yearly; set and track performance measures).
6. Facilitate value-added services for a fee provided this doesn't infringe on the AMCs' ability to provide core member services, and provided a strong majority of members agrees their Association should offer such services. (One approach could be to identify services for which local authorities have a pressing need, may already be outsourcing, and which could be *facilitated* by the AMCs on better conditions without provoking unfair competition with the private sector.)
7. Leave technical and local development issues to specialised service providers like the regional development agencies and NGOs, while at the same time cooperating with these to facilitate and coordinate provision of expert assistance and training to members.
8. Facilitate more opportunities for mayors from around the country to interact on priority issues.
9. Become totally independent from party politics.

   10.Convey a clear message that the Secretariat role is to serve members, represent the collectivity and be accountable to the Presidency.

7.4 SUGGESTIONS FOR DEALING WITH TWO OUTSTANDING ISSUES

7.4.1 CDMA Advisory Board

Is it really necessary? If so, how should it be structured and what should be its role?
While it was meant to meet every 3-4 months and monitor and guide the CDMA, in fact it only met three times in 18 months (February and June 2011 and April 2012). Only half the mayors attended each meeting, which may not be surprising given the rather unsubstantial items on the agendas (apart from the first one). The minutes did not show substantial discussions. Interviews indicated that several Board members had limited knowledge of the CDMA programme or how it could help the AMCs achieve their potential. If an Advisory Board is required, then it should be used to 'advise' on key issues and tough decisions.

Recommendation: Decide if an Advisory Board is necessary. It may not be. If so, then use the post-election period in October to reconstitute the CDMA Advisory Board with people who have time and interest to guide and monitor the Phase 2 focus on implementation and sustainability.

- Schedule meetings at 6-month intervals, and get their commitment to attend well in advance. Offer them an attendance-based fee and travel expenses, and ensure that sign an undertaking to attend 2 meetings per year, to read the background documents and to participate actively, offer ideas and take decisions. Set a quorum of at least five members among mayors, MPs, etc.
- Do not choose an Advisory Board on the basis of function (e.g., President, Vice President of AMCs, as is the current practice). Rather, invite expressions of interest from among all AMC members (assistant mayors with operational experience should also be considered). Consider inviting a representative of MPs or Ministries, as well. Prepare a ToR and performance criteria.
- Choose people who want to be involved with the AMC, have informed opinions on key issues, and have good ideas and suggestions for the CDMA project
- The CDMA programme features a constant need for strategic and sensitive management of 'make or break' factors such as relationships, expectations and accountability. This should be a fixed agenda item at staff meetings and Advisory Board sessions.

7.4.2 CED and the MTS Training Strategy

As mentioned in Section 5.4, the CDMA-produced concept for a Centre for Education and Dialogue (CED) in AMC FBH had given rise to some controversy. Unveiled as the Services Development Strategy at the May 2012 CDMA donors conference, this concept envisaged centralised FBH local civil service training and advisory activities under a largely fee-for-service umbrella. In preparing this 'strategy', neither the CDMA team nor the AMC FBH consulted the Sida/UNDP Municipal Training System (MTS) programme. In fact, the concept was expedited and presented to the AMC FBH Presidency for adoption in April.

UNDP, as implementer of the MTS programme, proposed finding a way, through the umbrella Training Coordination Body, to integrate the CED into the FBH Training Strategy in order to minimise duplication and maximise the positive impacts. (See box below.)

Box 3: UNDP's Sensible Suggestions on the CED, 18 July 2012

In principle, it is a valuable initiative that could contribute to strengthening the comprehensive training system for local governments, based on the <u>Training Strategy for Local Governments</u> that was adopted by both the FBiH AMC and the FBiH Government.

However, it has to be noted that training system instituted under the Training Strategy is envisaged as a <u>public mechanism</u> for delivery of training assistance to local governments. Considering that, as well as the diverse target group and significant training needs, the adopted training system is of 'mixed' nature, with <u>distinct roles assigned to key institutional partners:</u> the FBiH Ministry of Justice, the FBiH AMC and the FBiH Civil Service Agency (CSA).

These institutions are represented within the recently inaugurated <u>Training Coordination Body</u> responsible for the overall training system in the FBiH. In case of training management itself, the Training Strategy foresees that the <u>Training Unit within the FBiH AMC</u>[4] <u>takes the lead with regards to the training of local government **elected officials**</u>, and the <u>FBiH CSA with regards to the training of civil servants and employees.</u> As stated in the AMC Service Development Strategy, the Training Strategy does indeed leave the possibility for the AMC to take over the training management for all target groups in local governments (i.e., not just elected officials), should their capacity sufficiently develop over time.

Against this background, <u>significant thinking needs to be done on how to position/integrate the CED</u> within the overall training system and training structures envisaged by the Training Strategy. …The AMC would need to do this in coordination with other two stakeholders of the training system and <u>under the umbrella of the Training Coordination Body</u>. We believe the <u>focus should now be on implementing the Training Strategy</u>, by making every possible effort to <u>maximize impact and avoid duplication</u>.

The <u>Training Coordination Body should be used as a platform for agreeing on a capacity development agenda, maintaining general quality standards and expanding the training system portfolio</u>. Moreover, considering that CED has been conceptualized mainly as a mechanism to ensure sustainability of the AMC, certain re-thinking may be done, so as to utilize and positively link this aspect to the overall concept for financial sustainability of the training system. Moreover, if also the RS AMC is heading in a similar direction (establishment of a CED-like initiative), it may be well steered and linked to the training system and to the AMC's function well in advance.

7.5 LESSONS LEARNED

This section provides a list of some of the lessons learned that have emerged from this Review. They should not be viewed as criticisms, but rather as suggestions for good practices to be applied in future.

1. *Study carefully Concept Papers and Preventative Audits, to ensure you have a full and objective picture of the situation, including complete baselines.* All pre-project documents raised concerns; inadequate follow-up led to flaws in CDMA design and execution.

2. *Ensure that the process of choosing the contractor is based on objective criteria and identifies any conflicts of interest.* Sida said three candidates met the criteria. Half the selection committee (the AMC FBH Director and AMC RS SG) expressed a strong preference for VNG, which they knew from previous projects (VNG had lobbied the Director and SG strongly to get the project).

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[4]This training unit is managed by the Sida-funded legal adviser in AMC FBH with support from MTS.

3. *Investigate shortlisted applicants' credentials by interviewing previous clients and beneficiaries.* USAID told us they advised Sida against using VNG (which they were using on GAP 2). Sida said the Dutch Embassy also expressed reservations.

4. *Analyse the results of applicants' previous projects with target beneficiaries.* By most accounts, VNG projects 10 years ago did help strengthen AMCs at a critical moment; however, sustainable results were questionable. They also installed legal, financial and PR advisers, but these must not have produced the expected results because legal and financial experts were again recruited under the CDMA programme (VNG also wanted to recruit new PR experts, but Sida resisted). The Inception Report said they would not repeat MASCIP's mistakes (being too ambitious and not managing risks well). Yet VNG proposed the same broad approach for the CDMA project as a continuation of its previous work.

5. *Exercise strict surveillance and immediately address and eliminate any irregularities or questionable practices.* Sida needs to be tough. It ceded to pressure on too many things in contracts, selection processes, etc.

6. *Ensure that the ToRs for auditors meet the contractual obligations and that the auditors chosen are truly independent.* The AMC RS audit did not do what was required in Sida's MOU with the AMC, including commenting on how the irregularities identified in the Preventative Audit had been dealt with. The reason was that the ToR, prepared by the AMC RS, was very general, did not specify the tasks, simplified the qualifications, and did not attach background documents for reference. The AMC FBH ToR, by contrast, was quite clear on all these things. Sida may wish to consider it as a model for the AMC RS to use for the annual audit in November 2012. It may also wish to require a prequalified auditor from Banja Luka, for example, rather than from Bijeljina.

7. *Treat both AMCs as equal partners.* Give them equal attention, and demand from both a high level of commitment and accountability. The AMC RS, as a whole, felt neglected during much of Phase 1 - partly because the CDMA Project Office was in Sarajevo, partly because it didn't have a project manager during part of the time, partly because the RS project manager was not officially based in the RS office, and largely because of tensions between the SG and the Project Office.

8. *Choose a more proactive Advisory Board and use it well.*

9. *Read carefully ToRs for experts, project outputs and reports in order to stay in the loop on what is happening and to hold people responsible for the quality of final outputs.* That way, surprises like the CED will not arise.

10. *Speak frequently with the project managers and staff, and with beneficiaries. Pose substantive questions to assess progress and quickly identify and deal with any problems. Before acting,* s*eek advice and analyse all aspects of the problem and consequences.*

8 Recommendations

8.1 RECOMMENDATIONS FOR PLANNING PHASE 2

Given the CDMA Programme's positive initial results and good feedback from stakeholders, it is important to continue it so that the gains to date are not lost. However, given the well documented problems with the design and management, it is important to use the Review and the interim period to take stock and design a more realistic, efficient work plan for Phase 2.

Some initial ideas for resetting priorities, holding a stocktaking meeting and restructuring the Programme are set out below. Sida and AMCs will have additional ideas and views.

Table 5: Suggestions for Priority Activities, Targets & Indicators in Phase 2

Interim Phase: Review and Re-base - Midterm Review - Refine Objectives and Desired Results for Phase 2 - Refine project structure and management	Timeframe: June-August 2012 June-July July-August August	
Phase 2:Sept 2012-May 2013: Potential Implementation Priorities	**Tentative Targets**	**Indicators**
Management basics: results-focused systems, procedures for professional planning, budgeting, financing, recruiting and managing people, implementing, controlling, managing issues and risks, managing client relationships, monitoring/evaluating performance, etc	Systems adopted and operational by March 2013.	Auditors reports and findings before and after. Changes in client and stakeholder satisfaction before and after (ongoing). Changes in capacity to absorb and sustain donor products and services as per Donor reports before and after (ongoing).
Human resource development & management (finish HRD strategies with professional, certified HR expert; ensure merit-based performance measures (not bell curve!)	Individual work and development plans for each employee by Nov. 2012. Performance review 6 months later.	Change in employees' satisfaction as per survey before and after (ongoing). Changes in performance as per semi-annual reviews.
Legal issues: advice, education, advocacy, legislative work (adviser's capacity building can be combined with that of relevant municipal officers for greater efficiency and teambuilding)	Legal advisers' work plan and action agenda approved by Presidency by October 2012 (before elections). Adviser's own capacity-building plan approved; implementation started by November 2012. X# working-level advisory/fact-finding visits to municipalities during Sept 2012 to end of work plan period (to be set in work plan based on documented needs).	Changes in needs as per annual surveys (baseline: survey in Sept 2012). Changes in client and stakeholder (members, ministry, MPs) satisfaction with cooperation: annual survey starting in Sept 2012. Progress in legislative agenda (baseline: list of items to deal with at beginning and end of period). # substantive advisory/fact-finding visits to municipalities (baseline: # in 12 months to Sept 2012).
Financial issues: advice, education, advocacy, legislative work (adviser's capacity building can be	Finance advisers' work plan and action agenda approved by membership by October 2012.	Changes in needs as per annual surveys (baseline: survey in Sept 2012).

combined with that of relevant municipal officers for greater efficiency and teambuilding)	Adviser's own capacity-building plan approved; implementation started by November 2012. X# working-level advisory/fact-finding visits to municipalities during Sept 2012 to end of work plan period (to be set in work plan based on documented needs) .	Changes in client and stakeholder (members, ministries, MPs) satisfaction with cooperation: annual survey starting in Sept 2012. Progress in legislative agenda (baseline: list of items to deal with at beginning and end of period). Change in number of substantive advisory/fact-finding visits to municipalities (baseline: number of such visits in 12 months to Sept 2012).
Implementation of the strategies through comprehensive step-by-step action plans with milestones, goals, responsibilities, deadlines and results indicators.	All Action Plans finished during Sept-Dec 2012. Milestones attained on time in 2012-2013.	Quality and ownership of action plans, as evidenced by ease of implementation (% of milestones met/activities completed on time; % results achieved).
Education and training for municipalities based on: 1. needs assessments (survey/visits) 2. implementation of the strategies. Combined workshops/study tours where possible for maximum efficiency. Sequenced for maximum 'learning by doing'.	Education/training plan approved by membership by Dec. 2012. Plan implemented in a well sequenced fashion. Practical skills/knowledge applied immediately by participants.	Plan completed on time. Evaluation forms completed by all participants after each activity Practical applicability of learning as per survey of participants a few months later % of activities involving both RS and FBH municipalities,

The bottom line is that a refocus is necessary, and Sida may have to be tough on insisting on a stronger emphasis on good AMC management practices and systems as a top priority, and on strengthening of core service development and delivery as the second top priority. This is to ensure that in the end, the AMCs will be able to absorb the assistance and deliver the core services to members on a sustainable basis.

8.1.1 Stocktaking and Strategic Planning Session

Sida should consider holding a stocktaking and planning meeting involving the two AMC heads, Legal and Financial Advisers, CDMA project managers and possibly others, with the aim of:
- rethinking priorities, objectives and desired results;
- setting a prioritised, well sequenced action agenda; and
- adopting performance measures for Phase 2, taking into consideration Review findings.

Since Phase 2 is effectively just 14,5 months long (1 September 2012-15 November 2013), it should focus on a small set of pressing priorities (AMC management, legislative successes, implementation of the relevant strategies, consolidation of core services - and possibly facilitation of a few high-priority value-added services such as access to expert advice or training in pressing areas).

The meeting should deliver an agreed Action Plan for 2012-2013 and written commitment by the heads of both AMCs that they will implement the agreement in good faith. Certain performance indicators should be included in this agreement to measure if it is being implemented in good faith, with the caution that the CDMA programme will be halted if they are not met in a timely fashion.

Then determine the best project structure to deliver the Phase 2 action plan. The efficienc findings of this Review should be taken into consideration in planning further training and advisory activities.

8.1.2   Options for Restructuring

Options range from continuing with the current structure (not recommended) to eliminating the current structure altogether. These options - in no particular order - include:

- Appoint a new full-time team leader (mayors' and AMC heads' preference is for a local or regional person who speaks the same language, understands the culture, laws and politics, and has worked in a municipality in an operational capacity).

- Appoint a part-time team leader (again, with above characteristics).

- Close Project Office and let VNG coordinate from Holland, as it appears to be doing anyway.

- Close the Project Office and cancel the VNG contract (as per Article 4b: "Sida has the right to terminate the project if the midterm report is not satisfactory.").

- Sida has mentioned the possibility of 'partnering' directly with the AMCs, as other donors have done. This would require a strong project manager in Sida, and quite possibly outsourced oversight of accounts and accountability. Both AMCs have experience in managing donor projects, but this one might be a bit more complex - particularly since it affects them and their direct ability to deliver significant results.

- Determine if the current project managers are the 'right' people for Phase 2, which will require good managers and practical, operational implementers more than 'developers' and 'visionaries'.

- In Phase 2 - when implementation will be all-important - the project managers will be most valuable as mentors and 'extra hands' inside the Associations. It will therefore be best for the project managers to be based full-time inside the Associations, as the PM for AMC RS is, to an increasing degree. As mentioned under Section 4: 'Efficiency', it makes little sense to have the PM for RS based in Sarajevo.

- The SG of AMC RS indicated that he is willing to close old doors and open new ones; the RS project manager believes this is a good opportunity to 'mend fences' and move forward. If a professional full-time manager can be appointed there, as well as in the AMC FBH, then the roles of the SG and Director can be clarified and they can focus on advocacy, PR, client and government relations, consensus-building, decision-taking, etc. This type of solution would ultimately strengthen both AMCs and bode well for the success of the CDMA programme.

The best option for attaining CDMA and other donors' objectives on a sustainable basis

While it will not be possible during 2012, since a number of key donor programmes are finishing this year, the best option for assisting the AMCs and local authorities over the longer term would be to underline combine CDMA, GAP '3', MTS and other donor activities into one coherent, professionally implemented programme.

Such an approach was suggested independently by GAP, USAID, UNDP, SDC, AMC RS Secretary-General, AMC FBH Director, and numerous mayors. Provided it was professionally managed, this solution would overcome a number of inherent weaknesses in the current approach (fragmentation, overlapping, divergent understandings and expectations, etc).

Recommendation: Sida may wish to facilitate a meeting of donors to discuss this option seriously.

8.2 OTHER RECOMMENDATIONS

A number of other recommendations emerged from interviews and analysis.

8.2.1 Communications

- Improve internal communications in both AMCs, with special attention to the RS where the two offices and the SG need to have a mechanism for communicating regularly and ensuring that everyone is in the loop regarding everyone else's activities.

- Improve communications between AMC Secretariats and local authorities - especially at the working level and especially with weaker municipalities.

- Ensure more direct interaction with local authorities and government offices. Secretariat advisers need to go to municipalities and work with their counterparts there (e.g., legal, financial, communications and administrative staff). RS advisers need to spend more time with relevant government officials (e.g., Ministry for Local Self-Government).

- Strengthen the Focal Points in municipalities through ongoing training and teambuilding.

- Ensure that all beneficiaries and partners are aware of Sida's contributions and use the new Sweden logo in all CDMA outputs and activities. The project should commission a banner for each AMC to put up in a visible location during all CDMA-related activities.

- Help municipalities improve their own internal and external communications practices, including use of modern technology such as websites and emails.

8.2.2 Advisory Services, Education, Training and Mentoring

- AMC in-house experts should have an annual budget for regular visits to individual municipalities, so that they can provide on-site, on-demand advice, as well as learn from their local counterparts. *This was a common message from all people interviewed at all levels.*
- AMC staff, mayors and local officials requested training on due diligence and negotiating skills.
- They also requested on advocacy skills.
- Municipalities need assistance to define problems and devise realistic solutions (strategic planning and risk and issues management).
- AMCs need assistance to develop and perfect delivery of core services for members.
- AMCs and municipalities need expert assistance to understand *how to* adjust legislation, rules, regulations and practices at the local level to underpin EU integration.
- When a new law or regulation is proposed or imminent, AMCs should organise a seminar for members on how to implement it, inviting experts from the relevant Ministry and from the municipalities with experience in that area.
- Some municipalities requested assistance on human resources management and development, including especially how to retrain older employees. It was clear that some other municipalities have dealt with these issues successfully, so perhaps an online forum for municipality officers to share experiences would be a useful tool.
- Some municipalities requested advice and analysis on good practices in special economic zones, business zones, etc. The OECD and others have done in-depth analyses of lessons learned and good practices in SEZs. Perhaps a seminar on this topic would be useful.

8.2.3 Legal drafting, access to higher levels *(comments from mayors, government officials)*
"AMCs should create a detailed checklist of what to look for in a draft law, including EU Charter issues."

"AMCs and higher levels should use expert base better. Municipalities often have better experts than higher authorities. They have to implement, so they know how to formulate and improve rules so that they are more pragmatic."

"The AMCs need to 'fight' actively for their members' interests and offer constructive solutions. When problems are detected, AMCs should consult municipalities, get comments, make representations to government."

"AMCs or CDMA should create a sub-programme or component called 'My MP' to strategically engage MPs in local issues."

8.2.4   Facilitating Value-Added Services

The AMCs share some of the same membership with the Regional Development Agencies.. For efficiency, the AMCs could collaborate more closely with the RDAs in areas of common interest - particularly in facilitating specific services for members. For example, some RDAs have considerable experience in helping municipalities with EU funding proposals and with crossborder cooperation. The AMC Secretariats could facilitate or coordinate the delivery of such services by the relevant RDA, and take a commission/fee for this service.

AMC members said this would be the type of value-added, revenue-raising role the Secretariats could assume in due course. They suggested that the Secretariats should conduct an annual needs assessment to prioritise and focus their work plans for the following year. This would ensure that their services remained aligned with members' needs and would also allow the Secretariats to address new issues strategically.

As one mayor said: "If I have a problem and you can fix it, I'll pay!"

8.2.5   Other *(comments from mayors, government officials)*

"Municipalities should consider the possibility of a Cantonal coordination mechanism, to assist mayors to deal with Cantons on legislative issues. AMCs are not the right forum for discussing single Cantonal issues."

"AMCs should aim for ISO 9000 accreditation, to ensure consistent management quality."

"AMCs should take advantage of the 2013 Census to insert some questions into the household survey."

"AMC FBH should work closely with MoF and municipalities on debt-related issues."

"AMCs should initiate talks among municipalities to find regional solutions for such things as waste management. For example, AMC FBH could take the lead in developing a waste management strategy for BiH to guide municipalities."

Annex 1 – Map

Annex 2 – Terms of Reference

Case No.:   Date

2009-88680   23 May 2012

Terms of reference/Requirements specification

Mid–term Evaluation of the project "Capacity Development of Municipal Associations in BiH" (CDMA)

1   BACKGROUND

1.1   Information about Sida

Sida, the Swedish International Development Cooperation Agency, is a government authority. Our goal is to contribute to enabling poor people to improve their living conditions.

As other Swedish government agencies, Sida works independently within the framework established by the Swedish Government and Parliament. They decide on the financial limits, the countries with which Sweden (and thus, Sida) will cooperate, and the focus and content of that cooperation.

For additional information, please visit Sida's website, www.sida.se

1.2   Information about Department/Division or Embassy

The objective of the Swedish Cooperation Strategy with Bosnia & Herzegovina (BiH) 2011-2014 is: Democratic, equitable and sustainable development as well as improved conditions for EU integration. The three priority sectors are: 1. Democracy, human rights and gender equality and 2. Market development and 3. Sustainable infrastructure

The annual budget for BiH amounts to approx. 170 MSEK. Swedish International Development Cooperation Agency (Sida) is a Government agency responsible for implementing Swedish development policies. The Sida Office for BiH is an integrated part of the Swedish Embassy.

For more information check the Swedish Embassy Sarajevo website
http://www.swedenabroad.com/Page____61800.aspx

1.3   Partner country

Bosnia and Herzegovina

1.4   Cooperation partner

VNG International

1.5   Intervention/Project description

The overall objective of the project is to strengthen democratic processes in BiH and to contribute to the BiH's EU accession progress.

The goals of the project are the following:

- to strengthen and further institutionalize the AMCs in BIH, ensuring AMCs' independency, clear mandates, and accountability to their constituencies – the municipalities and, ultimately, the citizens of BiH.
- to develop strategic documents and services of the AMCs, enhancing the AMCs' capacities to act as democratic, legitimate, transparent, effective and sustainable institutions that will serve as a service-provider to their members and strengthen the influence of municipalities on higher levels of government.
- to help the AMCs to bridge the current lack of in-house expertise, and to achieve a higher level of organizational and functional development, with inspiration from the Associations of Municipalities and Cities in other transitional countries, in particular the neighboring countries.

1.6 Current situation in the relevant sector

The system of local self-government with directly elected municipals councils and mayors is less constrained by the ethno-political blockage than the higher tiers of government in BiH and shows more potential for accountability to citizens.

However, the recent Council of Europe (CoE) Report, issued in January 2010, shows that implementation of Resolution 1626[5] by the authorities and resources in the FBiH, as well as in RS, remains week. This problem is especially serious in FBiH where local government is formally a competence of Cantons, although a law on the principles of local self-government was adopted in 2006 by the Federation Parliament.

- In accordance with the Dayton Peace Agreement, Bosnia and Herzegovina has two geographical/political entities. Therefore, there are also two Municipal Associations: The Association of Municipalities and Cities of the Federation of Bosnia And Herzegovina- (AMCFED) and the Association of Municipalities and Cities of Republic Srpska (AMCRS).

The AMC-FED was established in 2002. Out of 80 existing municipalities in the Federation, 79 are members of the Association. The AMC-FED is constituted of the following bodies: Association Assembly, Presidency of the Association Assembly, Association's Collegium of the Presidency, Supervisory Board, General Secretary of the Association and Association Boards. The office of AMC-FED is placed in Sarajevo.

The AMC-RS was established in 1998 as an independent, non-political, non-party association of local authorities with the objective to support and promote local self-government. All 61 municipalities existing in RS are members of the Association. The General Assembly, consisting of all mayors in RS, is the highest body of the Association, while the Presidency which consists of 17 members, is an executive body. The seat of the AMC-RS is in Bijeljina and Banja Luka.

Each AMC has around 10 employees. The funding mainly comes from membership fees and from the participation in international projects. The membership fee collection rate is around 85% in both AMCs. There is no animosity between the two Associations, rather the opposite as they often cooperate and share information with each other.

1.7 Related programmes/projects and other development cooperation activities

- **The Governance Accountability Project (GAP)** jointly funded by Sida, USAID and Dutch Embassy. Since the start in 2004, it has become an important factor for municipal development by improving services and capacities of 72 BiH municipalities, and also by improving the legal, regulatory and financial conditions for BiH municipalities through various policy interventions. GAP has also worked to strengthen the AMCs[6].

GAP is scheduled to come to the end in September 2012. Some of the services which now are provided by GAP towards the municipalities are to be taken over by the AMCs, step by step.

Municipal Training System (MTS) financed by Sida

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[5] Resolution 1626, chapter on Local Government reform, issued in 2008 calls the authorities in BiH to "*implement a comprehensive local government reform with a view to harmonizing local government legislation at entity level and in FED of BiH, between different cantons, with a view to effectively devolving sectorial competencies to local authorities, strengthening fiscal decentralization, building up the capacity of local authorities and promoting cross-entity inter-municipal co-operation*"

[6] According to the Annual Work Plans ,the GAP should help to strengthen the AMCs by

(i) developing an annual Work Plan applying modern policy development procedures,

(ii) developing Codex on Inter-administrative Relations among AMCs and different government levels,

(iii)implementing the Law on Local Self-Governance in FBiH and RS,

(iv) improving municipal capacities in the property relations and asset management,

(v) establishing a Coordination Body between the two AMCs.

The overall project goal is to contribute to the development of professional and competent BiH local governments able to effectively manage development processes and deliver quality services to their citizens via further strengthening of the functional and policy capacity of the training system for local government employees in BiH and supporting its affirmation as a public mechanism for carrying out local governments` capacity development agenda country-wide. AMCs are one of the most important partners in the Project implementation.

2 SCOPE OF ASSIGNMENT

2.1 General information about Project

In December 2009 and January 2010 a project concept document was developed by a consultant hired by Sida, based on interviews with the leadership of the AMCs, with a number of mayors and with other stakeholders. The final document has been read and approved by the AMCs and their Boards.

A Project Office with competence in project management and local government issues is set up with a Project Director (Team Leader) with international experience. Two locally recruited project managers partly work at the AMCs. The Project Office is simultaneously working with the implementation at both AMCs in accordance with the Project Concept Document, which shows that most of the needs for change are common for both AMCs. The implementer of the Project has been selected through the open tender procedure initiated by Sida.

The Project Office has a Fund for financing project activities, including short term experts and other expenses necessary for the implementation of the project.

In addition, each AMC hired a Municipal Finance Expert and a
Legal Expert to work in their respective offices. Salary costs are covered 100% by Sida during the first year, 75% the second year and 50% the last year. Office costs for these experts are also covered from the project budget during three years. With these experts the AMCs will be able to increase the services to the member municipalities and gradually raise the incomes in order to cover the costs in a sustainable way.

It is also proposed that the Project envisages that the selected implementer reports to an Advisory Board composed of the directors of the AMCs and 4-6 municipal Mayors, representing various types of municipalities, nominated by the AMC Boards. The Advisory Board is important for the overall supervision of the implementation.
The total Swedish contribution for the project is around SEK 16 000 000,

PROJECT SUMMARY

Overall Objective: To strengthen democratic processes in BiH and to contribute to BiH's EU accession process

Project Goals

- To strengthen and further institutionalize the AMCs in BiH, ensuring AMCs' independency, clear mandates, and accountability to their constituencies – the municipalities and the citizens of BiH;
- To facilitate the development of strategic documents and services, enhancing the AMCs' capacities to act as democratic, legitimate, transparent, effective and sustainable institutions that are service providers to their members and strengthen the influence of municipalities on higher levels of government;
- To help the AMCs bridge the current gap of in-house expertise, and achieve a higher level of organizational and functional development, with inspiration from AMCs in other transitional countries

Project Results

1. Institutional strategic capacity of AMCs strengthened through

- Updated strategic documents
- Increased resource mobilization & self-sustainability
- Recruitment of AMC-based staff for new services portfolio
- Increased training & management capacity of AMCs

2. Lobby & advocacy position of AMCs improved through

- Strengthened lobby & advocacy skills of AMC staff and AMC
- committees
- Enhanced relations between AMCs and key stakeholders (media,
- government, donors)
- Improved coordination between SOGRS and SOGFBiH

3. AMCs' services portfolio tuned to current developments in municipal needs through

- Updated services in the field of municipal finance
- Increased resource mobilization & self-sustainability
- Updated information & communication services
- Establishment of Units for EU Integration in each AMC

2.2 Scope of work

Sweden would like to ensure that the current assistance to the AMCs is useful, efficient, sustainable, relevant, necessary and in line with the project Concept Note, Project Proposal and Contract. It is expected that the evaluation will:

1) evaluate the project progress against the planned activities/results according to the Result Framework in the Contract (internal efficiency)
2) evaluate the Project progress against overall sector development to assess the relevance of the activities (external efficiency)
3) make recommendations and share lessons learnt that will be used for further programming

The evaluator is asked to address the following general questions, not limited to:

- Both the original technical proposal and subsequent work plans should be compared to annual progress report and the observations of the evaluation team. A detailed assessment of project organization, management, fieldwork, significant outputs, and the quality and quantity of overall performance should be evaluated. Factors to be considered: a) effectiveness; b) relevance; c) sustainability (ownership); d) impact (both direct and indirect); e) efficiency and f) flexibility
- What is the general level of satisfaction of beneficiaries, both AMCs and municipal mayors, with the project?
- What recommendations do you have for the contractor?
- What recommendations do you have for Sida in managing CDMA

Moreover, the evaluator is asked to address the following questions, but is not limited to those listed below:

- What effects to overall performance of AMCs has the CDMA had thus far?
- How the assistance provided to AMCs improved their institutional capacity to analyse, lobby, support, inform, advocate, coach…
- What is the level of sustainability of the invested efforts
- What is the impact of the specific CDMA's assistance (e.g. development of Strategic documents, Legal/Financial services to municipalities…)
- What additional actions does CDMA need to undertake to improve AMCs work and service delivery
- Could the intervention have been implemented with fewer resources without reducing the quality and quantity of the results
- Could more of the same result have been produced with the same resources
- What are, if any, the gaps in CDMA approach
- How these could be corrected in the second phase of the project
- Are there specific activities that are NOT currently being implemented that should be included in the Project in order to further strengthen the AMCs

- To what extent interaction is taking place between AMCs, municipal Mayors and policy makers to identify legislative improvements.
- To what extent are the mayors an important part of the policy making process and are municipalities able to effectively advocate collectively through AMCs for necessary legislative and administrative changes
- To what extend the risks identified in the Project document influence on the project results. How these risks are managed by the contractor[7].

2.3 Budget

The evaluator shall provide the 20 days in performance of the evaluation, in the following illustrative breakdown specified in the below schedule:

2.4 Schedule

Tasks to be performed	Senior expert/expert 1 person per day
Desk review	2 days
Evaluation incl. field trips	10days
Draft evaluation report	5 days
Finalization of the report	3days

2.5 Profile of the Supplier and requirements for personnel

Senior Expert (international) or Expert (international)
The international consultant should:
- have at least 10 years of professional work experience in evaluation processes
- possess core evaluation competencies
- have relevant educational background, qualification and training in evaluation
- have technical knowledge related to local governance
- have excellent communication and writing skills in English language
- have excellent analytical skills
- should be familiar with the Balkans region (preferably BiH)
- be sensitive to customs and act with integrity and respect in relationships with stakeholders

2.6 Reporting and documentation

Evaluation tasks

The international consultant will be responsible for conducting the evaluation and will be the principal contact with Sida. He/she will also be responsible for the writing of the final assessment report with an executive summary; major findings and conclusions; a description of the evaluation methodology; and specific program recommendations.

✓ [7] Upper level government limits cooperation with AMCs and local self-governments, thereby limiting capacities and outreach for the AMCs
✓ Upper level government limits fiscal resources to local self-governments thereby limiting operational capacities of the AMCs
✓ The AMCs goals differ from those of the project. The AMCs do not show full interest to cooperate with the project
✓ The AMCs do not manage to overcome political obstacles that hamper realisation of joint SOGRS/SOGFBiH interventions, such as issuing joint statements[7]

Task 1: Desk Review

This review shall include reading all relevant background materials (the consultant should read the background documentation before arriving in BiH). Upon arrival, the evaluator will meet with Sida in order to further elaborate the ToR.

Task 2: Develop a Written Fieldwork Plan

Using the information gained from the desk review together with information provided in this ToR, the evaluator will develop a plan for conducting the fieldwork.

Task 3: Conduct a Field Evaluation

The evaluator will spend three weeks in-country to conduct the evaluation. Fieldwork will commence beginning on/about end May 2012 and end on/about mid June 2012.While in BiH, the evaluator will meet with key AMC representatives, local governance /municipal representatives as well as with the CDMA Project staff.

Task 4: Debrief Sweden Embassy-Sida

Before departing the country, the evaluator will debrief Sida on the preliminary findings and recommendations.

Deliverables

A. Written Fieldwork Plan as described in Task 2 due before fieldwork commences.

B. Draft Evaluation Report due within 14 calendar days following completion of fieldwork.

C. Final Evaluation Report due not more than 7 calendar days after receipt of Sida's comments on the draft evaluation report. The final evaluation report will include, at minimum, an executive summary; major findings and conclusions; a description of the evaluation methodology; a review of CDMA's key efforts and the overall impact of these efforts; and specific program recommendations. The final evaluation report will be submitted to Mario Vignjevic, Programme Officer responsible for Public Administration Reform and Local Governance Reform in electronic format within 5 business days after receiving Sida's final written comments and/or questions.

Deliverables must be in English.

Annex 3 – CDMA Review Work Plan

Actual Work Programme
Sida CDMA Review, June-July 2012

Dates	Location	Tasks	Andrea Spear (# days)	Dejan Kavalec (# days)
11-17 June	Home	Mission preparations: • Discuss project ToR, proposal, meetings, documentation, etc, with Sida and CDMA project managers • Review project documentation, country papers, donor reports, other relevant material • Prepare detailed Mission Work Plan and Report Outline • Prepare/translate tailored Questionnaires for meetings • Organise meetings and logistics	5 days	4 days
18 June	Sarajevo	• Team meeting • Briefing with Sida project manager • Meeting with GAP Chief of Party • Meeting with Consultant who prepared CDMA Concept Paper/Proposal	1 day	1 day
19 June	Sarajevo	• Meet CDMA Project Director and staff members, including project managers for FBH and RS • Meet AMC FBH team	1 day	1 day
20 June	Sarajevo	• Meet USAID, UNDP, SDC • Meet Mayor of StariGrad • Meet Assistant Mayor, City of Sarajevo	1 day	1 day
21 June	Sarajevo, Foca, Gorazde	• Meet Mayor of East Sarajevo • Meet Mayor of Foća • Meet Mayor of Gorazde	1 day	1 day
22 June	Bjeljina	• Meet AMC RS Director and available officers • Meet Mayor Bjeljina • Meet CDMA project manager and Team Leader	1 day	1 day
24 June	Sarajevo-B. Luka	• Drive to Banja Luka		
25 June	Banja Luka	• Meet Banja Luka mayor • Meet Finance Adviser, AMC Banja Luka Office • Meet Assistant Minister responsible for Administration and Local Government • Meet Head of Local Self-Government Department	1 day	1 day
26 June	Kakanje Kiseljak Travnik Tomislavgrad	• Meet Assistant Mayor and Finance Team • Meet Assistant Mayor/Secretary Council • Meet Mayor Travnik • Meet Mayor Bosanski Petrovac	1 day	1 day
27 June	Tomislavgrad Shiroki Brijeg Mostar	• Meet Mayor Tomislavgrad • Meet Mayor Shiroki Brijeg • Meet REDAH (Nezvet Sefo, Deputy Director)	1 day	1 day

28 June	Mostar Nevesinje	• Meet Mostar City Council • Meet Nevesinje President and Secretary of City Council, & Focal Point for AMC RS • Meet REDAH (Ivan Jurilj, Director)	1 day	1 day
29 June	Jablanica Vitez Sarajevo	• Meet Mayor Jablanica • Meet Mayor Vitez	1 day	1 day
1 July	Sarajevo	• Prepare initial findings and recommendations • Meet CDMA Team Leader for further information	1 day	
2 July	Sarajevo	• Meet FBH Ministry of Finance, Head of Treasury Dept. • Meet MP, House of Representatives, Commission on Local Self-Government • Prepare presentation for Sida	1 day	0.5 day
3 July	Sarajevo	• Finalise presentation for Sida • Present initial findings and recommendations to Sida • Meeting Sida	1 day	0.5 day
4 July	Sarajevo	• Meeting Sida • Finalise field mission	0.5	
8-22 July	Home	• Prepare Draft Report • Send Draft Report to Indevelop for QA	10 days	1 day
25 July		• Draft Report to Sida		
5 Aug		• Sida to provide comments on Draft Report		
8 Aug		• Finalise Report	1 day	
10 Aug		• Indevelop to submit Final Report to Sida		
Total Working Days			29.5 days	16 days

Annex 4 – Meeting List

Meeting List: 18 June to 4 July 2012

Midterm Review of 'Capacity Development of Municipal Associations' in BiH

Place	Organisa-tion	Person	Position	Email	Tel./Fax	Remarks
Sida						
Ferhadija 20, Sarajevo	Sida: Public Admin Reform & Good Governance Programme	**Mr.Mario Vignjević*** Officer in charge of this midterm review	Programme Officer	mario.vignjevic@foreign.ministry.se	T:+38733276034 F::+38733276060 M:38761145766	Met 18-6, 1100-1300, 3-7, 1100-1330
	Sida	Pelle Persson	Director	pelle.persson@foreign.ministry.se		Met 3-7, 1100-1300
CDMA Project Team						
Potoklinica 28, Sarajevo	CDMA Project Team	Mr.Erik Boven	Team Leader	erikboven@vng.ba	Tel: +387 33 570 331 Mob: +387 61 544356	Met him and Team 19-6,0930-1400; met again 1-7
		Mr.Camil Osman-agić	project man-ager FBH	Camilosmanagic@vng.ba	Tel: +387 33 570 331 Mob: +387 61 141901	Met 19-6; followed up on 27-6 and 28-6
		Ms.Bojana Seku-lić	project man-ager RS	Bojanasekulic@vng.ba	Tel: +387 33 570 331 Mob: +387 65 661274	Met 19-6 in Sarajevo and 22-6 in Bijeljina
		Mr.Momcilo Zugić	Project Assis-tant RS	momo-zugic@vng.ba	Tel: +387 33 570 331 Mob: +387 65756387	Met 19-6 briefly; re-sponded to Qs 28-6
		Ms.Irena Sehić	Office Mgr Project Assis-tant?	irenasehic@vng.ba	Tel: +387 33 570 331 Mob: +387 61860566	Met 19-6: responded to Qs 28-6
AMC FBH Team						
Musala 5/I, Sarajevo	**AMC FBH Office**	**Ms.Vesna Travljanin***	Director	savez@sogfbih.ba; vesna@sogfbih.ba www.sogfbih.ba	Tel.: +387 33 216 502 or 552 810 Fax: +387 33 216 502 or 552 811	*Met whole team: 19 June.* Impressed by their enthusi-asm, focus and motivation
		Ms.Sejla Hasić	Strategies, Services			
		Mr.Amir Kupusija	PR/Comm's			
		Mr.Dino	IT/web			
		Ms.Dzenita Kova-cević	Finance Advisor	dze-nita@sogfbih.ba	Tel.: +387 33 216 502 or	**Excellent feedback on**

					552 810 Fax: +387 33 216 502 or 552 811	**her from mayors, MoF, MPs**
		Ms.Selma Fisek	Legal Advisor	selma@sogfbih.ba www.sogfbih.ba	Tel.: +387 33 216 502 or 552 810	Positive feedback on her from MP, mayors
AMC FBH Presidency Members and CDMA Advisory Board Members						
Stari Grad, Zelenih beretki 4, 71000 **Sarajevo**	municipality	**Mr.Ibrahim Hadzibajrić***	Mayor of Stari Grad Sarajevo	ibrahim.hadzibajric@starigrad.ba www.starigrad.ba/bs/index.php	Tel.: +387 33 282 400 Fax: +387 33 205 777	Met 20-6
Mijata Tomica 108, 80240 **Tomislavgrad**	municipality	**Mr.Ivan Vukadin***	Mayor of Tomislavgrad	opcina.tg@tel.net.ba www.tomislavgrad.gov.ba/ba/	Tel.: +387 34 356 404 Fax: +387 34 356 444	Met 27-6
Stjepana Radica 1, 72250 **Vitez**	municipality	**Mr.Vlado Alilović***	President of AMC FBH and Mayor of Vitez	info@opcinavitez.info www.opcinavitez.info/	Tel.: +387 30 718 200 Fax: +387 30 713 939	
Mayors Members of AMC Fed Presidency						
Fra Didaka Buntica 11, 88220 **Siroki Brijeg**	municipality	Mr.Miro Kraljević, Mayor of Siroki Brijeg	Member of Presidency AMC Fed	info@sirokibrijeg.ba www.sirokibrijeg.ba	Tel.: +38739706371 Fax: +38739705915	Met 27-6
Bosanska 110, 77250 **Bosanski Petrovac**	municipality	Mr.Ermin Hajder, Mayor of Bosanski Petrovac	Member of Presidency AMC FBH	opcinabp@bih.net.ba www.bosanskipetrovac.gov.ba	Tel.: +387 37 883 579 Fax: +387 37 881 012	Met 26-6
Hamdije Kreševljakovića 3, **Grad Sarajevo**	City	Mr.Miroslav Zivanović, Deputy Mayor City of Sarajevo	Member of Presidency AMC FBH	grad@sarajevo.ba www.sarajevo.ba	Tel.: +387 33 208 340 Fax: +387 33 208 341	Met 20-6
Safvet bega Basagica bb, 72220 Zavidovici	municipality	Mr.Hakija Osmić, Mayor of Zavidovici	Member of Presidency AMC FBH	opzdici@bih.net.ba www.zavidovici.ba	Tel: +387 32 878 327 Fax: +387 32 868230	NA
Marsala Tita 2, 73000 **Gorazde**	municipality	Mr.Muhamed Ramović, Mayor of Gorazde	Member of Presidency AMC FBH	opcinago@bih.net.ba www.gorazde.ba	Tel: +387 38 221 333 Fax: +387 38 221 332	Met 21-6
Pere Bilica 25, 88420 **Jablanica**	municipality	Mr.Salem Dedić, Mayor of Jablanica	Member of Presidency AMC Fed	nacelnik@jablanica.ba www.jablanica.ba	Tel.: +387 36 752 651 Fax: +387 36 753 215	Met 29-6
Glavni Trg 3, 76290 Odzak	municipality	Mr.Luka Jurić, Mayor of Odzak	Member of Presidency AMC Fed	opcina.odzak@tel.net.ba www.odzak.ba	Tel.: +387 31 762 101 Fax: +387 31 710 811	NA
307 Motorizovane brigade 92, 70230 Bugojno	municipality	Mr.Hasan Ajkunić, Mayor of Bugojno	Member of Presidency AMC Fed	bugojno@bih.net.ba www.opcina-bugojno.ba	Tel.: +387 30 251 444 Fax: +387 30 251 222	NA
Other FBH Mayors						
Kiseljak	municipality	Mr.Dragomir	Secretary of			Met 26-6

		Lucić	Municipality & responsible for AMC			
Kakanj	municipality	Mayor sick, so met: Mr Dzihad Berbić Head, Finance Department; Ms. ?, responsible for Treasury System pilot project	Managers of GAP Pilot project on switching to Treasury System			Met 26-6
Travnik	municipality	Mr.Admir Hadziemrić	Mayor			Met 26-6
Mostar	City Council	~~Murat Corić~~ Ms Marija Soldo	~~President~~ Secretary of City Council			
FBH Government						
Sarajevo	Ministry of Justice	Mr Zoran Mikulić	Minister	zoran.mikulic@fmp.gov.ba	+387 33 213155	NA
Sarajevo	Ministry of Finance	Mr Hajrudin Hadzimehanović	Asst. to Minister for Fiscal Policy	Hajrudin.hadzimehanovic@fmf.gov.ba		Met 2-7
Sarajevo	Parliament of FBH	Mr Slavisa Sućur Commission for Local Self-Govt and Finance Cttee	Member House of Representatives			Met 2-7
Republika Srpska AMC						
Nikole Tesle 6, 76300 **Bijeljina**	**AMC RS** Main Office	**Mr Brano Jovicić ***	**Secretary General**	E-mail: info@alvrs.com Web: www.alvrs.com	Tel.: +387 55 220 270 Fax: +387 55 211 885	Met 22-6, 0900-1100
	AMC RS	Ms Bojana Sekulić	CDMA project manager	bojanasekulic@vng.ba	Tel: +387 33 570 331 Mob: +387 65 661274	Met 22-6, 1100-1300
	AMC RS	Mr.Goran Rakić	KS project manager & fin. officer	E-mail: goranr@alvrs.com	Tel.: +387 55 220 270	Met 22-6 1600-1645
	AMC RS	Ms.Vladana Popović Djordjić	Office Mgr & Public Relations	E-mail: vladanap@alvrs.com	Tel.: +387 55 220 270	Met 22-6, 1445-1600
	AMC RS	Ms.Sanja Krunić	Project manager	E-mail: sanjak@alvrs.com	Tel.: +387 55 220 270	NA
	AMC RS	Mr.Branislav Misović	Project manager; EU officer	E-mail: branislavm@alvrs.com	Tel.: +387 55 220 270	NA
	AMC RS	Mr.Goran Ognjenović	Accountant	E-mail: gorano@alvrs.com	Tel.: +387 55 220 270	NA
Banja Luka AMC RS Branch Office	AMC RS	Ms.Slavica Rokvic	Legal Adviser	slavicar@alvrs.com	Tel. +387 51 322 670 Fax38751327 010	Answered Q 29-6; Skype interview 17-7
Banja Luka Office	AMC RS	Ms.Dijana Corić	Finance Adviser	dijanac@alvrs.com	Tel. +387 51 322 670	Met 25-6
AMC RS Presidency Members and Members of CDMA Advisory Board						
Banja Luka	municipality	**Mr.Dragoljub Davidović***	President AMC &	gradonacelnik@banjaluka.rs.ba	Tel. +387 51 244 444	Met 25-6

			Mayor Banja Luka		Fax +387 51 212 526	
Grad Istocno Sarajevo **East Sara-jevo**	municipality	**Dr.Vinko Rado-vanović***	Vice Pres AMC & Mayor ES	istocnos@paleol.net	Tel. +387 57 226 793 Fax +387 57 226 787	Met 21-6
Other RS Mayors						
Foca	municipality	~~Zdravko Krsmano-vic~~ Olivera Elez	~~Mayor~~ Assistant Mayor	kabinet@spinter.net opstina-foca@spinter.net	Tel. + 387 58 210 134 Fax+38758210097	Met 21-6
Nevesinje	municipality	Mr.Momcilo Silje-gović Ms.Novka Dabar-cic Ms.Milena Dam-janac	President, Council; Secretary, Council; AMC Focal Point			Met 28-6
Bijeljina	municipality	Mr.Mico Micić	Mayor Met Deputy Mayor			Appt 22-6, never came
Trebinje	municipality	Dr Dobroslav Cuk	Mayor	op-stina@trebinje.rs.ba	Tel. +387 59 274 400 Fax + 387 59 260 742	NA
Samać	municipality	Mr.Savo Minić	Mayor	opsamac@teol.net	Tel. +387 54 611 237 Fax +387 54 620 300	NA
RS Govt						
Banja Luka	Ministry. of Admin. & Local Govt	~~Lejla Resic~~ Milanka Sopin	~~Minister~~ Assistant Minister	muls@muls.vladars.net	Tel+38751339 545 Fax +38751339648	
		Ms.Miljana Drago-jević	Head, Local Govt Division			
Partners and Donors						
Mostar	REDAH	Mr.Ivan Jurilj Mr.Nevzet Sefo	Director Deputy			
Sarajevo	USAID	Mr.Marinko Sakić	Project Director	msakic@usaid.gov	Tel: 033 704213	Met 20-6: 1500-1700
Sarajevo	GAP project Sida/USAID	Mr.Boris Maslo	Chief of Party	bmaslo@bihgap.ba	Tel: +387 33 722 580 Mobile: +387 61 724 312	Met 18-6
Sarajevo	UNDP 'Cluster for Local Govt'	Ms.Adela Pozder-Cengić	Team Leader	Adela.Pozder-Cengic@undp.org		Met 20-6
	UNDP	Ms.Marina Di-mova	Project Officer	Marina.Dimova@undp.org		
Sarajevo	Swiss Dev. Cooperation Office (SDC)	Ms.Alma Zukorlić	Project Officer	alma.zukorlic@sdc.net	Tel.: +387 33 25 40 37 Fax: +387 33 27 15 00	Met 20-6
Sarajevo	KS (Nor-way)	Thomas Scheen			+4791158982	Not available
Sarajevo	GIZ	Mr Schroeder				Not available

CDMA Consultants and Experts					
Sarajevo 1800-2000	Independent prepared CDMA concept note in 2010	Ms.Sabina Dervisefendić	Consultant + FBH 3C3 (6.11: 3 days)	sa-bina.dervisefendic@gmail.com	Mob: + 387 61 304 299	Met 18-6; rcvd Concept Paper 23-6. Sent questions 24-6
	VNG	Henri Schuers; Gerrit Schep	Experts	gerritjan.schep@stimulansz.nl		Both responded to emails, Questionnaires
	EDA 20 days in 2010-11	Mr.Zdravko Miovcić	Director RS 1A1			Requested meeting: n.a.; sent email, Q; no response
	EDA	Goran Janković	RS 1A1	go-ran.jankovic@edabl.org		Responded to Questionnaire
	EDA	Milos Sipragić	RS 1A1	milos.sipragic@edabl.org,		Responded to Questionnaire
	2 days 2010-11	Goran Milić	6.11 RS 1A1	gmilic26@gmail.com		Responded to Questionnaire
	??	Tarik Karić	FBH finance	ktare@yahoo.com		Responded to Questionnaire
	3	Naida Vukotić	2.11 FBH 3A2, 3			No response
	21	Alma Telibećirevic	2.11 Both 2B4	atelibecirevic@gmail.com		No response
	16	Ljubisa Marković	3-5.11, FBH 1A1			No response
	3	Mensur Hadzimusić	6.11 FBH 2A2	men-sur.hadzimusic@hotmail.com		No response
	4	Ljubinko Mitrović	RS 2A2			No response
	3	Hafeza Sabljaković	7-9.11 FBH 2A1	sabl-jakovic.hafeza@bih.net.ba		No response
	3	Dusko Snjegota	7.11 RS 3A2, 3A3	dusko.snjegota@srrrs.org		No response
	3	Dusko Pejović	7.11 RS 3A2, 3A3	duskope-hovic@telrad.net		No response
		Sabina Duman	FBH Comm's	sabina.duman@pristop.ba		No response
		Nada Dzurić	RS financial planning	nada.djuric@sobijeljina.org		No response
				branko@telrad.net		No response
				igor@teleol.net		No response
				sovilj@prijedor.com		No response
				milos.djajic@cmv.org.rs		No response
				naidacar@gmail.com		No response
				zoran.pejcic@rtrs.tv		No response
				ssosevic@yahoo.com		No response
				nikola.tarbuk@skgo.org		No response
				elvira_hadzic@hotmail.com		No response
				hazbo@bih.net.ba		No response
				hasic.enes@yahoo.de		No response
				resodautefendic@gmail.com		No response

Annex 5 – Questions for Meetings

Discussion Topics for Meetings

Discussion Topics for Interviews

AMC Directors/Staff, CDMA Advisory Board, Other Mayors/Assistant Mayors

A. Regarding Sida's CDMA assistance programme for SOGFBiH and SOGRS
1. Is the CDMA programme to assist AMC aligned with local development priorities and challenges?
2. Did the CDMA needs assessment correctly prioritise your needs? (list provided)
3. Do its objectives and desired results adequately/realistically focus on the real problems to be solved? (list provided)
4. Do its current and planned work programme and activities meet the real needs and expectations of local governments and citizens?
5. To what extent does CDMA complement other donors' activities and fill gaps that other donors are not addressing?
6. Is there any duplication?
7. Please comment on the quality and usefulness of CDMA services, reports, web products, advisory missions, training sessions, study tours, etc. Which have been the most useful, relevant and timely?
8. Please comment on CDMA's management and operational efficiency and effectiveness.
9. Please comment on progress toward the 'desired results' from the CDMA work plan:
10. Any suggestions for improvements in the CDMA programme?
11. How do you think donor assistance should evolve in coming years to support local development? For example, how can programmes like CDMA assist local authorities and local development in the long term?

B. AMC and Municipal Needs and Priorities
1. How are your priorities evolving? Which priorities now will cease to be priorities for assistance in the next 5 years? What new priorities will emerge?
2. Which of the AMC activities and outputs will be the most useful for member municipalities and citizens in the long term?
3. How can they be improved to meet evolving needs?
4. What progress are AMCs making on becoming self-sustaining?
5. For what services would Municipalities be prepared to pay on a fee-for-service basis?
6. For what services would Municipalities *not* be willing to pay?

Discussion with individual CDMA Project Officers
Name
Position
With CDMA since (date)
Education
Professional experience/technical expertise
Main work responsibilities
Supervisory responsibilities

1. Individual work plan and action plan (please bring these along to the discussion)
   - Ownership
   - Teamwork
   - Logframe showing how individual work plan ties into overall CDMA work plan/objectives
   - Activities/outputs planning
   - Milestones to be achieved
   - Performance indicators

2. Have you achieved everything you planned to date?

3. What do you consider to be your main successes?

4. What have been the main challenges you have faced ?
   - Were these unexpected?
   - How did you deal with them?
   - Looking back, would you have dealt with them differently?
   - How will you deal with such issues in future?

5. How do you work, what systems and processes do you use, and how are these evolving?
   - Work planning and budgeting
   - Work reporting
   - Internal communications with bosses and team members (type, frequency, objectives)
   - Teambuilding
   - External communications with stakeholders and clients (type, frequency, objectives)
   - Any public relations or marketing responsibilities associated with your activities?
   - How do you think the systems and processes can be improved?

6. Relationships with stakeholders

7. Looking forward, what do you expect to achieve over the next two years?

8. What factors will help you to achieve your goals?

9. What factors/risks may impede achievement of your goals?

10. Have you thought about how to make your activities sustainable?

11. What improvements would you suggest for your activities, CDMA and AMCs?

Questions for FBH Finance Ministry

Name

Department

Title

1. Key issues affecting local authorities
   - Distribution
   - Revenue sharing
   - Imposing obligations without providing funding to meet them
   - Switching to Treasury System
   - Concessions issues
   - Municipal borrowing
   - Others?

2. What is the Finance Ministry's role and position? Any surveillance role?

3. How does MoF's role fit with EU integration (e.g., EU Charter on Local Self Government)?

4. How are local authorities consulted on these and other issues affecting them?

5. What is the role of the SOG FBH in your relations with local authorities?

6. How have you interacted with the SOG FBH and the legal and finance advisers?

7. How has their role and performance evolved over the past two years?

8. How should SOG FBH evolve in coming years? ie, what would be an optimum role for it in terms of representing the interests of its constituents?

9. What is your view of the capacity of local authorities to manage their own finances, concessions, procurement, debt, etc?
   - Strengths
   - Weaknesses

9. What do they need to do to overcome their weaknesses?

Questions for Members of Parliament

Name

Parliamentary activities/responsibilities:

Constituency:

1. Key issues affecting local authorities
   - Distribution of resources
   - Revenue sharing
   - Imposing obligations without providing funding to meet them
   - Concessions issues
   - Various laws and regulations affecting local authorities
     - What is on the table? Prospects?
     - What *should* be on the table?

2. What is the Parliament's role in these issues?
3. How does this fit with EU integration (e.g., EU Charter on Local Self Government)?
4. How are local authorities consulted on these and other issues affecting them?
5. What is the role of the SOG FBH in your relations with local authorities?
6. How has its role and capacity evolved over the past two years?
7. How do you interact with the SOG FBH? Comments on the legal and finance advisers? Other staff?
8. How should SOG FBH evolve in coming years? ie, what would be an optimum role for it in terms of representing the interests of its constituents?
9. What should it do to optimise this role and best serve its members in the long run?
10 What is your view on the capacity of local authorities to manage their own finances, concessions, procurement, debt, development, etc?
   - Strengths
   - Weaknesses
11. What do they need to do to overcome their weaknesses?

Questions for Local and International Experts

Name
Company
Position
Length of time with company
Person who managed the procurement/contracting process (person in CDMA project)?
Previous experience with VNG?
Previous experience with Sida?
Previous experience with Associations of Municipalities and Cities?

A. Questions on Contracting Process

1. Quality and transparency of procurement information, terms of reference, selection criteria
2. Selection process (efficiency, transparency)
3. Responsiveness of CDMA staff to questions on ToRs, applications, etc
4. Contracts (efficiency of process; clarity of defined activity and expectations; thoroughness of individual work/action plans; appropriateness of performance measures, milestones, deliverables)
5. Suggestions for improving the procurement/contracting process during Phase 2

B. Questions on CDMA project

6. Comments on the relevance and quality of the programme design and approach, and suggestions for improvements for Phase 2 (e.g., any gaps? new priorities? pressing issues? redundant activities?)
7. Comments on the quality and relevance of the various reports and strategies produced
8. Please comment on any challenges encountered in meeting the objectives set out in your ToR
9. Please comment on your relations with CDMA and AMC staff, representatives of member municipalities. Any suggestions for improvements in interaction (including between AMCs and their members)?
10. Suggestions/views on the AMCs' long-term sustainability and specific suggestions on how Phase 2 of the CDMA programme can enhance it
11. Additional comments, suggestions

Annex 6 – Documents Reviewed

- Concept Paper commissioned by Sida in 2009-10
- Preaudits of AMC RS and AMC FBH
- Background on previous assistance to AMCs
- Donor Reports (GAP, MTS, OSCE, SLS)
- Donor Mapping Reports from BiH Government
- Project Proposal submitted by VNG International and all annexes
- Tender Evaluation Report
- Minutes of pre-contract meetings between Sida and VNG
- VNG CDMA Contract and amendments
- Sida's MoUs with AMC FBH and AMC RS on the CDMA project and addenda
- VNG Inception Report and all annexes (workplan, timetable, lograme)
- VNG needs assessment 2010
- Position descriptions for Finance and Legal Advisers, Project Managers, other project staff
- Report on selection of staff
- CDMA interim narrative and financial reports: November 2010, May 2011, November 2011, May 2012
- Auditors Reports, November 2011, for AMC RS, AMC FBH, CDMA Project Office
- Follow-up to Auditors Reports (management responses, etc)
- Annual Progress Reports from AMC FBH and AMC RS, November 2011
- Expert engagement lists, ToRs, activities, etc
- Various mission reports and expert reports (eg, Fee collection options SOGRS, revenue raising report, financial planning report)
- Correspondence between donor and contractor
- Advisory Board Meeting minutes
- Strategic Documents produced under CDMA for/by AMC FBH and AMC RS:
  - Strategic Development Plans
  - Lobbying and Advocacy Strategy guide
  - Communications Strategy (partially available)
  - Services Development Strategy (FBH Centre for Education & Dialogue only)
  - Human Resources Development Strategy (not available)
- CDMA Final Report Phase 1 – narrative and financial
- AMC RS and AMC FBH Final Reports Phase 1
- Numerous documents on municipality activities provided by mayors and local officials during interviews

Annex 7 – CDMA Phase 1 Implementation State of Play

Key Activity Milestones	Original Target Dates	Date Activity Conducted in Phase 1	Status[8] 1/6/12
Phase 0: Preparations/Inception	**16 August-15 November 2010**		
Project Office set up and staffed (1 Team Leader, 1 office manager, 2 project managers)	'within 3 months after arrival in country' (Contract)	15 November 2010 (PM RS resigned in June 2011; not replaced until Oct 2011.	done
Needs assessments conducted	ditto	October 2010	done
Inception Report completed (with work plan, performance monitoring plan, implementation plan, Project Fund allocation plan)	ditto	15 November 2010 (performance monitoring plan same as work plan)	done
Project Advisory Board constituted, approves inception report, meets everyfour months	ditto	Members selected Nov/Dec 2010. 3 meetings in 18 months: Feb 2011; June 2011; April 2012. Poor attendance by mayors.	Met 3 times in 18 months
Kick-off conference	Ditto (contract); then 31 March 2011 (inception report)	31 March 2011 'Developing Capacity of Entity AMCs', org by AMC FBH for both AMCs (presented new advisers; discussed Development Strategies of both AMCs).	done
Joint staff meetings		8-10 Dec 2010 (study tour), 28 Dec 2011, 24 May 2012 - most done during other events	3
Phase 1: 16 November 2011-1 June 2012			
Component 1.A Update Strategic Documents		ongoing	
1.A.1 Strategic Plans and annual plans	Dec 2010 - April 2011 & Dec 2011	**FBH:** Dec 2010-Oct 2011: 4 workshops & participatory discussions produced draft 'Development Strategy of AMC FBH 2011-15. 6 Oct. 2011: **6th Annual Assembly adopted**. **RS:** Dec. 2010-April 2011: 4 workshops & participatory discussions produced first Draft of 2011-15 Strategic Dev Plan by 24 April 2011. Sent to members for comment Sept 2011; public hearings Nov-Dec. 2011. **Will present to Assembly in late 2012.**	FBH: done RS: draft finished
1.A.1 Lobby-Advocacy strategy	Dec 2010 - April 2011 & Dec 2011	**FBH:**11-15 July 2011 workshop; 6 Oct. 2011: 6th Annual **Assembly adopted Lobby Strategy** **RS**: Workshop 26-27 Dec 2011. **Draft finished early 2012.** To be presented to Presidency, and to Assembly in late 2012.	FBH: done RS: draft finished
1.A.1 Communications strategy	Dec 2010 - April 2011 & Dec 2011	**FBH**: 1-2 June 2011 workshop; **draft finished**, approved by Presidency 17 April 2012. **RS**: 3 workshops Feb-April 2012.**Draft finished June 2012**. To be presented to Presidency, and to Assembly in late 2012.	FBH, RS: drafts finished
1.A.1 Services development strategy	Dec 2010 - April 2011 & Dec 2011	**FBH**: April 2012 (Centre for Education and Dialogue concept) Services Development Strategy to be done **RS:** Aug 2012: draft to be finished	FBH, RS: Drafting ongoing
1.A.1 Human resources strategy	Dec 2010 - April	**FBH**: 'not designed yet'	FBH: 0

	2011 & Dec 2011	**RS:** Aug 2012: draft to be finished	RS: drafting
Component 1.B Resource mobilisation/self-sustainability			
1.B.1 2 assessments for revenue raising, incl pilot fee-based services (1 for each AMC)	Sept 2011	**FBH:** 29 Sept 2011: held fee-based conference on local borrowing. Assessment activity postponed to Aug 2012. **RS:** Assessment presented to conference (70 people) 25 May 2012 (see 1.B.4).	FBH: 0 RS: done
1.B.2 1 seminar on revenue-raising best practices	August 2011	postponed	0
1.B.3 4 'coaching' sessions on multiyear financial planning, budget cycle procedures: 2 in Phase 1 (1 for each AMC)	March-May 2011 & 2 in Phase 2	**FBH**: July 2012? **RS:** Dec 2011**,** April 2012	FBH: 1 of 1 RS: 2
1.B.4 4 seminars on fee-based services/designing financing mechanisms for service provision: 2 in Phase 1 (1 for each AMC)	April 2011 & 2 in Phase 2	**FBH**: postponed **RS**: 25 May 2012 (70 participants)	FBH: 0 of 2 RS: 1 of 1
Component 1.C Recruitment of AMC-based staff for updated services portfolio			
1.C.1 Assist AMCs and Sida to recruit AMC-based staff (2 municipal finance experts & 2 legal experts for each AMC)	Sept-Nov 2010	2 legal and 2 finance advisers recruited for each AMC by Nov. 2010	FBH, RS: done
Component 1.D: Increased training & management capacity of AMCs			
1.D.1 Train-the-trainer sessions on municipal finance, legal issues, info & comm's, EU integration, as per needs assessment			
- 8 Train the trainer sessions: 6 in Phase 1 (3 each in Phase 1; 1 each in Phase 2)	Oct-Dec 2011 & 2 in Phase 2	FBH: 13-14 Feb,6-7 March 2012 ('content developed') RS: 14-15 March; 1 April 2012	FBH: 2 of 3 RS: 2 of 3
- Dev. 'at least 4' on-demand training modules for municipalities	Dec 2011-May 2012	FBH: Feb-March 2012 (same as above): 5 modures RS: May 2012: 5 modules	FBH: 5 RS: 5
1.D.2 4 'coaching' sessions on leadership and management (2 for each AMC SG/Director)	May 2011 & March 2012 & 2 in Phase 2	**None**	0
1.D.3 Study visit for trainer pool (1D1) and EU Integration Unit staff (3D1) to SCMT Serbia	March 2012	8-11 April 2012 to Bulgaria	done
1.D.4 Study visit for new legal, finance officers to SCMT Serbia	Dec. 2010	8-10 Dec. 2010 to Serbia	done
Component 2: Lobbying and Advocacy			
Component 2.A Skills building			
2.A.1 Seminar for AMC staff & Committee members	June 2011	**FBH:** 5 July 2011 with committee members discussed law on local self-govt in FBH and on law on concessions; 6 Oct 2011: output: list of MPs by municipality & party **RS:**26-27 Dec 2011 seminar with committee members	2 of 2
2.A.2 2 training sessions for AMC Cttee members on legislative drafting	June-July 2011	**FBH**: 29-30 June 2011 **RS**: 6-7 July 2011	2 of 2
2.A.3 4 RTs with mayors to define priorities	July & October 2011	**FBH**: 28 June 2011; 22 Sept. 2011 **RS**: 26-27 Dec. 2011 (combined with 2.A.1): priorities defined	FBH: 2 of 2 RS:1 of 2
Component 2.B Enhanced relations with stakeholders			
2.B.1 8 RTs with Parliamentarians & govt officials: 6 in Phase 1 (3 for each AMC in Phase 1)	June, Nov. 2011 & April 2012 & 2 in Phase 2	**FBH**: 2 *informal* meetings: Oct 2011 (MOU signed with PM & MoJ); Dec 2011 with 47 parliamentarians **RS**: 30 Jan 2012 (on amending law on local self-govt)	FBH: 2 of 3 RS: 1 of 3
2.B.2 6 *joint* RTS with donor agencies: 3 in Phase 1	May, Oct. 2011 & April 2012 & 3 in Phase 2	June 2011, April 2012	2 of 3
2. B.3 2 seminars for media on local self- government development	March, April 2011 & 1 in Phase 2	**FBH**: 23 June 2011 **RS**: 15 Nov 2011	2 of 2
2.B.4 Assist AMCs on publicity (press releases, etc)	Ongoing from Jan. 2011	NEXPO PR assistant hired under this section, 15 Feb-15 Mar 2011.	extra
Component 2C: Improved relations between the 2 AMCs			
2.C.1 Joint AMC Board (Presidency?) meetings to discuss joint statements	**Phase 2**		0
2.C.2 2 joint sessions for EU Integration Units to discuss joint programming with EU Deleg.	**Phase 2**		0
Component 3: Services Development			
Component 3.A: Financial advice			
3.A.1 Install **financial helpdesks** & start new svcs, ,	November 2010	**FBH**: Oct 2010 Dzenita Kovacevic **RS**: Nov 2010: Dijana Koric	done

- database design, maintenance	December 2010-February 2011	**FBH**: 20 April 2011: GAP expert coaching session for finance expert on 2005 GAP Municipal Finance Profile Database, which AMC took over and expanded. **RS**: Similar process in AMC RS. 22 March 2011, 26 Oct 2011. 18-19 April: database maintenance course.	Databases operational
3.A.2 2 seminars on treasury-based municipal budgeting	February 2011	**FBH**: 16-17 Feb 2011 coaching seminar on fiscal policy, prog. budgeting. 27 April 201:seminar for municipalities **RS:** 14-15 July 2011 seminar on treasury-based budgeting and internal audit for 30 municipalities entering treasury system in 2012	FBH: 1 of 1 RS: 1 of 1
3.A.3 2 'coaching' sessions with finance helpdesks to develop services on participatory municipal finance, treasury-based budgeting & perform-ance//programme budgeting	February 2011	**FBH**: merged with 3.A.2 **RS**: ditto	Merged with previous line
3.A.4 2 'coaching' sessions with finance helpdesks on municipal loans, capital improvement and strategic dev. planning	**Phase 2**	n.a.	n.a. for Phase 1
3.A.5 2 'coaching' sessions with financial helpdesks to develop services on revenue & tax collection, fee-based municipal services	**Phase 2**	n.a.	n.a. for Phase 1
3.A.6 2 'coaching' sessions with finance helpdesks to improve AMC response to financial requests through email, phone, FAQ database	February 2011	**FBH**: 2-3 February 2011: output: FAQ Manual. **RS:** established procedures in staff meetings; output: FAQ Manual.	done
Component 3B: Legal Advice			
3.B.1 Improve & upgrade existing legal helpdesks & define new services	Jan 2011 onward	**FBH**: Legal adviser Selma Fisek, since November 2010. **RS:** Legal adviser Slavia Rokvic since Nov. 2010.	done
3.B.2 4 'coaching' sessions with legal helpdesks to develop new services	June 2011	**FBH**: date? Output: Manual on Practical Application of Administrative Procedures **RS**: postponed	FBH: 1 of 2 RS: 0 of 2
3.B.3 2 'coaching' sessions to improve AMC response to legal requests through email, phone, FAQ database	February 2011	**FBH**: combined with 3A6 **RS:** combined with 3.A.6	merged with 3.A.6
Component 3C: Info & Communications			
3.C.1 Improve communications & promotion tools			
3.C.1 a Website: new design & implementation	February-June 2011	**FBH:** June 2011:www.sogfbih.ba **RS**: October 2011:www.alvrs.com	done
3.C.2 4 workshops for municipal info officers on info exchange with citizens, AMCs, other municipalities	March 2012	**FBH**: postponed **RS**: 29 May 2012 (35 municipalities & 20 media reps participated)	FBH: 0 of 2 RS: 1 of 2
3.C.3 2 'coaching' sessions to develop new svcs	January-February 2011	**FBH:** 1-2 June 2011: Workshop on 'Development & improvement of info service of AMC FBH' to enhance Secretariat-Member info exchange: outputs: draft rules of procedure; how-to guide for organising participatory public hearings. **RS**: 28 Feb-1 March 2012: workshop on improving ext. communications; outputs: new e-product ideas	FBH: 1 of 1 RS: 1 of 1
Extra: NEXPO Fair: organised by NALAS, AMC FBH and AMC RS. 100 local authorities represented & 1500 people attended		10-11 March 2011: Sarajevo: NEXPO driven by AMC FBH. CDMA paid for PR person.	extra
Component 3 D: EU Integration			
3.D.1 Establish Units & define new services	Phase 2		
3.D.2 2 seminars for AMC staff on EU integration issues: institutional context & funding procedures	Phase 2		
3.D.3 2 'coaching' sessions with Units to develop services on IPA 'pipelining' & Project Cycle Management	Phase 2		
3.D.4 2 'coaching' sessions with Units to develop services facilitating international partnerships for crossborder projects	Phase 2		
3.D.5 Study visit to associations and municipalities in new EU members to see EU fund absorption & programming	Phase 2		

Annex 8 - Brief Description of the AMCS

AMC FBH

The **Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina** (also known as AMC FBH, AMC Fed and SOGFBH), is an independent organisation established in 2002 and based in Sarajevo. Its members include 79 of the Federation's 80 municipalities and cities. Its main goal is to promote democratic and efficient local self-government in accordance with the European Charter on Local Self-Governance.

The Association, staffed by 10 employees, aims to provide professional services to local governments and to advocate for their common interests at the state and the Federation level. The Association conducts different activities in order to fulfil its mission, including:

- development of strategic documents/operative programs in areas of interest for members
- permanent monitoring/tracking of legislative, executive and judicial authorities' activities
- organisation of public hearings, analysis, comments on draft legislation, rules and regulations, and recommendations
- education and training activities
- project implementation in collaboration with government and non-government organizations, local and international
- analysis and data processing for member municipalities
- assistance in development of infrastructure projects.

The **Assembly** is the AMC FBH's highest decision-making body. It comprises 79 of 80 municipal or city representatives /mayors. The Assembly:

- adopts the Statute of the Association and its amendments
- adopts the Association's budget and decides on budget execution
- establishes the AMC's programmatic orientation
- passes decisions on membership fee and contribution for Association's services.

The **Presidency** of the Assembly is the executive body with 13 members. There is also a 3-member Supervisory Board, as well as Secretary of the Association, appointed by the Presidency. They operate under renewable 4-year terms.

Currently, SOGFBiH has six standing bodies, or committees on:

1. development of local self-governments
2. constitutional and legislation issues
3. international relations and cooperation
4. urbanism, housing-utilities and environmental protection
5. economic development
6. nomination and selection.

Funding sources in 2012 (% of budget): *awaiting information*

SWOT Analysis of the AMC FBH, December 2010

Strengths
- Constitutional and legal position of the Association
- Common interests, politics and position of the Association's members
- Acceptance of the Association by its members and relevant organizations and institutions
- Membership of the Association in international and regional associations
- Association's important role in starting initiatives for legislative changes and participation in the
- drafting of the same
- High level of professional and technical capacities within the Association

Weaknesses
- Credibility of the Association is not at the appropriate level in the view of the key domestic and
- international partners
- Financial uncertainty
- Less than adequate structure of services offered to members
- Less than adequate participation of members in Association's activities
- Unsatisfactory level of communication/consulting, opinion exchange, etc. horizontally and
- vertically
- Governing the Association's administration and large member administration does not satisfy
- quality of management standards
- Influence of politics on the work of the Association
- Staff is not qualified enough for lobbying

Opportunities
- Further development of professional support to local self government and larger variety and
- scope of services to members and cooperation with relevant organization to achieve that goal
- It is important to harmonize legislative framework for local self government through
- harmonizing Cantonal laws with the Law on Principles of Local Self Government in Federation
- BiH
- Establishing a professional function within the Association for support to local self government
- regarding European Integrations and process of accession BiH to EU
- Support of international partners and donors

Threats
- Unsatisfactory level of communication/consulting, opinion exchange, etc. horizontally and
- vertically (with higher levels of government)
- Not implementing the Law on Principles of Local Self Government in FBiH
- and lack of harmonization of Cantonal laws with this Law
- Transfer of competencies to local self government without transfer of finances for realization of
- those competencies
- Disregard for propositions and suggestions of the Association by the higher levels of government
- Unsatisfactory membership fee for financing the Association which may lead to dependency of the
- Association on donor contributions
- Lack of interest of donors for financing Association's projects and work
- Uneven development of local self government
- Free services for local self government offered by the international donors
- Member's lack of trust toward the Association
- Lack of interest on the part of the higher levels of government for local self government

AMC RS

The **Association of Municipalities and Cities of the Republika Srpska** (AMC RS or SOGRS) has its head office in Bijeljina and a branch office in Banja Luka. The branch office was purchased with the help of Sida and member funding, and was opened in April 2012.

AMC RS, with 8 employees, is an independent, non-partisan and non-profit organisation bringing together municipalities and cities on a voluntary basis for mutual cooperation, exchange of experiences, and joint action to achieve common goals.

Established on 10 February 1999 as a 'socio-legal entity' (ie, NGO), its main **goals** are:
- development, protection and improvement of local self-government
- networking and cooperation among municipalities and cities to achieve common interests
- establishment and development of cooperation between RS municipalities/cities and foreign municipalities/cities, and with international organisations of local authorities.

Scope of activities (Statute Article 8):
- Organise discussions of current issues related to protection, development and improvement of local government
- Organise exchanges of experiences and other forms of cooperation to encourage common positions on issues of shared concern, and to cooperate with bodies and organisations with the same interests
- Improve and develop public services in the utilities and communal housing areas, urban planning, health care, social protection, culture, environment protection
- Develop proposals for changes or for adoption of rules and regulations of the RS
- Disseminate information on developments and good practices in the RS and abroad in areas important for local self-government
- Cooperate with international and national organisations of local self-government and with municipalities and cities from abroad
- Develop and implement work programmes through Assembly and Presidency sessions; permanent and temporary working bodies; conferences, etc; cooperation with authorities, expert bodies, social and citizen organisations; cooperation with foreign organisations; direct technical assistance to members (expert advice, expertise, assistance in drafting local regulations, analysis, software development, information systems, etc); communications and public relations.

The **Assembly** is the highest body, representing all 63 members. The **Presidency** is the executive body. Its 17 members, including a President and three Vice-Presidents, represent RS member municipalities and cities, appoint the Secretary-General (responsible for the Secretariat), coordinate the work programme, and perform intersessional activities on behalf of the Assembly.

A three-member **Monitoring Board**, established by the Assembly, controls 'material' and financial operations and monitors the work of the Association and its working bodies.

The AMC RS has nine standing bodies, or committees:
1. self-government and human resources
2. finances and economic issues
3. international cooperation and European integration
4. constitutional and law issues
5. urbanism, utilities and protection of environment
6. energy
7. social policy
8. agricultural development
9. education, culture, youth and sport.

Funding sources in 2011 (% of budget)
Membership fees 35%
Donor projects: 60%
Sponsorships: 0%
Grants: 5,06%
Self-generated revenues:10% (NOTE- includes membership fees from earlier years)

SWOT Analysis of AMC RS, 16 December 2010

Strengths:
- Status of the AMCRS as an association of public interest,
- Recognition of the Association among member municipalities,
- Continuity of the Association major bodies' work (regular sessions of the Presidency, Assembly),
- Membership in international associations and partnership with associations in region and in Europe,
- Implementation of projects of local self-governance (ISO standardization, Beacon Scheme),
- Representation of priority of municipalities interest/unity of members regardless of political environment,
- Strong influence of the Association towards customer oriented local administrations – different attitude towards citizens / customers,
- Association as an instrument of taking initiatives for legislation amendments and participation in legislation drafting,
- Association's significant role in decentralization process / transfer of authorities from Republic to local level and in defining municipal assets.

Weaknesses:
- Unsatisfactory human resource, financial and technical capacities of the Association,
- Insufficient level of professional assistance / expertise to member municipalities,
- Unstable and insufficient financial sources,
- Geographic distance from the RS Government and other central government institutions;
- Inadequate structure and level of services provided to member municipalities,
- Insufficient activity of Association Committees,
- Law intensity / information exchange on all levels (Association, municipalities, government),
- Association staff untrained in lobbing / representation.

Opportunities:
- Process of fiscal and institutional decentralization, in accordance with basic principles of the European Chart of Local Self-Governance,
- Local Self-Governance Development Strategy, adopted by the RS National Assembly,
- Training Strategy for Local Administrations Employees, adopted in the RS National Assembly in September, 2010,
- Establishment of the Association's office in Banja Luka - where Government is located
- EU integration and access to appropriate funds,
- International cooperation – interest of donors for implementation of projects aiming to strengthen the Association and its members,
- Involvement of all interested institutions / organizations in the lobbing process towards higher level of government (social welfare centers, NGOs, local chambers of commerce, trade unions, etc.),
- Development of paid services (not included in membership fee), and creation of conditions for sustainable Association.

Threats:
- Unequal development of municipalities,
- Small share of membership fees in total financing of the Association,
- Dependence on donors' funds,
- International organizations/donors provide certain services to member municipalities for free,
- Some RS ministries, RS Government and other central institutions disregard initiatives, suggestions and proposals of the Association,
- Inconsistency of central government institutions in implementation of already agreed activities – even successfully lobbied activities are not implemented in practice (for instance, Law on Rights in Rem),
- Lack of regular dialogue between the Association and the RS Government – central government does not fulfill its obligation to organize regular 6-month meetings with Association representatives (Memorandum on Cooperation between the RS Government and AMCRS),
- Image of the Association, members' distrust towards the Association.

Source: AMC RS Working Group on Strategic Planning, meeting report 16/12/2010

Annex I

Principles Underpinning Evaluation at Sida
(Source: *Sida's Evaluation Guidelines and Evaluation Plan*)

The objective of Swedish development cooperation is to contribute to an environment supportive of people's own efforts to improve their quality of life. Development evaluation – defined as a systematic and objective assessment of a policy, strategy, theme, sector or an ongoing or completed project or programme – is a key tool for contributing to that objective.

- It is a source of evidence of *what is working and what is not* and elaborates *why* things are working or not. Hence it can play a credible role in supporting mutual accountability among stakeholders in development interventions. It also contributes to evidence-based decision making by development partners, including Sida.
- It is a prerequisite for accountability for development results by providing impartial, unbiased information, which is accessible to the public both in Sweden and in partner countries.
- It is crucial for generating general knowledge on development.
- It contributes to building a culture of learning among development partners.

Evaluation[9] forms an integral and crucial part of Sida's system for results-based management since:
- Reviews of projects, programmes and strategies provide essential results information which complements and may provide a deeper analysis of regular monitoring data.
- Evaluations can go beyond the project or programme level and test general development hypotheses. Furthermore, they can generate general lessons about what works and what doesn't in terms of thematic areas, aid modalities etc.

Sida recognises that reviews should be integrated into programmes at the outset, and that lessons learned from evaluations should be taken into account into development of policies and strategies, as well as in project and programme planning.

Sida adheres to the internationally recognised evaluation quality principles of independence, credibility and utility. Evaluations are undertaken with the purpose of being useful to the intended users. If they are to be used, they need to be credible, and to be credible, they need to be sufficiently impartial and independent….This requires a participatory approach to the evaluation process, since intended users are more likely to use evaluations if they understand and feel ownership of the evaluation process and findings.

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[9] *Evaluations* are evaluations which are included in Sida's central evaluation plan…Evaluations typically cover policies, strategies, sectors, thematic areas and aid modalities. On occasion they may also be employed in place of reviews for large programmes and for lesson learning from innovative programmes. All Sida-financed evaluations are coordinated and subjected to quality assurance by UTV (and) are published in the series *Sida Evaluations*. *Reviews* are evaluations commissioned or financed by Sida's teams and included in every team's annual operational plan. They are often of operational character, and feed into the decision-making processes of Sida financed projects, programmes or strategies. All reviews financed by Sida are electronically published in the series *Sida Reviews.*

Evaluation Criteria

1. Relevance

This is the extent to which the aid activity is compatible with the priorities and policies of the target group, recipient and donor. Relevant questions include:
- Are the activities and outputs of the programme consistent with the overall goal and attainment of its objectives?
- Are the activities and outputs of the programme consistent with the intended impacts and effects?
- To what extent are the objectives (and *raison d'être)* of the activity/programme still valid?

2. Effectiveness

This measures the extent to which an activity attains its objectives. Relevant questions include:
- To what extent were the objectives achieved or are likely to be achieved?
- What were the major factors influencing the achievement or non-achievement of the objectives?

3. Efficiency

This measures the outputs - qualitative and quantitative - in relation to the inputs. It seeks to establish if the aid used the funds in a cost-efficient and accountable manner to achieve the desired results. This generally requires comparing alternative approaches to achieve the same outputs to see if the most efficient process was adopted. Relevant questions include:
- Were activities cost-efficient?
- Were objectives achieved on time?
- Was the programme or project implemented in the most efficient way compared to alternatives?

4. Impact

This refers to positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main results and effects of the activity on social, economic, environmental and other development indicators specified in the design. The examination should be concerned with both intended and unintended results and include the positive and negative impact of external factors such as changes in terms of trade and financial conditions. Relevant questions include:
- What has happened as a result of the programme or project?
- What real difference has the activity made to the beneficiaries?
- How many people have been affected?

4. Sustainability

This measures whether the benefits of an activity are likely to continue after donor activity is finished. Projects need to be environmentally as well as financially sustainable. Relevant questions include:
- To what extent did the benefits of a programme or project continue after donor funding ceased?
- What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?

Source: www.oecd.org/document/22/0,2340,en_2649_34435_2086550_1_1_1_1,00.html

Annex 9 – Inception Report

1. Introduction

In August 2010, Sida launched a three-year SEK13m programme to assist Bosnia and Herzegovina's two Associations of Municipalities and Cities to improve their capacity to provide support services for local governments. The 'Capacity Development for Municipal Associations' (CDMA) programme aims to complement other donors' efforts to strengthen local authorities and local governance, by ensuring that the Associations will be capable of carrying on support and advocacy activities when donors exit (several programmes end in 2012). To do so, the AMCs need to strengthen their expertise (management, financial, legal, communications, training), and their dialogue and cooperation mechanisms. This in turn will enhance their credibility and financial sustainability.

The CDMA programme focuses on these needs; its objectives and desired results are listed in the box below.

Objectives and Expected Results of CDMA Assistance Programme
Adapted from the CDMA Inception Report and Work Plan
Overall objective: To strengthen democratic processes in BiH and to contribute to BiH's EU accession process.

Specific objectives:
1. To strengthen and further institutionalise AMCs in BiH, ensuring AMCs' independence, clear mandates, and accountability to their constituencies: the municipalities and the citizens of BiH.
2. To facilitate the development of strategic documents and services, enhancing the AMCs' capacity to act as democratic, legitimate, transparent, effective and sustainable institutions that provide services to their members and enhance municipalities' influence on higher levels of government.
3. To help AMCs bridge the current gap of in-house expertise, and achieve a higher level of organisational and functional development, with inspiration from AMCs in other transitional countries

Desired Results
1. AMCs' institutional and strategic capacity strengthened through
   A. Updated strategic documents
   B. Increased resource mobilisation and self -sustainability
   C. Recruitment of appropriate officers to manage delivery of new services
   D. Improved management capacity

2. AMCs' capacity and influence to lobby and advocate members' interests improved through
   A. Strengthened lobbying & advocacy skills of AMC staff and AMC committees
   B. Enhanced relations between AMCs and key stakeholders (media, government, donors)

> C. Improved coordination between SOG RS and SOG FBH
>
> 3. AMCs' services portfolio aligned to current and emerging municipal needs through
> A. Improved municipal finance-related services
> B. Updated information & communication services
> C. Establishment of Units for EU Integration in each AMC

2. The Midterm Review

The First Phase of the 'Capacity Development for Municipal Associations' (henceforth CDMA) ended on 1 June 2012. The Second Phase will start in September 2012 and continue to end-2013. Scope exists to extend the programme for two additional one-year periods.

In order to assess the results of the CDMA programme's First Phase, highlight lessons learned, and provide guidance and recommendations for the implementation of the Second Phase, a Midterm Review will be carried out in June and July 2012.

The **overall objective** of this Review, as per the ToR prepared by Sida Sarajevo, will be to assess the extent to which the CDMA programme is: "useful, efficient, sustainable, relevant, necessary and in line with the project Concept Note, Project Proposal and Contract".

Scope and Methodology

In line with Sida evaluation guidelines and principles, through desk analysis and field interviews the review team will assess the following issues and progress toward the 'desired results' listed in the CDMA box above.

- Relevance of the CDMA assistance to Municipality Associations (eg, Is it necessary? Is it useful? Does it fill gaps in other assistance programmes?)
- Quality of the CDMA programme design (eg, Does it meet the real needs of the Associations and member Municipalities? Is the implementation design realistic in terms of delivering the desired results?)
- Effectiveness of implementation of Phase 1 (ie, Has it achieved the objectives, desired results and activities in the most well managed and appropriate manner?)
- Efficiency of implementation (ie, Has it been carried out in a timely, streamlined and cost-effective manner?)
- Extent to which 'crosscutting issues' such as gender equality, environment sustainability and poverty reduction are reflected in the assistance programme and desired results
- Prospects and conditions for achieving the desired results during Phase 2 + sustainability (eg, Has enough been accomplished in Phase 1 to ensure that the desired results will be attained during Phase 2? What improvements or additional efforts are needed to enhance progress? At the end of Phase 2, to what extent will the two Municipality Associations be capable of providing the services and support that their Members need in order to achieve their development priorities?).

In assessing these issues, the review team will respond to the relevant questions raised in Sida's ToR.

> **Specific Questions Raised by Sida**
> - *What is the general level of satisfaction of beneficiaries, both AMCs and municipal mayors, with the project?*
> - *What recommendations do you have for the contractor?*
> - *What recommendations do you have for Sida in managing CDMA*
> - *What effects to overall performance of AMCs has the CDMA had thus far?*
> - *How the assistance provided to AMCs improved their institutional capacity to analyse, lobby, support, inform, advocate, coach…*
> - *What is the level of sustainability of the invested efforts*
> - *What is the impact of the specific CDMA's assistance (e.g. development of Strategic documents, Legal/Financial services to municipalities…)*
> - *What additional actions does CDMA need to undertake to improve AMCs work and service delivery*
> - *Could the intervention have been implemented with fewer resources without reducing the quality and quantity of the results*
> - *Could more of the same result have been produced with the same resources*
> - *What are, if any, the gaps in CDMA approach*
> - *How these could be corrected in the second phase of the project*
> - *Are there specific activities that are NOT currently being implemented that should be included in the Project in order to further strengthen the AMCs*
> - *To what extent interaction is taking place between AMCs, municipal Mayors and policy makers to identify legislative improvements.*
> - *To what extent are the mayors an important part of the policy making process and are municipalities able to effectively advocate collectively through AMCs for necessary legislative and administrative changes*
> - *To what extent do the risks identified in the Project document influence the project results. How are these risks managed by the contractor :*
>   - *- Upper level government limits cooperation with AMCs and local self-governments, thereby limiting capacities and outreach for the AMCs*
>   - *Upper level government limits fiscal resources to local self-governments thereby limiting operational capacities of the AMCs*
>   - *The AMCs goals differ from those of the project. The AMCs do not show full interest to cooperate with the project*
>   - *- The AMCs do not manage to overcome political obstacles that hamper realisation of joint SOGRS/SOGFBiH interventions, such as issuing joint statements.*

Regarding the questions raised in the box above, it may be too early to assess impacts, since the CDMA assistance programme has been operating for just 18 months. Most of the other questions will be addressed in the sections of the Report on relevance, quality, efficiency, effectiveness and sustainability.

Regarding crosscutting issues: In line with Sida evaluation good practices, the review will address poverty reduction, gender and environmental issues to the extent possible. Midterm reviews are often too early to make any concrete judgments on such objectives, which are closely tied to impact assessment. However, we can comment on how the design and implementation are affecting these underlying objectives, and how things might be improved to enhance prospects for achieving the desired impact during the second stage of the programme.

The **Review Methodology** will include:

1. Desk analysis of relevant materials supplied by programme and project officers, as well as documentation secured from other sources
2. Preparation of questionnaires tailored to each group of people to be interviewed (for discussion with Sida)
3. Pre-field mission meeting with Sida to discuss the desk analysis, key issues, approach, questionnaires, draft report outline, etc
4. Refinement of questionnaires as necessary following meeting with Sida
5. Structured and semi-structured interviews (based on tailored questionnaires) with:
   - Sida Programme Officers
   - CDMA Director and staff
   - Experts contracted by Sida and CDMA to deliver analyses, training, strategies, action plans, etc
   - Municipality Association CEOs and relevant staff
   - A selection of representatives of municipalities and cities, including members of the respective executive bodies of the Municipality Associations, members of the CDMA Advisory Board and AMC 'clients': randomly selected mayors and assistant mayors around the country. These interviews will be particularly important in determining how well AMCs understand and are meeting member/clients' needs and expectations. They will also serve to identify problems, gaps, areas for improvement, etc.
   - Partners, donors and international organisations working with municipalities in BiH, particularly the Governance Accountability Project (GAP - Sida/USAID/Dutch Government) and the Municipal Training Systems(MTS - Sida/UNDP); and the Swiss Development Cooperation (SDC) 'Integrated Local Development' project. If time permits, we shall also interview IFC/World Bank; GIZ, SNV, etc.

6. Checking and double-checking, with a variety of sources, of project assumptions, facts, figures, findings, praise, complaints, recommendations, etc, to ensure accuracy, relevance and usefulness.
7. Formulation of findings, conclusions and recommendations.
8. Discussion of these with Sida at an end-of-mission briefing
9. Production of the Draft Review Report and submission to Sida (and any stakeholders it nominates) for comment
10. Finalisation of the Review Report in late July.

The proposed Work Programme and Timeline are on pages 5 and 6 below. The review team will endeavour to expedite the draft and final reports, in order to submit them before key officers depart for summer holidays on 27 July.

3. Practical Utility of the Review
In addition to the points raised above, we wish to highlight the importance of working with the Sida Sarajevo CDMA Programme Manager to facilitate the operational use of the Review. This is particularly important because midterm reviews are meant to guide the subsequent stage of the assistance programme and introduce improvements aimed at facilitating achievement of objectives and results.
Sida's *Evaluation Guidelines* (2010) state: "Reviews and evaluations financed by Sida shall be utilisation-focused. This means that they should be designed in a man-

ner which puts the intended use by the intended users in the forefront of the evaluation process. This requires a participatory approach to the evaluation process, since intended users are more likely to use evaluations if they understand and feel ownership of the evaluation process and findings."

This review process and approach will be designed in close collaboration with Sida and the other intended users that it designates. These could be the CDMA project team, the two AMC beneficiaries, and perhaps other donors.

As explained in the Proposal, this process should be undertaken jointly between the different stakeholders involved in the evaluation and our team. While no standard method exists, we would suggest the following approaches for consideration:

- Ideally, the ultimate users of the evaluation should influence the choice and nature of the evaluation questions and how they are to be interpreted.
- We welcome suggestions from Sida of how the team can engage different groups of stakeholders to better understand how they expect to use this evaluation in their work, what kinds of decisions the evaluation may support and what kinds of data/information are expected to be most useful for these decisions.
- In testing the assumptions underlying the desired results and impact, we are particularly interested in building upon any internal discussions already underway regarding results frameworks and theory of change.
- If information is available regarding stakeholders' own monitoring and evaluation systems, we request that this be provided to the team to assess how the evaluation can complement and contribute to these systems.

The Report will be written in a practical, user-friendly way so as to encourage readers to act on the findings, lessons learned and suggestions for improvements. A draft outline of the report will be presented to Sida for discussion at the pre-field mission briefing.

Midterm Review of the 'Capacity Development of Municipal Associations' Programme (CDMA)

In August 2010, Sida initiated a SEK16m, 3+2 year programme entitled 'Capacity Development for Municipal Associations' (CDMA) in Bosnia and Herzegovina (BiH). The aim was to assist BiH's two Associations of Municipalities and Cities (AMCs) to improve their capacity to deliver services to and advocate the interests of their members to higher levels of government on a sustainable basis. This in turn would support democratic processes and EU integration.

The objectives of this review were to assess how well the contractor had implemented the programme so far and to articulate lessons learned and to provide guidance for phase 2. The Review concluded that while the programme was progressing in the right direction, major flaws needed to be corrected before phase 2. Otherwise, the results would not be sustainable. Phase 2 needs to be restructured in consultation with the two AMCs and relevant donors. The objectives and priorities need to be recast. New, more effective and efficient management structures and delivery mechanisms need to be adopted. If priorities and approaches are adjusted before Phase 2 starts it is likely that good progress toward the desired results can be achieved.

Sida