



Schweizerische Eidgenossenschaft
Confédération suisse
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Swiss Agency for Development
and Cooperation SDC



INTEGRATED LOCAL DEVELOPMENT PROJECT (ILDLP)

PROJECT BRIEF

I. BACKGROUND

Integrated Local Development Project (ILDLP) is an initiative carried out by United Nations Development Programme (UNDP) BiH in partnership with selected BiH municipalities and the Entity Associations of Municipalities and Cities, relevant line ministries and the Swiss Development Cooperation (SDC). Financial support for this initiative is provided jointly by the SDC and the UNDP.

The project aims to secure the modernization and professionalization of local development planning and management in BiH, through an integrated and inclusive approach in keeping with best-practices in Europe. It will work with a core group of national stakeholders and develop a standardised planning methodology, which defines the scope of local development widely, specifically aiming at social inclusion, alongside economic objectives and environmental sustainability.

An underlying objective is the achievement of compliance with European standards of public service delivery and administration, as well as building of the key capacities associated with the management of pre-accession and other donor funds, as well as of state/entity funding.

II. PROJECT COMPONENTS AND CORE ACTIVITIES

Planned activities are designed around three interconnected core project activities/ components:

- (i) development and promotion of best-practice development planning approaches enabling the attainment of economic, social and political inclusion;
- (ii) development of skills for effective programme and project design and management, including the introduction of innovative service delivery mechanisms (i.e. PPP, inter-municipal cooperation, etc.);
- (iii) securing participation of local civil society, to enhance external scrutiny of development choices and practices.

Component 1

The first project component includes the development of a methodological framework for integrated and inclusive local development planning, its ongoing refinement and sophistication, and active promotion of its adoption. This framework will draw on experience gained elsewhere in the EU and existing best practices within BiH, and will be developed in partnership with key national and international actors gathered in the Methodology Working Group (MWG), with a view to harmonize the presently applied fragmented approaches. The MWG will consist of key stakeholders, experts and specialists specifically nominated by respective Ministries, the Regional

Development Agencies (RDAs), selected local government practitioners, selected local development practitioners, relevant professional associations, academics and senior project staff.

The MWG will commission and oversee a review of existing planning approaches, including a research on the availability of data sources and needs identification mechanisms within BiH; the application of social inclusion at the local level; relationships between planning, the political process and other forms of participation; the quality of strategic management within local government; administrative competencies; revenue and resources; citizens accountability and transparency; and reporting requirements. The findings will then be synthesized and subsequently compiled into a draft manual on the methodology that will then be published and consulted on widely. The final methodology should be approved and officially adopted by the general assemblies of the Entity AMCs, discussed and further disseminated by the respective higher level governments (Canton, Entities and State) and launched at a national Policy Roundtable.

Selection of partner municipalities: Following the adoption of the planning methodology approximately 20 partner municipalities will be selected where technical assistance will be offered to enable the installation of the methodology at the local level and ensure its functionality in the context of EU standards of practice.

The Project Board will agree on the selection criteria and based on Expression of Interest by municipalities approve the selection of partner municipalities. It is foreseen to work with a mix of municipalities - (i) municipalities with existing integrated planning frameworks, (ii) municipalities in need of updating / complementing existing sectoral development plans, and (iii) municipalities with no valid development planning frameworks.

Applicants will also be required to commit to the scheme by publicly signalling, within a letter of intent, their acceptance of certain core operational conditions that include: (i) a commitment to human rights and gender equality, as articulated in the human rights treaties applicable to BiH, and to the EU Social Inclusion Agenda; (ii) agreement that the capital programme of the municipality will be subsumed within the development budget, and ultimately the plan will frame municipal budgetary allocations; (iii) financial commitment to technical assistance, training and project funding, to be stated in terms of a pre-agreed minimal local funding proportion; (iv) ensuring that administrative (financial and audit) arrangements are compliant with UNDP project execution requirements, or if they are not, that a plan is in place to achieve this.

Component 2

The Project's second component refers to the operational aspect and aims to provide direct support in the form of technical assistance, training, and financial resources. It targets the quality of municipal development management at the strategic and the delivery level, and offer financial support on co-funding basis to local projects.

Three distinct sub-components are included: (i) support to municipalities in the full cycle of programme management (design, monitoring, reporting and roll forward of the local development plan); (ii) building the capacity of project delivery managers, and the quality of local development projects, including a focus on innovative delivery mechanisms; (iii) direct financial support on co-funding basis to specific development projects, which address the core objective of social inclusion and promote the application of innovative mechanisms of service delivery (approximately USD 800,000 is foreseen for grants).

Within the *first sub-component*, each partner municipality will be subject to a full appraisal of competencies and systems to address: (i) the quality of existing planning development mechanisms, and the supporting systems; (ii) overall capability of municipal staff, both in planning and management capacities; (iii) the need to consolidate any existing frameworks and/or strategic documents; (iv) the ability of the municipal administration to meet EU standards of project delivery and management of funds. Following this, any necessary technical assistance to support

improvements will be identified and training need packages will be set out. The activities in the first component will focus on strategic management and enable the installation of the planning methodology at the local level and ensure its functionality in the context of EU standards of practice. Here technical assistance will focus on ensuring that participating local governments have adopted appropriate systems and practices in: data/information management and analysis; day-to-day management, reporting and the roll forward of plans. A key objective is the consolidation of planning frameworks within a single process and its progressive expansion to cover the entire span of municipal activity, thus linking up of planning and management processes – notably the budget cycle. Successfully accomplishing this may necessitate some physical investment in information technology equipment and software. This component will include activities and equipment costs associated with the setting up of the municipal development information management system (MDIS) as well as delivery of a training package addressing planning and policy analysis skills, key competencies in finance and legal skills for senior municipal managers and personnel within the development function.

The *second sub-component* focuses directly on project development and management. The purpose is to assist frontline managers in translating strategic plans into concrete projects (devising, setting up and delivering). Additionally, a particular emphasis will be placed on bringing forward innovative delivery models – specifically inter-municipal and inter-governmental cooperation and PPP. A special training module will be provided to municipalities in order to raise awareness about various innovative models used for more effective and efficient service delivery. Training will focus on key management capacities but at the project level.

The *third sub-component* seeks to directly support local development with limited amounts of donor contributions. This will enable certain municipalities to see some priority concerns, especially those that are financially challenged, and underline the power of an integrated and inclusive planning approach. The second rationale concerns the operational payoffs: by providing minimal seed funds the project directly promotes learning by doing. This refers not only to project cycle management. Funded projects will be subject to rigorous audit and reporting requirements congruent with those applied by EU and the European Court of Auditors. This will equip municipalities with the capacity and the confidence to bid for other funding instruments. Selection of projects from the adopted strategic plans to receive seed funds will be competitive (within the allocation range) and selection criteria will be decided by the Project Board. Selection criteria will be twofold: adherence to the core social inclusion and gender equality objectives, and those schemes that use innovative, partnership models of delivery. The management of funds, once agreed, will be delegated to municipalities under appropriate supervisory arrangements.

Component 3

The Project's third component seeks to resolve some of local development issues by facilitating the development of a critical and independent, but also responsible, local civil society, and thus this component explicitly recognizes the wider participatory and therefore developmental benefits of building a vibrant local civil society. Attention will also be given to ensuring inclusion of interests of minorities, women and youth through encouraging their direct participation and representation of their interests in existing civil society organizations. The activities will focus on civil society's and MZ's role in supporting and scrutinizing the local planning process. In order to ensure that the process of strategic planning is inclusive and participatory the methodology developed under the project will suggest to municipalities a set of mechanisms of citizen involvement into planning and oversight of plans implementation, as well training of municipal authorities in practicing them. This objective is to build awareness among civil society actors and MZs of participatory mechanisms, on one hand, and to support relevant groups in their implementation, on the other.

This is envisaged to be done in two stages: a) familiarization of local actors (both authorities and the civil society) in selected municipalities on the mechanisms and tools which are available drawing on local, regional and international experience, and b) providing selective financial assistance to support their adoption. As a complimentary activity small seed grants will be made

available to civil society actors and MZs to carry out scrutiny related projects. Following agreement of municipal actors on the set of mechanisms to be deployed a small fund will be allocated for their implementation.

The project with the above outlined components was approved by UNDP and SDC, as a core donor, and with the MHRR on the government side and its inception phase was initiated in November 2007. Project duration is 3 years.

III. PROJECT'S MANAGEMENT ARRANGEMENTS AND TECHNICAL BODIES

As a project implementing agency UNDP will assume full responsibility and accountability for overall management, in accordance with its applicable regulations, rules, policies and procedures, including monitoring and evaluation of project interventions, achieving project outputs, and the efficient and effective use of resources.

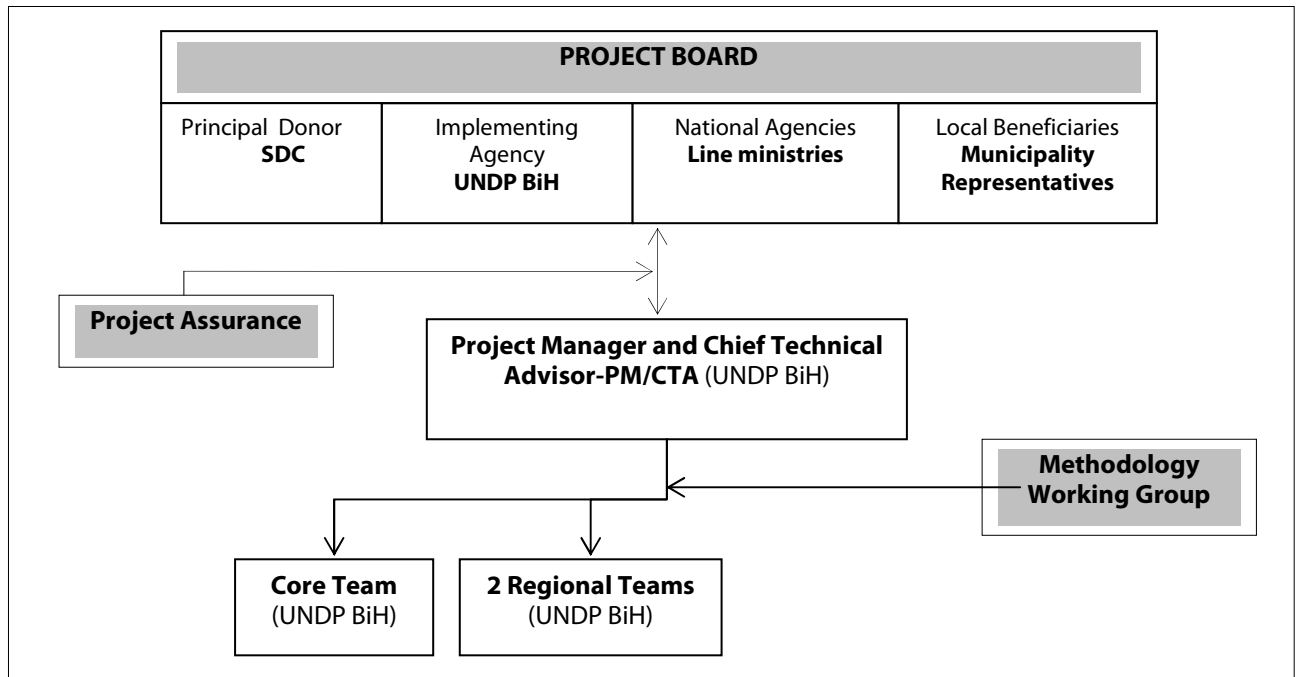
The Project Manager and Chief Technical Advisor (PM/CTA) will assume overall responsibility for project management on behalf of UNDP. His/her primary responsibility will be to ensure that the project achieves results necessary to deliver the outcomes described in this document.

The Project will appoint a "Core Team" of two senior professionals, a Policy Coordinator and a Capacity Development Associate, and one Project Assistant. This team will serve as the central source of TA and will be responsible for project co-ordination. The Core Team will report directly to the PM/CTA. The key actors from the Project's side will be the two regional Field Teams, who will be recruited after municipality selection has taken place.

Oversight will be provided by a Project Board consisting of the representatives of UNDP and SDC. Further proposed board members are the BiH Ministry for Human Rights and Refugees, RS Ministry of Administration and Local Self-Governance, the FBiH Ministry of Justice and, at a later stage, two nominated local mayors from the direct beneficiary group. The Project Board will be responsible for: overall supervision in accordance with plans, provision of strategic guidance, determining major policy choices and deciding on issues requiring alterations in the project design. The Project Board will meet at least quarterly with additional meetings if the need arises.

Project Assurance: The Board will also make arrangements for adequate Project Assurance (independent oversight and quality control) through periodic reviews (or if required by board members) based on designated project milestones. Project Assurance is the responsibility of each board member, but the role can be delegated, or carried out jointly. The precise arrangements will be considered at the initial meeting of the Board.

The oversight and management arrangements are illustrated in the diagram below.



Technical Bodies/ Working Groups

The Methodology Working Group (MWG), as a technical and advisory body, will consist of key stakeholders, specifically nominated experts, representatives nominated by the respective Ministries, the Regional Development Agencies (RDAs), selected local development practitioners, as well as relevant professional associations, academics and senior project staff.

The MWG will commission and oversee the discussion, research, compilation and drafting of a methodological framework for integrated and inclusive local development planning and the manual and will play an instrumental role for wide consultation and for publicizing the results.