



# **Strategic Planning at the Municipality Level**

## **Survey Analysis**

**RMAP (Rights Based Municipal Assessment & Planning Project)**

**UNDP BiH**

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## Executive Summary

In order to assess current situation in strategic planning and management at Municipality level as well as to appraise further needs for technical assistance to Municipalities in strategic planning, UNDP developed a questionnaire which was distributed to 126 Municipalities in both entities.

Up to date we have received 76 responses (60.3%), which is a sample that enabled us to get a good insight into present situation in B&H Municipalities.

The Survey main findings are:

- ✧ Around 51% of B&H Municipalities have developed some type of strategic plan in the last 10 years;
- ✧ About half of these strategies were developed during the last two years;
- ✧ About half of these strategies were developed by international organizations;
- ✧ Majority of strategies were developed with participation of citizens, private sector and civil society organizations;
- ✧ Only half of Municipalities expressed satisfaction with inclusion of stakeholders in the process of strategy development;
- ✧ About 58% of Municipalities rated the quality of their strategies as very good (rating 3, while 1 = poor and 4 = extremely good); No Municipality rated the quality of their strategies with rating 4;
- ✧ Only 23% of Municipalities considers their strategies completely relevant for their work, i.e. strategies that are including all sectors which are at the same time entirely under Municipal authority and responsibilities;
- ✧ However, 68% of Municipalities are of opinion that strategies should not focus only and exclusively on the sectors / areas under their full authority and responsibilities as defined by legislation;
- ✧ About ¼ of the strategies were never adopted by Municipal Assemblies;
- ✧ Only 49% of strategies are followed up with the action plan;
- ✧ Only 24% of Municipalities have developed financial plan for the strategy implementation;
- ✧ Only 46% of Municipalities considers goals defined by the strategies realistic and attainable within defined timeframe;
- ✧ Only 11% of Municipalities stated that they have sufficient financial resources to support strategy implementation;
- ✧ About 56% of Municipalities stated they had sufficiently skilful and knowledgeable staff capable to manage and implement the strategy;
- ✧ Only half of the Municipalities have tasked a formal team with strategy implementation;
- ✧ Accordingly, about half of the Municipalities never analyzed or discussed progress of strategy implementation;

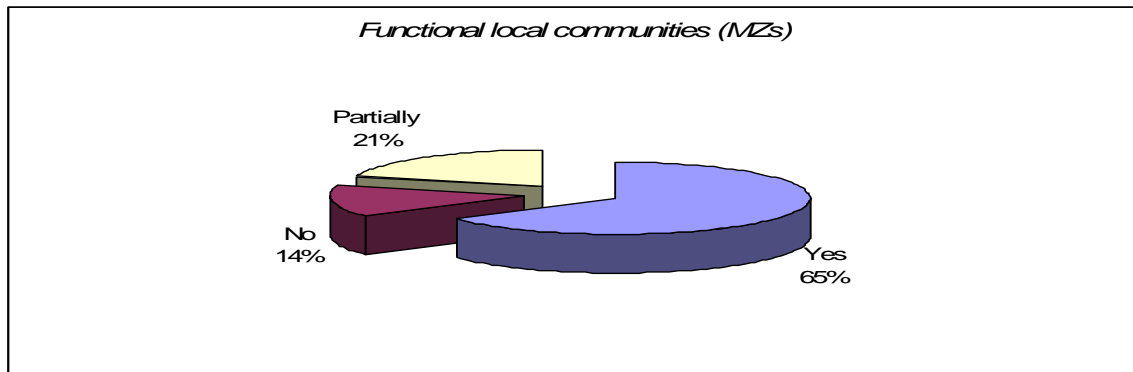
## 1. General findings

Prior to presenting the analysis of the situation with strategic planning and management in B&H Municipalities, we would like to highlight a few general findings about B&H Municipalities and what they do to assist returnees and their reintegration into the local communities as well as what measures they are taking in order to assist poor and those in social need.

When it comes to citizens' participation in public affairs and the existing formal mechanisms for it, local communities (MZs) are the ones which ensure that needs of different geographically established local communities (MZs) within Municipalities are taken into consideration by Municipal administration.

Local communities which emerged and developed strongly during 70's and which are even today prized as a good practice by domestic as well as by international experts, became an important mechanism for citizens participation in public affairs in postwar Bosnia and Herzegovina. However, local communities are not equally developed, important and active in all B&H Municipalities.

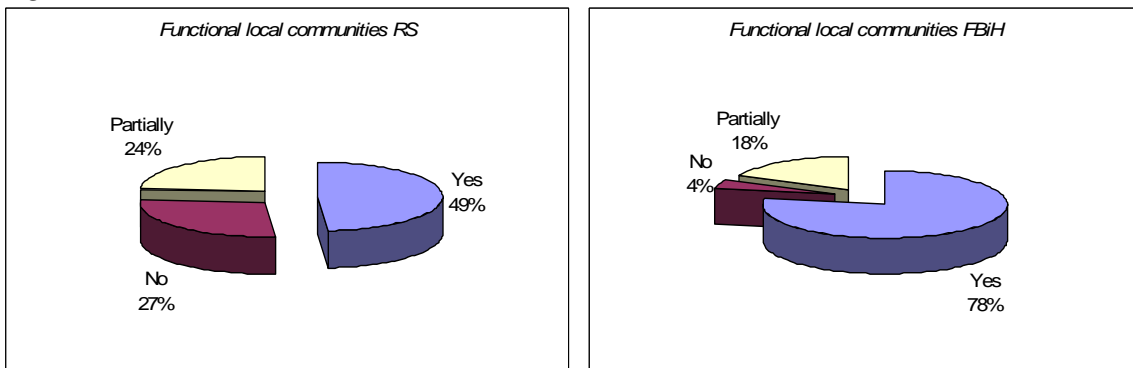
Figure 1.



As we can see from the figure 1, local communities are fully established and active in 65% of B&H Municipalities while in 21% of them, they are only partially operational.

In 14% of B&H Municipalities there are no local communities established.

Figure 2.



The situation is better in FBiH where local communities are established, operational and active in 78% of Municipalities while only 4% of Municipalities did not establish local communities at all. At the same time, in RS, only 49% of Municipalities have local communities fully established and operational, while in 27% of Municipalities there are no local communities.

Also, it is important to say that local communities are usually not established in small Municipalities (with population of less the 10,000).

Another important issue covered by the survey is related to return - what are the Municipalities doing to facilitate that process and how do they assist returnees and displaced persons.

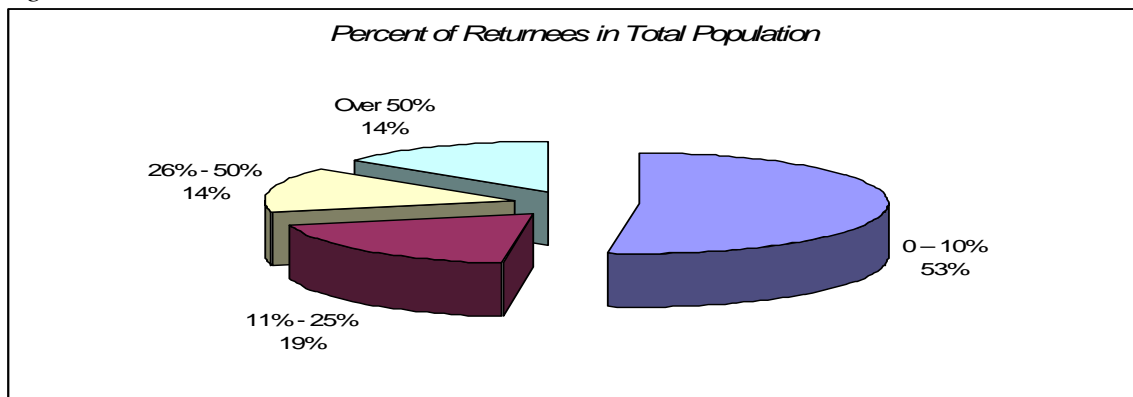
Return of refugees in their prewar homes is still important political, social and economic issue in Bosnia and Herzegovina.

Very few Municipalities are not affected with these issue and international organizations have spent and are still spending significant resources to assist sustainable return and returnees' integration into local communities.

As one of the measures of the scale of the problem local communities are faced with, we used the percent of returnees in total population of local community.

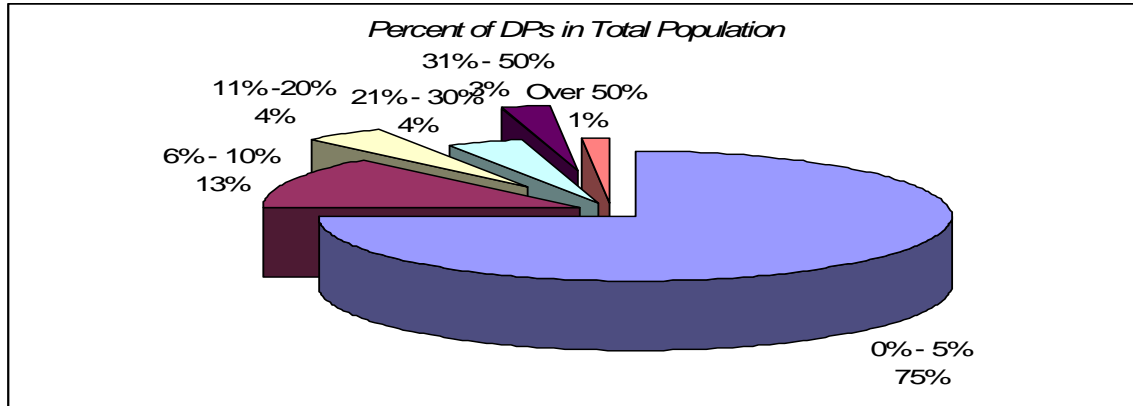
As we can see from the figure 3, in 14% of B&H Municipalities returnees are making more then 50% of total population in Municipality. In 47% of B&H Municipalities, returnee population is making over 10% of total population.

*Figure 3.*



The situation is somewhat better when it comes to the number of displaced persons in Municipalities.

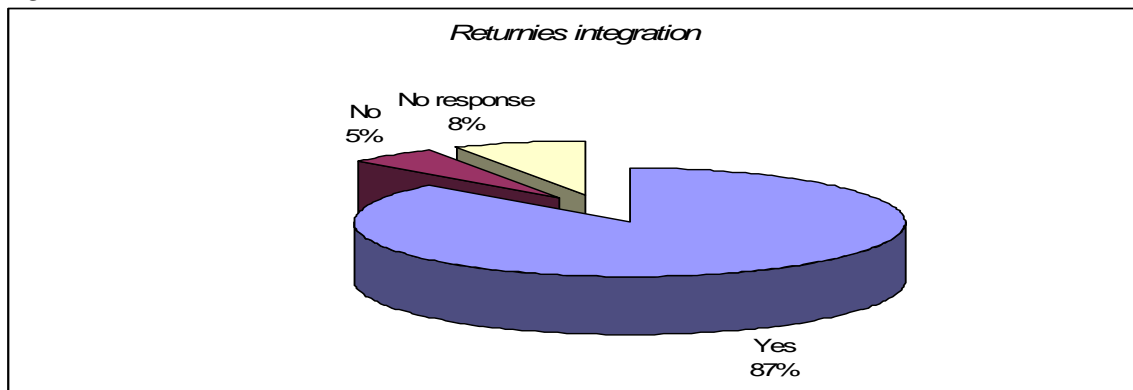
Figure 4.



Displaced persons are making more than 10% of total population in only 12% of B&H Municipalities.

Majority of Municipalities (87%) stated they were taking active measures to support return and assist returnees' integration into the local community.

Figure 5.



Only 5% of B&H Municipalities stated they took no action in this field. However, among those that claim to be active in facilitation of return, large number of Municipalities enlists international organizations projects implemented in their Municipalities as their own actions.

Also, it is important to note that, out of those 87%, 8% of Municipalities are actually doing nothing in that regard.

The situation is pretty similar in RS and FBiH. In RS 84% of Municipalities stated that they were actively supporting return and returnees' integration into society, while in FBiH, slightly higher percent of Municipalities (89%), claimed doing so.

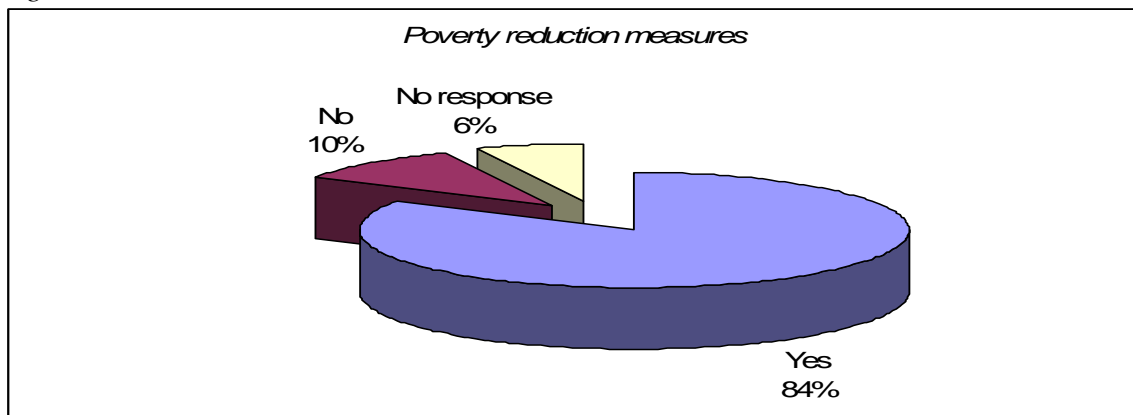
Among those that stated that they were doing nothing in this field are the Municipalities which were ethnically homogenous even before the war and which were relatively far away from the frontline during the war.

The main measure the Municipalities are taking in order to support return are reconstruction of houses and soft and hard infrastructure (67% of Municipalities) and economic / income generation projects, especially for returnees in rural areas (35% of Municipalities).

Position of returnees and assistance provided to them is also important from the aspect of poverty reduction since returnees are one of the most affected segments of population.

When asked whether they applied any active poverty reduction measures in order to assist the most vulnerable segments of population, in 84% of cases the answer was positive.

Figure 6.



In the cases where response was **No**, the reason for not taking action was lack of financial resources.

Again, there is no significant difference among entities. In FBiH 82% of Municipalities answered positively, while 85% of Municipalities from RS have applied some kind of poverty reduction measures.

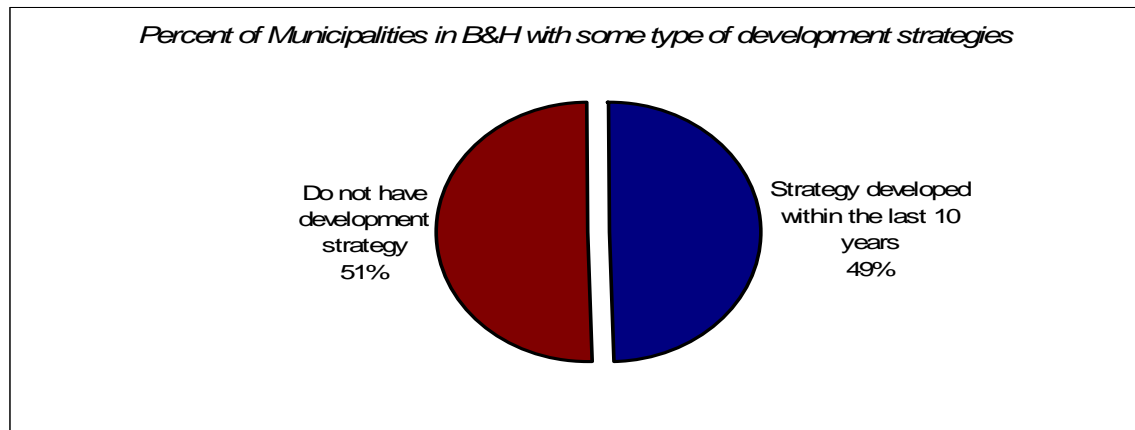
The most frequently used measure was direct cash assistance / transfer to the families in social need. Second most frequent measure is related to assistance to rural families through different agriculture projects.

Another set of measures frequently applied is related to assistance to students and pupils of poor families and includes scholarships, provision of books and subvention of public transportation. Some Municipalities have exempted poor families from paying different communal fees.

However, among 84% of Municipalities that stated they had some measures aimed to reduce poverty, about 9% of them are actually doing nothing in that respect.

## 2. Strategic Planning and Management

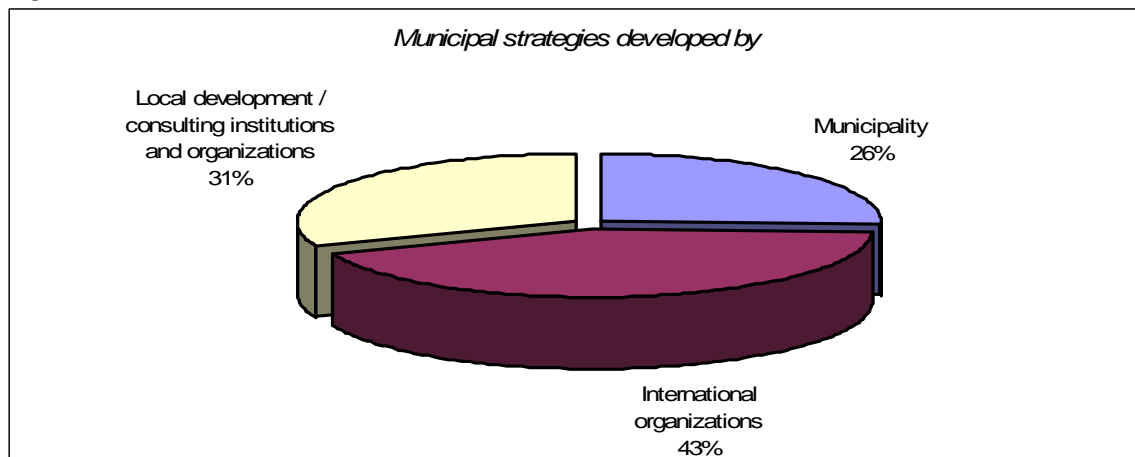
Figure 7.



Presently around 51% of B&H Municipalities do not have any kind of corporate or strategic plan. More than 70 Municipalities that responded to UNDP questionnaire and request for expression of interest for cooperation with UNDP on strategic planning stated that they were interested in working with UNDP on development of the human-rights based strategies.

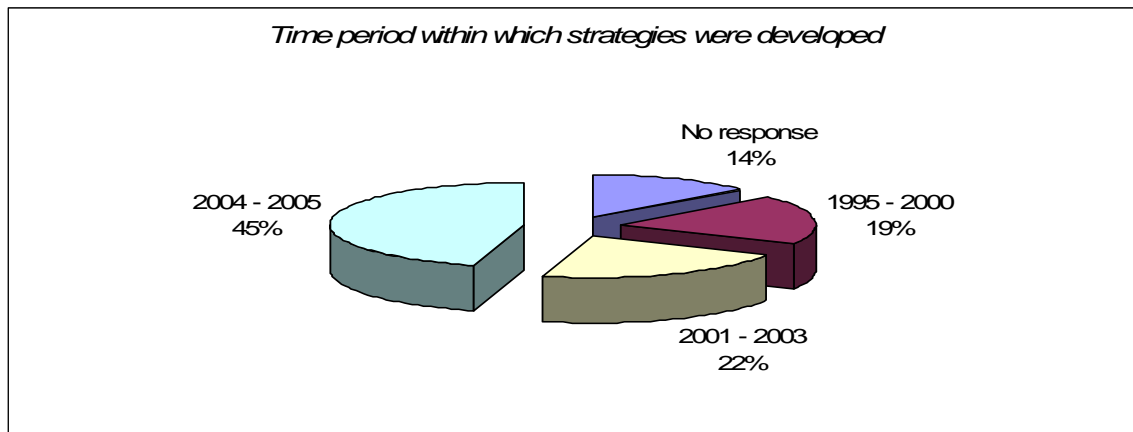
Out of 37 Municipalities (49% of the overall number of municipalities that responded to questionnaire) which have reported that they at some point developed some sort of development strategy / plan, 26% developed strategies / plans by themselves, around 31% hired local development organizations or consulting companies, while about 43% of Municipal strategies / plans was developed with assistance of international organizations.

Figure 8.



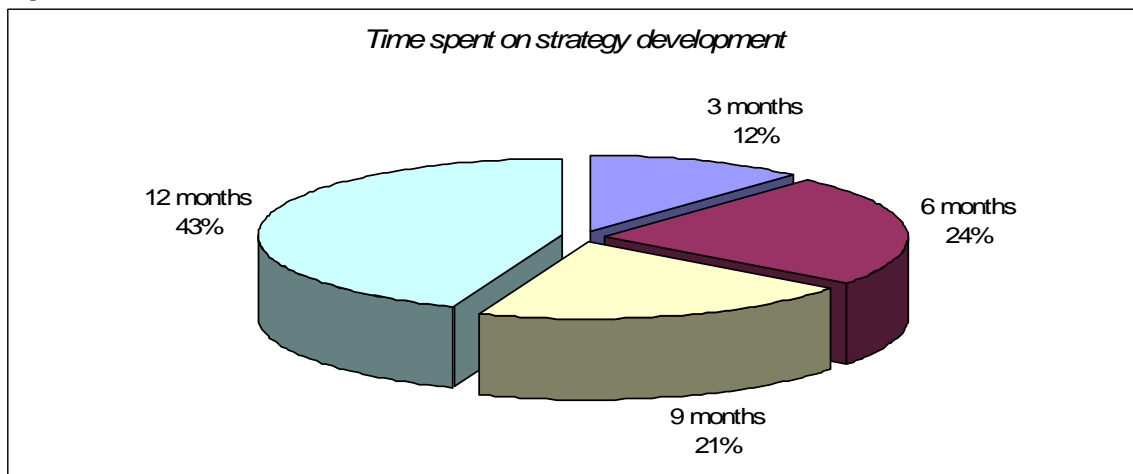
Majority of these strategies (45%) were developed in the last two years, which indicates that strategic planning is starting to be recognized by Municipalities as an important tool for improvement of their work and operations.

Figure 9.



For the largest number of Municipalities (43%), it took about 12 months to develop strategies.

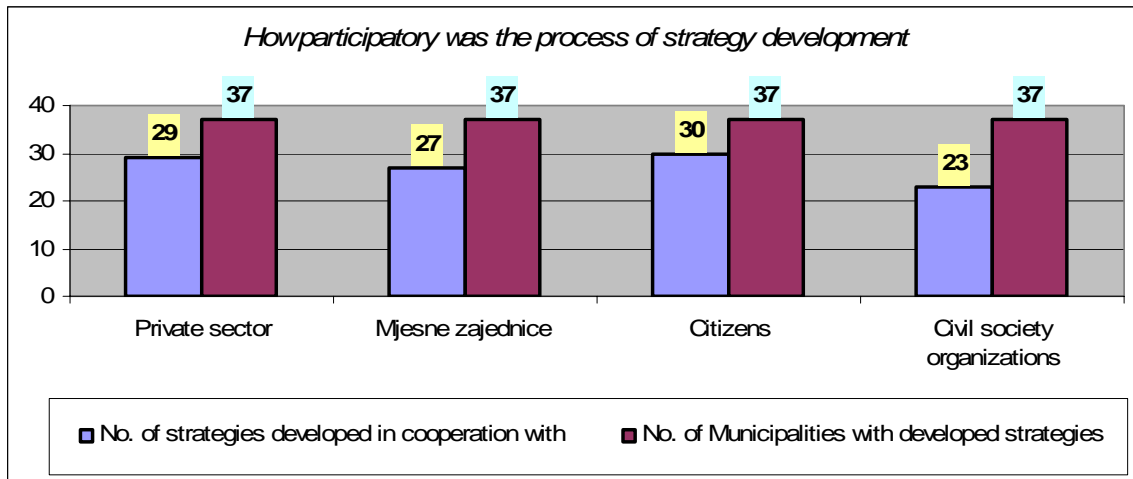
Figure 10.



However, there are some Municipalities (13%) that managed to develop their strategies within the period of three months, which raises a question of their comprehensiveness and quality.

According to the received responses, majority of strategies were developed in a participatory way with participation of citizens (81%), private sector (78%), local communities – MZ (73%) and civil society organizations (62%).

Figure 11.

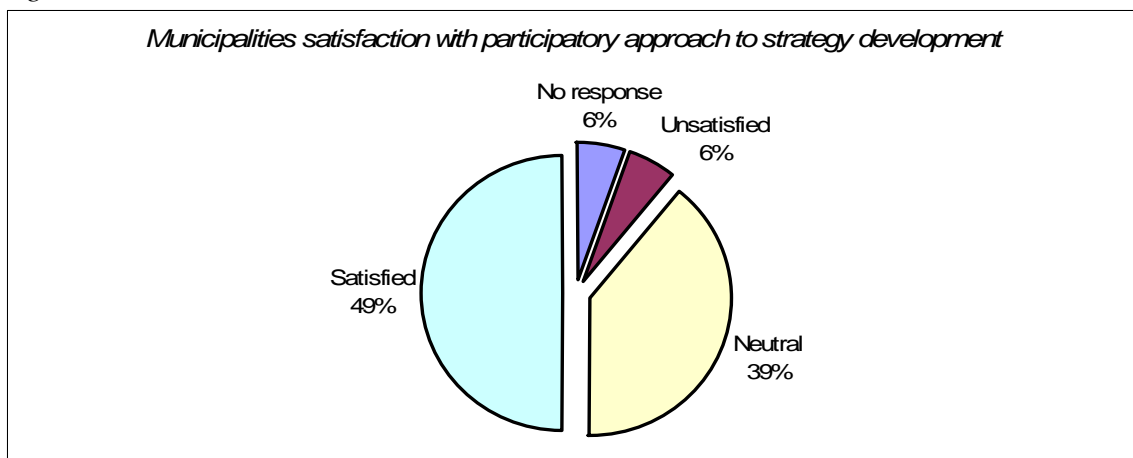


Although it seems that participatory approach to development of plans / strategies have taken strong roots in Bosnia and Herzegovina, only 49% of Municipalities are satisfied with the interest and contribution that other stakeholders provided to the process of strategy development.

About 39% of Municipalities are neither satisfied nor unsatisfied by the interest and contribution of stakeholders to the process, while only 6% of them expressed dissatisfaction with their participation.

However, it seems that the things are developing in the right direction and that majority of Municipalities accepts that active participation of citizens and other stakeholders in public affairs, in this case through participation in strategic planning, can significantly contribute and improve operations of public administration.

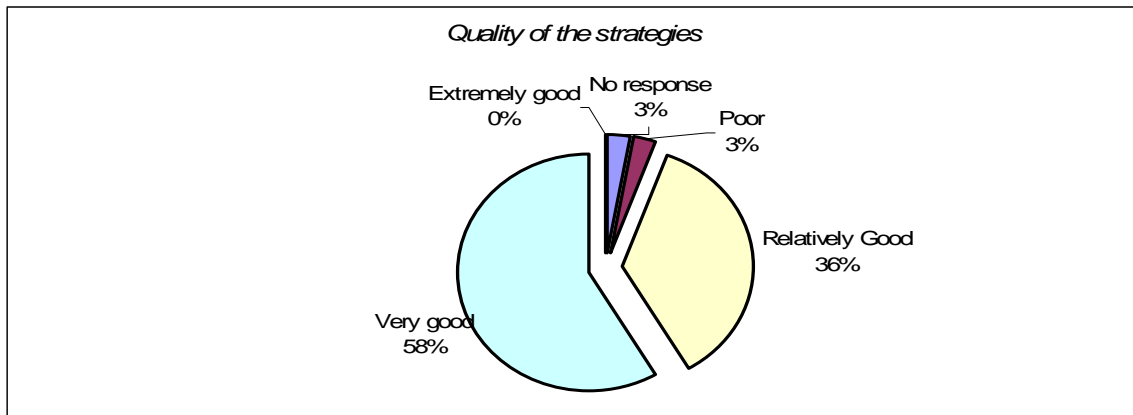
Figure 12.



## 2.1. Quality of the strategies

When asked to evaluate quality of their strategies, about 58% of Municipalities rated them as very good quality (rating 3, while 1 = poor and 4 = extremely good). Only 3% rated their strategies as poor quality (rating 1), while 36% of them rated their strategies as relatively good quality (rating 2).

Figure 13.

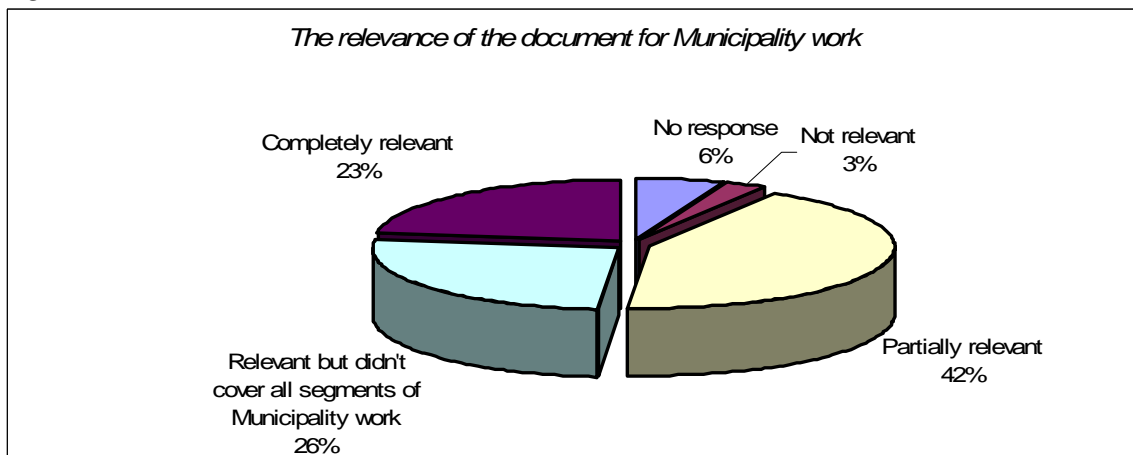


Furthermore, when asked about relevance of the strategy / plan for their work, only 26% of Municipalities found those strategies / plans completely relevant for their work because they found these strategies/plans entirely focused on the areas within Municipal authority and responsibilities.

Another 26% stated that strategies / plans were relevant but did not cover all sectors / areas within Municipal authority and responsibilities.

The largest number of Municipalities considers their strategies and plans only partially relevant for their work since they also include sectors / areas which are not under their authority and responsibilities.

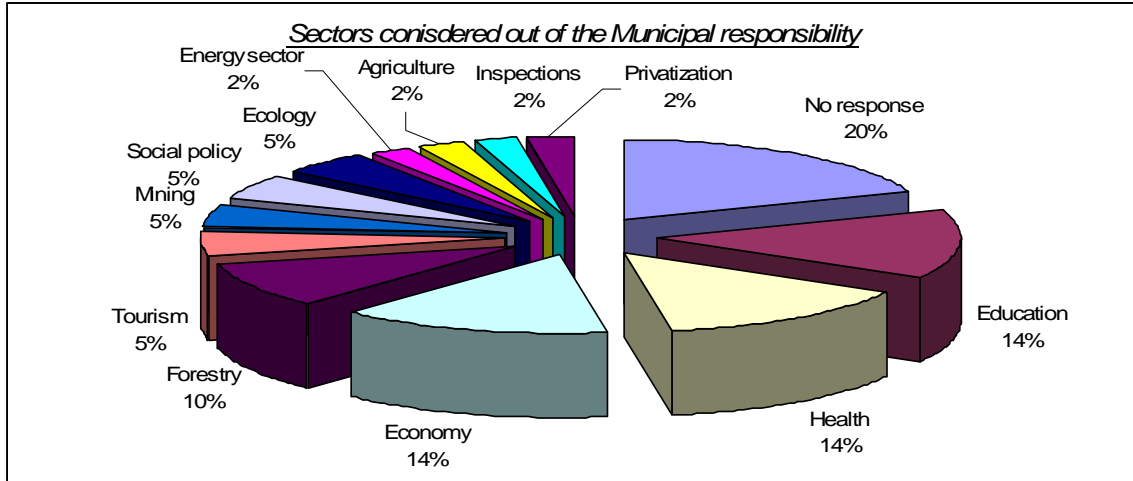
Figure 14.



Only 3% of Municipalities consider these documents completely irrelevant for their work. This corresponds to the 3% of Municipalities which consider their strategies / plans of poor quality.

About 14% of Municipalities are of opinion that economy, health and education, although included in strategies, are not under their authority and responsibility.

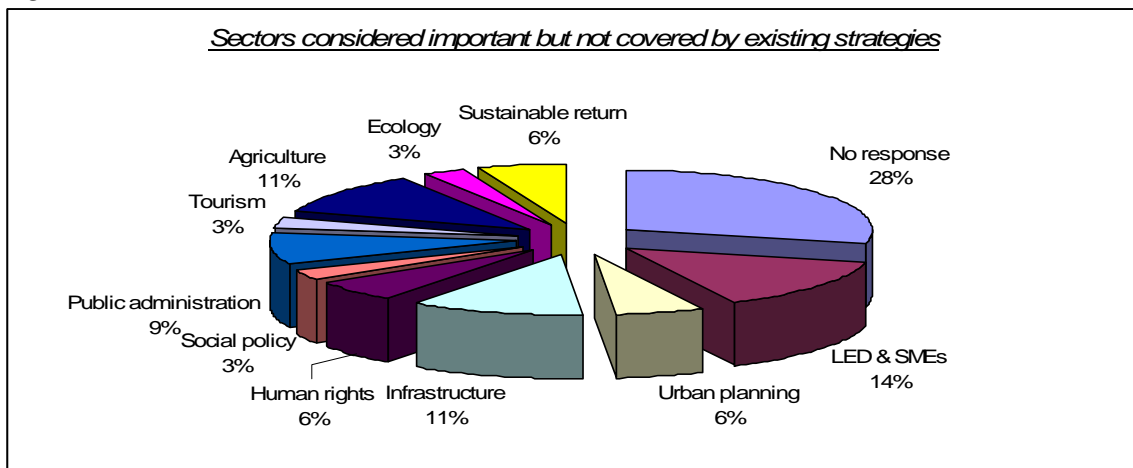
Figure 15.



Also, 10% are of opinion that they have no authority in forestry sector that is included in their strategies.

On the other side, when asked what sectors / areas were excluded from their strategies, which, in their opinion, should be there, 14% stated that it should be economy (LED & SMEs). No Municipality opted for education and health sectors as something that should be included in the strategies. Additional 11% of Municipalities would like to see infrastructure included in the strategies. Also 9% are of opinion that their strategies should be focused on improvement of operations and work of public administration.

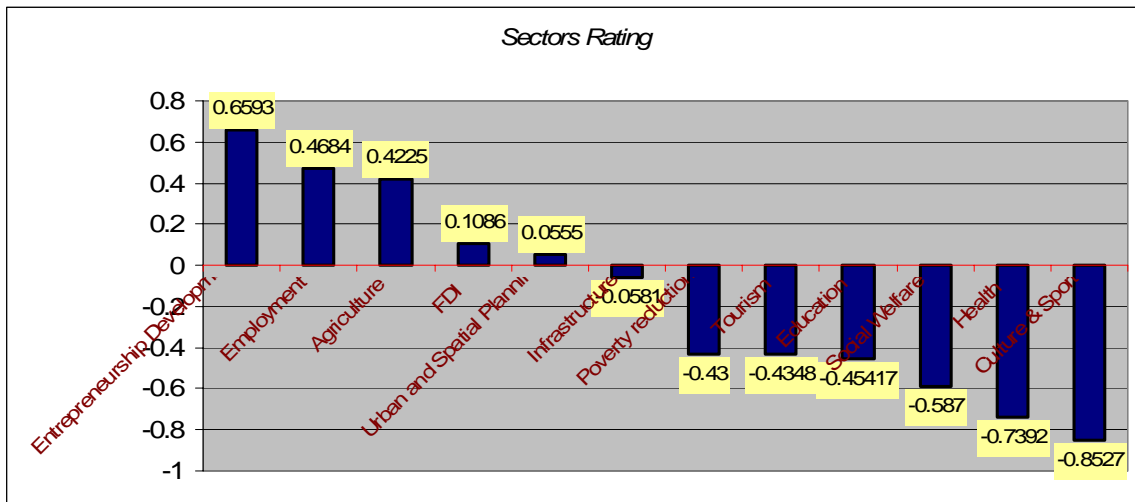
Figure 16.



We could bring a little bit more clarity into this rather confusing replies of Municipalities about sectors that should or should not be covered by Municipality development strategies through the analysis of their replies on the last question in the questionnaire.

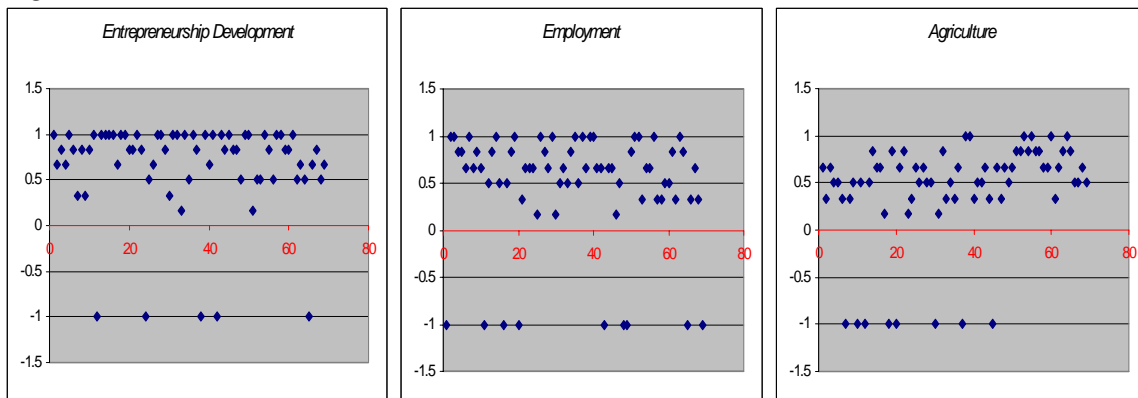
When asked to rate six most important sectors that should be included in the strategies, majority of Municipalities opted for SME and entrepreneurship, issues of employment and unemployment and agriculture development.

Figure 17.



More detailed presentation on how Municipalities rated these sectors is given by the figure 18.

Figure 18.



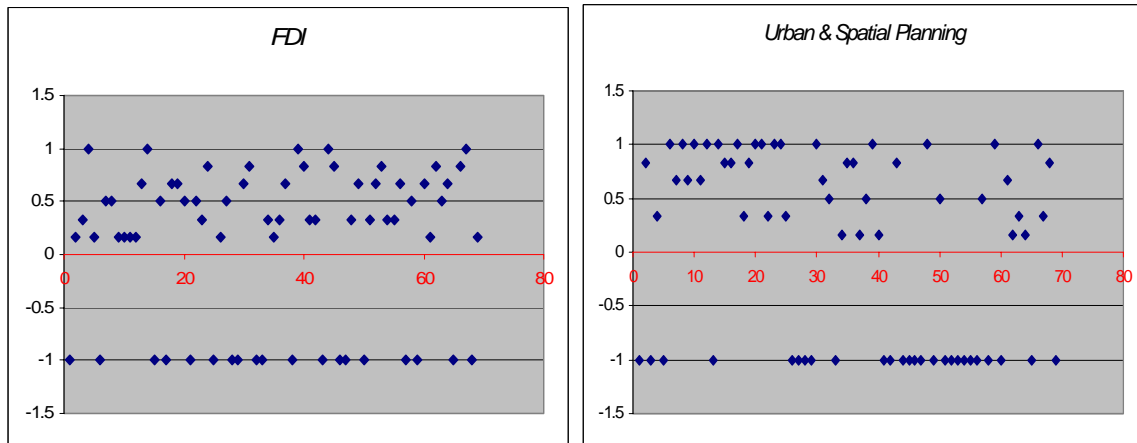
Each blue dot in the diagram represents one Municipality and how that specific Municipality rated these specific sectors. There are in total 71 blue dots (Municipalities), i.e. all of them that answered on this specific question. Those Municipalities that are on the line with the value 1 on y axis are the ones that gave the highest priority to that specific sector. Closer the Municipality is to the line with the value 1, higher importance

that sector has for Municipalities. Municipalities on the line with the value (-1) are of opinion that that specific sector should not be a part of their strategies.

We can see that very few Municipalities think these three sectors should not be a part of their strategies. For example only 5 (7%) out of 71 Municipality think that SME and entrepreneurship development is not something the Municipalities should deal with. That is twice less in comparison with 14% of Municipalities that think that economy is not within Municipal authority and responsibilities.

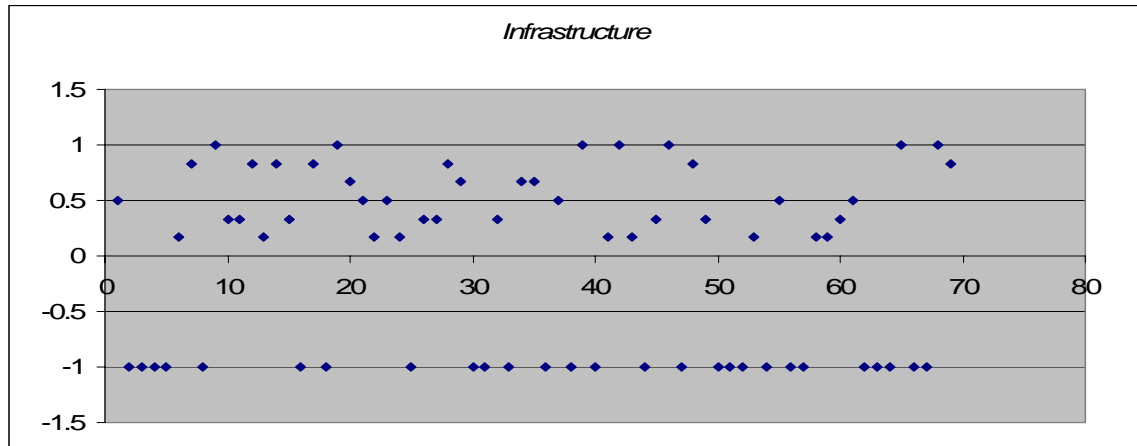
The other two sectors that are rated as important by majority of Municipalities are FDI attraction and urban and spatial planning.

Figure 19.



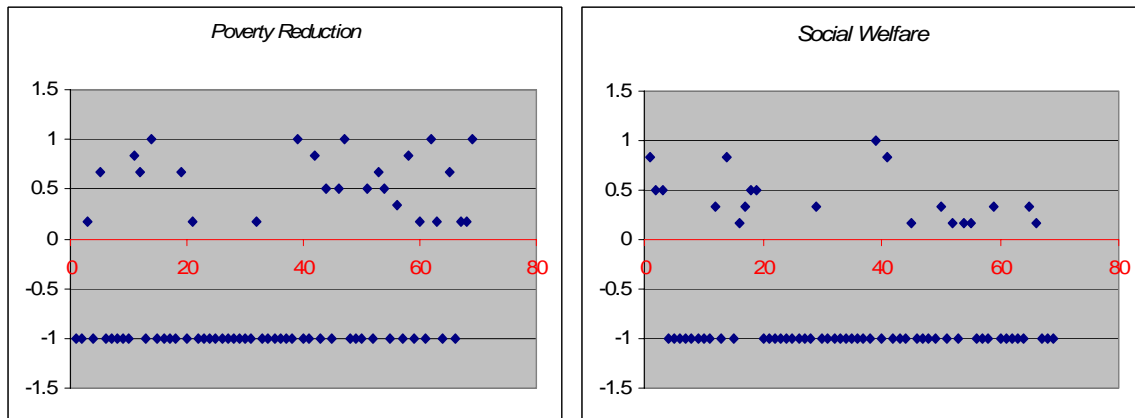
What is particularly surprising is that, although urban and spatial planning is one of the most important functions of the Municipalities, there is a significant number of Municipalities which did not rated it as important sector that should be included into their strategies. What is striking is that more Municipalities rated and selected FDI attraction then urban and spatial planning. The difference in significance of sectors is even higher when it comes to infrastructure, which is rated even lower that urban and spatial planning.

Figure 20.



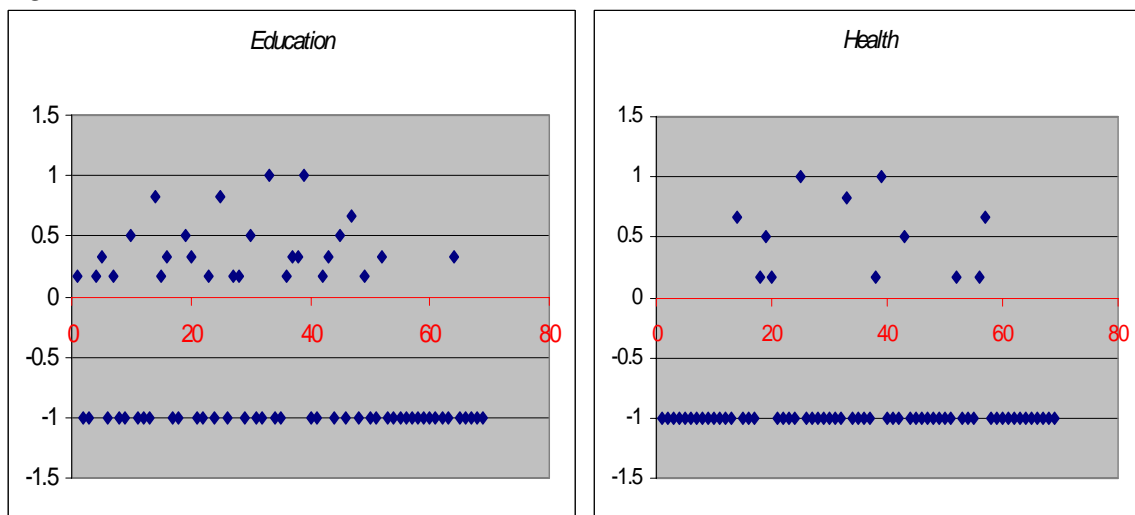
Poverty reduction and social welfare are rated extremely low as it can be seen from the figure 21.

Figure 21



Only 5 Municipalities gave the highest rating to poverty reduction while only one did it for the social welfare sector. About 65% of Municipalities did not rate poverty reduction among the six most important issues to be addressed by the strategy. Also, about 72% of Municipalities have not included social welfare among the six most important issues.

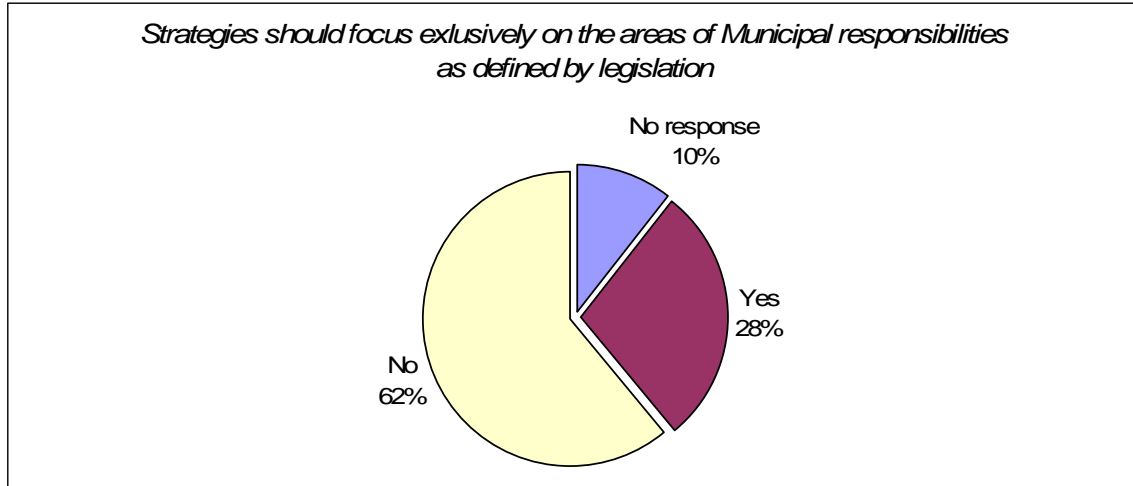
Figure 22.



Education and health sectors share destiny of social welfare sector. About 62% of Municipalities have not put education among the six most important sectors and 83% of Municipalities do not think that health sector deserves to be there too. Even tourism has higher rating then education, social welfare, health and culture and sport.

Although significant number of Municipalities think that they should not deal with the sector where they do not have full authority and responsibilities, when asked whether Municipal development strategies should target only sectors under their authority, the answer of 62% of Municipalities was NO.

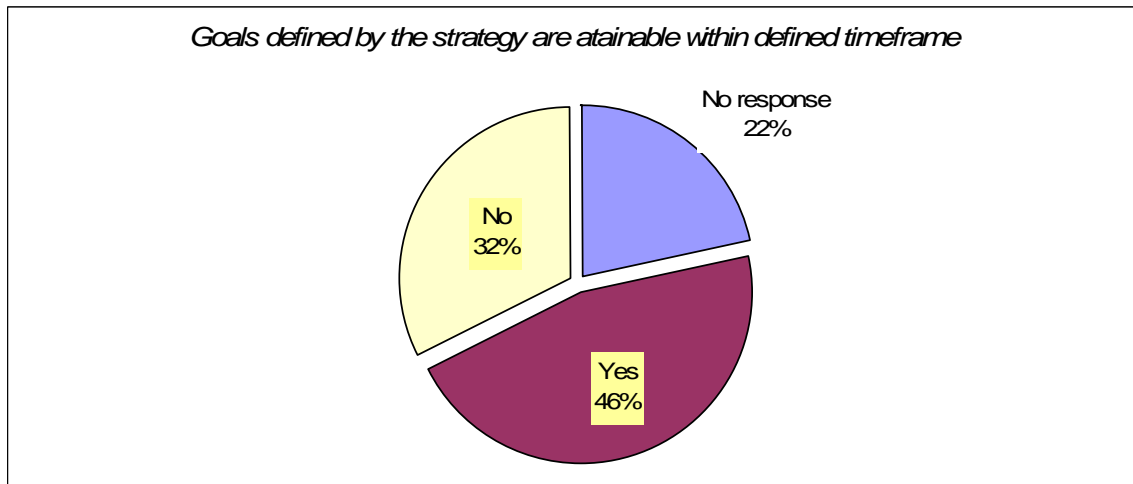
Figure 23.



Information that only 46% of Municipalities consider goals defined by the strategies realistic and attainable within defined timeframe is yet another indication on a questionable quality of the strategies developed.

This is closely related to availability of financial and human resources and Municipality institutional capacity to implement strategies. Information about these aspects of strategic planning and management are provided further in the text.

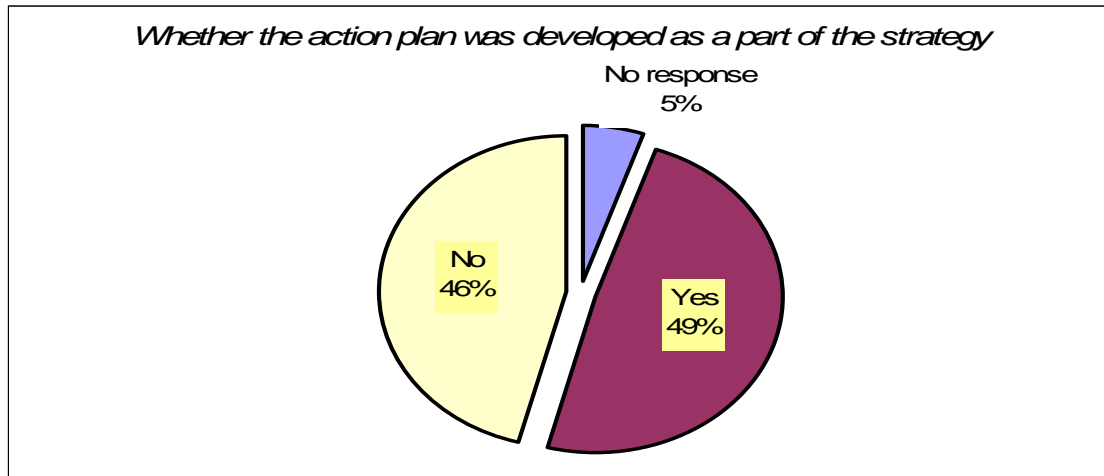
Figure 24.



### 2.3. Strategy implementation

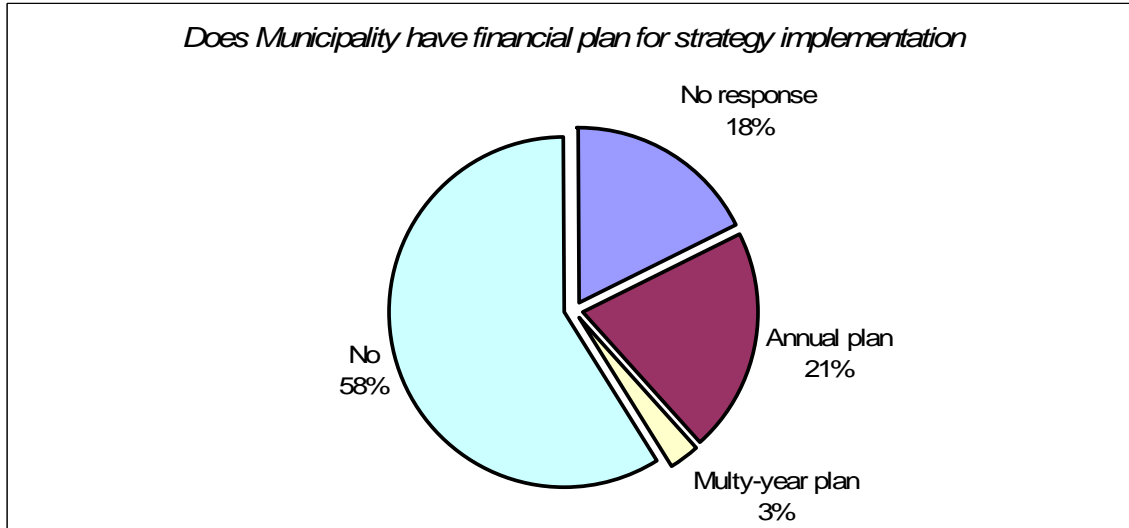
Although 58% of Municipalities consider their strategies of good quality, only 49% of them have strategies followed up by the action plan.

Figure 26.



This raises the question of usefulness of development strategies since almost half of them were not prepared in the way that would enable their implementation.

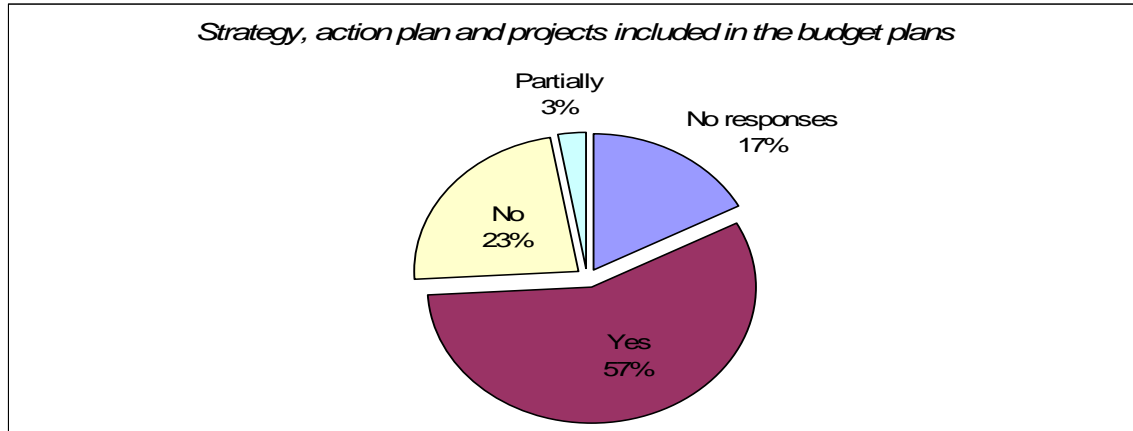
Figure 27.



The picture is even worse when it comes to financing strategy implementation since only 24% of Municipalities developed financial plan for strategy implementation.

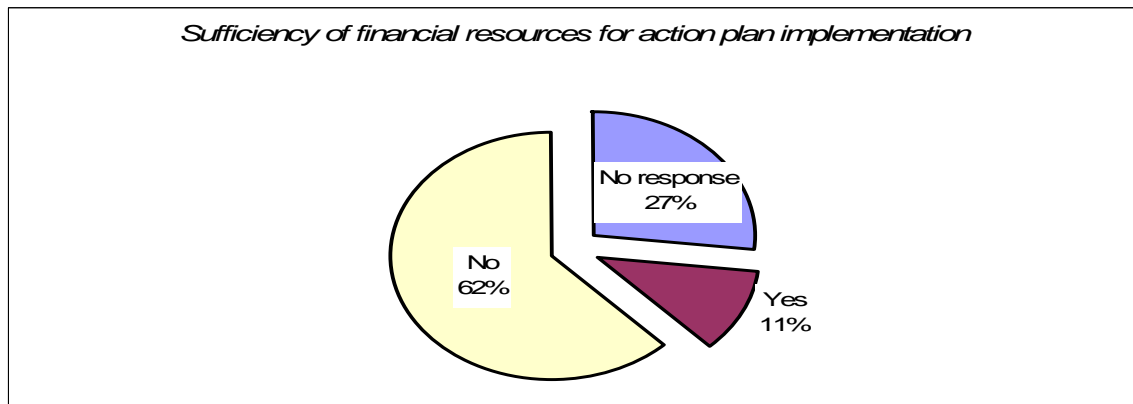
Although only 49% of Municipalities claim that they have action plans for strategies implementation, 57% of them stated that strategies, action plans and projects coming out from strategies were taken into consideration during development of Municipal budgets.

Figure 28.



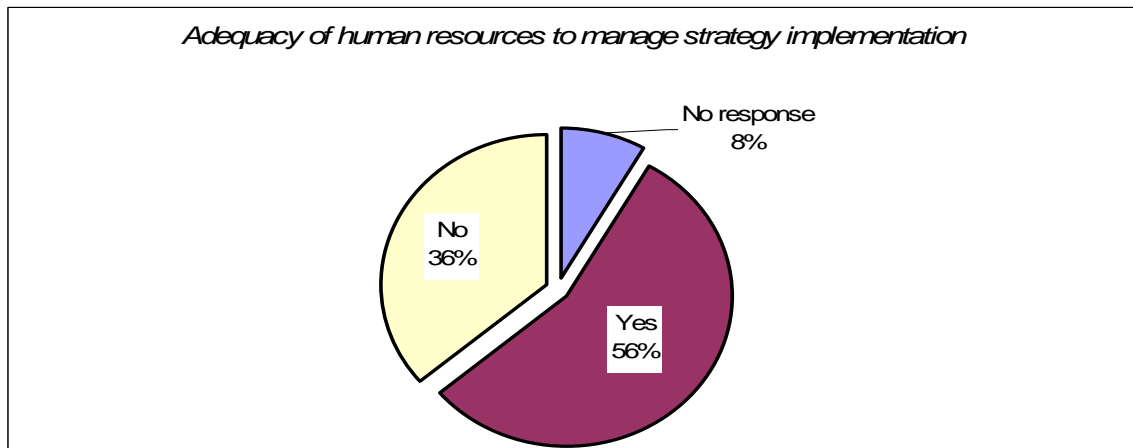
In addition, only 11% of these Municipalities stated they had enough financial resources for implementation of action plans and projects.

Figure 30.



The situation is somewhat better when it comes to human resources within Municipalities and their ability to manage implementation of strategies.

Figure 31.



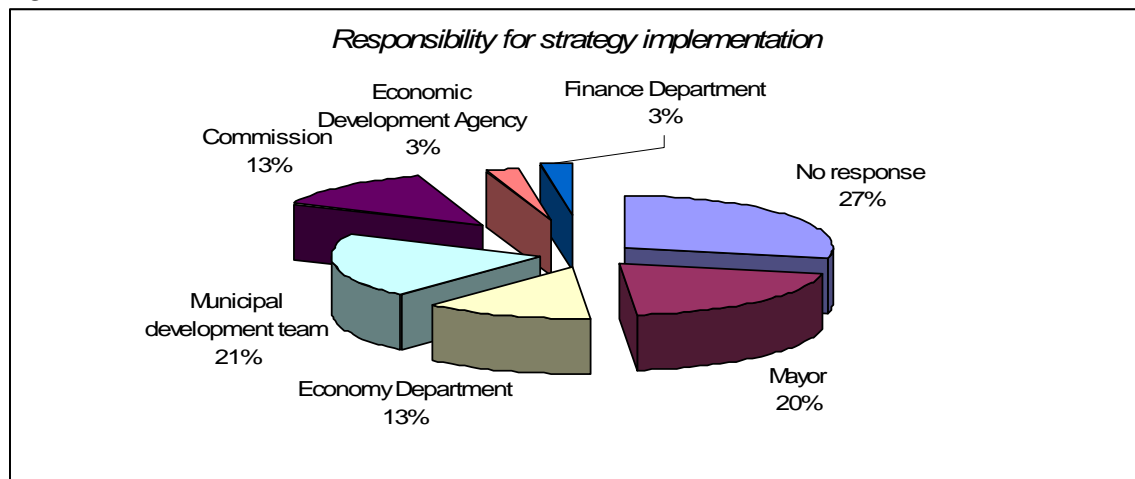
About 56% of Municipalities are of opinion that they have sufficient number of skilful and knowledgeable staff able to manage process of strategy implementation.

However, when it comes to the organizational issues and how these human resources are organized as well as who is responsible for strategy implementation, we find out that in many cases there are no official structure within Municipalities tasked and responsible for implementation of strategies.

When asked who was tasked and responsible for strategy implementation 27% of Municipalities did not respond and about 3% stated that there was nobody responsible for it.

Another 21% replied that was the Mayor. Although all executive powers are concentrated with Mayor and usually once Municipal Councils adopt plans and strategies, they task Mayor to implement them, this indicates that actually, beside this formal delineation of tasks, there is no formal structure within the Municipality with clearly defined tasks and responsibilities to carry out strategy implementation.

Figure 32.



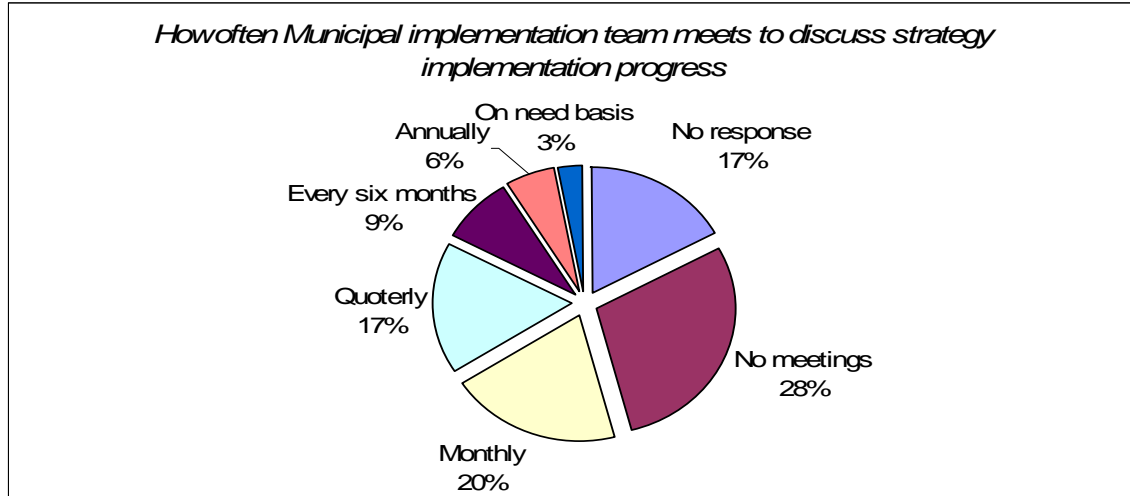
Basically, 51% of Municipalities do not have any structure formally tasked and responsible for strategy implementation.

Only 21% established Municipal development teams and tasked them to implement strategies<sup>1</sup>.

Only 16% of Municipalities tasked existing, formal departments within Municipalities with strategy implementation.

<sup>1</sup> We have no information whether Municipal development teams are established formally as a part of the structure of Municipality administration.

Figure 33.



As we can see from the figure 17, about 45% of Municipalities do not follow up at all what is going on with the strategy implementation. Another 6% analyze and discuss strategy implementation just once a year. These 51% corresponds with 51% of Municipalities that do not have any formal organizational structure tasked with implementation of the strategy.

Finally, not all developed strategies were approved and adopted by Municipality Assemblies. According to the collected data, about  $\frac{1}{4}$  were not adopted by Municipal Assemblies and therefore never implemented.

Figure 34.

