

## **Integrated Local Development Project (ILDP)**

### **Local Project Appraisal Committee (LPAC), 10 November 2016**

#### **Minutes**

#### **Participants:**

1. Tomislav Todorović, Mrkonjić Grad Municipality
2. Miliana Dragojević, RS Ministry of Public Administration and Local Self-Government
3. Darko Telić, RS Ministry of Economic Relations and Regional Cooperation
4. Sanja Vojnović, Secretariat General of the RS Government
5. Ivana Mišković, Canton 10, Office of the Prime Minister
6. Dragan Kelečević, Laktaši Municipality
7. Boro Vojvodić, the City of Prijedor
8. Radinka Dujak, Odžak Municipality
9. Zoran Jelušić, Posavina Canton, Ministry of Economy and Spatial Planning
10. Amra Abadžić, the Government of Brčko District – Department of Economic Development, Sports and Culture
11. Ankica Todorović, the City of Bijeljina
12. Goran Rakić, RS Association of Municipalities and Cities
13. Šejla Hasić, FBiH Association of Municipalities and Cities
14. Ivan Miličević, Posušje Municipality
15. Zehra Orahovac, Novo Sarajevo Municipality
16. Nijaz Avdukić, FBiH Development Planning Institute
17. Maida Fetahagić, Sarajevo Canton Development Planning Institute
18. Amir Hadžić, Ključ Municipality
19. Denijel Pelidija, FBiH Government, Office of the Prime Minister
20. Fahrija Delalić, FBiH Ministry of Finance
21. Milka Matović, BiH Ministry of Human Rights and Refugees
22. Regula Babler, Embassy of Switzerland in BiH
23. Alma Zukorlić, Embassy of Switzerland in BiH
24. Marina Dimova, UNDP
25. Amra Zorlak, UNDP
26. Adela Pozder-Čengić, UNDP
27. Aida Laković Hošo, UNDP/ILDP
28. Amela Gačanović-Tutnjević, UNDP/ILDP
29. Muamer Obarčanin, UNDP/ILDP
30. Nasir Nalić, UNDP/ILDP
31. Zorica Ignjatić, UNDP/ILDP
32. Dragana Čeprić, interpreter

## INTRODUCTION

**Mrs Adela Pozder-Čengiđ, Rural and Regional Development Sector Leader, UNDP,** welcomed the attendees and explained that the meeting was a standard UNDP procedure, and that the aim was to present the final draft of the Integrated Local Development Project (ILDP) and give partners the opportunity to once again present their proposals and comments.

**Mrs Regula Babler, Local Governance Advisor at the Embassy of Switzerland in BiH,** stressed that the consolidation phase was particularly important from the aspect of sustainability of the project results, since the consolidation phase is some kind of a “systemic phase”. In this respect, the Project has been designed to strengthen the capacities of the local partners to enable them to efficiently manage the project results and to carry out the activities the project is currently implementing in the future.

## PROJECT PRESENTATION

After the introductory remarks, **Mrs Aida Laković Hošo** presented the ILDP consolidation phase, emphasising that the project proposal was based on suggestions of the partners, the findings of the ILDP II Final Evaluation and experiences from the project implementation thus far. During the preparation of the proposal, extensive consultations were carried out with the partners, including two consultative meetings with the partner local governments, consultations with representatives of the cantons and one joint workshop.

During the presentation it was explained that the project was planned as a third phase, i.e. consolidation phase, the primary objective of which is to strengthen the capacities of the institutional partners to enable them to take over the results and practices introduced through the project and independently manage the development planning and management system. The project will last four years, its foreseen value is about 5.4 million CHF, and it will be financed by the Government of Switzerland and UNDP. The project will be implemented through direct implementation modality, including the elements of implementation by partners wherever possible.

**The overall Project goal is as follows: “Functional development planning and management system at sub-national levels contribute to better quality of life for the citizens and integration of Bosnia and Herzegovina to the EU” with two outcomes:**

**Outcome 1: “Lead planning structures at entity level steer the development planning and management systems characterised by vertical and horizontal coordination and greater accountability towards the citizens.”**

Within this outcome, individual results and activities related to strengthening of development planning and management at the level of entities and Brčko District have been planned, as well as strengthening of partnership structures which will additionally support the development processes and the EU integration processes. Support to further strengthening of the local development financing mechanisms is also foreseen, as an instrument for the implementation of policies, which should result in improved livelihoods and services for the citizens. Within this outcome, support will be provided to stronger involvement of civil society organisations and media, especially in terms of overseeing the implementation of policies.

**Outcome 2: “Local and cantonal governments effectively address needs of citizens and businesses and accelerate growth through inclusive and accountable development planning and management.”**

Results and activities within Outcome 2 are focused on further expanding of development planning and management framework and practices at the local and cantonal level in FBiH, in accordance with the European Union requirements and practices, and within the vertically aligned system. In this respect, significant technical and limited financial support to the local and cantonal governments is foreseen with the aim of strengthening their development management capacities.

The local governments with the best development planning and management results are stimulated to implement priority projects, which will result in improved livelihoods and services for the citizens.

The project management structures were presented, including the Project Board, the composition of which will not be changed, and the Project Team.

The project proposal presentation is attached to this Minutes.

During the presentation, **Mrs Amra Zorlak, UNDP Evaluation and Monitoring Officer**, explained the UN/UNDP project preparation quality standards that had been used during the preparation of the project document in order to ensure its compliance with the set quality standards, from the preparation phase to the implementation and closure. The main elements of this approach are: i) project's alignment with the strategic objectives and priorities of BiH; ii) relevance of the foreseen activities for the needs of the community and the target group; iii) compliance with the basic social and environmental protection standards; iv) clearly defined project management and project implementation monitoring models; v) efficiency; vi) previous experiences, analysis of target groups and partners, in order to ensure maximum accomplishment of the set objectives and vii) how its effects/results will be sustained after the implementation. Mrs Zorlak concluded that the project document was awarded the highest quality marks.

## **DISCUSSION**

After the presentation, the participants were invited to present their opinions and proposals.

**Mr Nijaz Avdukić, Assistant Director of the FBiH Development Planning Institute (FDPI)** thanked the Government of Switzerland and UNDP, as well as the ILDP team for cooperation and support, emphasizing that ILDP was one of the most important projects for FDPI. The support in the preparation of the FBiH development planning and management framework was of particular importance. Mr Advukić presented several comments and proposals with regard to the presented project document, the most important of which are listed below.

- Bearing in mind the scope of activities the FDPI should assume in the FBiH development planning and management system, it would be good to hire one more expert in FDPI as part of the support to FDPI, if possible. He proposed to insert the words "at least one" before the word "one" in the part of the project proposal referring to hiring of experts (p. 13).
- The cooperation and quarterly meetings foreseen by the project proposal, which bring together all the planning partners in FBiH, are of particular importance, however, the possibility of organising one joint meeting for the whole of BiH should also be considered, since it facilitates the strengthening of relations and sharing of good practices among institutions.
- The approach foreseen by the Project which refers to awarding the best-performing local and cantonal governments in the management of development processes is also important. In this respect, it would be important to include the cantonal development management units in the process of deciding about the best local government projects.
- Cantonal development management units should be capacitated to support preparation of development strategies in the respective local self-governance units, for the purpose of ensuring vertical integration and overall quality assurance.
- The activity of capacity development of elected officials is commendable, and it would be particularly important to present the development strategy and the role of the development management units to the elected officials at the beginning of their mandate.
- As far as the IPA programming support is concerned, this should be a mandatory activity within the project, considering the importance of the support and the current low level of capacities in the institutions.

- Bearing in mind the significant role of the FDPI in the project implementation, there is a question of whether the FDPI should be represented in the ILDP Project Board.

Finally, Mr Avdukić thanked for incorporation of the earlier FDPI proposals in the draft project document.

**Mrs Miliana Dragojević, Head of the Local Self-Governance Department of the RS Ministry of Public Administration and Local Self-Government** expressed satisfaction with the cooperation in the previous phases of the project, which had produced good results, and said that therefore even better cooperation was expected in the coming phase. Reflecting on the project document, she presented several comments:

- Since the project document puts emphasis on cooperation with the cantons, Republika Srpska (RS) is perhaps less represented in that more activities will be carried out in the Federation of Bosnia and Herzegovina (FBiH). She proposed that additional activities of cooperation with underdeveloped local self-governance units in the RS be designed within the project in order to establish a balance.
- The project document contains some redundant, politically sensitive qualifications in the part related to the context, which is unnecessary.
- Assessments as to which entity is more advanced in terms of the level of development of the development planning and management systems are also unnecessary.
- Preparation of the RS Local Self-Government Development Strategy is ongoing, so that the ILDP consolidation phase will be closely linked with its objectives.
- With regard to the training for elected officials and employees of the local self-governance units which is foreseen within the project, it should be emphasised that the activities will be carried out through the existing training system.
- It is important that the activities of cooperation with the media are included in the project.
- With regard to support to the financing mechanisms and co-financing by domestic institutions, the proposal is to add the formulation “depending on the possibilities“. Mrs Adela Pozder-Čengić explained that it was important to increase domestic ownership of this financing instrument in the project consolidation phase, and that the expectations in this respect were that domestic institutions would gradually assume more responsibility.

Mrs Dragojević mentioned that the Ministry of Public Administration and Local Self-Government would also submit written comments to the draft project document.

**Mrs Maida Fetahagić, Assistant Director of the Sarajevo Canton Development Planning Institute** commended the project document, which, in her opinion, gives reason for optimism. Activities related to supporting the EU integration process are of particular importance and should even be intensified. She pointed out the issue of the role of development agencies in the planning processes, since some of them are financed by the public budgets, so that their role in the planning processes should be elaborated. Also, Mrs Fetahagić emphasised the importance of the competitive approach to awarding of incentive funds, and proposed that the focus be put on strengthening of territorial cohesion, i.e. inter-municipal cooperation and cooperation between cantonal and local governments in the FBiH.

**Mr Darko Telić, Assistant Minister at the RS Ministry of Economic Relations and Regional Cooperation** pointed out that it was good that the previous experiences and lessons learned were used for preparation of the Draft Project Document, which is reflected in the foreseen co-financing of domestic stakeholders and strengthening of domestic ownership of the project. Regarding the financial balance in terms of support to the entities, Mr Telić is of the opinion that the balance can be ensured by including additional number of extremely underdeveloped local self-governance units from the RS (e.g. through support for preparation of development strategies etc.). In addition to that, he underlined the importance of coordination with the Ministry of Economic Relations and

Regional Cooperation in the foreseen activities related to provision of training in the field of European integrations and regional development. In terms of strengthening of the roles of development agencies in the planning processes, he mentioned the RS Agency for Development of Small and Medium Enterprises as one of the possible stakeholders.

**Mrs Sanja Vojnović from the RS Strategic Planning and Policy Coordination Unit** thanked for the cooperation provided thus far and for the proposal for further support to this Unit.

**Mrs Amra Abadžić** from the Department of Economic Development, Sports and Culture of the Government of Brčko District BiH expressed satisfaction that Brčko Distrikt BiH was recognized in the project, since it is frequently neglected and forgotten. With regard to that, she proposed that, in addition to support for the entities, a financial support instrument also be ensured for Brčko District BiH, whose representative should also be included in the ILDP Project Board.

**Mr Ivan Miličević, Posušje Municipality Strategic Planning Coordinator** commended the ILDP support provided thus far and presented several proposals. In terms of incentive mechanism approach, he agreed with awarding the best and proposed that a smaller part of the support be directed towards the local governments with insufficient absorption capacities, where visible progress could be achieved with small amount of funds. He also supported the proposed activities related to strengthening of capacities of elected officials, as well as strengthening of the roles of development agencies in the planning processes. He also stressed the significance of developing an electronic platform for operational development planning and management.

**Mr Dragan Kelečević, Laktaši Municipality Strategic Planning Coordinator** proposed a number of activities for supporting the local governments in the RS, in order to achieve a balance between the entities, including support to development of inter-municipal cooperation strategies, increasing the number of the RS local governments' projects financed by incentive funds or greater support to preparation of project proposals, including feasibility studies.

**Mrs Ivana Mišković from the Canton 10 Prime Minister's Office** proposed to additionally emphasise in the project document cooperation with the ministries of finance at all levels of government, since they have an important role in the development planning and management system in all levels. She supported the project's idea to use incentive funds to award the local and cantonal governments with the best results in introducing the development planning and management system, and stressed the importance of development agencies in these processes.

**Mrs Radinka Djuak, Assistant Mayor for Economy, Odžak Municipality** pointed out that besides the entity, cantonal and local development agencies, there were active associations of citizens in some regions, such as the Independent Office for Development in Posavina, which could be an important resource in the development planning and management processes, considering their significant experience and expertise.

**Mr Goran Rakić, a representative of the RS AMC**, thanked the Project for including the RS AMC proposals in the Draft Project Document. He proposed to include the AMCs' personnel in the training that will be provided within the project and to enable them to participate in the voucher scheme proposed by the project.

**Mrs Šejla Hasić from the FBiH AMC** emphasised the importance of peer-to-peer exchange of experience, before all in the context of AMCs' base of experts and other practitioners with the relevant local level experience.

**Mrs Regula Babler, Local Governance Advisor at the Embassy of Switzerland in BiH**, proposed to formulate an additional outcome for clearer programming of activities and results in the field of citizens' involvement in the management of development processes.

## **CONCLUSIONS AND FURTHER STEPS**

The participants have agreed for Direct Implementation Modality (DIM) of the project, as well as that the project is relevant in the BiH development context and that the components are well designed to deal with the most important challenges for the coherent development planning and management system and improvement of services and the quality of life at the local (and cantonal) level. Mrs Pozder-Čengić pointed out that possible additional proposals could be submitted to the project team in the next 10 days. In the coming period, the project team will carefully consider all the presented proposals and try to incorporate them in the final project document, where possible. In that context, it is important that the project stakeholders bear in mind that the project funds are limited. Following the finalisation of the project document, it will be submitted for approval of the Government of Switzerland, and the expected start date of the consolidation phase is 1 March 2017.