**United Nations Development Programme**

**Srebrenica Regional Recovery Programme**

**PHASE III**

**Location:** Bosnia and Herzegovina, Srebrenica region.

Municipality of Srebrenica

**Project Budget:** USD 12,000,000

The Srebrenica Regional Recovery Programme, a multi-donor initiative, is an integrated and comprehensive framework, which seeks to revitalize the human and physical capital of the region.

The overall goal of the Srebrenica Regional Recovery Programme is **to promote the socio-economic recovery of multiethnic communities with strengthened local government structures**. The Programme will focus on the following expected output:

* Municipalities and local development organisations are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction.

It will contribute to the achievement of the UN Development Assistance Framework outcome:

* Municipal authorities, citizens, civil society and the private sector increasingly able to contribute effectively to planning and implementation of inclusive social policies at local level.

Date: October 2009

## Executive Summary

The Srebrenica Regional Recovery Programme is now entering in its third and final phase. While during its first two phases, the programme role was mainly of input provider, with a strong involvement of local stakeholders in decision-making and implementation, the Programme intends in its third phase to shift to a technical assistance provider with an emphasis on knowledge transfer, with a progressive transfer of responsibility of implementation from Programme staff to municipalities, civil society and citizenry.

In its third phase, the programme’s focus will be on supporting the local partners in creating an enabling environment for local economic development[[1]](#footnote-1). The main characteristics of an enabling environment can be summarised as follows:

* Adequate public infrastructure to ensure proper production conditions (electricity and water) and good communication of people and goods with the market (roads and telecommunications);
* Qualified human resources from municipal and NGO staff members, to entrepreneurs and workers;
* Supportive institutions capable to plan and implement conducive state, entity and local strategies, policies and projects for economic development;
* Availability of high quality financial and non financial business development services as well as appropriate delivery mechanisms and institutions;
* Appropriate public services including education and health; and
* Stimulation of entrepreneurship.

Based on the elements describing an enabling environment and the current weaknesses of the region, the programme has designed a comprehensive and integrated framework to address the needs of the region covered by the programme. The underlying weaknesses are:

* Poor infrastructure in rural areas;
* Limited human capital, characterized by inadequate education and training levels;
* Sectoral imbalance in terms of over-dependence on low value-added industrial sector;
* Weak entrepreneurial culture, insufficient small and medium sized enterprises and poor capacity to innovate;
* At the periphery to core markets and production and service centres; and
* Weak institutions and social capital in terms of a lack of networks of firms, organisations and individuals and poor public sector capacity to implement local development solutions.

Given the wide range of weaknesses, it implies that the programme needs to develop simultaneously the human, institutional and physical capacities of the region. To do so, the Srebrenica Regional Recovery Programme is designed around four activities that will address the needs to:

* develop leadership and technical competencies;
* strengthen local governments and public institutions;
* improve public services including public infrastructures; and
* develop the private sector to create employment.

The four planned activities are:

1. Local Capability Development
2. Institutional Strengthening
3. Services to Citizens
4. Private Sector Development

The emphasis on the allocation of resources will be on capital investments in public infrastructure and in private sector development. Capital investments in public infrastructure will enable the programme to meet both economic and social benefits. Private sector development interventions will address the needs of the private sector to grow and provide new employment opportunities.

Through the implementation of the four activities, UNDP intends to promote the principles of good governance as the real hindrance for sustained economic growth and development in BiH is closely related to the absence of good governance rather than with the lack of economic plans and reforms.  Strategic plans for economic development either at entity or local level, foreign investments and international aid will succeed in improving economic development if they are directed by competent leadership underpinned by good governance.  UNDP has pioneered, afterwards commonly accepted fact, that good governance and sustainable human development are inseparable emphasizing the importance of good governance in creating positive environment for economic development in the aim of elevating poverty.

The overall goal of the Srebrenica Regional Recovery Programme is **to promote the socio-economic recovery of multiethnic communities with strengthened local government structures**. The Programme will focus on the following expected output:

* Municipalities and local development organisations are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction.

The expected results of the four activities are:

1. Increased local capabilities in participatory planning and implementation of development projects;
2. Increased effectiveness in the delivery of public services;
3. More than 6,000 people will benefit from improved living conditions; and
4. 500 families have increased revenues.

The second emphasis of the programme’s third phase will be on the transfer of implementation responsibilities to the municipal authorities. Through this transfer of implementation responsibilities, the programme intends to strengthen local human and institutional capacity development. Such a modality enables local partners to increase their competencies in implementing complex development interventions with UNDP providing mentoring and coaching services. This modality also leads to increased local ownership over the programme’s implementation.

Thirdly, the programme understands that local development can be successful only if it adds value to economic development and social policies designed and implemented by entity and state governments. However in the Bosnian context, this is extremely difficult as either such policies are inexistent or are inefficient due to either bad planning or lack of capacities to implement strategies and policies. The programme will ensure that the local partners will receive sufficient levels of support to better advocate at higher government levels and ensure synergies with existing policies.

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## 1. Situation Analysis

### 1.1 General

Although economic growth continues at around 5% per annum, inequality in Bosnia and Herzegovina (BiH) is increasing. As a result, the pace of poverty reduction has slowed, meaning that the poorest and most marginalised segments of the population remain sidelined and socially excluded.[[2]](#footnote-2) Despite the lack of comprehensive municipal-level data in BiH, there is a general consensus, based on international and national agency reports and the experience of staff working on local governance initiatives, that the effects of this negative trend are particularly felt in rural and mixed rural/urban areas.

The emergence of a highly professional municipal bureaucracy, capable of providing effective leadership for the community and ensuring effective and equitable service delivery that reaches the poor and most disadvantaged, is of key importance. Many municipalities lack the skills and knowledge to lead the local development process, facilitate meaningful stakeholder participation targeting socially excluded groups, and provide clear strategic directions to their communities. While the majority of municipalities in BiH are engaged in the process of local development planning, their methodologies, standards, and quality vary. Overall, narrow approaches that neglect the relevance of social sectors and human rights for improving the quality of life in local communities still dominate. Furthermore, there is a lack of capacity to translate strategic goals into action plans and create links with the budgeting cycle. Limited financial resources at the local level also constrain municipal investment in local development projects. Moreover, insufficient effort is made to ensure the effectiveness and efficiency of current expenditures or devise alternative cost-effective approaches, e.g. inter-municipal cooperation.

### 1.2 Specific

The region covered by the municipalities of Srebrenica, Bratunac, and Milići is one of the most deprived in Eastern Bosnia. The wartime horrors and political obstruction since the war have made the Srebrenica area one of the most socially and economically depressed in Bosnia and Herzegovina (BiH), lagging behind the rest of the country in its steady progress from post-conflict reconstruction to long-term development. The many issues to be addressed are: damaged infrastructure and private property, weak governing structures, under-financed public services, weak primary health care, social services, and public utilities, and a lack of economic opportunity. To these issues which are common with other underdeveloped areas of Bosnia and Herzegovina, specific ones related to the Srebrenica region have to be added like depleted human resources and exclusion of minorities.

The topography of the region is predominantly mountainous. The lower-lying areas are situated in the Drina river valley (approx. 300 m above sea level), with the higher areas to the south-west as much as 1500 m above sea level (Orlov kamen, 1517 m). The total area is 1,100 km2. The Drina River passes along the eastern border of the Srebrenica and Bratunac municipalities.

The 1992-1995 war greatly affected the Srebrenica region. Post-war demographic changes reflect this, with fewer people living in all the municipalities and an increasingly polarised ethnic structure. This is illustrated in Table 1.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 1: Summary of Key Municipal Data** | | | | | | | |
| Municipality | Area in square kilometres | Population 1991 | | | Population 2008 | | |
| Bosniaks | Bosnian Serbs | Total | Bosniaks | Bosnian Serbs | Total |
| Srebrenica | 527 | 27,573 | 8,316 | 36,666 | 4,000 | 7,000 | 11,000 |
| Bratunac | 293 | 22,055 | 11,520 | 33,575 | 4,500 | 17,300 | 21,800 |
| Milići | 286 | 7,805 | 8,243 | 16,048 | 3,000 | 11,500 | 14,500 |
| ***Total*** | ***1106*** | ***57,433*** | ***28,079*** | ***86,289*** | ***11,500*** | ***35,800*** | ***47,300*** |

These important demographic changes have affected the overall development of the region. Expertise has been lost in sectors with economic potential, like mining and wood processing. The percentage of the population with higher education has dropped. Relations between families within communities have disappeared, as has leadership at local community level. Leadership at local community level is a crucial factor for their self development. In its absence, supporting structures have to be temporary set in place to assist communities in their path towards development.

The following charts present the age and gender breakdown of the population in the region (Figure 1). The figures are an average based on information collected by local non-governmental organisations (NGOs). Comparison of this age breakdown to the average in North-East Bosnia shows that the population of the Srebrenica area is older than that of North-East Bosnia more generally. The gender breakdown reveals a higher percentage of women (some 2%) than the average for North-East Bosnia.

*Figure 1 – Population Breakdown*



The economy has been considerably affected by the conflict and the important demographic changes. Industrial infrastructure in all three municipalities was destroyed. Poor economic performance is related to a lack of production capacity, difficulty accessing new markets, a lack of skilled labour and management skills, and weak business development services.

Natural resources available in the region include deposits of valuable minerals, such as zinc, lead, and bauxite, forests, water, and fertile land suitable for agriculture. The bauxite reserves in the Srebrenica-Milići area are among the biggest in Europe, estimated at 69.6 million tons. There are also placers (superficial deposits) of cadmium, boulder, sand, limestone, clay, as well as small placers of silver and gold. Deposits of zinc and lead are being extracted by the SASE mine (in a strategic partnership with the Russian Yuzhuralzoloto Company). The reserves are estimated at 6 million tons. There are also important reserves of dacite in the municipalities of Srebrenica and Bratunac. So far, there has been no commercial extraction of dacite.

The forest resources of Srebrenica, Bratunac, and Milići municipalities are among the largest in Bosnia and Herzegovina in terms of extent and stock, relative to the size of the region. Forestland covers about 67,100 hectares, about 60% of the total area of the region, with standing stock of about 13,750,000 m3. More than 70% of the standing stock is broadleaf, mainly beech and oak, with the remaining 30% made up by conifers, including fir, spruce, and pine.

The municipalities of Srebrenica and Bratunac cover some 1,106,000 hectares, of which 40,862 are classified as agricultural land. Around forty two percent of the agricultural land (17,162 hectares) is considered high quality and suitable for intensive production. This land is mainly located in the Drina river valley and on plateaux. It is fairly flat, with a gradient of less than 8% and at an altitude of less than 300 metres above sea level. The rest of the region is hilly, less fertile, and better suited for livestock and fruit production. Berries are grown along the slopes of the region’s hills and mountains, which range in height from 400 to 1,500 metres above sea level.

The availability of competent and quality business development services is very important for economic development, as they play a major role in supporting the development of micro, small, and medium–sized enterprises (MSMEs), which have a proven track recording in creating employment, generating income, and contributing to economic development and growth. Employment and income generation are particularly important for impoverished rural areas and vulnerable communities and groups. In Srebrenica, access to business development services is mainly through the Srebrenica Business Centre, but other organisations also play a role. The centre offers services in:

* Financial Management;
* Business Planning;
* Marketing;
* Human Resources Management;
* Registration; and
* Access to new technologies.

These services are not, however, yet at the level required to foster the development of local MSMEs and further support is needed to build local skills and capacity.

There has been some improvement over the past few years. The level of registered employment has significantly increased in Srebrenica, while remaining stable in Bratunac and Milići (see Table 2). These figures should be taken with care, as it is difficult to estimate how many of these jobs already existed but were not registered. Also the figures do not include livings made in agriculture.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 2: Official Employment Figures** | | | | |
|  | **Srebrenica** | **Bratunac** | **Milići** | **Total** |
| 2005 | 1350 | 2667 | 2026 | 6043 |
| 2006 | 1519 | 2517 | 1842 | 5878 |
| 2007 | 2033 | 2683 | 1959 | 6675 |

The number of existing companies has increased in Bratunac and Milici while it decreased in Srebrenica (see Table 3). The drop in the number of companies officially registered in Srebrenica is a result of late legal action taken to close bankrupt public companies, and closure of enterprises that were only registered for the purpose of accessing donor funds allocated to private sector development (rent seekers). The figures have been obtained from the municipal authorities and the Srebrenica Business Centre.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 3: Official Number of Registered Companies** | | | | |
|  | **Srebrenica** | **Bratunac** | **Milići** | **Total** |
| 2005 | 352 | 588 | 246 | 1186 |
| 2006 | 365 | 636 | 262 | 1263 |
| 2007 | 290 | 689 | 268 | 1247 |

Local governance in the Srebrenica region exhibits many of the weaknesses apparent elsewhere in BiH. The governance challenges can usefully be summarised four ways. First, there is a basic lack of capacity and capability. Municipalities are poorly managed and have proved incapable of delivering. A second issue is resourcing. Services are under-financed and municipal employees underpaid. Third, there is a complete lack of reliable information, with few accurate or up-to-date statistics and most data still recorded manually. Finally, workplace culture is all too often both unresponsive and unproductive.

Municipal governments have considerable difficulty in meeting their service obligations in an effective, efficient, transparent, and equitable manner. Rehabilitation and investment in infrastructure are inadequate and poorly executed, if not supported by international organisations. Equally, there has been too little attention to patterns of vulnerability that have arisen due to demographic developments during and after the war - chiefly the needs of the many elderly and of female-headed households.

It is important to recognise that there has been evident improvement, as well. Consultative bodies have been established in each municipality to allow public participation in decision-making. The role of these consultative bodies remains at the planning stage, however. They have no role in monitoring projects selected through them and the mayor does not have to report to them on results achieved during the previous year or progress made towards the goals set in the municipal strategies.

Civil society displays similar weaknesses to the municipal authorities: a lack of capacity; financial dependence on donor funding; a lack of planning based on accurate and up-to-date statistics; and a communication gap with their constituencies. Many local development organisations face similar problems with keeping qualified staff. Their dependence on donor funding creates an opportunistic culture, where local associations tend to align their field of interest to those of their donors. Local organisations face the same problem as the municipalities in accessing accurate and up-to-date statistics. A regional statistics office exists in Bratunac. Unfortunately, the information available is generally inaccurate, which results in planning being based more on assumptions than on surveys or up-to-date statistics. Finally, there is the relationship between local civil society organisations (CSO) and the public. Most local organisations do not publish information about their activities or budgets. They do not ensure the public has formal access to or actively participates in decision-making meetings. The result is that few citizens identify with these CSOs.

Both the municipal authorities and the CSOs have been involved in many training programmes on participatory planning, project cycle management, and similar topics. These training programmes and the follow-up to them have lacked intensity and the transfer of knowledge has not reached a level that would allow local stakeholders to implement complex development projects. The UNDP Srebrenica Regional Recovery Programme (SRRP) has conducted a Capacity Assessment using the UNDP-developed methodology. A glance at the assessment results (see Table 4 for a summary) shows that, with the exception of leadership and the management of physical resources, the municipal authorities would appear to have from merely anecdotal evidence of capacity to no relevant capacity with regard to environment resources. The detailed assessments for each Municipality are enclosed in Appendix C.

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| --- | --- | --- | --- |
| **Table 4: Summary of functional capacity assessment results[[3]](#footnote-3)** | | | |
|  | **Srebrenica** | **Bratunac** | **Milici** |
| Engage in Multi-Stakeholder Dialogue | 2.60 | 2.25 | 2.74 |
| Analyse a Situation and Create a Vision | 1.73 | 1.68 | 1.73 |
| Formulate Policy and Strategy | 1.72 | 1.72 | 1.72 |
| Budget, Manage and Implement | 1.55 | 1.60 | 1.63 |
| Monitor and Evaluate | 1.68 | 1.64 | 1.68 |

In addition to the core issues (functional capacity) assessed using the UNDP methodology, UNDP SRRP also looked at the following areas of technical competency: outsourcing, private sector development, and agricultural development.

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 5: Summary of technical capacity assessment results** | | | |
|  | **Srebrenica** | **Bratunac** | **Milići** |
| **Outsourcing** | **2.67** | **2.33** | **2.67** |
| Preparation of Terms of Reference | 3 | 2 | 3 |
| Evaluation of Technical Offers | 3 | 3 | 3 |
| Contract Management | 2 | 2 | 2 |
| **Private Sector Development** | **1.60** | **1.60** | **1.80** |
| Engage in Multi-Stakeholder Dialogue | 2 | 2 | 2 |
| Analyse a Situation and Create a Vision | 1 | 2 | 2 |
| Formulate Policy and Strategy | 1 | 1 | 2 |
| Budget, Manage, and Implement | 3 | 2 | 2 |
| Monitor and Evaluate | 1 | 1 | 1 |
| **Agricultural Development** | **1.80** | **2.80** | **2.80** |
| Engage in Multi-Stakeholder Dialogue | 1 | 3 | 3 |
| Analyse a Situation and Create a Vision | 2 | 3 | 3 |
| Formulate Policy and Strategy | 2 | 3 | 3 |
| Budget, Manage, and Implement | 3 | 3 | 3 |
| Monitor and Evaluate | 1 | 2 | 2 |

The Programme conducted a similar assessment with a sample of what are considered to be among the most developed local NGOs. The assessment looked at core capacity issues. The results were similar to those for the municipalities (see Table 6). An immediate conclusion to be drawn from these assessments is that more needs to done regarding capacity development. The detailed capacity assessment for each organisation is available in Appendix D.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 6: Summary of capacity assessment results – Local Citizens Associations[[4]](#footnote-4)** | | | | | |
|  | **Prijatelji Srebrenice** | **Srebrenica Business Centre** | **Drina-Srebrenica** | **Regional Extension Service** | **Priroda** |
| Engage in Multi-Stakeholder Dialogue | 3.10 | 3.19 | 3.31 | 3.46 | 3.24 |
| Analyse a Situation and Create a Vision | 2.71 | 2.96 | 3.02 | 2.88 | 2.69 |
| Formulate Policy and Strategy | 2.80 | 3.28 | 3.20 | 3.06 | 2.87 |
| Budget, Manage and Implement | 3.05 | 3.66 | 3.54 | 3.96 | 3.18 |
| Monitor and Evaluate | 2.57 | 2.83 | 2.70 | 2.74 | 2.69 |

### 1.3 Global Financial Crisis

The global financial crisis has affected the region and resulted in a significant number of lost jobs. It is estimated that close to 400 jobs were lost which represents more than 5% decrease in employment figures. In addition, a large number of companies have already reduced salaries and are working at lower capacities through a decrease of working days per month. UNDP BiH has conducted a survey of the financial crisis impact at local level in 40 municipalities. The results of the assessment are available in Appendix H.

From the interviews conducted in Srebrenica, Bratunac and Milici, it was evident that the municipal authorities lacked accurate data on the impact of the financial crisis on their local economy. Only in the municipality of Srebrenica, the Economic department is contacting on regular basis the major employers to be updated on their current financial and employment status. None of the three municipal administrations did set up mechanisms to assess or measure the economic and social impact of the financial crisis on their resident. Also the municipalities have no clear ideas on how they could act to reduce the impact of the crisis. The municipal budgets will significantly decrease this year which will reduce the ability of the municipalities to invest in capital infrastructure projects or in private sector development.

## 2. Prior and Ongoing Assistance to the region

Significant assistance has been provided to the region for its recovery and development. Due to political obstruction, support by the international community to the region only started in 2000 with return projects. Since then, the political environment has improved. The local authorities are actively collaborating in the development projects implemented in the region. For the past three years, ownership of the local authorities over the development interventions implemented in the region has increased both in terms of human resources allocated to these interventions and in terms of financial contributions to these activities.

In this section, prior and ongoing assistance to the region is presented. The past and ongoing interventions are divided into four categories: human capacity development, institutional development, public services (including housing and infrastructure) and private sector development. More details about the assistance provided by UNDP through the programme is available in appendix F, including the latest evaluation recommendations.

### 2.1 Human Capacity Development

During the past three years, local authorities and local citizens’ associations had the opportunity to develop their capacities in:

* Project Cycle Management
* Strategic Planning
* Private Sector Development
* Business Planning
* Business Finance
* Environment Protection
* Tourism
* ISO standards

These training and capacity development opportunities were implemented either by international organisations or by local organisations financed by international donors. In numbers and according to the main areas of capacity development, the following municipal and NGO staff have been trained:

* Strategic planning, Project Cycle Management and Access to EU funds –
* Private sector development and Business management –
* Environment protection –
* Business processes and ISO standards –

These training programmes have been organised by CARE, GAP, OSCE, GTZ, REC, Union of Municipalities and Towns, SNV and others. In addition, study tours were organised mainly related to specific issues like tourism development and MSMEs development.

Public institutions like the schools and health centres were the recipient of specific training programmes organised by their relevant Ministries at entity level.

### 2.2 Institutional Strengthening

All three municipalities have received support in regard to institutional strengthening but at various levels of intensity with Srebrenica receiving more support than the other two. Support included the supply of equipment as well as technical assistance for the improvement of business processes to obtain ISO standard certification. So far only the Municipality of Bratunac has obtained ISO certification.

### 2.3 Services to Citizens

In all three municipalities with the support of UNDP and GAP, front offices have been established. Citizens are now able to have official documents been issued by the municipalities in a very short period of time and in one place. Life in rural areas has been improved by initiatives like the provision of health services, especially by using mobile clinics in rural areas. UNDP provided to the Health Centres in all three municipalities ambulance vehicles to run the mobile clinics. In Bratunac, the Health Centre also received equipment from the Municipality and a local NGO, Forum Zena. Schools have also been the recipient of donated equipment as well as reconstruction works.

Significant investments have been in infrastructure and reconstruction of houses. In total, more than 5,000 living units have been reconstructed in all three municipalities. More than 200 km of rural roads were reconstructed and improved. Access to electricity is now possible in most areas, except in some villages in Srebrenica where return took place recently but they should be covered by a project financed by the Governement of Norway and implemented by the IMG and local power distribution utility company.

### 2.4 Private Sector Development

Various projects for private sector development have been implemented with various levels of success. The main sectors of interventions have been agriculture, MSMEs and tourism. Most of the successes have been achieved in the agriculture sector with significant results in the dairy and berry sub-sectors through projects implemented by USAID, Caritas, CARE, JICA, Insieme, and UNDP. The dairy sector is now providing stable source of income to more than 170 families with an overall annual turnover for the sub-sector of around BAM2,000,000. In the berry sub-sector, close to 190hectares of land are being cultivated with a production close to 1,200 tons. It represented last year revenues close to BAM 4.5 million[[5]](#footnote-5). The sheep sub-sector has also been targeted by UNDP but due to the outbreak of Brucellosis in Bosnia and Herzegovina, the development of sheep breeding in Srebrenica has experienced a drawback. There are early indications that the sheep sub-sector is now slowly recovering and that the number of sheep in the region is significantly increasing.

In regard to MSMEs support, the results have not been as important as in the agriculture sector. Many organisations have provided basic business development services, grants and credit funds. So far and according to UNDP’s latest survey of MSMEs, only 76 companies are active in all three municipalities. This figure does not include trade and retail shops. The business development services offered to the local enterprises and citizens included: business planning, business management, financial management, marketing and business English. Various grant funds have been implemented which had the negative effect of distorting the market for business development services. When asked, many entrepreneurs said that they used business planning services to access grants and not as a genuine tool to develop their business. These grants mainly targeted start-up or micro enterprises.

Tourism has been identified by local stakeholders in Bratunac and Milici as a priority sector for economic development. Projects have been implemented to support the development of tourism in these municipalities, especially by CARE. It is still too early to assess the results of the implemented projects. However, the successes were not as anticipated.

UNDP has supported the forestry and wood-processing sector during the SRRP second phase. While the activity has reached excellent results in regard to forest management and environmental protection, the results of the activities implemented with the wood processor are balanced. During a focus group organised in April, it is clear that more work is needed, especially in building a stronger wood-processor association.

## 3. Strategy

In 2008, the Programme entered its sixth year of implementation. With this new phase, the Programme has to change its strategy and methodology to move from being an input provider to an advisory role, while increasing the level of knowledge transfer and eventually closing the Programme. The Programme intends to address poverty reduction and local capacity development[[6]](#footnote-6) simultaneously, through an integrated approach. Poverty will be addressed in all its multi-dimensional aspects. The focus of the programme’s third phase will be on local economic development. The Programme will encompass interventions in private sector development, infrastructure, and public services. Central to all programme initiatives is the incorporation of consultative and “learning by doing” mechanisms, which represent good practice in local development for the effective promotion of good governance, strengthening civil society and improving the technical efficiency of municipal services. The Programme will also pay attention to conflict prevention. Interventions will be carefully planned so as to avoid increasing tensions between the various communities of the region.

The Srebrenica Regional Recovery Programme is an Area-Based Development (ABD) programme. As one of the local development modalities used by UNDP, ABD can be defined as: “targeting specific geographical areas in a country characterised by a particular complex development problem, through an integrated, inclusive, participatory, and flexible approach.” ABD approaches are “integrated,” in that they address area-specific problems in a holistic manner, fully taking into account and taking advantage of the complex interplay between actors and factors in that area. Even though the problem may be sector-specific, addressing it through ABD requires an inter-sectoral or multi-sector approach. The “inclusive” aspect stems from the fact that activities target “communities” rather than specific target groups within those communities, even though the target communities may have been selected because of the high prevalence of a particular disadvantaged group within that community. By targeting entire communities, the ABD approach is non-discriminatory. Lastly, ABD approaches are “participatory,” in so far as the successful resolution of the problem requires the inclusion and participation of all stakeholders in the area in the resolution process (UNDP Supporting Capacity for Integrated Local Development, Practice Note, 2007 and UNDP/RBEC, 2003).

As an Area-Based Development programme, the programme’s approach is integrated and designed so that rural economic development and local governance are simultaneously means and ends, thereby strengthening each other, to sustainable human development. Rural economic development interventions aim at addressing poverty and increasing wealth in the region while being used as incentives, through conditionality in the allocation of resources, to build consultative mechanisms, improve municipal efficiency and accountability. At the same time, local governance and the participatory mechanisms set in place are means to rural economic development in order to ensure equity, ownership, and sustainability of planned interventions.

### 3.1 Economic Development

Local economic development will be addressed through interventions implemented with the public and civil sectors to create an enabling environment for economic development and with the private sector to increase competitiveness, stimulate entrepreneurship and generate employment.

To design its interventions, the programme has assessed the current weaknesses of the region in regard to economic development and compared them to the elements characterising an enabling environment for economic development. Figure 2 represents the assessed current weaknesses of the region, the actions to be taken by UNDP and the characteristics of an enabling environment for economic development.

*Figure 2: Programme’s Actions for Economic Development*



The emphasis on the allocation of resources will be on capital investments in public infrastructure and in private sector development. Capital investments in public infrastructure will enable the programme to meet both economic and social benefits. Private sector development interventions will address the needs of the private sector to grow and provide new employment opportunities.

**Sustainable human development** and **good governance** are indivisible. UNDP SRRP adheres to the general UNDP definition of good governance where it “*can be* *seen as the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes, and institutions, through which the citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.”* Good or democratic governance is both a means and an end. It is a means to achieve the goals of human development, the main elements of which are articulated through the set of Millennium Development Goals. It is an end in itself as values, policies, and institutions govern human rights principles. The main characteristics of good governance are: participation, equity, transparency, effectiveness, efficiency, and accountability. Fundamentally, it promotes the rule of law.

To address the issue of local governance, the programme will work on developing local capacity including mechanisms and processes so that citizens and their groups will be able to articulate their interests and needs, and to exercise their rights from service providers and duty-bearers at the local level. Indeed, the programme works in partnership with a wide range of different stakeholders – civil society organisations, local communities (MZ), local governments, private sector companies, national/entity governments – “that act together to promote access to quality services and inclusive economic growth. For such concerted efforts to be successful, local actors need to be empowered and capacitated to improve their situation.”[[7]](#footnote-7)

### 3.2 Programme Output and Activities

As stated above, the Programme is designed to achieve conceptual and operational synergy between economic development and capacity development. The Programme’s interventions will be implemented so that local capacity development and poverty reduction are addressed simultaneously and in synergy. The Programme is designed around the following output:

* Municipalities and local development organisations capable of planning and implementing their own path to sustainable development in order to effectively overcome the multi-dimensional barriers to poverty reduction.

A balanced strategic plan taking into account the various elements required to achieve sustainable local economic development as described in section 3.1 will be implemented through four activities:

1. Local capability development;
2. Institutional strengthening;
3. Services to citizens; and
4. Private sector development.

In appendix A, the programme’s activities are described in details including the quality criteria to assess the progress of each activity. The links between the activities’ results and the Programme’s output is presented in Figure 3.

*Figure 3 – Relations between activities and output*



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### 3.3 Local Capacity Development

The private sector is the main driver for economic development. Still, it needs the support of the public and civil society sectors to create an enabling environment for sustainable private sector development and to implement interventions to support the development in specific value chains that have a potential for growth. The second role of the public and civil society sectors is to redistribute the wealth created by the private sector through the provision of subsidised public services like education, health, transportation and public infrastructure which also contributes in creating an enabling environment for private sector development. The figure 4 represents the relation between the different sectors of the society in contributing to economic development.

To meet these objectives, the public and civil society sectors capacities need to be sufficiently developed. Currently, the local capacities are still limited to efficiently and effectively provide the required support to private sector development and implement development projects. Further, the capacities have been mainly strengthened in the provision of services to citizens. As some of the responsibilities in creating a conducive environment for economic development lays at the national and entity levels, the capacities of the local stakeholders will have to be strengthened in advocacy at national and entity levels, and in integrating local solutions in the context of nationwide interventions.

*Figure 4: Relations between the private, public and civil society sectors*



The SRRP has identified as needing further strengthened (please refer to the Situation Analysis section and to appendix C) the following six key functional[[8]](#footnote-8) and three technical capacities:

* Engagement with the public;
* Situation assessment;
* Formulation of policies and strategies;
* Budgeting;
* Management and implementation, including reporting; and
* Monitoring and evaluation.

With regard to technical capacity, the Programme has identified as important:

* Outsourcing services, including public private partnerships;
* MSMEs’ development; and
* Agriculture development techniques.

The identified local capacities that need further development will be addressed through human and institutional capacity development. Local capacity development is only possible if both human and institutional weaknesses are addressed simultaneously as institutions need to be changed to enable and motivate individuals to learn and apply the new skills as well as to improve business processes. UNDP will develop a set of formal training to address the capability needs. It will also strengthen local institutions from municipalities to health centres so as to improve their efficiency, effectiveness, transparency and accountability.

During the third phase, the overall responsibility for the implementation of the programme will remain with UNDP. This means that UNDP will continue to design and implement activities with the support of its local partners from the municipal authorities to the local civil society organisations involved in development activities. However and to ensure the sustainability of the implemented activities and the long-term development of the region, it is essential to further develop the local capacities so that the local partners will take full responsibility over the development of the region and become less dependent on the support provided by international development organisations and donors.

Figure 5 shows the core concept of the Programme in regard to local capacity development, built around transfer of the knowledge and skills required for effective and sustainable poverty reduction. To maximise this knowledge transfer, the Programme will directly link knowledge acquisition and specific development interventions where the newly acquired knowledge is to be applied, so that further experiential learning occurs. For example, municipal and local development organisation staff will receive intensive training in planning and implementation techniques. Following this training, the municipalities will be able to apply for infrastructure capital investment funds. To access these funds, they will have to demonstrate their ability to plan properly in a participatory manner and write a good project proposal in line with the techniques presented to them during training. If the project is approved, the municipalities will be responsible for monitoring implementation and reporting on progress to the SRRP. With these processes in place and conditionality set to access to funds, these development interventions are being used as an incentive to increase active participation in formal knowledge acquisition activities, while at the same time contributing to poverty reduction, as shown in Figure 5. The horizontal logic addresses the issue of capacity development, while the vertical tackles poverty reduction. This will enable the Programme to address both the processes and capacities needed for post-phase sustainable development, while at the same time delivering tangible poverty reduction benefits. To further strengthen local capacity, the Programme will progressively transfer implementation responsibilities to the municipal authorities. Transfer of these implementation responsibilities requires not just the human resource aspects of capacity, but the institutional capacity required for business processes. During the second year of the third phase, UNDP will allocate 10% of its annual financial resources for municipal implementation. The percentage will reach 85% of its annual budget during the fourth year of the Programme. For more details, please refer to section 4, Management Arrangements.

*Figure 5: Local Capacity Development Logic*



### 3.4 Private Sector Development

Local economic development is possible only if the private sector is developed as it is the main engine for economic growth. UNDP B-H general approach to private sector development is based on the value chain model. Interventions are planned to directly support MSMEs and local agriculture producers in improving their business and to indirectly support local entrepreneurs and producers by strengthening support services along the supply value chain.

In its approach to private sector development, the programme’s framework will entail a wide range of activities to address the need to strengthen the competitiveness of existing local companies and producers as well as support the establishment of new start-ups and direct investments. Three end target groups will be assisted: existing MSMEs; agricultural producers; and start-ups. Each target group requires specific assistance. Through its support to MSMEs, the programme intends to increase their competiveness on the domestic and global market as to make them less vulnerable to external shocks like the current economic crisis. As agriculture remains one of the main sources of income for rural families in the region, the programme will assist them in increasing their production capacities, increasing their productivity and prepare them in attaining EU standards. Entrepreneurship needs to be stimulated as start-up companies will be in the short and medium term the main source of employment generation given the current MSMEs market.

Even if each target group requires its own specific interventions, the overall objectives of these interventions are common and in line the value chain model aiming at improving:

* technological and managerial competencies for increased competitiveness;
* supply of inputs;
* market access; and
* access to quality support services.

In figure 6, we give a schematic description of the value chain and what are the objectives for the local producers, the main stakeholders and what are the actions that UNDP will provide to support the local producers to achieve their objectives.

*Figure 6: the value chain*



Whenever possible, the programme will be opportunistic in providing assistance either to sectors or individual producers that will further add value to the local products. The programme will seek maximum synergy with UNDP’s Value Chain for Employment project as it will enable the programme to extend its geographical outreach by addressing nation and entity wide issues.

The emphasis of the programme on private sector development is essential not only in order to increase employment opportunities but also to indirectly increase municipal capacities to take over the development of the region. This increase relates to human, institutional and financial capacities. Municipal revenues are composed of transfers from the entity government as redistribution of the national indirect taxation revenues and direct revenues from property taxes, salary taxes and fees for the utilisation of natural resources. Local economic growth will have then a direct impact on municipal revenues from the collection of property taxes and salary taxes as well as an indirect through the entity transfer of indirect taxes. It is not expected that economic growth will translate into an increase of municipal revenues from the utilisation of natural resources as it is not expected to drastically increase in the coming years. Through this, municipal authorities will have increased possibilities to improve their capacities and services and rely less on external support for their own development.

More details on the programme’s design to support private sector development can be found in Appendix A.

### 3.5 Synergies, Coordination and Collaboration

As stated in the last UNDP BiH Assessment of Development Results and the last UNDP SRRP external evaluation, the programme will have to increase its assistance to the local authorities in coordinating development efforts at local level and play a more prominent role in the local implementation of entity and state development policies. Also collaboration with other UNDP projects as well as project implemented by other development agencies will be strengthened. This section will look at the synergies that will be established within the programme, with other UNDP projects and with projects implemented by other development organisations at national and local levels.

3.5.1 Synergies within the programme

As stated before, the main driver of the programme’s implementation will be economic development, namely creating an enabling environment for economic development. In order to achieve this objective, the programme will have to ensure strong synergies between the four programme’s activities. As a consequence, social related projects will have less importance in the allocation of resources. Still some support will be made available to support small social projects. This social aspect in the allocation of donor resources under a local economic development project like SRRP is one of the weaknesses of this type of approach as it promotes participatory mechanisms in the identification of interventions resulting in agencies being drawn into funding long “shopping lists” that emerge from these processes.

In the third phase and for most of the interventions, a clear definition of the economic development benefit will have to be provided in order to assess the relevance of the interventions in improving the environment for economic development. Secondly, the support to projects will be on a conditional basis where the local partners will have to demonstrate their commitment not only in financial terms but also through the quality of their participations in the preparation of interventions.

The diagram below (Figure 7) represents the synergies that will exist between the different activities. It is not limited to them and other types of synergies will be sought during the implementation of the programme.

*Figure 7: Operational synergies between activities*



3.5.2 Synergies within UNDP B-H

UNDP B-H will ensure that there is a high level of synergies between the Srebrenica Regional Recovery Programme and other projects implemented by UNDP. These synergies will be at various levels and as follows:

* capacity development and democratic governance;
* public services;
* economic and private sector development;
* environment; and
* other cross-cutting issues like gender.

In regard to capacity development and democratic governance, the programme will mainly collaborate with the Municipal Training System project. This project aims at developing and instituting a sustainable model for training of local government employees in BiH in order to bring about improvements in the quality of services provided to citizens. In order to identify the training needs of local government employees and help develop the strategic blueprint for future learning, a baseline **training needs assessment** is being conducted in 40 BiH municipalities, targeting more than 1300 local government employees. Assessment findings will be translated into two comprehensive **entity training strategies**, identifying priority training needs and existing capacity gaps of local administrators. The training strategies will also help identify any **training support facilities** needed to implement the training programmes called for in the strategy documents. This may entail creating new structures or merely improving existing institutional arrangements. The MTS project framework also provides for the **design and delivery of priority training programmes,** based on the needs identified through the baseline assessment, in order to quickly address any pressing capacity development needs of local government employees. The project further calls for the **strengthening of the role and capacity of municipal HRM practitioners,** particularly in the areas of human resources development and training. This will help ensure that vital training functions are adequately anchored at the municipal level. The MTS project will not be active in the three municipalities covered by this programme. Still, the Srebrenica Regional Recovery Programme will use elements of the methodologies and training programmes developed by the MTS project to ensure that there would be no duplication of efforts by the two projects.

The programme will build synergies with the Value Chain for Employment project funded by the government of The Netherlands. The aim of this project is to improve the livelihoods of the people of Bosnia and Herzegovina, and specifically in the wider Sarajevo region, by producing new value, generating employment and incomes, and sustaining those currently in place. The proposed modality is the support to the creation of new value-added chains, and the strengthening of those that are currently operating in agriculture and related food processing industries, and in particular: fruit production, dairy processing and diversification of vegetable offerings. With the support of BiH authorities, and namely: State Veterinary Office, Food Safety Agency, Institute for Standardization, Export Promotion Agency, and municipal authorities, who will receive capacity development assistance, this will enable small and medium-sized enterprises (SMEs) to increase their domestic and export market shares, production, and employment. Furthermore, it will provide a mechanism through which micro-producers (those that supply the SMEs; e.g. individual farmers) may increase their participation in economic activity. Through the symbiotic relationship between SMEs and micro-producers, incomes and employment will be increased, and poverty will be reduced.

The programme will also ensure that best practices from other local development initiatives like the Upper Drina Regional Development Programme and Community Reconciliation through Poverty Reduction project are incorporated in the implementation of the programme’s activities. The Upper Drina Regional Development Programme (UDRDP) is as SRRP an Area-Based Development project. It is implementing similar interventions like the SRRP has during its second phase. Valuable lessons have been learned and the SRRP will make the best use of these during the implementation of its third phase. The UDRDP has been innovative in the way it has approached private sector development and local capacity development. The Community Reconciliation through Poverty Reduction project is also a local development project. The SRRP will, as for the UDRDP, ensure that lessons learned are exchanged.

In regard to environment protection, a joint project implemented by UNDP BiH Country Office and SRRP is planned to start at the beginning of November this year. The Biomass Energy for Employment and Energy Security Project is a project financed by the UN Global Environment Facility. The proposed project will enhance local experience and awareness of biomass energy providing a firm foundation for these issues to be addressed in the context of larger initiatives to address energy, forest and business policies and legislation. The project will implement 20 small scale biomass energy projects in schools and public buildings within the municipalities of Srebrenica, Bratunac and Milici.

In terms of public services, the programme will collaborate with projects like the HIV/AIDS and Tuberculosis projects in order to improve health services in these fields. Special attention will be given to tuberculosis as recent reports from the local out-patient clinics have shown a constant increase in the number of cases.

Synergies will be developed with the MDGF Culture for Development project if possible. This project will through the launch of calls for proposals give the opportunity to municipalities to propose projects that will promote culture as well as increase employment opportunities.

3.5.3 Collaboration with other projects and Coordination mechanisms

One constrain, that an approach like Area-Based Development faces, is its geographic approach. In that respect, it struggles to deal with a market which is increasingly non-geographically delineated, for example in terms of the way in which the private sector organises itself (e.g. value chains). It will be essential for the programme to strongly cooperate and integrate its interventions in nationwide interventions. It will be crucial in the perspective of creating an enabling environment and in strengthening of specific value chains. These efforts will not be limited only to private sector development but also to interventions in capacity development and local governance.

In that respect, UNDP will increase its role as coordinator of development activities through the set up of coordination mechanisms with the organisation of quarterly thematic meetings. These coordination meetings will cover the whole target area and will not be organised municipality by municipality. This will ensure also consistency in economic development between the three target municipalities.

In regard to its work with the local administration, UNDP SRRP will build synergies with the Governance and Accountability Project financed by USAID, SIDA and the government of the Netherlands. The Governance Accountability Project is implementing its activities in the municipality of Srebrenica. Regular meetings between UNDP SRRP, GAP and the Srebrenica mayor will be organised to discuss implementation progress related to the municipality’s capacity development. The Srebrenica deputy mayor has been appointed as GAP focal point for the municipality. The SRRP will have regular meetings with him to receive updates and see how both projects can complement each other. Consistency in the approaches to capacity development between GAP and UNDP will be ensured not only in Srebrenica but also in the municipality of Bratunac and Milici where GAP is not active.

As stated in the description of the activity 4, the programme will support the municipalities of Srebrenica, Bratunac and Milici in the establishment of a coordination board for agriculture development. At the beginning, UNDP will take the leading role before transferring it to the municipalities. The coordination board will enable the municipalities to improve the coordination between the different implementing agencies active in agriculture development like USAID and SIDA through their FARMA project, Caritas, Cooperazione Italiana and JICA. It is of crucial importance as many of these agencies will be implementing projects in similar sub-sectors of the agriculture. Given that approaches might not be similar, negative impacts on these projects could occur if coordination is not well planned. Coordination with State and Entity level initiatives or projects implemented in other region of Bosnia and Herzegovina will be established to build synergies, exchange best practices and expand market access for local producers. The programme will also build on the experiences gained by other projects involved in value added chains like USAID CCA and IFAD.

The RS Ministry of Agriculture is planning to be active in the region through the IFAD funded project for rural development as well as with funds from the RS Development Fund for Eastern Bosnia. A project has been developed by the ministry to further develop the dairy and fruit sub-sectors. UNDP has played a crucial role in the preparation of the project proposal and it has been agreed that if funding is approved by the RS parliament for the use of the RS Development Fund, a Memorandum of Understanding will be signed so that UNDP and the RS Ministry of Agriculture will be implementing a joint project in the form of parallel funding. The planned project budget is BAM 5,000,000 for a period of four years.

Special attention will be put on coordinating interventions with the USAID/SIDA funded FIRMA project. The overarching goal of the FIRMA project is to increase sustainable economic growth and employment in three sectors (wood processing, tourism, and light manufacturing/metal processing) by enhancing the competiveness of the BiH small and medium size enterprises. The project will provide assistance in the following areas:

* product development;
* enterprise productivity improvement;
* market connections;
* access to finance; and
* policy.

As the wood processing sector is a sector with potential for growth in the region, the programme will ensure that local companies will be able to benefit from the FIRMA project through regular meetings between UNDP and the FIRMA project implementing partner (contractor).

The programme will also seek maximum synergies and cooperation with commercial and development banks. UNDP has already successfully collaborated with Bosnia Bank International in the provision of favourable credits to dairy farmers. In total, the BBI placed close to BAM 1,000,000 in the region. Discussions have already taken place to seek further support to the farmers that will be part of the activities implemented by UNDP.

### 3.6 Resource Mobilisation

As for first and second phases, the Srebrenica Regional Recovery Programme will be implemented as multi-donor development framework. The main partner of the programme, as donor, will be the government of The Netherlands. Other donors have demonstrated interest to co-finance the programme. While the government of The Netherlands will provide an overall contribution, it is expected that the other contributions will be for specific activities. For example, the government of the Federation of Bosnia and Herzegovina has expressed their interest to further work with UNDP in the reconstruction of infrastructure in return areas. Such funds would be made available as co-funding through a Cost-Sharing Agreement.

In addition, the programme will ensure that parallel funding is being made available by other institutions and used to further support the activities implemented by the SRRP. The Ministry of Agriculture, Forestry and Water Management has submitted a project proposal to the RS Development Fund to implement a project in synergy with UNDP for the development of the dairy and fruit tree sectors in the municipalities of Srebrenica, Bratunac and Milici. As for the first two phases, the programme will also seek parallel funding from the municipalities especially under the activity 3 (please refer to section 3.8).

IPA funds are now made available to local authorities and civil society organisations. The programme will provide assistance to the local stakeholders to ensure that IPA funds could be mobilised and used as parallel funding to the implementation of the programme’s activities. Currently, the Srebrenica Business Centre in consortium with the Regional Extension Service, are preparing a project proposal with the support of UNDP. The project will focus on agriculture development and business development services. The activities have been developed to be line with the third phase of the SRRP.An essential factor in private sector development is the access to finance. While the programme will provide support to local farmers in the form of inputs, additional financial support will be needed by farmers to further develop their activities. As stated above, the programme has worked in the past in collaboration with the Bosnia Bank International (BBI). Discussions have taken place with representatives of BBI to develop a modus operandi to enable the programme’s beneficiaries to access favourable credit offered by BBI. Similar discussions will take place with the RS Development Bank.

### 3.7 Link to the Country Programme and UN Development Assistance Framework

The overall goal of the Srebrenica Regional Recovery Programme is **to promote the socio-economic recovery of multiethnic communities with strengthened local government structures**.

The Programme’s planned output will contribute to the following planned UNDP Country Programme outcome:

* Municipal authorities, with civil society and the private sector enabled to plan and implement inclusive social policies at local level including support to youth employment.

In turn, it will contribute to the following UN Development Assistance Framework intended outcome:

* Municipal authorities, citizens, civil society and the private sector increasingly able to contribute effectively to planning and implementation of inclusive social policies at local level**.**

**3.8 Link to the Municipal Development Strategies**

In formulating the programme document, UNDP SRRP was careful to ensure consistency with the region’s development priorities. With regard to capacity development, functional and technical capacity has been defined so as to transfer the knowledge required to enable local stakeholders to implement their respective municipal strategies. On the other hand, specific development interventions have been defined in line with the municipal action plans. The links between the municipal strategies and the SRRP third phase are presented in Tables 8, 9, and 10. As the programme’s sub-activities will be implemented in line with the municipal priorities, the programme will seek financial contributions by the municipalities in the implementation of the activities under the third phase as done in the previous two phases. UNDP is not yet in a possibility to quantify the contribution as municipalities have currently important financial difficulties as a result of the global economic crisis. The municipal contributions will be managed either by UNDP through cost-sharing agreements or by the municipalities as parallel funding. The later will apply especially when the implementation responsibilities for some of the sub-activities will be transferred to the municipalities (National Implementation modality).

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| **Table 8 – Srebrenica Municipal Development Strategy** | |
| **Municipal Strategic Goals** | **Operational Goals addressed by UNDP SRRP III** |
| 1. Community build on the public’s values. | *This strategic goal has 10 operational goals. UNDP SRRP III will address directly 7 of them.* |
| 1.1 Building effective, responsible, and transparent public institutions. |
| 1.2 Strengthening the capacity of educational institutions. |
| 1.3 Strengthening the capacity of cultural and sport institutions. |
| 1.4 Support to the work of non-governmental sector. |
| 1.5 Strengthening the capacity of institutions of health and social protection. |
| 1.7 Established partnership of citizens, public, private, and non-governmental sector. |
| 1.8 Special care to marginalised and vulnerable groups. |
| 2. Spatial/urban planning and pro-ecological environment with built infrastructure. | *This strategic goal has 8 operational goals. UNDP SRRP III will address directly 4 of them.* |
| 2.1 Drafting of spatial planning documentation. |
| 2.3 Improvement of roads infrastructure. |
| 2.5 Improvement of the infrastructure of public utilities. |
| 2.6 Protection and utilisation of the water potential. |
| 4. Developed agriculture and rural areas. | *This strategic goal has 3 operational goals. UNDP SRRP III will address directly 2 of them.* |
| 4.1 Development and enhancement of primary agricultural production. |
| 4.2 Development of agricultural infrastructure. |
| 5. Created conditions for development of the municipality and region. | *This strategic goal has 7 operational goals. UNDP SRRP III will address directly 5 of them.* |
| 5.1 Building business zones. |
| 5.2 Effective use of natural resources. |
| 5.3 Strengthening the capacity of economic units, business associations, and organisations. |
| 5.4 Strengthening cooperation with relevant stakeholders on the local, regional, entity, state, and international level |
| 5.7 Strengthening capacity and introducing innovative technologies. |

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| **Table 9 – Bratunac Municipal Development Strategy** | |
| **Municipal Strategic Goals** | **Activities addressed by UNDP SRRP III** |
| 1. Improving agriculture production. | *This strategic goal is divided in 5 sectors that are then divided in activities. UNDP SRRP III will address directly 2 of these sectors.* |
| 1.1 Fruit production (6 activities out of 7). |
| 1.4 Dairy (3 activities out of 3). |
| 2. Improved conditions for the work of the municipal administration. | *This strategic goal includes seven activities. UNDP SRRP III will address directly 1of them.* |
| 2.7 Capacity development of municipal staff. |
| 4. Increased employment through incentives for private sector development. | *This strategic goal includes five activities. UNDP SRRP III will contribute to the achievement of 4 of them.* |
| 4.1 Employment creation through support for the development of existing and new businesses. |
| 4.2 Establishment of a business park. |
| 4.4 Exploitation of natural resources. |
| 4.5 Higher level of wooden products processing. |
| 5. Improved infrastructure. | *This strategic goal includes 22 priorities. It is difficult for UNDP SRRP to state how many of these projects will be supported. However, the Programme has already identified six potential ones.* |
| 5.1 Classification of road networks. |
| 5.3 Street asphalt repairs in town. |
| 5.4 Reconstruction of local roads network. |
| 5.6 Reconstruction of the local water supply system. |
| 5.7 Water supply in rural areas. |
| 5.15 Regulation of municipal solid waste disposal site and construction of a regional waste disposal site. |

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| **Table 10 – Milići Municipal Development Strategy[[9]](#footnote-9)** | |
| **Municipal Strategic Goals** | **Operational Goals addressed by UNDP SRRP III** |
| 1. Public services in line with the needs of citizens and based on the principles of good governance. | *This strategic goal has 2 operational goals. UNDP SRRP III will contribute to the achievement of both. Nine projects have been identified, of which two have already been implemented with the support of UNDP SRRP and five will be addressed through the Programme’s third phase.* |
| 1.1 Improved mechanisms of communication between citizens and local authorities by 2010. |
| 1.2 Improved human and physical resources and functional management of public properties by 2010. |
| 2. Increased employment opportunities and conditions for the enforcement of employment rights. | *This strategic goal has 3 operational goals. UNDP SRRP III will contribute to the achievement of all of three.18 projects have been identified 13 of which will be addressed[[10]](#footnote-10).* |
| 2.1 Established conditions and institutional framework for development by 2010. |
| 2.2 Increased revenues from agricultural production by 50% by 2010. |
| 2.3 Increased number of new registered employments by 300 by 2010. |
| 3. Educational and cultural systems enabling citizens to exercise their rights for quality education and culture. | *This strategic goal has 2 operational goals. UNDP SRRP III will contribute to the achievement of the first one. 11 projects have been identified.* |
| 3.1 Significant improvement in the quality of education conditions in elementary and secondary schools by 2010. |
| 4. Enable all residents of Milići to exercise their rights to adequate social protection, health services, human security, and environment protection. | *This strategic goal has 3 operational goals. UNDP SRRP III will contribute to the achievement of all of them. 35 projects have been identified, of which 23 might be supported.* |
| 4.1 95% of residents will be covered by the health insurance and the quality of health services will reach international standards by 2010. |
| 4.2 Improved capacity of residents to claim their rights for social protection services and of the institutions to provide them in line with domestic and international regulations by 2010. |
| 4.3 Territory of Milići will be safe and clean with sustainable solution for the disposal of solid waste and management of water resources by 2010. |

### 3.9 Programme Justification

The UNDP-led Srebrenica Regional Recovery Programme (UNDP SRRP) initiative brings forward remedies that can enable the State, the Republika Srpska, and the municipalities to offer opportunities leading to social recovery and economic regeneration. Such support is particularly important in the construction of a nation-state. Building the capacity of local institutions can reduce public apathy, stimulating participation, and, ultimately, optimism.

Successful democratic politics requires institutions to secure legitimacy. Reducing regional inequalities can also ease tensions capable of undermining the construction of a national identity. Cross-regional inequality is one of the main drivers of localisation. This implies that inter-governmental relationships can benefit from participatory governance. For many instances, the maturing of institutions is essential to provide access to fair and equitable public services.

**3.9.1 Local Development**

There is growing consensus that democratic governance creates the conditions for sustainable development and poverty reduction. It is also increasingly accepted that achieving the MDGs and eradicating poverty must be pursued at the local level and requires the involvement of local authorities.

Local authorities can play a major role in this effort by ensuring more effective and accountable local infrastructure and service delivery for the poor and by improving the dialogue between state, the public, communities, and the private sector.

Building local capacity, promoting dialogue and information flow among all levels of governments, and providing grant-funded investment capital is one way UNDP can, through its local development initiatives, assist local authorities to fulfil this potential.

UNDP SRRP’s effectiveness and comparative advantage in this respect are based on flexibility, local presence, investment mandate, and six years of experience in local development in the Srebrenica region. UNDP SRRP, through its Local Development approach, will enhance participatory planning and budgeting systems at the local level, with a view to ensuring a voice for women and other disadvantaged groups in local public decision-making.

**3.9.2 Area-Based Development**

The Srebrenica Regional Recovery Programme is an Area-Based Development (ABD) programme. As stated in the methodology section, UNDP uses the ABD modality in specific geographic areas confronted by difficult development issues. In the case of Srebrenica and its surrounding municipalities, the general problems to be addressed are:

* Conflict-related: the region was severely affected by the war, especially in July 1995 with the massacre of more than 8,000 Bosniaks, significantly affecting current development with regard to human, physical, and natural resources.
* Poverty-related: Eastern Bosnia is one of the most deprived areas of Bosnia and Herzegovina. Poverty is present in all its dimensions: economic, human, political, socio-cultural, and protective. According to poverty assessments conducted by UNDP SRRP in 2006 and 2007 via a local partner, the level of poverty in the municipalities of Srebrenica and Bratunac is higher than in most municipalities in Bosnia and Herzegovina.
* Exclusion-related: **Minority returnees** are marginalised and excluded from participation in society, especially in the municipalities of Bratunac and Milići. Srebrenica is a specific case, as the mayor of Srebrenica has for the past 7 years been a Bosniak, which has helped limit the exclusion of minority returnees in the life of their community. However, there is discrimination in private sector employment in all three municipalities, except in the case of direct investment by Bosnian or foreign companies. The returnee population is also generally elderly and has encountered problems accessing health and other social services, while returnees also report difficulties in education. The **elderly and unemployed** (especially young adults) are other disadvantaged groups that need attention. The elderly represent a very large share of the local population and their reliance on socialised provision is disproportionate to that of other groups. Fiscally weak and over burdened municipal administrations and local public services face difficulties meeting these needs. The unemployed (especially young adults) are a wider group with vulnerabilities. Large numbers of households are sustained by activity in the informal sector and quasi-official forms of social solidarity. Young people are especially vulnerable in this environment, as they enjoy fewer established means of informal support and lack opportunities. The vocational training system is under stress and little is taking place, either to re-equip the longer term unemployed or school-leavers with new skills or to reorient the local economy.

**3.9.3 Poverty Reduction**

For development to be effective, poverty has to be addressed in all its dimensions: economic, human, socio-cultural, and protective. The Srebrenica Regional Recovery Programme is designed to adopt an integrated approach to poverty in its various dimensions and to ensure the long-term sustainability of interventions. Two elements are of importance: (i) economic development should be pro-poor and (ii) local actors should have sufficient capacity to lead the development processes.

Pro-poor Economic Growth

There is clear evidence to show that economic growth is an essential requirement and frequently the main contributing factor in reducing income poverty. Evidence across countries and time periods shows that long term reduction in income poverty results first and foremost from growth. The poor are participants in the growth process, alongside the non-poor. Growth should benefit the poor in the following ways:

• *As farmers and entrepreneurs*, they should benefit from greater demand for their products and services. The impact on the incomes of the poor will be greatest if they have access to the assets they need to earn their livelihoods, if the productivity of those assets increases, and if they are able to take advantage of the opportunities provided by the growth process.

• *As workers,* they benefit from greater demand for labour, more jobs, and higher wages. These benefits increase if growth occurs in sectors that are labour intensive, or if labour demand increases in sectors in which many of the poor participate, particularly if higher productivity enables higher wages to be paid.

• *As consumers,* they should benefit from lower prices and better quality products that result from higher, more efficient production. These benefits would be greater if the high costs of serving poor consumers, particularly in rural areas, could be reduced.

• *As potential recipients of tax-funded services or transfers,* they should benefit from a stronger tax base that enables higher expenditure by government. Better access to basic social services such as health, education, safe water, and adequate nutrition would enable the poor to improve their ability to earn livelihoods while improving infrastructure.

The UNDP/SRRP Economic Development Component, in order to insure the participation of poor in the growth as described below, has identified two main areas of action for achieving economic growth and addressing poverty in some of its dimensions. These areas of action are:

Agriculture and Rural Development

Srebrenica region is one of the poorest in BiH. After the war, due to the destruction of heavy industry, the collapse of surviving ones, and the unsuccessful privatisation process, agriculture remains one of the only economic sectors that may recover at low cost, with land resource and labour already available. Many people have therefore reverted to subsistence and small-scale farming.

In 2007, the agriculture sector contributed about 15 per cent of GDP and food processing attracted the largest portion of FDI. Srebrenica municipality has attracted two direct investments: the Bos Agro Food fruit freezing facility and the Gusto e Sapore bakery. It is quite clear that agriculture is of vital importance to the rural population in Bosnia and Herzegovina, including the Srebrenica region, especially in the absence of other income opportunities.

Given the fact that the Srebrenica region is dominated by rural areas, with available arable land and agro-climatic conditions favourable for specific sub-sectors, and composed of a large rural population, including returnees, agriculture provides clear opportunities for tackling poverty by insuring the participation of the poor, as farmers through income generation interventions and, as consumers, by ensuring availability of high quality food at affordable prices.

Private Sector Development

The private sector is seen as a driving force for economic growth in the Srebrenica region. After privatisation and the disappearance of state-owned heavy industry in the Srebrenica region, progressive MSMEs have emerged in production sectors with the potential for growth, including wood processing, metal, the food industry, and services such as construction, transport, crafts, trade, and the retail sector, which provide opportunities for employment and generate public revenue through taxes.

There are major constraints to private sector development, e.g. the unfavourable environment for private sector growth, that need to be tackled by local stakeholders with the support of UNDP SRRP. These include (i) weak policies and understanding of the role of the private sector on the part of local government and a lack of private sector involvement in development, (ii) a lack of capacity within local government to support private sector development, (iii) a lack of or weak business development services, (iv) a lack of private sector interest in business development services, (v) a lack of skilled labour or a spirit of entrepreneurship, especially among the rural population, and (vi) a lack of access to markets and a supply of high-quality low-cost inputs.

In addressing the above constraints to private sector development, UNDP SRRP will ensure the participation of the poor, as (i) employees through the business development services provided to local MSMEs in job creation and training the unskilled poor population to meet labour market demand and (ii) as recipients of social benefits through social programmes funded by government revenues.

* + 1. **3.9.4 Building Local Absorption Capacity**

The municipalities targeted within the SRRP have now formulated development strategies for the coming five years. For them to be able to implement these strategies, they will have to attract additional funding, as their municipal budget will not be sufficient to implement them, even with the funds made available by the Programme. In the past period, the municipalities were not eligible for loans. Thanks to better financial management, their credit worthiness has increased, allowing them to start taking loans to finance development projects. The Republika Srpska government is starting to implement specific development programmes, especially in the agriculture sector. As Bosnia and Herzegovina has signed a Stabilisation and Association Agreement with the European Union, accession funds, like IPA funds, will be made available for rural development.

For the municipalities to be able to access grant and loan funds, they will have to be able to demonstrate their ability to implement complex development projects as well as their ability to manage their revenues. They currently lack most of the requirements in terms of human capacity and organisational capacity. For them to be prepared after the closure of the SRRP, the Programme will have to build their capacity to plan and implement complex development projects.

### 3.10 Cross-cutting Issues

Like all interventions designed and implemented by UNDP at local level, this programme is intended to address the sustainable human development of people in the Srebrenica region. Sustainable human development is development that not only generates economic growth but distributes its benefits equitably, regenerates the environment rather than destroying it, and empowers people rather than marginalising them. It is development that gives priority to the poor, enlarging their choices and opportunities, and providing for their participation in decisions that affect their lives. It is development that is pro-people, pro-nature, pro-jobs, and pro-women. To symbolise all these elements, sustainable human development is divided in four dimensions: poverty; participation; gender; and environment.

Within the planning of all its activities, UNDP SRRP has paid attention to **three important crosscutting issues: return, gender, and the environment**. Implicit to the whole thrust of the SRRP is the focus on fostering return and ensuring equality of rights for these returnees. Retaining the present returnee population and attracting further return are also political imperatives for the Programme. The return process in the Srebrenica area started much later than in other parts of Bosnia and Herzegovina and is inevitably a very difficult and painful process for many. While there is still potential for further return, the numbers will probably not be large. Return to date has probably been driven more by “push factors” from the Federation (i.e. termination of temporary accommodation), rather than “pull factors” into the Srebrenica region. The Programme’s objectives have been designed to facilitate the establishment of preconditions for return and for ensuring the viability of existing return communities. Specific activities in the infrastructure and economic development components have been designed to address the needs of return.

Household poverty is an extremely serious problem in the Srebrenica region, in particular for female-headed households in rural areas. Women and men experience poverty in different ways. The wide range of biases in society and unequal opportunities in decision-making, education, health, employment, and access to and control over productive resources mean that women have fewer opportunities to lift themselves and their children out of the poverty trap. In addition, prevalent attitudes towards gender equity and women’s abilities and their socio-economic role, as well as women’s own lack of assets and knowledge about their rights, have kept them away from mainstream development.

The attention given to gender issues in UNDP SRRP has increased since 2002. Mainstreaming a gender perspective is a complex process, which includes gender analysis, assessment, policy and strategy setting, evaluation, and monitoring of any planned action in the area, at all levels. It is not a goal in itself but a process for making women’s and men’s concerns and experiences an integral part of policies and projects in all political, economic, and societal spheres, so that women and men benefit equally and have the same pre-conditions for taking advantage of market opportunities. Thus, gender equality is not considered by UNDP SRRP to be an issue for social policy only. It also applies to other types of intervention, such as poverty alleviation, private sector development, peace building, infrastructure development, urban development, the promotion of human rights and good governance, and trade.

While the UNDP SRRP’s partners have made considerable progress in becoming familiar with the gender dimensions of poverty and gender equity, a particularly important factor inpoverty reduction, the importance of and need for a gender perspective in developing local plans are still not widely recognised.

During its past three-year exercise, UNDP SRRP has identified a number of key inter-linked constraints to gender mainstreaming which must be addressed in a more holistic framework, with strong support from senior management. One of the most critical constraints is the fact that gender perspectives are not systematically included as an integral part of initial analyses of issues and problems. If gender perspectives are not dealt with explicitly and adequately at this level, subsequent attempts to incorporate them may lead to resistance and to artificial “add-ons.” For that reason, UNDP BiH gender specialist will be an integral part of the programme’s implementation team as advisor. Gender has already been introduced in the planning of the programme’s activities. Still more inputs from the UNDP BiH gender specialist will be required to ensure that gender is properly addressed.

Environmental management, protection, and service delivery in Bosnia and Herzegovina has been largely overshadowed by more pressing and immediate post-conflict priorities. It is, however, vital to sustainable economic development and to the long-term success of poverty reduction. Environmental governance is very low on the planning agenda at municipal level and is not viewed as an important component in regional sustainable development. This is not symptomatic of a lack of interest or the perceived importance of environmental governance: it is due to a lack of capacity to address the issues. SRRP is well placed to address this by building capacity in municipal planning methods and supporting the development of Local Environmental Action Plans (LEAPs). LEAPs are a legal requirement in both entities and underpin the development of local environmental governance capacity. The poverty reduction activities will directly address improved environmental management through ISO 14000 development, environmental aspects of rural development, and environmental impact assessment approaches to infrastructure projects. The private public partnerships activities will identify areas where environmental impact is particularly positive, improving environmental service delivery, environmental quality, and providing for environmental protection. Areas where PPPs may make such a contribution include water quality and provision and bio-fuel usage.

## 4. Results and Resources Framework

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Intended UNDAF Outcome:**  Outcome 2.2. Municipal authorities, citizens, civil society and the private sector increasingly able to contribute effectively to planning and implementation of inclusive social policies at local level.  Intended Ouput UNDAF:  Output 2.2.4.Municipalities and local development organizations in the selected municipalities have increased capacity to plan and implement sustainable development policies to overcome the multi-dimensional barriers to poverty reduction (UNDP).  **Intended Country Programme Outcome:**  Municipal authorities, with civil society and the private sector enabled to plan and implement inclusive social policies at local level including support to youth employment. | | | | |
| **Applicable Key Result Area (from 2008-11 Strategic Plan):**  **National priority or goals:** Country Development Strategy 2009-2013, Social Inclusion Strategy 2009-2013  **Relevant National MDGs:** MDG 1: Eradicate poverty and hunger; MDG 2: Secure a better education for all; MDG 3: Secure gender equality; MDG 8: Develop global partnerships for development | | | | |
| **Partnership Strategy:**  Municipal officials, civil society organisations, private sector and the media will be closely involved in implementation of local level activities as well as in development and implementation of awareness raising and training initiatives.  Municipal governments will provide active support through coordination and creation of Municipal Management Boards and adoption of municipal policy and action plan documents.  Municipal authorities will also actively engage in the selected projects through providing human resources, infrastructure and engage in capacity development activities. Private sector partners provide framework for economic development components. | | | | |
| **Project Title and ID: Srebrenica Regional Recovery Programme Phase III, 57476** | | | | |
| **INTENDED OUTPUTS** | **OUTPUT TARGETS** | **INDICATIVE ACTIVITIES** | **RESPONSIBLE PARTIES** | **INPUTS** |
| Municipalities, local development organisations and private sector are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction.  Baseline:   1. Please refer to Appendix C for the capacity assessment of municipalities 2. Please refer to Appendix C for the capacity assessment of key local NGOs. 3. Low level of interests by local MSMEs in Business Development Services (please refer to available BDS market assessment). 4. Municipalities and local NGOs were able to mobilise less than USD 300,000 in 2009 through the submission of project proposals. 5. Level of competitiveness of a representative sample of 20 local MSMEs to be conducted during the inception period. Competitiveness will be measured through various financial ratio. 6. Ability to access finance of a representative sample of 20 local MSMEs to be assessed during the inception period. 7. Municipalities do not have yet the capacities to take over implementation responsibilities according to HACT. 8. Level of social inclusion to be assessed during the first nine months of the programme’s third phase. 9. Economic growth of 0% during the past two years.   Indicators:   1. Increase in capacity assessment results by municipalities 2. Increase in capacity assessment results by 5 key local NGOs. 3. Increase in the use of BDS by a representative sample of 20 local MSMEs. 4. Increase in resource mobilisation by municipalities and all local NGOs based on project proposals. 5. Increase in the competitiveness of 20 representative local MSMEs. 6. Increase in cash flow and debt management capabilities of 20 representative local MSMEs measured through: acid test; interest coverage ratio; and debt to equity ratio. (measure the ability of companies to access finance) 7. Successful transfer of implementation responsibilities to the municipalities for the activities 3 and 4. 8. Level of improvement in social inclusion through the measurement of social exclusion indicators based on the Laeken indicators.[[11]](#footnote-11) 9. Level of economic growth. | Targets:  Year 1   1. At least 5% for all five functional capacities. 2. At least 5% for all five functional capacities. 3. At least 15% average increase. 4. At least USD 300,000 mobilised or 0% increase. 5. -. 6. -. 7. -. 8. -. 9. 2% of economic growth.   Year 2   1. At least 10% for all five functional capacities. 2. At least 15% for all five functional capacities. 3. At least 25% average increase. 4. At least USD 350,000 mobilised or 16% increase. 5. At least 10% average increase. 6. At least 10% average increase. 7. -. 8. At least 2% improvement in all indicators. 9. 2% of economic growth.   Year 3   1. At least 50% increase in all five functional capacities. 2. At least 60% increase in all five functional capacities. 3. At least 35% average increase. 4. At least USD 400,000 mobilised or 33% increase. 5. At least 10% average increase. 6. At least 15% average increase. 7. -. 8. At least 5% improvement in all indicators. 9. 3% of economic growth.   Year 4   1. At least 55% increase in all five functional capacities. 2. At least 65% increase in all five functional capacities. 3. At least 50% average increase. 4. At least USD 500,000 mobilised or 66.67% increase. 5. At least 15% average increase. 6. At least 25% average increase. 7. Yes. 8. At least 10% increase in all indicators. 9. 5% economic growth. | * Local Capability Development.   Increased local capabilities for participatory prioritisation and implementation of development projects.   * + Managing change techniques   + Outsourcing techniques   + Participatory planning and implementation of development projects   + Private sector development models and techniques. * Institutional Strengthening   Improved municipal business processes for effective development project implementation and public service delivery.   * + Technical support to municipal organisational change and ISO certification   + Public Private Partnerships   + Spatial Planning   + Localised development indicator monitoring * Services to Citizens   Improved living conditions of citizens.   * + Capital investment in public infrastructure   + Public services improvement projects   + Micro projects for rural development   + Social projects * Private Sector Development   Strengthened private sector capacity for growth and job creation.   * + Provision of BDS to MSMEs   + Provision of services to farmers   + Dairy   + Sheep   + Fruit   + Small farm diversification for the active poor * Overall Management   Transparent and efficient implementation of the SRRP | UNDP  UNDP  UNDP  Municipalities  UNDP  Municipalities | Total: USD 12,000,000  USD 349,601  USD 1,056,283  USD 4,152,156  USD 4,307,500  USD 2,134,460 |
| **INTENDED ACTIVITIES RESULTS** | **QUALITY CRITERIA** | **INDICATIVE SUB-ACTIVITIES** | **RESPONSIBLE PARTIES** | **INPUTS** |
| Activity 1 – Local Capacity Development   1. Increased local capabilities for participatory prioritisation and implementation of development projects. | Quality of project proposals prepared by the municipalities or Local Action Groups increased by 30%.  Quality in project monitoring by the municipal authorities or Local Action Groups increased by 30%.  Quality in reporting by the municipal authorities or Local Action Groups increased by 30%.  Quality of the participatory processes increased by 30%.  Quality of procurement of professional services increased by 15%.  Knowledge of 15 municipal staff members on managing change increased by 30%.  Quality of municipal strategies for private sector development increased by 40%.  Quality of municipal policies/projects for private sector development increased by 40%. | * 1. Managing change;   2. Outsourcing;   3. Participatory planning and implementation of development projects; and   4. Private sector development. | UNDP | USD 349,601  Consultancy services  UNDP Technical experts  UNDP Coordinator  Travel  IT equipment  Vehicle  Facilities & Administration |
| Activity 2 – Institutional Strengthening   1. Improved municipal business processes. | Level of business processes efficiency improved by 15%.  ISO standard maintained in 2011, 2012 and 2012.  Level of citizens satisfaction in public service provision increased by 20%.  Availability of data at Municipality increased by 20%.  Accuracy of data available at the Municipality increased by 20%. | 2.1 Technical Support to municipal organisational changes and maintainance of ISO certification;  2.2 Public private partnerships;  2.3 Spatial planning; and  2.4 Localised development indicator monitoring. | UNDP | USD 1,056,283  Consultancy services  UNDP Technical Expert  UNDP Coordinator  Travel  IT Equipment  Vehicle  Facilities & Administration |
| Activity 3 – Services to Citizens   1. Improved rural living conditions. | At least 2,000 people are benefiting from improved infrastructure by December 2012.  At least 4,000 people are benefiting from improved public services delivery by December 2012.  At least 2,000 people are benefiting from improved rural living conditions by December 2012. | 3.1 Capital investment in infrastructure;  3.2 Public services improvement projects;  3.3 Micro rural development projects; and  3.4 Social projects. | UNDP  Municipalities | USD 4,152,156  Consultancy services  Construction works  Procurement of goods  UNDP Technical Experts  UNDP Coordinator  Travel  IT Equipment  Vehicle  Facilities & Administration |
| Activity 4 – Private Sector Development   1. Strengthened private sector capacity for growth and job creation. | At least 10 leading MSMEs have reached an annual growth rate of 10% by December 2012.  At least 100 jobs will be created through support to start-up companies by December 2012.  At least 50 jobs have been created by direct investments by December 2012.  Agriculture production in sub-sectors with potential for growth increased by 15%.  Average productivity in sub-sectors with potential for growth increased by 15%.  Average income of 150 farm households increased by 15%.  At least 200 low income families have an income equal or superior to the minimum BH revenue as set in the MDGs. | 4.1 Provision of Business Development Services to MSMEs;  4.2 Provision of services to farmers;  4.3 Dairy;  4.4 Sheep;  4.5 Fruit; and  4.6 Small farm diversification projects for the active poor. | UNDP  Municipalities | USD 4,307,500  Consultancy services  Procurement of goods and livestock  UNDP Technical Experts  UNDP Coordinator  Travel  IT Equipment  Vehicle  Facilities & Administration |
| Activity 5 – Overall Management  Transparent and efficient implementation of the SRRP |  |  |  | USD 2,134,460  Project Manager  Consultants -Evaluation  CO and Project Support Staff  Travel  Information Technology Equipmt  Rental & Maintenance-Premises  Rental & Maint of Other Equip  Facilities & Administration |

## 5. Work Plan - Year 1

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **EXPECTED OUTPUTS** | **PLANNED ACTIVITIES** | **TIMEFRAME** | | | | | | | **RESPONSIBLE PARTY** | **PLANNED BUDGET** | | |
| Q1 | Q2 | | Q3 | | Q4 | | Funding Source | Budget Description | Amount |
| Output: **Municipalities, local development organisations and private sector are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction.**    *Baseline:*   1. Please refer to Appendix C for the capacity assessment of municipalities 2. Please refer to Appendix C for the capacity assessment of key local NGOs. 3. Low level of interests by local MSMEs in Business Development Services (please refer to available BDS market assessment). 4. Municipalities and local NGOs were able to mobilise less than USD 300,000 in 2009 through the submission of project proposals.   *Indicators:*   1. Increase in capacity assessment results by municipalities 2. Increase in capacity assessment results by 5 key local NGOs. 3. Increase in the use of BDS by a representative sample of 20 local MSMEs. 4. Increase in resource mobilisation by municipalities and all local NGOs based on project proposals. 5. Level of economic growth.   *Targets:*   1. At least 5% for all five functional capacities. 2. At least 5% for all five functional capacities. 3. At least 15% average increase. 4. At least USD 300,000 mobilised or 0% increase. 5. 2% of economic growth. | **Activity 1 – Local Capacity Development**  **Increased local capabilities for participatory prioritisation and implementation of development projects.** |  |  | |  | |  | | UNDP | Government of The Netherlands | International Consultants  Local Consultants  Travel (including knowledge exchange visits)  Contractual Services - Project Coordination  Contractual Services - PCM Expert, CD Assistant  Contractual Services - Companies (services)  Supplies  Contractual Services - Training/conference org.costs Information Technology Equipmt  Vehicle costs  Miscellaneous Expenses  Facilities & Administration  **Total** | 11,000.00  17,500.00  26,602.45  8,000.00  40,350.00  30,978.85  2,234.05 6,904.00  3,000.00  4,800.00 760.65  10,649.10  **162,779.10** |
| Sub-activity 1.1 - Managing change |  |  | |  | |  | |
| * Consultations with municipal administrations, local CSO and GAPII. |  |  | |  | |  | |
| * Preparation of curricula and terms of reference for the training programme. |  |  | |  | |  | |
| * Recruitment of trainers. |  |  | |  | |  | |
| * Training programme. |  |  | |  | |  | |
| * Follow-up on training by UNDP staff. |  |  | |  | |  | |
| Sub-activity 1.2 – Outsourcing |  |  | |  | |  | |
| * Preparation of curricula and terms of reference. |  |  | |  | |  | |
| * Recruitment of trainer. |  |  | |  | |  | |
| * Training programme. |  |  | |  | |  | |
| * Follow-up on training by UNDP staff. |  |  | |  | |  | |
| Sub-activity 1.3 - Participatory planning and implementation of development projects |  |  | |  | |  | |
| * Consultations with municipal authorities and GAPII. |  |  | |  | |  | |
| * Detailed definition of technical assistance to be provided. |  |  | |  | |  | |
| * Provision of technical assistance by UNDP PCM expert. |  |  | |  | |  | |
| Sub-activity 1.4 – MSMEs development |  |  | |  | |  | |
| * Follow-up and review on training organized by SRRP during phase II. |  |  | |  | |  | |
| * Preparation of terms of reference for coaching/training programme |  |  | |  | |  | |
| * Procurement of services |  |  | |  | |  | |
| * Training – contract implementation |  |  | |  | |  | |
| * Follow-up on training |  |  | |  | |  | |
| Sub-activity 1.5 – Agriculture Development Techniques |  |  | |  | |  | |
| * Detailed training needs assessment |  |  | |  | |  | |
| * Preparation of curricula and terms of reference for coaching/training programme |  |  | |  | |  | |
| * Recruitment of trainer |  |  | |  | |  | |
| * Training programme |  |  | |  | |  | |
| * Follow-up on training by UNDP staff |  |  | |  | |  | |
| *Related CP outcome:*  Municipal authorities, with civil society and the private sector enabled to plan and implement inclusive social policies at local level including support to youth employment. | **Activity 2 – Institutional Strengthening**  **Improved municipal business processes for effective development project implementation and public service delivery.** |  |  | |  | |  | | UNDP | Government of The Netherlands | International Consultants  Local Consultants  Travel (including knowledge exchange visits)  Contractual Services - PCM Expert, CD Assistant  Contractual Services - Companies (services)  Supplies  Contractual Services - Training/conference org.costs Information Technology Equipmt  Vehicle costs  Audio Visual&Print Prod Costs  Miscellaneous Expenses  Facilities & Administration  **Total** | 5,500.00  5,000.00  12,949.85  57,000.00  297,600.00  800.00  2,337.85  2,500.00  5,800.00  3,000.00  1,972.30  27,612.20  **422,072.20** |
| Sub-activity 2.1 – Technical support to municipal organisational change and ISO certification |  |  | |  | |  | |
| * Consultations with the municipal authorities and GAP II. |  |  | |  | |  | |
| * Review of the ISO process and comments from the certification auditors. |  |  | |  | |  | |
| * Definition of the terms of reference for additional assessment. |  |  | |  | |  | |
| * Procurement of professional services for organisational assessment. |  |  | |  | |  | |
| * Contract implementation |  |  | |  | |  | |
| * Submission of report |  |  | |  | |  | |
| * Review of report with municipal authorities |  |  | |  | |  | |
| * Definition of technical assistance to be provided in 2010 and 2011 |  |  | |  | |  | |
| * Provision of technical assistance |  |  | |  | |  | |
| Sub-activity 2.2 – Public and Private Partnership |  |  | |  | |  | |
| * Identification of potential PPP with the municipal authorities and external partners. |  |  | |  | |  | |
| * Collection of relevant information regarding the potential PPP. |  |  | |  | |  | |
| * Preliminary appraisal on potential PPP. |  |  | |  | |  | |
| * Preparation of detailed PPP project document. |  |  | |  | |  | |
| Sub-activity 2.3 – Spatial Planning |  |  | |  | |  | |
| * Recruitment of Spatial Planning expert. |  |  | |  | |  | |
| * Preparation of work plan by the expert. |  |  | |  | |  | |
| * Preparation of the terms of reference for the procurement of services. |  |  | |  | |  | |
| * Procurement of professional services. |  |  | |  | |  | |
| * Contract implementation |  |  | |  | |  | |
| Sub-activity 2.4 – Localised Development Indicators Monitoring |  |  | |  | |  | |
| * Definition of the terms of reference for the procurement of professional services. |  |  | |  | |  | |
| * Procurement of professional services. |  |  | |  | |  | |
| * Contract Implementation. |  |  | |  | |  | |
| * Submission of first report. |  |  | |  | |  | |
| **Activity 3 – Services to Citizens**  **Improved living conditions of citizens.** |  |  | |  | |  | |  |  | Travel (including knowledge exchange visits)  Contractual Services - Project Coordination  Contractual Services - Engineers, CS Assistant, CD Assistant  Contractual Services - Companies (services)  Communic & Audio Visual Equipment  Supplies  Contractual Services - Training/conference org.costs Information Technology Equipmt  Vehicle costs  Miscellaneous Expenses  Facilities & Administration  **Total** | 15,230.95  78,000.00  185,587.50  648,143.50  2,000.00  771.50  2,300.00  5,400.00  14,000.00  4,776.54  66,934.71  **1,023,144.70** |
| Sub-activity 3.1 – Capital Investments in Infrastructure |  |  | |  | |  | |
| * Detailed design of implementation mechanisms with municipal authorities and partnership groups. |  |  | |  | |  | |
| * Preparation of project proposals by municipalities. |  |  | |  | |  | |
| * Evaluation and selection of projects. |  |  | |  | |  | |
| * Preparation of technical specifications. |  |  | |  | |  | |
| * Procurement of works. |  |  | |  | |  | |
| * Contracts’ implementation. |  |  | |  | |  | |
| Sub-activity 3.2 – Public Services Improvement Projects |  |  | |  | |  | |
| * Detailed design of implementation mechanisms with municipal authorities and partnership groups. |  |  | |  | |  | |
| * Preparation of project proposals by partnership groups/local stakeholders. |  |  | |  | |  | |
| * Evaluation and selection of projects. |  |  | |  | |  | |
| * Preparation of technical specifications. |  |  | |  | |  | |
| * Implementation of projects. |  |  | |  | |  | |
| Sub-activity 3.3 – Micro Rural Development Projects |  |  | |  | |  | |
| * Detailed design of implementation mechanisms with municipal authorities and partnership groups. |  |  | |  | |  | |
| * Preparation of project proposals by partnership groups/local stakeholders. |  |  | |  | |  | |
| * Evaluation and selection of projects. |  |  | |  | |  | |
| * Preparation of technical specifications. |  |  | |  | |  | |
| * Implementation of projects. |  |  | |  | |  | |
| Sub-activity 3.4 – Social Projects |  |  | |  | |  | |
| * Review of social sector by local stakeholders and UNDP |  |  | |  | |  | |
| * Review of municipal strategies in regard to social services |  |  | |  | |  | |
| * Detailed design of implementation mechanisms with municipal authorities and partnership groups. |  |  | |  | |  | |
| * Preparation of project proposals by partnership groups/local stakeholders. |  |  | |  | |  | |
| * Evaluation and selection of projects. |  |  | |  | |  | |
| * Preparation of technical specifications. |  |  | |  | |  | |
| * Implementation of projects. |  |  | |  | |  | |
| **Activity 4 – Private Sector Development**  **Strengthened private sector capacity for growth and job creation.** |  |  | |  | |  | | UNDP | Government of The Netherlands | Local Consultants  Travel (including knowledge exchange visits)  Contractual Services - Project Coordination  Contractual Services - PSD Advisor, MSME specialist, Agriculture specialists, PSD Assistant and Livelihood Assistant  Contractual Services - Companies (services)  Supplies  Contractual Services - Training/conference org.costs Information Technology Equipmt  Vehicle costs  Miscellaneous Expenses  Facilities & Administration  **Total** | 16,700.00  97,372.25  10,000.00  291,500.00  646,670.75  1,200.00  12,700.00  15,300.00 14,400.00  5,556.99  77,798.01  **1,189,197.99** |
| Sub-activity 4.1 – Provision of BDS to MSMEs |  |  | |  | |  | |
| * Selection of 5 progressive companies for support provided through PUM. |  |  | |  | |  | |
| * Submission of project proposals to PUM. |  |  | |  | |  | |
| * Provision of technical support by PUM for minimum three progressive companies. |  |  | |  | |  | |
| * Definition of skills requiring upgrading through consultations with the private sector. |  |  | |  | |  | |
| * Provision of educational services to individuals for skills upgrading. |  |  | |  | |  | |
| * Provision of technical support to companies for product design. |  |  | |  | |  | |
| Sub-activity 4.2 – Provision of Services to Farmers |  |  | |  | |  | |
| * Definition of terms of reference for extension services. |  |  | |  | |  | |
| * Procurement of services. |  |  | |  | |  | |
| * Contract implementation. |  |  | |  | |  | |
| Sub-activity 4.3 – Dairy |  |  | |  | |  | |
| * Provision of daily technical assistance to existing farmers. |  |  | |  | |  | |
| * Technical assistance to existing farmers in the preparation of investment plans. |  |  | |  | |  | |
| * Provision of technical assistance to new dairy farmers. |  |  | |  | |  | |
| * Definition of development plans with new farmers. |  |  | |  | |  | |
| * Follow-up on the implementation of these plans |  |  | |  | |  | |
| * Provision of inputs |  |  | |  | |  | |
| Sub-activity 4.4 – Sheep |  |  | |  | |  | |
| * Call for interests to potential beneficiaries |  |  | |  | |  | |
| * Pre-selection of candidates based on land accessibility. |  |  | |  | |  | |
| * Definition of development plans with candidates. |  |  | |  | |  | |
| * Follow-up on the implementation of these plans |  |  | |  | |  | |
| * Final selection of beneficiaries based on results achieved against the development plans. |  |  | |  | |  | |
| * Technical assistance in the preparation of investment plans. |  |  | |  | |  | |
| * Provision of inputs. |  |  | |  | |  | |
| Sub-activity 4.5 – Fruit |  |  | |  | |  | |
| * Definition of training programme for improved production technologies. |  |  | |  | |  | |
| * Provision of training. |  |  | |  | |  | |
| * Direct advice to fruit producers. |  |  | |  | |  | |
| * Establishment of demonstration orchards. |  |  | |  | |  | |
| Sub-activity 4.6 – Small Farm Diversification Project for the Active Poor |  |  | |  | |  | |
| * Recruitment of expert in livelihood approaches. |  |  | |  | |  | |
| * Preparation of manual. |  |  | |  | |  | |
| * Selection of local NGOs through a call for applications or RfP for the community work based on manual. |  |  | |  | |  | |
| * Training to NGO on the use of the manual/approach. |  |  | |  | |  | |
| * Selection of target communities. |  |  | |  | |  | |
| * Community work by selected NGO. |  |  | |  | |  | |
| * Selection of active poor families. |  |  | |  | |  | |
| * Individual development plans developed for families. |  |  | |  | |  | |
| * Provision of inputs. |  |  | |  | |  | |
| **Activity 5 – Overall Management**  **Transparent and efficient implementation of the SRRP** |  |  | |  | |  | |  |  | Project Manager  Consultants -Evaluation  CO and Project Support Staff  Travel  Information Technology Equipmt  Rental & Maintenance-Premises  Rental & Maint of Other Equip  Facilities & Administration  **Total** | **678,975.49** |
| **TOTAL** |  |  | |  | |  | |  |  |  |  | **3,476,169** |

## 6. Management Arrangements

The implementing partner of the Srebrenica Regional Recovery Programme is UNDP. It is UNDP-BiH’s proven modality, formerly called Direct Execution (DEX) and now Direct Implementation (DIM), which have been applied and fine-tuned during the last couple of years. It is mainly motivated by its high potential for maximum cost-effectiveness and tailored flexible capacity development of local governments and institutions. However, it should be understood that the programme is seeking strong involvement of different partners, with focus on the local authorities, local associations and other organisations working in the region, which can, if proven to have sufficiently built capacities, eventually take over implementation of various components and sub-projects through sub-contracting procedure or their implementation.

The roles and responsibilities for the implementation of the programme will be in line with UNDP Rules and Regulations for Project Management that defines minimum requirements to ensure UNDP’s accountability for programming activities and use of resources. Project management responsibilities will be distributed according to the following division of work: Project Executive Group, Project Assurance, Project Manager, and Administrative Support Services. UNDP BiH will take full responsibility for the achievement of immediate objectives as well as for the administration of financial and human resources.



**Executive Group**

The Executive Group is the group responsible for making by consensus executive management decisions for a project when guidance is required by the Project Manager, including approval of project plans and revisions. In order to ensure UNDP’s ultimate accountability, Project Executive Group decisions should be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Executive Group, final decision shall rest with the UNDP Programme Officer. In addition, the Project Executive Group plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Project reviews by this group are made at designated decision points during the running of the project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when project risk tolerances (normally in terms of time and budget) have been exceeded (flexibility). Based on the approved annual work plan (AWP), the Executive Group may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the projects and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

This group contains three roles: an Executive to chair the group, a Senior Supplier to provide guidance regarding the technical feasibility of the programme’s activities, and a Senior Beneficiary to ensure the realisation of the programme’s benefits from the perspective of programme’s beneficiaries. The Executive role is held by UNDP’s Assistant Resident Representative. The Senior Supplier role is held by UNDP, and the Senior Beneficiary role was held during the second phase by the three mayors and three representatives from leading local development organisations. During the third phase, UNDP will change the structure of the Executive Board in order to insure proper policy feedback at entity and national levels..

**Programme Assurance**

UNDP BiH Programme Officer will hold the Programme Assurance role. The Programme Assurance role supports SRRP Executive Group by carrying out objective and independent programme oversight and monitoring functions. This role ensures that appropriate programme management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore, the Project Board cannot delegate any of its assurance responsibilities to the Project Manager.

**Programme Management**

The Programme Manager has the authority to run the programme on a day-to-day basis on behalf of UNDP BiH. The Programme Manager’s prime responsibility is to ensure that the programme produces the required results that are capable of achieving the benefits defined in this document. The Programme’s Support role provides programme administration and management support to the programme manager and to the programme’s teams. It will also act as a repository for lessons learned and a central source of expertise in specialist support tools. Two Programme’s Teams will be set-up. The first one will be responsible for the implementation of all activities related to the economic development component. The second team will be responsible for all activities defined within the local governance and infrastructure components. The reason behind merging these two components into one team is justified from the strong synergy that exists between them since all three municipalities will be partners in the implementation of all infrastructure activities.

**Partnership and transfer of implementation responsibilities**

Partnerships will be an essential part of the programme management arrangements. The main partners in the implementation of the programme will be the Srebrenica, Bratunac and Milici Municipalities. For the realisation of the activities not related to knowledge acquisition, the programme will devolve the implementation responsibilities to the Municipalities. This process will start in 2010. During the first year, the level of devolution will be below 25% and will depend on the capacities of Municipalities to implement complex activities. The level of transfer should increase each year to reach 80% in 2012. This approach will contribute to:

* Greater municipal-level self-reliance by effective use and strengthening of the management capabilities and technical expertise of local institutions and individuals, through learning by doing; and
* Enhanced sustainability of programme’s interventions by increasing local ownership and commitment.

This means that the programme will move from a strictly UNDP implementation modality, now referred to as DIM, to a mixed modality in which the overall implementation responsibilities will continue to lay within UNDP but at the activity level, the Municipalities will gradually take over the implementing partner role, called National Implementation. It is of course the aim of the programme to develop the municipal capacities (in management, human resources, procurement, monitoring and finance) so that this modality can be used in 2012.

In line with the UN Harmonized Approach to Cash Transfers, there are two options available for the cash transfer within the National Implementation modality. The first one is called *Direct cash transfers* to Implementing Partners, for obligations and expenditures to be made by them in support of activities agreed in annual work plans (AWPs). The second one is called *Direct payments* to vendors and other third parties, for obligations incurred by the Implementing Partner in support of activities agreed in AWPs. To ensure proper accountability of the funds provided to UNDP for the implementation of the Srebrenica Regional Recovery Programme, UNDP SRRP will use the second option in 2010 and 2011. At the end of 2011, UNDP will reassess the financial accountability of Municipalities. If proper use of funds can be guaranteed, then UNDP SRRP will move to the first modality of Direct cash transfers.

**Transfer and Control Modalities**

UNDP SRRP will follow a certain number of key steps to ensure that the transfer of responsibilities towards the municipal authorities will be successful in regard to efficient, effective and accountable use of the funds. UNDP SRRP does not intend to transfer the responsibilities for all sub-activities but only for those as presented in Table 11.

|  |
| --- |
| **Table 11 – List of sub-activities to be transferred** |
| Sub-activity 2.1 |
| Sub-activity 3.1 |
| Sub-activity 3.2 |
| Sub-activity 3.3 |
| Sub-activity 3.4 |
| Sub-activity 4.1 |
| Sub-activity 4.2 |
| Sub-activity 4.3 |
| Sub-activity 4.4 |
| Sub-activity 4.5 |

In UNDP terminology, an activity is considered National Implemented when all the elements of an activity implementation[[12]](#footnote-12) are the sole responsibility of the national counterparts, in our case the Municipalities. Prior to moving to National Implementation, UNDP SRRP will transfer some elements of activities’ implementation responsibilities to the Municipalities. In the terminology used in Project Cycle Management, the responsibility for Programming, Identification and Appraisal will be transferred to the Municipalities in 2009 or 2010 as presented in table 12.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 12 – Transfer of responsibilities to Municipalities in 2009 and 2010** | | | | | | |
|  | **Programming** | | **Identification** | | **Appraisal** | |
| **2009** | **2010** | **2009** | **2010** | **2009** | **2010** |
| Sub-activity 2.1 | Yes | Yes | No | Yes | No | Yes |
| Sub-activity 3.1 | Yes | Yes | Yes | Yes | Yes | Yes |
| Sub-activity 3.2 | Yes | Yes | Yes | Yes | No | Yes |
| Sub-activity 3.3 | Yes | Yes | Yes | Yes | Yes | Yes |
| Sub-activity 3.4 | No | Yes | No | Yes | No | Yes |
| Sub-activity 4.1 | Yes | Yes | No | Yes | No | Yes |
| Sub-activity 4.2 | No | Yes | No | Yes | No | Yes |
| Sub-activity 4.3 | No | Yes | No | Yes | No | Yes |
| Sub-activity 4.4 | No | Yes | No | Yes | No | Yes |
| Sub-activity 4.5 | No | Yes | No | Yes | No | Yes |

From 2010, the municipal authorities will start to take over the role of implementing partners for some sub-activities and the process should continue until 2012 by which the implementation responsibilities for all the sub-activities listed in table 11 will be transferred to the Municipalities. All this will be supported through thorough capacity development that will include coaching and mentoring by UNDP SRRP staff. The whole process will be constantly evaluated with emphasis on risk management. In appendix F, the transfer timeframe and SRRP control mechanisms are presented in a flow chart.

## 7. Monitoring and Evaluation

UNDP introduced results-based management as its corporate management approach, so that performance at the level of development goals and outcomes is systematically measured and improved. In that sense, monitoring and evaluation are key factors in helping improve performance and achieve results. Monitoring and evaluation will be performed through the analysis of the results-based quantitative and qualitative indicators outlined in the Programme’s expected results framework and the budget allocation table.

The purpose of monitoring at the SRRP level is to ensure the systematic assessment of the performance and progress of activities in the achievement of outputs.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the programme will be monitored through the following:

Within the annual cycle

* An activity annual work plan shall define key indicators for the progress of each activity.
* On the basis of the annual work plan, key milestones and a monitoring plan for joint field visits will be define d.
* On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Activity Quality Management tables.
* An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
* Based on the initial risk analysis submitted (see appendix G), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
* Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard UNDP report format.
* a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.
* a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

Annually

* Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
* Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

In evaluating the project, UNDP will look at the efficiency, effectiveness, sustainability, and relevance of the project objectives within the context of the SRRP. Compiling qualitative results is an important reflective exercise for UNDP SRRP, to improve delivery quality. This analysis ensures that quantitative results and achievements based on practical experience are not forgotten, as well as that we build upon what we have learned, replicate successful initiatives, and avoid repeating mistakes. On the basis of the excellent experience with the last evaluation, the Programme will conduct two external evaluations, in 2010 and 2012, as well as two external reviews, in 2009 and 2011. The external evaluations will have the same scope as the one conducted in August 2008. The external reviews will have smaller assignments. The external review in 2009 will address the Programme’s documentation and recording of lessons learned. The external review in 2011 will address the exit strategy and the sustainability of interventions being conducted.

The General Agreement between the Netherlands Minister for Development Cooperation and the United Nations Development Programme, in specific its Paragraph 7, will provide bases for reporting obligations towards the Kingdom of the Netherlands. Paragraph 10 of the General Agreement sets the basis for any modifications of the Project document, whereby it is agreed that UNDP will promptly inform the Minister of any proposed significant modifications in the terms and conditions of the project, as per Article 5.3. UNDP will effect any such modification only with the agreement of the Minister. Related communication will be undertaken between the representatives of both signatories in accordance with the routing procedure described in the General Agreement, Paragraph 3.

## 8. Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Bosnia-Herzegovina and the United Nations Development Programme, signed by the parties on 7 December 1997. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided s/he is assured that the other signatories of the project document have no objections to the proposed changes:

(a) Revisions in, or addition of, any of the annexes of the project document;

(b) Revisions which do not involve significant changes in the immediate objectives, outputs, or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and

(c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

## 

## Budget Breakdown

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of project: Srebrenica Regional Recovery Programme III** | |  |  |  |  |  |
| **Award ID: 00057476** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | **2009** | **2010** | **2011** | **2012** | **2013** | **TOTAL** |
|  |  |  |  |  |  |  |
| **Activity 1 - Local Capability Development** | **23,808** | **138,972** | **83,942** | **70,781** | **32,100** | **349,601** |
| 1.1 Managing change | 4,526 | 28,837 | 1,391 | 22,845 | 6,099 | 63,697 |
| 1.2 Outsourcing | 4,526 | 12,733 | 1,391 | 7,597 | 1,391 | 27,638 |
| 1.3 Participatory planning and implementation | 4,419 | 47,915 | 32,849 | 32,849 | 22,042 | 140,074 |
| 1.4 MSMEs development | 5,168 | 34,775 | 18,083 | 1,605 | 1,605 | 61,236 |
| 1.5 Agricultural development techniques | 5,168 | 14,713 | 30,228 | 5,885 | 963 | 56,956 |
|  |  |  |  |  |  |  |
| **Activity 2 - Institutional Strengthening** | **13,375** | **408,697** | **330,470** | **189,359** | **114,382** | **1,056,283** |
| 2.1 Technical support in municipal organisational changes | - | 98,515 | 82,572 | 50,579 | 14,178 | 245,843 |
| 2.2 Public private partnerships | - | 17,302 | 29,489 | 29,489 | 13,910 | 90,190 |
| 2.3 Spatial planning | 7,169 | 224,657 | 129,213 | 22,213 | 11,770 | 395,023 |
| 2.4 Localised development indicator monitoring | 6,206 | 68,223 | 89,195 | 87,078 | 74,524 | 325,226 |
|  |  |  |  |  |  |  |
| **Activity 3 - Services to citizens** | **28,997** | **994,148** | **1,170,805** | **1,152,176** | **806,031** | **4,152,156** |
| 3.1 Capital investment in infrastructure | 14,659 | 544,951 | 784,738 | 784,738 | 588,500 | 2,717,586 |
| 3.2 Public services improvement projects | 2,675 | 104,860 | 82,390 | 82,390 | 82,925 | 355,240 |
| 3.3 Micro rural development projects | 8,239 | 238,503 | 218,173 | 218,173 | 118,342 | 801,430 |
| 3.4 Social projects | 3,424 | 105,834 | 85,504 | 66,875 | 16,264 | 277,900 |
|  |  |  |  |  |  |  |
| **Activity 4 - Private Sector Development** | **46,652** | **1,142,546** | **1,304,330** | **1,149,109** | **664,863** | **4,307,500** |
| 4.1 Provision of BDS to MSMEs | 7,544 | 255,516 | 285,476 | 212,324 | 118,075 | 878,934 |
| 4.2 Provision of services to farmers | 2,836 | 80,036 | 79,287 | 80,678 | 34,829 | 277,665 |
| 4.3 Dairy | 9,577 | 182,221 | 179,225 | 134,606 | 14,071 | 519,699 |
| 4.4 Sheep | 9,791 | 248,454 | 282,373 | 218,173 | 160,975 | 919,766 |
| 4.5 Fruit | 6,313 | 90,094 | 87,954 | 70,513 | 33,652 | 288,526 |
| 4.6 Small farms diversification project for the active poor | 10,593 | 286,225 | 390,015 | 432,815 | 303,263 | 1,422,911 |
|  |  |  |  |  |  |  |
| **Activity 5 - Overall Management** | **99,035** | **579,940** | **556,828** | **500,167** | **398,490** | **2,134,460** |
|  |  |  |  |  |  |  |
| **TOTAL** | **211,867** | **3,264,303** | **3,446,374** | **3,061,591** | **2,015,867** | **12,000,000** |

## Appendix A – Activity Description

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **OUTPUT:** Municipalities and local development partners are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction. | | | | |
| **Activity 1** | *Local Capacity Development* | | | Start Date: 01.07.2009  End Date: 31.12.2012 |
| **Activity Results** | 1. Increased local capabilities for participatory prioritisation and implementation of development projects. 2. Increased local capabilities in managing change 3. Improved local capabilities to plan and manage private sector development and agricultural interventions effectively. | | | |
| **Purpose** | The activity will address the functional and technical capacities that are necessary for the successful creation and management of strategies and programmes, and aims at increasing local capacities to absorb external aid. | | | |
| **Description** | Through this activity, the programme will develop functional and technical capacities in:   1. Managing change; 2. Outsourcing; 3. Participatory planning and implementation of development projects; and 4. Private sector development.   The SRRP intends to address weaknesses in human resource and business processes management within the institutions and development organisations. Senior officials within the municipal administration are aware of these weaknesses, but lack the tools to transform themselves into more efficient administrations. The primary focus will be on the municipalities, but a limited number of local organisations will also be included. The municipalities have already gone through the process of ISO standard certification. However this process did not look at how the introduction of new processes has to be managed to ensure its swift application. The Programme will prepare and organize learning events to ensure that a sufficient number of local stakeholders will gain adequate understanding of the importance of institutional strengthening and how it works. The topics to be addressed through formal training will be:   * Human resources management; * Gap analysis; * Optimising business processes; and * Managing change.   UNDP has identified weak capabilities of local stakeholders in proper outsourcing of services as an obstacle to progress towards reliable and effective administration. Municipalities and local development organisations tend to rely on weak internal capacities, overlooking outsourcing as a more feasible solution for particular problems. In order to enhance effectiveness, quality of services and above all, to rationalize budget expenditures it is necessary to secure full understanding of outsourcing process and its benefits followed by enhanced technical capacity to define and estimate the process rationale. The Programme will implement a capacity building training series designed to cover the following topics:   * Prepare terms of reference: * Procure services; * Manage service contracts; and * Establish and manage public private partnerships.   For participatory planning and implementation capacities, knowledge acquisition will be developed in the following areas:   * Rural development; * Participatory planning; * Project cycle management; * Monitoring and evaluation; * Reporting; * Resource mobilisation; and * Budgeting.   The municipalities and local development organisations have already received significant technical assistance in these areas. However, the level of knowledge transfer has not yet reached one at which the municipalities, with the support of local development organisations, can successfully develop strategies, plan interventions, and attract and absorb external aid. For that reason, the programme will develop together with the Municipalities a detailed training programme.  Within this activity, the programme will also develop local capabilities to improve the business environment in order to facilitate local enterprise development and new direct investments, as well as to foster entrepreneurial spirit. The municipalities lack a general understanding of private sector development and as such are unable to formulate adequate policies/projects to improve the business environment in the region within their jurisdiction and/or advocate at national and entity level.  The Programme intends, through formal training, to build better local capacity in understanding private sector development, business development services and added-value chain analysis. Since municipalities have limited access to tools and resources for fostering private sector development, the programme is aiming to enable the municipal authorities to:   * Plan private sector development interventions based on evidence and within their competencies; * Facilitate the provision of business development services to local MSMEs; * Monitor and analyse policies and projects; and * Mobilise external resources to implement private sector development interventions.   Agriculture will remain an important sector for the development of the region, especially in regard to vulnerable and excluded groups. For that reason, the Programme will continue to build local capacity for the effective implementation of agricultural development projects. Formal training will be provided in the following areas:   * Tools for agriculture development; * Best practices in agriculture development; * EU production standards; * How to improve market access; and * How to access and transfer new technologies.   A set of four sub-activities has been designed to address all these functional and technical competencies as follows:   * 1. Managing change;   2. Outsourcing;   3. Participatory planning and implementation of development projects;   4. MSME development; and   5. Agriculture Development Techniques.   The detailed description of these sub-activities can be found in Appendix B. | | | |
| **Quality Criteria**  *how/with what indicators the quality of the activity result will be measured?* | | | **Quality Method**  *Means of verification. What method will be used to determine if quality criteria has been met?* | **Date of Assessment**  *When will the assessment of quality be performed?* |
| Quality of project proposals prepared by the municipalities or Local Action Groups increased by:   * 10% in 2011; * 20% in 2012; and * 30% in 2013.   Baseline: it will be measured in 2010 through the review of the first project proposals submitted by the local partners.  The percentage is based on the comparison between the average score obtained in 2011, 2012 and 2013 and the average score obtained in 2010 by all project proposals submitted under the activity 3. The same evaluation system will be used each year and UNDP will ensure that the members of the commission remain the same (at least 70%). | | | It will be measured through review of project proposals by an external commission. The commission will use a set of criteria that will include but not limited to:   * Participation/inclusion of vulnerable groups in decision-making; * Situation analysis; * Methodology; * Justification; * Expected results; * Management structure; * Gender and environment; * Sustainability; * Risk analysis; and * Budget.   Progress will be measured annually. | Baseline assessment:  June 2010  Progress assessment:  June 2011  Final assessment:  June 2012 |
| Quality in project monitoring by the municipal authorities or Local Action Groups increased by:   * 10% in 2011; and * 30% in 2012.   Baseline: it will be measured at the beginning of 2010. The review will be conducted by a UNDP team.  The percentage is based on the comparison between the score obtained during the reviews in 2011 and 2012 and the score obtained during the baseline review. The percentage will be calculated municipality by municipality and then an average percentage. | | | It will be measured by reviewing monitoring mechanisms set in the project proposal and documentation at the Municipalities or LAG. Field visits will be conducted to verify the monitoring data. A set of criteria will be developed to assess the quality as objectively as possible. The set of criteria will include but not limited to:   * Relevance of monitoring plans; * Adherence to the monitoring plans; and * Accuracy of information.   Progress will be measured annually. | Baseline assessment:  February 2010  Progress assessment:  September 2011  Final assessment:  September 2012 |
| Quality in reporting by the municipal authorities or Partnership Groups increased by:   * 10% by December 2010; * 20% by December 2011; and * 30% by November 2012.   Baseline: As part of the new management arrangements, the municipal authorities will have to submit reports to the Project Executive Group. The first report will have to be submitted in June 2010. It will be used as the baseline.  The percentage is based on the comparison between the score obtained during the reviews in 2010, 2011 and 2012 and the score obtained during the baseline review. The percentage will be calculated municipality by municipality and then an average percentage. | | | It will be measured by reviewing reports prepared by the Municipalities or LAG and submitted to UNDP. A set of criteria will be developed to assess the quality as objectively as possible. The set of criteria will include but not limited to:   * Timeliness in the submission of reports; * Clarity of the report; * Reporting on indicators; * Risk log; and * Lessons learned.   Progress will be measured annually. | Baseline assessment:  June 2010  Progress assessment:  December 2010  June 2011  December 2011  Final assessment:  June 2012  November 2012 |
| Quality of the participatory processes increased by:   * 15% by December 2010; * 20% by October 2011; * 25% by June 2012; and * 30% by June 2013.   Baseline: it will be measured in December 2009. In order to ensure the validity of the assessment, interviews will be conducted with all partnership group members in all three municipalities. It will enable the programme to identify individual weaknesses of municipalities and propose individual solutions to the local authorities.  The percentage is based on the comparison between the score obtained during the reviews in 2010, 2011, 2012 and 2013, and the score obtained during the baseline review. The percentage will be calculated municipality by municipality and then an average percentage. | | | It will be measured by reviewing the participatory processes. Interviews with members of the partnership groups will be conducted. A set of criteria will be developed to assess the quality as objectively as possible. The set of criteria will include but not limited to:   * Representation of vulnerable groups in Partnership Groups; * Representation of men and women in Partnership Groups; * Quality of the information flow (e.g. Is information sent to Partnership Groups members before the meetings); * Does the partnership group adopted guidelines for its work; * Adherence to the guidelines; and * Accuracy of information provided on the processes.   Progress will be measured annually. | Baseline assessment;  December 2009  Progress assessment:  December 2010  October 2011  June 2012  Final assessment:  June 2013 |
| Quality of procurement of professional services increased by:   * 5% by March 2011; * 10% by October 2011; and * 15% byJune 2012.   Baseline: it will be measured through a review of consultancy contracts and professional service contracts implemented by the municipalities and local NGOs in the past. For the local NGOs, UNDP will select them on the basis of their past attendance to training programmes.  The percentage is based on the comparison between the score obtained during the reviews in 2011 and 2012 and the score obtained during the baseline review. The percentage will be calculated municipality by municipality and then an average percentage. | | | It will be measured by assessing the following elements:   * Clarity of the terms of reference; * Are the objectives of the assignment sufficient clear; * Are the outputs of the assignment precise and measurable; * Are the activities of assignment sufficient clear and detailed; * Are the state guidelines for procurement of professional services fulfilled; and * Are contract monitoring mechanisms in place and adhere to.   Progress will be measured annually. | Baseline assessment:  March 2010  Progress assessment:  March 2011  October 2011  Final assessment:  June 2012 |
| Knowledge of 15 municipal staff members on managing change increased by:   * 15% in 2010; and * 30% in 2011.   Baseline: at the beginning of the third phase implementation, UNDP will request from the municipal authorities to appoint key staff that will participate in the training programme. These key staff members will then pass a test in order for UNDP to define their exact level of knowledge and use it as a baseline. | | | It will be measured through tests of knowledge conducted at the beginning, at the end of 2010 and at the end of 2011. | Baseline assessment:  March 2010  Progress assessment:  December 2010  Final assessment:  December 2011 |
| New business processes embedded in the functioning of the municipal administration.  Compliance with new business processes by staff reached;   * at least 60% by February 2011; * at least 70% by February 2012; and * at least 80% by February 2013.   Baseline: it will be measured in February 2010 through a review of the application of the new business processes by the municipal staff. From discussions with the municipal staff members that were involved in the ISO certification process, the compliance level is still weak and less than 50%. | | | It will be measured through a review in the use of the new business processes by the municipal administration. The review will be conducted by the UNDP SRRP team. The review will be based on an in-depth analysis of how municipal staff is using the new business processes. | Baseline assessment:  February 2010  Progress assessment:  February 2011  February 2012  Final assessment:  February 2013 |
| Quality of municipal strategies for private sector development increased by 40%.  Baseline: UNDP will establish the commission at the beginning of 2010. The first task of the commission will be to define the criteria to assess the quality of the existing municipal strategies for private sector development. Following it, the commission will then evaluate the existing strategies and used them as the baseline to measure the improvement. | | | It will be measured through the review of municipal strategies for PSD by an external commission. The commission will use a set of criteria that will include for the strategies:   * Situation analysis; * Inclusion of the private sector in the definition of needs and interventions; * Participation/inclusion of vulnerable groups; * Rationale; * Outcomes; * Sustainability; * Gender and Environment; and * Budgeting.   Progress on the will be measured in 2012 with the preparation of the new municipal development strategies. | Baseline assessment:  March 2010  Final assessment:  October 2012 |
| Quality of municipal policies/projects for private sector development increased by 40%.   * 5% in 2010; * 10% in 2011; and * 15% in 2012.   Baseline: it will be measured using the private sector development project proposals prepared by the local partners for the two IPA funds call for applications launched this summer. | | | It will be measured through the review of municipal strategies and project proposals for PSD by an external commission. The commission will use a set of criteria that will include for the strategies:   * Situation analysis; * Inclusion of the private sector in the definition of needs and interventions; * Participation/inclusion of vulnerable groups; * Rationale; * Methodology; * Expected results; * Sustainability; * Gender and Environment; * Management structure; * Risk analysis; and * Budget.   Progress on the will be measured annually. | Baseline assessment:  December 2009  Progress assessment:  December 2010  December 2011  Final assessment;  November 2012 |
| **Sustainable Human Development** | | | | |
| Poverty | | Through this activity, the programme intends to:   * increase local capacities to effectively, efficiently and appropriately plan and implement development interventions for poverty reduction; * develop local capacities for resources mobilisation; * to improve the quality of vulnerable groups’ participation in decision-making; and * to increase local knowledge on how to manage change within municipalities and public institutions.   By addressing these elements, the programme aims at increasing the quality of public services provided by Municipalities to citizens and at enabling the local development partners to address the multi-dimensional barriers to poverty. | | |
| Participation | | Through all learning topics under this activity, the programme will emphasise the importance of participation as a tool to ensure equitable representation of all citizens groups. In addition, the programme will ensure full participation of participants in the design and implementation of the activity. | | |
| Gender | | The programme will ensure an equal representation of women in the training programme. In previous training programme, women represented more than 50% of participants.  Attention will be paid to the representation of members of the gender commissions in the training programmes in order to strengthen the capacities of the gender commissions. | | |
| Environment | | Environment will be part of the topics addressed under the sub-activities 1.3 and 1.4. Participants will learn about the importance of environment when planning interventions and how environment impact assessments are conducted. | | |
| **Other Drivers** | | | | |
| East-East | | Within BiH: the programme will make best use of the experience also gained by the UNDP Upper Drina Regional Development Programme as well as from other projects that included a training and capacity development component like RMAP and others. The programme will also look at the experience gained by other agencies involved in municipal capacity development like USAID, SNV and others.  Within the region: UNDP has significant experience in the implementation of local development programmes. Through its practitioner networks, the programme will use best practices to strengthen its approaches and maximise the impact of the activity’s implementation. | | |
| Sustainability | | Regarding this activity, there are two sustainability issues that have to be addressed. The first one is how to ensure that the participants of the training programme will stay in the region and participate in its development. The second one is how to ensure that the local authorities and local development organisations will continue to work on the education of their staff.  The first issue is a complex one due to its reliance on the financial sustainability of local development organisations and ability of the Municipalities to retain their staff. For that reason, the programme will increase the number of training participants from Municipalities and CSO, thus the activity output will be achieved if at least 50% of participants remain in the region after the closure of programme.  As for the second issue, internal and external factors will compel Municipalities to build a culture of staff education. The first factor is limited municipal budgets. As a result of it, Municipalities will be forced to mobilise external resources in order to implement their development strategies. Municipal authorities will have to develop solid project proposals and to demonstrate that they have required human and institutional capacities to implement projects in order to access these external funds, especially EU IPA funds,. This forces municipal authorities to invest in staff education. Institutional capacities will be demonstrated by documenting that the municipal authorities have clear and institutionalised business processes. During the preparation of the new business processes for ISO certification, UNDP will ensure that sufficient attention is paid to staff learning practices. First, the programme together with the municipal authorities will define the minimum skills required for each position within the administration. In accordance with it, learning plans will be developed for each position. The learning material developed by UNDP will be handed over to the municipal authorities and will be the part of a learning management system. Within each municipal administration, one staff member will be appointed as learning manager. His/her responsibility will be to ensure that all staff members complete the learning plan corresponding to their positions. | | |

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| **OUTPUT:** Municipalities and local development partners are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction. | | | | |
| **Activity 2** | *Institutional Strengthening* | | | Start Date: 01.07.2009  End Date: 31.12.2012 |
| **Activity Results** | 1. Improved municipal business processes. 2. Increased availability of accurate data for sound decision-making. | | | |
| **Purpose** | The purpose of this activity is to improve the efficiency and effectiveness of services to citizens provided by local public institutions through the improvement of their business processes, their ability to rightly outsource services to the private sector and to collect accurate data on citizens. | | | |
| **Description** | Under this activity, the programme will provide technical assistance to the municipal authorities to:   * plan organisational changes; * obtain and maintain ISO quality standards; * analyse the possibilities of establishing PPP; * ;conduct a spatial planning exercise; * monitor development indicators.   First, UNDP SRRP will conduct an organisational assessment of all three municipal administrations that will include comprehensive situation analysis and recommendations to support municipalities and other development organizations in organizational reform. On the basis of these recommendations, the programme will define a plan with the municipal authorities and provide technical assistance where required.  To further support institutional change, the programme will support the Municipalities in maintaining ISO standards. Through the process of ISO standard certification, the Municipalities have reviewed their business processes and standardised the way they are doing business. This should allow for better quality control by senior management and result in an improvement in the provision of public services to the citizens, including the implementation of development projects by the municipal administration. However, the introduction of new business processes does not necessary mean that they are being applied. The programme will provide technical support to the municipalities in the successfully applying these new business processes and in successfully maintaining ISO certification.  In the future, the Municipalities will have to seek alternative ways in providing public services, like urban/district heating, solid waste management, waste water management and others, in order to improve the management of these services and consequently the quality of these services. Under this activity, the programme intends to provide limited funds to assess the feasibility of public private partnerships (PPP). If the recommendations made are positive, the programme will support the Municipalities during the procurement and contracting processes.  As a requirement by the entity government, all three Municipalities have to design a new spatial plan in line with the new entity spatial plan. However, the local authorities lack the knowledge to lead the process and outsource these services. UNDP will provide technical assistance in leading the process and contracting these services.  Currently, project planning is based more on assumptions than evidences since there is a lack of accurate and up-to-date data. Strategies for social inclusion could not be adequately designed due to unavailability of basic household information. The programme will provide assistance in monitor development indicators with a special emphasis on social inclusion. The monitoring of development indicators will offer the municipalities, development organisations and donors with tools to compare the development of the municipalities in relation to the development of the country by using similar indicators as used at the national level; plan development interventions based on up-to-date and accurate data; and further build local capacities in planning and outsourcing through the practical application of the knowledge gained under the activity 1.  The activity is implemented through the following five sub-activities:   * 2.1 Technical Support to municipal organisational changes; * 2.2 Public private partnerships; * 2.3 Spatial planning; and * 2.4 Localised development indicator monitoring.   More details about the activities can be found in Appendix A.  The implementation of this activity will also enable participants of the training programmes organised under the activity 1 to apply these new skills, especially the ones covered under the sub-activities 1.2 and 1.3.  To implement this activity, the programme will use a standard approach where procurement and contracting will be done by UNDP SRRP. However, in order to ensure that knowledge gained in formal training is transferred though practical applications of knowledge, municipal staff will be strongly included in:   * the preparation of the ToR; * the evaluation of the proposals submitted through a Request for Proposals; and * the management of contracts.   The municipalities will appoint a project officer that will be responsible to coordinate the activity on the behalf of the municipal administration. The project officer’s job will be to ensure that the process runs smoothly. | | | |
| **Quality Criteria**  *how/with what indicators the quality of the activity result will be measured?* | | | **Quality Method**  *Means of verification. What method will be used to determine if quality criteria has been met?* | **Date of Assessment**  *When will the assessment of quality be performed?* |
| Level of business processes efficiency improved by:   * 5% in 2010; * 10% in 2011; and * 15% in 2012. | | | It will be measured through the assessment of key municipal functions. The first assessment will be performed in 2009 to measure the baseline. Annual assessment will be done to measure progress towards the final target. Efficiency will be measured through the following variables:   * processing time; * workload completed by workplace; and * quality of work performed. | Progress assessment:  December 2010  December 2011  Final assessment;  November 2012 |
| ISO standard maintained in 2011 and 2012. | | | Audit report from certifying body. | In December 2011 and November 2012. |
| Level of citizens satisfaction in public service provision increased by:   * 10% in 2010; * 15% in 2011; * 20% in 2012; and * 20% in 2013 | | | Measured through random opinion poll. First assessment to be performed in 2009 to measure the baseline. Annual assessment will be done to measure progress. | Progress assessment:  December 2010  December 2011 November 2012  Final assessment;  September 2013 |
| Availability of data at Municipality increased by:   * 30% by December 2010; and * 60% by December 2011.   Baseline: during the preparation phase of the project document, UNDP requested from the local authorities to provide them with basic information on the current demographic, social and economic situation of the municipalities. The municipal authorities were not able to provide all the information requested and some of the data provided were incorrect after being checked by the programme’s team. | | | It will be measured through the assessment of the municipal databases. A list of key data for informed decision making will be defined to characterize the economic, social and physical situation in the municipalities. | Baseline assessment:  August and September 2008  Progress assessment:  December 2010  Final assessment:  December 2011 |
| Accuracy of data available at the Municipality increased by 20%   * 15% in 2011; and * 20% in 2012.   Baseline: it will be established during the first year of the programme’s implementation. | | | It will be measured by UNDP team through random check of data provided by the Municipalities. A baseline will be calculated in 2009 and 2010 through the assessment performed for the previous criteria. Annual assessment will be done to measure progress. | Baseline assessment:  December 2010  Progress assessment:  December 2011  Final assessment;  November 2012 |
| **Sustainable Human Development** | | | | |
| Poverty | | This activity is addressing indirectly poverty in three ways. The first one relates to the ability of the municipal authorities to improve their business processes which will result in an increase in the quality of the services provided and in enabling the municipality to efficiently implement development projects. The second way is in the cost effectiveness of public services that could result in an increase in the coverage of these services. The third way relates to informed decision making. As currently project planning by municipal authorities and development organisations is based more on assumptions rather than on available and accurate data, interventions cannot be planned to ensure that the benefits will reach the most vulnerable groups. Through the sub-activity 2.5, the programme will address this weakness. | | |
| Participation | | Participation of citizens will be ensured during the implementation of the sub-activities such as supporting improvement in quality provision of public services (Health) and preparation of the spatial plan. Informal participation will take place through the opinion polls conducted to measure the improvement in the provision of public services. | | |
| Gender | | Gender will be primarily addressed through the sub-activity 2.5 as detailed disaggregated data will be collected enabling to assess the disparities between men and women in relation to the following elements: economic power, health care, education and participation.  Gender will also be addressed under the sub-activity 2.1 as UNDP will ensure that the new municipal human resources policies will be gender sensitive and that control mechanisms will exist.  Under this activity, the programme will also work with public institutions like the Health Care centres. UNDP will ensure that the Health Care centres are improving their services in regard to women health care. | | |
| Environment | | Environment will be addressed through the improvement of public services in regard to waste management. The Municipalities with the support of UNDP will assess the possibility of establishing a PPP for waste disposal through a regional disposal site. | | |
| **Other Drivers** | | | | |
| East-East | | Within BiH: Some municipalities in Bosnia and Herzegovina have already obtained ISO Quality Standard certification. The programme will ensure that the experiences gained by these municipalities will be available to the programme’s target municipalities and that plans will take into considerations lessons learned.  Within the region: With Bosnia and Herzegovina being on the path towards EU accession, the programme will seek best examples of municipalities within the new EU member states that successfully managed change. | | |
| Sustainability | | In regard to the programme’s support to institutional changes, UNDP will ensure that the new business processes and human resources policies are institutionalised. As for the ISO certification, it would be difficult to guarantee its sustainability. However, UNDP expects that after a period of three years the municipal administrations would have embedded the changes.  In regard to the data collection, the most important step will be the initial assessment as there is a general lack of basic data, like composition of the population, number of unemployed, number of active population and social inclusion indicators. Following the first assessment, the programme will work with the municipal authorities and relevant statistical institutes to define the most effective way to keep the information updated so as not to create an additional burden on the municipal budget. | | |

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| **OUTPUT:** Municipalities and local development partners are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction. | | | | |
| **Activity 3** | *Services to citizens* | | | Start Date: 01.07.2009  End Date: 31.12.2012 |
| **Activity Results** | 1. Improved public infrastructure. 2. Improved conditions in public services delivery. 3. Improved rural living conditions. | | | |
| **Purpose** | The purpose of this activity is to improve the general living conditions of citizens by addressing their needs in regard to infrastructure improvement, provision of public services and other aspects specific to rural areas. | | | |
| **Description** | Under this activity, the programme will provide technical and financial assistance to the municipal authorities to identify, prioritise, plan and implement:   * capital infrastructure projects; * public services improvement projects; * micro rural development projects; and * social projects.   Projects will be identified in line with the Municipal Development Strategies and prioritized by the Municipal Partnership Groups. It represents the continuation of the participatory mechanism, successfully established during the previous SRRP phases, which is fully operational and functional.  Through the implementation of these projects, the programme will address the non-income dimensions of poverty from participation to improving access to education and health services. Special emphasis will be given on building sensitivity towards vulnerable groups. The results from the poverty assessments conducted during the past three years and from the development indicators monitoring will feed into the planning of projects related to public and social services.  This activity will also enable the municipalities, public institutions, local communities, and local development organisations to apply the new skills gained under activity 1. Implementation mechanisms have been designed to allow the application of new skills like project proposal writing, monitoring, and reporting. The micro-rural development projects will be based on the approach used by the European Commission for rural development interventions.  Investments in infrastructure are still very much needed. Municipalities lack the financial resources to implement such projects and their capacities to mobilise these resources are still weak. Infrastructure play in an important role in poverty reduction as it improves citizens living well-being as well as their economic benefits.  Funding for public services in municipal budget is very limited, especially in under-developed municipalities like Srebrenica, Bratunac and Milici and the quality of such service is very low, due to lack of qualified staff or poor performance of existing underpaid staff and lack of necessary equipment and material.  To further foster participation and ensure that interventions are relevant to the needs of rural communities, the programme will allocate resources for the implementation of micro rural development projects. Through these interventions, the programme intends also to further develop a culture of consultation at local community level, which enables the most vulnerable to have a voice in decision-making.  The activity will be implemented through four sub-activities:  3.1 Capital investment in infrastructure;  3.2 Public services improvement projects;  3.3 Micro rural development projects; and  3.4 Social projects.  More details on the sub-activities can be found in Appendix A. | | | |
| **Quality Criteria**  *how/with what indicators the quality of the activity result will be measured?* | | | **Quality Method**  *Means of verification. What method will be used to determine if quality criteria has been met?* | **Date of Assessment**  *When will the assessment of quality be performed?* |
| At least 2,000 people are benefiting from improved infrastructure by October 2013.  Annual targets:   * 400 in 2010; * 550 in 2011; * 650 in 2012; and * 400 in 2013.   Baseline: it will be established on an intervention to intervention basis. | | | Information on the number of people benefiting from investments in infrastructure will be available at Municipalities. The data will be disaggregated in regard to age, gender and “ethnicity”. Project proposals will also have to include this information. The database will allow the programme to measure progress towards the target. | Progress assessment:  January 2011  January 2012  January 2013  Final assessment;  October 2013 |
| At least 2,700 people are benefiting from improved public services delivery by October 2013.  Annual targets:   * 700 in 2010; * 700 in 2011; * 700 in 2012; and * 600 in 2013 | | | Information on the number of people benefiting from investments in the improvement of public services delivery will be available at Municipalities. The data will be disaggregated in regard to age, gender and ethnicity. Project proposals will also have to include this information. The database will allow the programme to measure progress towards the target. | Progress assessment:  January 2011  January 2012  January 2013  Final assessment;  October 2013 |
| At least 1,600 people are benefiting from improved rural living conditions by October 2013.  Annual targets:   * 400 in 2010; * 400 in 2011; * 400 in 2012; and * 400 in 2013 | | | Information on the number of people benefiting from the rural interventions will be available at Municipalities. The data will be disaggregated in regard to age, gender and ethnicity. Project proposals will also have to include this information. The database will allow the programme to measure progress towards the target. | Progress assessment:  January 2011  January 2012  January 2013  Final assessment;  October 2013 |
| **Sustainable Human Development** | | | | |
| Poverty | | This activity is addressing directly poverty in its non-income dimensions from participation to improving access to education and health services. | | |
| Participation | | Participation will be directly supported through this activity as selection of projects will be based on the existing Partnership Groups, which are consultative bodies institutionalised in all three municipalities. The programme will ensure equal representation of minorities in these bodies.  The public will be informed about the progress of the sub-activities through local papers, local radios as well as information placed on local community information boards. | | |
| Gender | | Gender will be addressed in all aspects of the activity’s implementation that it is in terms of gender sensitive selection process or in ensuring equal representation of women in the consultative bodies. Special attention will be given in the preparation of rural development project proposals by local communities. UNDP will set mechanisms to monitor that the local community leaders are ensuring equal representation of women in the identification of their needs as well as in the selection of projects at local community level. The programme will also assess the reasons that prevent more participation of women in decision-making. The findings will be incorporated in the design of the participatory mechanisms to ensure active participation of women in decision-making. At Municipality level, the programme will also assess how the gender commissions work. The programme will then provide assistance to the gender commissions to improve their functioning. All three municipalities have gender commissions. However, their work is still weak.  Under this activity, the programme will also work with public institutions like the Health Care centres. UNDP will ensure that the Health Care centres are improving their services in regard to women health care. | | |
| Environment | | The programme will sought to use innovative technologies in reconstruction works that are environmental friendly. Further, the municipal strategies have already identified as important the reconstruction of the water supply networks, which will result in a decrease in water leakages and as such to improved natural resources management. | | |
| **Other Drivers** | | | | |
| East-East | | Within BiH: the programme will make best use of the experience also gained by the UNDP Upper Drina Regional Development Programme, especially in regard to the capacity of the municipalities to access loans to co-finance infrastructure projects. In regard to participation and consultative mechanisms, the programme will also look at other experiences within UNDP but also from other agencies like USAID and OSCE.  Within the region: UNDP has significant experience in the implementation of Area Based Development programmes in the region as well as in Central Asia. Through its practitioner networks, the programme will use best practices to strengthen its approaches and maximise the impact of the programme. | | |
| Sustainability | | The sustainability of the activity’s interventions will be addressed at various levels:   * project[[13]](#footnote-13) level; * sub-activity level; and * activity level.   At the first level, project proposals will include a sustainability section where the Municipality or the public institutions or local communities will have to explain how the project will be sustained.  At sub-activity level, UNDP will ensure that the mechanisms that will be developed with the municipal authorities will be institutionalised and part of the new business processes.  At activity level, sustainability has already been partially addressed as the participatory mechanisms set in place during the previous programme’s phases have been institutionalised. Through the implementation of this activity, the programme intends to develop local capacities to implement similar interventions in the future and increase their capacities for resource mobilisation. | | |

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| **OUTPUT:** Municipalities and local development partners are capable of planning and implementing their own path to sustainable human development in order to effectively overcome the multi-dimensional barriers to poverty reduction. | | | | |
| **Activity 4** | *Private Sector Development* | | | Start Date: 01.07.2009  End Date: 31.12.2012 |
| **Activity Results** | 1. Strengthened private sector capacity for growth and job creation. 2. Increased competitiveness of agricultural sub-sectors with potential for growth. 3. Increased revenues of active rural poor families. | | | |
| **Purpose** | The purpose of this activity is to increase household revenues and address poverty in its income dimension. | | | |
| **Description** | The development of the private sector is essential if the programme wants to address the multi-dimensional barriers to poverty reduction. Private sector development can have a direct impact on the income dimension of poverty through increased production capacities both industrial and agricultural. It can also have an indirect effect on the non-income dimension of poverty through increased public revenues. By increasing job opportunities, the programme also intends to consolidate return.  To achieve this, the programme will have to facilitate the provision of high quality business development services to local MSMEs (including start-up companies), to upgrade the skills of the labour force, to increase the capacity of the region to attract direct investments, to increase the productivity of the local agricultural production and to improve the access of agricultural product to the market.  Local MSMEs still need technical support to be able to sustain and develop their production. To achieve it, business development services are necessary. It is clear that local capacities in the provision of such services are extremely limited. The programme will work with a limited number of leading enterprises that will serve as show cases in the region. To these companies, high quality business development services will be provided. Even if support to leading MSMEs does not automatically translate into job creations, it is important for less developed municipalities to have strong and stable companies that are less vulnerable to external shocks and that can be used as show cases to start-up companies.  Support to start-up companies is essential as it fosters job creation. Entrepreneurship is weak in the region. The programme will develop an intervention on the basis of recommendations provided by a BDS market assessment and that will include the local vocational schools.  A second important factor in job creation is the attraction of direct investment. Even if the tools available to the Municipalities still limited, measures can be put in place to promote the region and facilitate such investments. The programme will work with the local authorities to develop these measures.  Agriculture remains an important sector for income generation in rural areas, especially for vulnerable and excluded groups. The programme has already demonstrated through previous projects that support to agriculture development has to include the provision of technical expertise in modern production techniques, the supply of quality inputs and the improvement of market access. All agricultural interventions will be planned accordingly. Extension services play an important role in the development of the agriculture sector. The programme will further work with them to build strong local capacities in extension services.  The activity will be implemented through six sub-activities:  4.1 Provision of Business Development Services to MSMEs;  4.2 Provision of services to farmers;  4.3 Dairy;  4.4 Sheep;  4.5 Fruit; and  4.6 Small farm diversification projects for the active poor.  More details on the sub-activities can be found in Appendix A.  As municipal and local development organisations staff members will be strongly involved in all the sub-activities, the implementation of this activity will enable participants of the training programmes organised under the activity 1 to apply these new skills, especially the ones covered under the sub-activity 1.4. Implementation mechanisms have been designed to allow also for the application of new skills like project proposal writing, monitoring, and reporting. | | | |
| **Quality Criteria**  *how/with what indicators the quality of the activity result will be measured?* | | | **Quality Method**  *Means of verification. What method will be used to determine if quality criteria has been met?* | **Date of Assessment**  *When will the assessment of quality be performed?* |
| At least 10 leading MSMEs have reached an annual growth rate of 10% by October 2013.  Annual targets:   * 3% growth in 2010 for two companies; * 5% in 2011 for six companies; * 7% in 2012 for ten companies; and * 10% in 2013 for ten companies | | | The programme will document its support to MSMEs in details. An in-depth assessment will be performed in 2009 and beginning of 2010. On the basis of these assessments, business development plans will be develop with the support of external experts. The programme will monitor the implementation of these business development plans, provide further assistance if required and document the results at each step. The annual growth rate will be measured on the basis of the annual financial reports. | Progress assessment:  January 2011  January 2012  January 2013  Final assessment;  October 2013 |
| At least 100 jobs will be created through support to start-up companies by October 2013.  Annual targets:   * 10 in 2010; * 20 in 2011; * 35 in 2012; and * 35 in 2013 | | | Information on the number of job created will be recorded by monitoring the results of the support given to start-up companies. The number of jobs created will be established by monitoring the official employment records of each start-up. | Progress assessment:  January 2011  January 2012  January 2013  Final assessment;  October 2013 |
| At least 60 jobs have been created by direct investments by October 2013.  Annual targets:   * 10 in 2010; * 15 in 2011; * 15 in 2012; and * 20 in 2013 | | | Information on the number of jobs created by direct investment will be obtained from the municipal authorities that will be keep records about the direct investments that took place in their municipality. | Progress assessment:  January 2011  January 2012  January 2013  Final assessment;  October 2013 |
| Agriculture production in sub-sectors with potential for growth increased in average by 20% by October 2013.  Annual targets:   * 5% in 2010; * 10% in 2011; * 15% in 2012; and * 20% in 2013   Baseline: it will be measured based on the information available from the official farm registry and buyers like dairies and fruit collectors (freezing plants and cooperatives). | | | A farm registry of agriculture producers has been established. On the basis of the registry, the programme will assess the current production levels in: dairy; sheep; and fruit. Information will also be collected from buyers. As the aim of the programme’s interventions is to improve the revenue stream of rural families, the programme will only concentrate on the production that is being marketed. Following the initial assessment, the programme will monitor progress on annual basis. | Baseline assessment:  March 2010  Progress assessment:  February 2011  February 2012  February 2013  Final assessment;  October 2013 |
| Average productivity in sub-sectors with potential for growth increased in average by 15% by December 2012.  Annual targets:   * 5% in 2010; * 10% in 2011; and * 15% in 2012.   Baseline: it will be measured through the representative sample that will be defined and selected by March 2010. | | | This will be measured on a representative sample of farmers in dairy, sheep and fruit production. The programme will keep detailed records from the start of the activity until 2012 and document progress towards the target. The representative sample will include various size of farms based on the characteristics of farms obtained from the official farm registry. | Baseline assessment:  March 2010  Progress assessment:  January 2011  January 2012  Final assessment;  December 2012 |
| Average income of 150 farm households increased by 15% by October 2013.  Annual targets:   * 5% in 2011; * 10% in 2012; and * 15% in 2013.   Baseline: it will be measured on the basis of the existing farming revenues only and will not include off-farm household revenues. | | | This will be measured on a representative sample of farmers in dairy, sheep and fruit production. The programme will keep detailed records from the start of the activity until 2013 and document progress towards the target. The representative sample will include various size of farms based on the characteristics of farms obtained from the official farm registry. | Baseline:  December 2010  Progress assessment:  January 2011  January 2012  Final assessment;  December 2012 |
| At least 200 low income families have an income equal or superior to the minimum BH revenue as set in the MDGs by October 2013.  Annual targets:   * 70 families in 2011; * 70 families in 2012; and * 60 families in 2013   Baseline: families that will be selected through this activity will be families that have a household income lower than the minimum BH revenue as set in the MDGs. | | | This will be measured by monitoring household revenues of 200 poor families that will be the recipient of UNDP support under the sub-activity 4.6. | Progress assessment:  November 2011  November 2012  Final assessment;  October 2013 |
| **Sustainable Human Development** | | | | |
| Poverty | | This activity is addressing directly poverty in its income dimension either through job creation or revenue/salary increases as a result of companies’ growth or improvement in agriculture production. As a result of enterprises growth, public revenues increase which enables governments to implement projects that will address the non-revenue dimensions of poverty if interventions are being implemented to improve local governance. | | |
| Participation | | Participation will be fostered at local community level through the implementation of the sub-activity 4.6 through which citizens in local communities will have the opportunity to define their needs, their level of vulnerability and their development plans. Under the other sub-activities, the level of participation will vary. In regard to MSMEs, the programme will support the Municipalities in engaging entrepreneurs in public private dialogue during the municipal strategy planning phases. Agriculture producers will be engaged to discuss modalities to ensure the sustainability of the programme’s interventions in agriculture development.  The public will be informed about the progress of the sub-activities through local papers, local radios as well as information placed on local community information boards. | | |
| Gender | | Gender will be addressed in all aspects of the activity’s implementation that it is in terms of gender sensitive selection processes and in ensuring equal representation of women in the consultation processes. Special attention will be given in the development of agriculture bi-products that will focus on empowering women. For example, in the sheep sub-activity, the programme will look at increasing household revenue stream from sheep breeding by developing secondary activities like sheep cheese and wool. Under the fruit sub-activity, homemade jam production will be addressed. As part of the BDS market assessment, the programme will conduct discussions with women associations and identify what could be their role as service provider or facilitator to women producers in the region. | | |
| Environment | | As Bosnia is approaching EU accession, it faces a challenge to adjust its economic sectors in order to comply with environmental standards adopted by the EU member countries. Therefore environment protection becomes an integral part of UNDP SRRP.  In the previous phase, UNDP SRRP has tailored and implemented a training programme to its local partners involved in economic development in environment impact assessment and environmental standards for running a business aiming at building the local capacities in provision and facilitation of Environmentally Sensitive Business Development Services.  Prior to planning and implementation of any intervention, environment scoping and screening should be conducted using the tools and methodology already developed in the previous phase. The aim of such an approach is firstly to determine whether or not an impact assessment is required for particular interventions, secondly avoid any unfriendly environment consequences and finally build a culture of environment awareness among economic development actors.  In the agriculture sector, EU environment standards compliance will be tackled through introduction of environment friendly techniques such as integrated production in fruit and berry fruits (environment friendly plant protection), provision of training, awareness and incentives for dairy and sheep producers to adopt EU Environment Standards such as manure managements systems.  Environmental Sensitive Business Development Services has been identified as one of priority services required by the local MSMEs, therefore training and services related to EU Environment Standards fulfilment by the local MSMEs will be one of crucial element of the future Business Development Services activity.  With the coming enforcement of new legislations related to environment standards, training and services related to environment protection in business sector will be an integral part of the Business Development Services Sub-activity. | | |
| **Other Drivers** | | | | |
| East-East | | Within BiH: A lot of positive and negative experiences in private sector development exist in BiH. The programme will support the Municipalities in organising consultation meetings and visit exchanges with agencies involved in private sector development to exchange information on these experiences as well as exchanging of experience between other UNDP BiH projects involved in the private sector development.  Within Central and Eastern Europe: the programme will continue to organise educational and experience sharing visits to countries in transition and new EU state members to learn about their experience in private sector development. Local authorities play an important role in local economic development by creating an enabling environment. By giving the opportunity to municipal authorities to exchange experiences directly with other local governments that have gone through a transition process, experience sharing visits have been identified as an excellent tool to transfer knowledge to local partners and beneficiaries. Furthermore the programme is looking for possibilities of twining between regions from these countries and SRRP region. In the previous phase, UNDP has organized various experience sharing visits. The latest one was conducted to Slovenia. During the visit, contacts have been made between the municipalities of Srebrenica and Bratunac, and Sezana and Kozina Hrpelj to organise a visit of the two Slovenian mayors to the Srebrenica region. | | |
| Sustainability | | The UNDP SRRP programme third phase main challenge is sustainability of its interventions, specifically in the absence of well coordinated strategies and policies conductive to sustainable development at BiH Entities and State level.  Despite that UNDP SRRP recognize that sustainability of the programme in such context is not an easy task, however it developed a strategy based on the following directions:   * Local capacity development related to clear understanding of the private sector role in economic development, the role of local partners and adoption of proper tools to address constraints to private sector development; * Ownership by local partners over UNDP SRRP Interventions, this will be achieved through the strong involvement of local partners and private sector in all stages of interventions including, planning, implementation and monitoring and evaluation. * Developing local capacity and building institutions capable to mobilize resources and facilitate services to the private sector. This will place SRRP region in favourable position to access funds from state, entity and donors and thus ensuring their sustainability. * Involving sector Ministries and relevant state and government agencies in all phases of the activity interventions. This will provide opportunities for synergies with government programmes for private sector development and for funding of specific interventions as well as provide linkages with regional and entity level institutions.   Additional key factors of sustainability of specific interventions in the agriculture sector are its competiveness and better integration of the producers in the market in addition to compliance with EU standards.  During the implementation of private sector development activity, UNDP SRRP will document continuously lessons learnt and insure policy feed back to upstream level that could be conveyed through agencies dealing with policies such as UNDP, EC, World Bank and USAID. This also can lead to the adoption of successful models for private sector development by entity and state governments. | | |

## Appendix B – Sub-activity Description

In this appendix, each sub-activity is described in more details. The individual work plan for each sub-activity will be prepared at the beginning of 2009.

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| **Sub-activity Name:** | **Managing Change** | | | **Sub-activity Code:** | **1.1** |
| **Description and Approach** | | | | | |
| This sub-activity involves formal training for municipal and development organizations’ staff on the following topics:   * Human Resources Management; * Gap Analysis; * Optimising Business Processes; and * Change Management.   The managing change sub-activity provides trainings for employees of government institutions and other public-sector workers, focusing specifically on staff training needs. Following a request from the local governments, UNDP/SRRP intends to offer technical assistance in order to support development management within local government through a variety of disciplines. A technical assistance project is targeted to middle to senior level staff in the local governments and public institutions, and provides access to top quality training for selected participants. The sub-activity aims to create a pool of highly skilled, aware, and motivated public servants over the long term, potentially leading to local area development. The purpose of this sub-activity is to build a stronger understanding among key municipal staff about the necessity of institutional change, internal business processes and human resources management. Training will be designed in a manner to make feasible recommendations that would fit into the local political and socio-economical context. It is of great importance to take into consideration valuable lessons from the initial phase of reforms in the country and positively influence specific public sectors where greater intervention is required in terms of learning. A positive basis for further development is the fact that analysis of the initial phase did not suggest any serious setbacks and the level of public satisfaction is either static or has slightly improved, but is not negative. Sectors where greater precaution is advisable are health, education and social welfare, where it is difficult to incorporate all market postulates, apply contracting mechanisms and assume that competition is the only condition that would secure improvement in services. | | | | | |
| UNDP SRRP’s approach to training organisation is based on both a needs assessment and a gap analysis exercise, which is expected to provide valuable information to the programme and introduce gap analysis techniques to local government officials. However, it is anticipated that trainings will be organized in several short training sessions. Efficient internal human resources management in public institutions and municipalities as service providers directly entails positive results with citizens (as the beneficiaries of services).  The training curricula will cover new modern techniques, examples of best practices and recommendations for the best applicable model for the respective municipality, while taking into consideration entity and state laws and regulations. The goal of the training modules is to enable participants to develop an understanding of human resources management, modern techniques, and finally be able to develop new relevant internal regulations. The focus of the training plan will be on optimising internal business processes and managing change as vital challenges in this environment. Training will be based on data and recommendations provided by an external consultant and needs of the local partners. However, it is clear that training curricula will be aimed primarily at raising awareness of the targeted staff about the necessity of following adopted procedures. In order to achieve success, institutional issues should be addressed as early as possible within the project cycle. Time spent on planning is time gained at all successive stages of the cycle. This enables options to be fully explored, allows account to be taken of alternative (arrangements) levels of resources and gives recognition that institutional design is an iterative process. It also provides time to design institutional arrangements which are compatible with the local context in which participants must work and can secure the acceptance and commitment of those who must make them work.  The selection of participants from the municipal administrations will be based on UNDP’s request to the mayors to develop a list of key municipal staff that should attend all or selected training modules. While for the members of local development organizations, UNDP will open a call for applications and select the participants on the basis of their current activities and experience and in compliance with previously agreed selection criteria. In order to ensure effective training (transfer of knowledge), UNDP is planning to work with smaller groups of less than 15 participants. Depending on interest, more than one group may be included in the training programme. | | | | | |
| **Justification** | | | | | |
| Experience suggests that there is no universal blueprint for institutional success. This often leads to narrowed options in seeking local solutions that have proved workable and demonstrate the capacity to adapt to change. Particular importance is attached to ensuring that proposed institutional arrangements fit the existing institution into its environment and does not isolate the institution from that environment.  All three municipalities intend to apply for ISO certifications. However, the municipalities are facing serious internal structural problems, hindering their abilities to fulfil ISO certification criteria. In order to overcome these problems, UNDP intends to provide technical assistance in institutional strengthening. Key municipal staff will need to understand the principles involved in organisational change and improved business processes in order to be able to sustain these standards. Regulations and procedures as an instrument might look very simple to use, especially now in a globalised environment, when it is simple to follow recommendations of international organizations or other partnering organisations and use “best practices” modality. On the contrary, regulations as instruments entail very comprehensive situation and data analysis, technical information, public opinion and number of employees, their qualifications and capacity. Implementation of regulated standards is usually not voluntary based and therefore requires the definition of certain enforcement measures and their effective implementation. Regulations related to human resources and business processes could be counter productive if the relevant staff does not have full understanding of the importance of complying with procedures and if enforcement measures, as an ultimate instrument, are not effectively applied. All of these factors put local governments in a challenging position, clearly defining the need for capacity development of key staff through acquiring new knowledge in order to be able to effectively manage staff in changed organizational environment. Overlooking certain gaps and omitting appropriate responses could undermine the results of other activities designed to achieve the same objective of institutional strengthening. Therefore, the carefully designed consultancy mission and trainings will provide municipalities with a tool to identify gaps and analyse those gaps using modern techniques.  The knowledge acquired through the planned training will ensure sustainability in service quality, leading to maintained standard levels required for ISO certificate holders. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Relevant entity ministry * OSCE | | | | | |
| **Beneficiaries** | | | | | |
| * Municipal/Public Institutions key staff members * Local development organisations key staff | | | | | |
| **Expected Results** | | | | | |
| 1. | | Training cycles conducted in line with annual training plans. | | | |
| 2. | | Training modules and curricula in line with needs and expectations of participants. | | | |
| 3. | | Training programme provided knowledge proven to be valuable for the daily work of participant’s, raising awareness of the necessity of continuing education. | | | |
| **Indicators** | | | | | |
| 1.1 | | At least 15 municipal staff and 16 CSO staff members participated in the training programme and training attendance rate of participant above 80% by December 2010. | | | |
| 1.2 | | An additional 9 municipal staff and 10 CSO staff members participated in the training programme and training attendance rate of participants above 80% by December 2012. | | | |
| 2. | | Training composition and quality evaluation rates above 90%for each training cycle. | | | |
| 3. | | Training needs assessment and plan is prepared on an annual basis by municipalities, public institutions and the management of civil society organizations. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 3.1 and 3.2, as well as 2.1. * With other UNDP projects like PAR, ILDP and MTS * With USAID GAPII andOSCE. | | | | | |
| **Main Risks** | | | | | |
| 1. Municipal staff high turn-over | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Medium | | |
| Countermeasures:  Reduction: in the municipality of Srebrenica where staff turn-over is higher than in the other municipalities, UNDP will train more staff in order to reduce the risk. | | |
| 2. Lack of interests by participants | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: selection of participants on the basis of his previous interests in acquiring new knowledge.  Reduction: conditionality of funds provided to public institutions upon active participations from the representatives of the institutions.  Reduction: monitor attendance and quality of attendance of the participants. | | |
| 3. Low quality of training implementation | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: establishment of tight monitoring mechanisms, including prior review of training material and proper and timely reaction to negative feedback from participants’. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Participants; and * Consultants.   The programme will inform local stakeholders about the training programme through official letters sent to the mayors, directors of public companies/institutions and to the local CSOs. The letter will include information on: the purpose of the training programme; training curricula; the duration of the training programme; and the background and qualification required for participants.  Following the selection of the participants, UNDP SRRP will send participants a letter with schedules of the training programme. During the training programme, UNDP SRRP will communicate changes to participants at least two weeks prior to the changes.  The training programme will be organised through individual consultants and/or companies. Communication will take place on regular basis. Meetings will be organised to discuss progress, quality of training material and performance of trainers at the end of each training module. | | | | | |

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| **Sub-activity Name:** | **Knowledge Acquisition in Outsourcing** | | | **Sub-activity Code:** | **1.2** |
| **Description and Approach** | | | | | |
| The objective of this sub-activity is to organize formal training for municipal and development organization staff on the following topics:   * Appraising the benefit to outsource services; * Preparation of Terms of Reference; * Technical Evaluation of Proposals; * Recruiting Consultants; * Service Contract Management; and * Public-Private Partnerships.   Through this sub-activity, the programme intends to provide appropriate tools to local stakeholders to effectively outsource services. In addition, a subsequent goal is to build a database of most commonly used terms of reference for municipal authorities. | | | | | |
| The first module will aim at providing municipal, public institutions and local NGOs staff with the tools to identify when outsourcing is needed and to prepare quality terms of reference. For the section related to the terms of reference, it will first look at the structures of terms of reference for outsourcing to companies and for the recruitment of external consultants. Then it will address the specific elements like expected results, deliverables and competencies required to perform the assigned tasks. The second module will look at the practical elements of: technical evaluation of proposals; interviewing techniques for the recruitment of consultants; and contract management.  The third module will be opened only to municipal staff. It will concentrate on Public-Private Partnerships and will cover the following:   * Learn about the forms of PPP and where they are being used; * Learn the processes to identify PPP opportunities and the key elements that go into a PPP pre-feasibility study; * Learn the elements to effectively structure the financing for PPP arrangements; * Conduct a financial modeling simulation exercise; * Understand how PPPs can be designed so that they stimulate the development of the local private sector and encourage local economic development; * Develop skills to effectively manage (and communicate with) the stakeholders to a PPP, including customers, the media, and labor unions; and * Develop a detailed and personalized strategic *Action Plan* that will help you apply what you have learned on-the-job.   The selection of participants from the municipal administrations will be based on a UNDP request to the mayors to propose a list of municipal staff that should attend all or selected training modules. While for the members of local development organizations, UNDP will open a call for applications and select the participants on the basis of their current activities and experience and in compliance with previously agreed selection criteria. In order to ensure effective training, UNDP is planning to work with smaller groups of less than 15 participants. Depending on the interest shown by local stakeholders, more than one group could be included in the training programme.  In addition to formal training, UNDP will further strengthen the transfer of knowledge through mentoring in the implementation of activities under the first, second and fourth strategic directions. | | | | | |
| **Justification** | | | | | |
| Based on experience, UNDP SRRP has observed that municipal administrations and public institutions, as well as local CSOs, lack the required capacity to properly assess and procure when outsourcing is needed. This issue has never been addressed in the past. In order to ensure effective and accountable provision of services in the future, the preparation of terms of reference will be an essential first step in procuring services. So far local stakeholders consider terms of reference simply as a list of qualifications that consultants need to have, as opposed to a clear definition of the services, knowledge and competencies required.  When outsourcing services, the important elements after the preparation of terms of reference relate to how to properly procure services and manage contract. Local stakeholders have relatively good capacities concerning procuring works or goods but in regard to services, they lack sufficient knowledge and experience to successfully procure these services and manage the contracts. The technical evaluation of proposals by service companies has to be performed with special care as if not done properly it can lead to difficulties in the contract management. Municipal staff needs to be aware that they should not simply lower the evaluation criteria. Managing service contract requires different techniques than managing work contracts. Municipal staff should acquire the knowledge to enable them to review the performance of contractors against the deliverables set in the terms of reference.  With scarce municipal budgets, in the future the municipalities will have to look at alternative ways to efficiently finance some of the public services that they are providing. Public private partnerships are one of the models that could be used. The municipalities are aware of the PPP model but lack the knowledge about the difference between a PPP and classic outsourcing of services, the different types of PPP that exist and the various steps required to establish a PPP. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Public Institutions * Other international agencies * Potential relevant entity ministries (based on identified potential PPP) | | | | | |
| **Beneficiaries** | | | | | |
| * Municipal and Public Institutions staff members * Development organisations staff members | | | | | |
| **Expected Results** | | | | | |
| 1. | | Municipal, public institutions and development organisations staff members trained in cost benefit analyses of outsourcing and terms of reference preparation. | | | |
| 2. | | Municipal, public institutions and development organisations staff members trained in procurement and management of service contracts. | | | |
| 3. | | Municipal, public institutions and development organisations staff members trained in Public Private Partnership techniques. | | | |
| **Indicators** | | | | | |
| 1.1 | | At least 15 municipal, public institutions and development organisations staff members attended training in cost benefit analyses of outsourcing and terms of reference preparation. | | | |
| 1.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 2.1 | | At least 15 municipal, public institutions and development organisations staff members attended training in procurement and management of service contracts. | | | |
| 2.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 3.1 | | At least 15 municipal, public institutions and development organisations staff members attended training in Public Private Partnership. | | | |
| 3.2 | | Level of participants’ satisfaction reached 85%. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 2.3, 2.4 and 2.5. * Synergies with the sub-activities 4.1 and 4.2 | | | | | |
| **Main Risks** | | | | | |
| 1. Municipal and Institutions staff high turn-over | | | Type of Risk: Operational | | |
| Impact: High | | |
| Probability: Low | | |
| Proximity: Medium | | |
| Countermeasures:  Reduction: in the municipality of Srebrenica where staff turn-over is higher than in the other municipalities, UNDP/SRRP will train more staff in order to reduce the impact of the risk. | | |
| 2. Low quality of training implementation | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: establishment of tight monitoring mechanisms, including prior review of training material and proper feedback from participants. | | |
| 3. Lack of interests by participants | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: selection of participants on the basis of his previous interests in acquiring new knowledge.  Reduction: conditionality of funds provided to public institutions upon active participation from the representatives of these institutions.  Reduction: monitor attendance and quality of attendance of participants. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Participants; and * Consultants.   The programme will inform local stakeholders about the training programme in outsourcing capacities through letters sent to the mayors, directors of public companies/institutions and to the local CSOs. The letter will include information on the purpose of the training programme; the topics to be addressed; the duration of the training programme; and the selection of participants.  Following the selection of the participants, UNDP/SRRP will send to participants a letter with schedules of training. During the training programme, UNDP/SRRP will communicate changes to participants at least two weeks prior to the changes.  The training programme will be organised through consultants, with communication taking place on regular basis. At the end of each training module, a meeting will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Planning and Implementation** | | | **Sub-activity Code:** | **1.3** |
| **Description and Approach** | | | | | |
| Within this sub-activity, the programme plans to organize a series of formal trainings divided in several training cycles, specifically targeting municipal and development organization staff and covering the following topics:   * Participatory planning * Project Cycle Management * Monitoring and Evaluation * Reporting * Resource Mobilization * Budgeting * Rural Development   Knowledge acquisition and human resources development is a key pillar of the programme. Following a request from the local governments, UNDP SRRP is aiming to offer technical assistance to support development management within local government and civil society structures through a variety of disciplines. A technical assistance project will be targeted at middle to senior level staff in local governments, public institutions and civil society organizations and provides access to top quality trainings to selected participants. The sub-activity aims to create a pool of highly skilled, aware, and motivated public servants over the long term that can lead local area development. | | | | | |
| Participatory planning and project cycle management will open a five-day training course on participation in government and civil society. The course is the first level of a training program cycle aimed at equipping targeted local government officials from the three SRRP municipalities to understand and identify issues connected with participatory development and planning and to design and implement appropriate policy and institutional responses. This is an introductory course that incorporates awareness raising and skills-building approach to public participation. Likewise, it provides participants with general information about participation within the context of the country and their organizations. It also includes basic principles and techniques of public participation as provided by the legal and other regulatory frameworks in their respective municipality. Finally, it prepares participants to undertake an assignment in their respective organizations, by identifying a specific participation issue which they can implement upon completion of the training.  Subsequent modules in project cycle management will provide more in depth knowledge about monitoring and evaluation techniques, proper reporting, resource mobilisation and budgeting. Each course includes practical exercises and assignments that help participants to learn new skills and develop material they can use in their daily work, such as practice preparing budgets or conducting logical framework analysis. Monitoring, evaluation and reporting as comprehensive and demanding sections of the PCM will be given special attention and the programme is planning to organize long-term training cycles to ensure continuous learning.  Resource mobilisation and budgeting are other subjects identified as essential to ensure sustainability and ownership of local governments over development issues. The resource mobilization course will be divided into two parts: public fundraising and institutional resource mobilisation. The public fundraising module describes how to build a constituency within local communities and raise funds from individuals. The institutional fundraising module looks at managing relationships with donor organisations, relevant ministries and private sector, putting emphasis on how to efficiently manage activities.  The course on budgeting practices aims to set forth recommendations only, and can serve as a blueprint for governments that want to make improvements to their budgeting processes. Implementation of these practices is expected to be an incremental process that will take place over a number of years. The framework and the compendium of good budgeting practices are intended to serve as tools to assist governments in improving their budgeting process. The objective of the rural development courses is to raise development staffs’ understanding of their mission to help rural individuals, communities and businesses obtain the financial and technical assistance needed to address their diverse needs, and to make sure that rural citizens can fully participate in all segments of socio-economic life in their municipality.  The selection of participants from the municipal administration will be based on UNDP’s request to the mayors to propose a list of municipal staff that should attend all or selected training modules. For members of local development organizations, UNDP SRRP will open a call for applications and select the participants on the basis of their current activities and experience and in compliance with previously agreed selection criteria. In order to ensure effective training (transfer of knowledge), UNDP SRRP is planning to work with smaller groups of less than 15 participants. Depending on interests, more than one group could be included in the training programme. | | | | | |
| **Justification** | | | | | |
| Based from experience, UNDP has observed that municipal administrations and local development organizations lack the required capacities to efficiently, transparently and accountably implement development projects. Training programmes have been previously organized; however, continuation is necessary, requiring focused and committed support in order to improve understanding of the benefits and instruments of participation and to enable local actors address the complex socio-cultural, policy and institutional issues that inhibit it. Building knowledge is a key to this process because a training process that is well-integrated with other activities of government, such as the planning and management functions, will provide better financial and project decisions and lead to improved governmental operations. A training process that effectively involves all stakeholders – elected officials, governmental administration, employees, citizen groups, and business leaders – and reflects their needs and priorities will serve as a positive force in maintaining good public relations and enhancing citizens’ and other stakeholders’ overall impression of governments’ operations. Governments allocate scarce resources to programs and services through the budget process. As a result, it is one of the most important activities undertaken by governments. As the focal point for key resource decisions, the budget process is a powerful tool. The quality of decisions resulting from the budget process and the level of their acceptance depends on the characteristics of the budget process that is used.  There are many reasons why municipal staff and managers of civil society organizations should know about monitoring and evaluation. *First*, knowledge about M&E helps municipal and public institution staff to improve their ability to effectively monitor and evaluate their projects, and therefore, strengthen the performance of their projects. There is no need to hire top monitoring and evaluation experts when, with basic orientation and training, municipal staff can implement appropriate techniques to carry out a useful evaluation. *Second*, program evaluation, carried out by inexperienced persons, could be time-consuming, costly and could generate impractical or irrelevant information. *Third*, if municipalities, public institutions and development organizations are to recruit an external evaluation expert they should be smart consumers, aware of standards and know what to look for and require in this service.  The training topics have been identified from the gap analysis and the course on effective resource mobilisation is one of an integrated collection of courses identified in conjunction with local stakeholders. All effective organisations have a cause: they want to make a difference to the world around them. To do that, they need funds. Developing staff members’ capacity to effectively work on resource mobilisation can make an organisation’s mission statement a reality. Fundraising or resource mobilisation is not just about writing proposals or collecting money. It is about building a constituency of supporters for a cause, learning to communicate effectively with the public and developing a network of enthusiastic and committed supporters. Therefore, the planned learning cycles will definitely build capacities, develop skills and above all, enhance the confidence of local development staff and municipal official for undertaking development work in their communities. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Development organizations * Public Institutions * Other international agencies | | | | | |
| **Beneficiaries** | | | | | |
| * Municipal and Public Institutions staff members * Development organisations’ staff members | | | | | |
| **Expected Results** | | | | | |
| 1. | | Training programme in project planning and implementation completed. | | | |
| 2. | | Training programme on policy and project monitoring and evaluation completed. | | | |
| 3. | | Training programme on reporting completed, | | | |
| 4. | | Training programme on resource mobilisation completed. | | | |
| 5. | | Training programme on strategy and project budgeting completed. | | | |
| 6. | | Training programme on rural development completed. | | | |
| **Indicators** | | | | | |
| 1. | | At least 12 municipal staff and 16 CSO staff attended the training programme and training attendance rate of participants above 80%. | | | |
| 2. | | At least 12 municipal staff and 16 CSO staff attended the training programme and training attendance rate of participants above 80%. | | | |
| 3. | | At least 9 municipal staff and 16 CSO staff attended the training programme and training attendance rate of participants above 80%. | | | |
| 4.1 | | At least 9 municipal staff and 16 CSO staff attended the training programme and training attendance rate of participants above 80%. | | | |
| 4.2 | | Mayors and two heads of department per municipality attended the training programme specially designed for their needs. | | | |
| 5.1 | | At least 9 municipal staff and 15 CSO staff attended the training programme and training attendance rate of participants above 80%. | | | |
| 5.2 | | Mayors and two heads of department per municipality attended the training programme specially designed for their needs. | | | |
| 6. | | At least 9 municipal staff and 15 CSO staff attended the training programme and training attendance rate of participants above 80%. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 3.1, 3.2, 3.3, 3.4, as well as 2.1. * With other UNDP projects like ILDP and MTS. * Potential synergies with USAID GAPII | | | | | |
| **Main Risks** | | | | | |
| 1. Municipal and Institutions staff high turn-over | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Medium | | |
| Countermeasures:  Reduction: in the municipality of Srebrenica where staff turn-over is higher than in the other municipalities, UNDP will train more staff in order to reduce the risk impact. | | |
| 2. Low quality of training implementation | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: establishment of tight monitoring mechanisms, including the prior review of training material and proper and timely reaction to negative feedback from participants’. | | |
| 3. Lack of interests by participants | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: selection of participants on the basis of their previous interest in acquiring new knowledge.  Reduction: conditionality of funds provided to public institutions upon active participation from representatives of these institutions.  Reduction: monitor attendance and quality of attendance of participants. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Participants; and * Consultants.   The programme will inform local stakeholders about the training programme through official letters sent to the mayors, directors of public companies/institutions and to the local CSO. The letter will include information on: the purpose of the training programme; training curricula; the duration of the training programme; and the background and qualification required for participants.  Following the selection of the participants, UNDP/SRRP will send to participants a letter with schedules of the training programme. During the training programme, UNDP/SRRP will communicate changes to participants at least two weeks prior to the changes.  The training programme will be organised through individual consultants and/or companies. Communication will take place on regular basis. Meetings will be organised to discuss progress, quality of training material and performance of trainers at the end of each training module. | | | | | |

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| **Sub-activity Name:** | **Knowledge Acquisition in Private Sector Development** | | | **Sub-activity Code:** | **1.4** |
| **Description and Approach** | | | | | |
| UNDP SRRP will precede the capacity building of the local governments and partner organizations in private sector development in order to create favourable conditions for its growth, thus employment generation for poor population and higher revenues for local governments.  The main objective of the sub-activity is to enable the local governments and local partners in developing and coordinating policies that support private sector growth and maximise competiveness at national and regional levels. The sub-activity specific objectives are: (i) to redefine and improve the understanding of local government role in private sector development; and (ii) to build the capacity of local government and local partners in the provision and facilitation of business development services to micro, small and medium enterprises.  In order to achieve the planned objectives, UNDP SRRP firstly will provide advice to the senior management of each municipality in the definition of appropriate terms of reference for the municipal staff positions involved in private sector development and within the areas of competencies as set by the law. On the basis of these new terms of reference, UNDP SRRP will ask the Municipalities to allocate the most relevant staff. The Programme will also provide to municipal senior managements with guidance on the different models that exist for private sector development and how private service providers, local development organisations and municipal authorities interact in these models.  UNDP will provide a comprehensive programme of technical assistance and training to the allocated municipal staff, relevant municipal senior managers and staff from local development organisations in:   * private sector development and business development services; * job creation; * economic data collection, collation and analysis; * coordination and design of policies, programmes and projects for private sector development; * industrial zones development and management; * investments promotion; and * value-added chain analysis.   Through training in private sector development and business development services, the Programme will first tackle the new roles for local governments and local development organizations in supporting the private sector. Then it will look at the provision of basic business development services such as legal advice, business registration and business start-up support, and at the facilitation of sophisticated need based business development services such as market knowledge, business finance and technology transfer.  In regard to job creation, it will at the techniques to strengthen MSMEs competitiveness through business planning, business appraisal, business finance, business start-up, and marketing and market research.  For the municipal authorities and local development organisations, it is essential that they understanding the importance of evidence-based decision making. The Programme will present the basic techniques and tools that are used for economic data collection, collation and analysis, especially in the current environment in which reliable statistical data from the entity and state authorities are not available. Further, this will be linked to the training topics related to policies and programmes, and to value added chain analysis.  Value added chain analyses are essential planning and management tools. As a planning tool, it enables local stakeholders involved in private sector development in designing appropriate projects, programmes and policies that enable the Municipal and development organizations staff in tailoring effective interventions to tackle constraints to the development of specific sectors.  The Programme intends also to conduct experience sharing visits to municipalities that have successful experiences in private sector development within and out of BiH. The Programme will also try to promote twining with these municipalities.  UNDP/SRRP will apply comprehensive modalities in the implementation of this sub-activity including:   * Involvement of the local government and local partners staff in designing the technical assistance and training program in order to increase the ownership and interest in adoption of gained knowledge; * Provision of training and technical assistance and conducting experience sharing visits; * Application of gained knowledge through gradual transfer of implementation responsibilities, under the supervision of UNDP/SRRP; and * Coaching and mentoring of the application of gained knowledge through implementation of specific activities. | | | | | |
| **Justification** | | | | | |
| Economic development is the basis of a country's development and therefore the means by which poverty can be overcome. The private sector is the most important driving force in the move to create jobs and income opportunities. Stable frame conditions, a positive investment climate and correctly functioning markets and institutions are required in order to unleash the potential of the private sector. In that respect, local governments can play an important role in improving the business environment and by providing the platform that will allow favourable bottom-up public private dialogue for national and entity governments. Therefore support has to focus on strengthening the capacity of the relevant municipal departments and local development organizations. The emphasis has to be on shifting the attitudes of local government from control to facilitation and service orientation. Support will be targeted at institutional structures that will promote private sector interests.  Based on the experience from the previous programme’s phases, UNDP SRRP is aware that the region lacks the structures (municipal economic development department and local development organisations) capable to take over activities that promote private sector development. This is the result of: (i) lack of understanding by the municipal administrations of their new role to support the private sector; (ii) lack of municipal staff expertise; (iii) lack of knowledge among municipal and development organisations staff on planning and management tools for job creation; and (iv) lack of capacity in efficiently coordinate and manage programme and projects for private sector development.  The municipal administrations lack the understanding of what a municipal administration can do to foster private sector development and promote external investments. The attitudes within municipalities are still command and not market economy oriented. Their new roles require promotion of private sector interests through provision and facilitation of services and not only the enforcement of laws and tax collection. As a consequence, municipal staff lacks then the required expertise to meet these new roles.  The local development organisations have the same limitation. They view private sector development only as the provision of basic services, training to entrepreneurs and financial incentives while, in reality, business development services and private sector development include a wider range of activities. | | | | | |
| **Partners** | | | | | |
| * Local development organisations * BDS Service providers * Financial organisations, like micro-credit organisations and commercial banks * RS Relevant Ministries * Municipalities | | | | | |
| **Beneficiaries** | | | | | |
| * Relevant municipal staff * Relevant local development organisation staff * Private sector representatives * Financial organisations staff | | | | | |
| **Expected Results** | | | | | |
| 1. | | Training programme in private sector development and Business Development Services provided. | | | |
| 2. | | Training programme in job creation provided. | | | |
| 3. | | Training programme in economic data collection, collation and analysis provided. | | | |
| 4. | | Technical assistance and training provided in coordination, design of policies, programmes and projects in private sector development. | | | |
| 5. | | Technical assistance and training provided on industrial zones management and business promotion. | | | |
| 6. | | Value added chain analysis methodology introduced. | | | |
| 7. | | Experience sharing visits conducted. | | | |
| **Indicators** | | | | | |
| 1.1 | | 15 representatives of Municipalities and local development organizations attended training in Private Sector Development and Business development services provision and facilitation. | | | |
| 1.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 2.1 | | 20 municipal and local development organisations staff members attended training on job creation. | | | |
| 2.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 3.1 | | 20 municipal and local development organisations staff members attended training and received technical assistance in data collection, collation and analysis. | | | |
| 3.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 4.1 | | 15 municipal and local development organisations staff members attended training and received technical assistance on coordination and management of policies, programmes and projects in private sector development. | | | |
| 4.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 5.1 | | 10 municipal and local development organisations staff members attended training and received technical assistance in industrial zones management and business promotion. | | | |
| 5.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 6.1 | | 10 Municipal and local development staff familiar with concepts and benefits of values added chain analysis | | | |
| 6.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 7.1 | | 2 Experience sharing visits conducted for 15 Municipal and Local Development staff | | | |
| 7.2 | | Level of participants’ satisfaction reached 85%. | | | |
| **Synergies** | | | | | |
| * SRRP Internal: with the sub-activities 2.4 and 4.1. * External with USAID FIRMA. | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of ownership by Municipalities | | | Type of Risk: Political | | |
| Impact: High | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: Ensuring full support by authorities at local by signing of a memorandum of understanding. | | |
| 2. Staff turnover at municipal and local organisation levels | | | Type of Risk: Operational | | |
| Impact: Low | | |
| Probability: Medium | | |
| Proximity: Medium | | |
| Countermeasures:  Acceptance  Reduction:  - The sub-activity will be opened to a larger group  - Emphasis will be put on ensuring efficient knowledge management at organisation and municipal level (link to Sub-activity 3.0). | | |
| 3. Lack of interest by participants | | | Type of Risk: | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: conditionality of support to BDS | | |
| 4. Quality of trainers / consultants | | | Type of Risk: Operational | | |
| Impact: High | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction:  - trial session for UNDP staff – planning of training start date  - tight monitoring during first sessions / daily evaluation  - proper review of training material at least one month prior to training.  Contingency:  - Termination of contract and selection of alternative trainer. | | |
| 5. Quality of Experience Sharing Visits | | | Type of Risk: Operational | | |
| Impact: High | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction:  - good experience sharing visits planning  - good selection of participants including interviews and experience sharing visits expectations  - experience sharing visits evaluation and follow up | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. At the end of each training module, an evaluation will be conducted by UNDP to measure the level of participants’ satisfaction with the quality of training. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Participants; and * Consultants.   The programme will inform local stakeholders about the training programme in private sector development through letters sent to the mayors, directors of public companies/institutions and to the local CSOs. The letter will include information on the purpose of the training programme; the topics to be addressed; the duration of the training programme; and the selection of participants.  Following the selection of the participants, UNDP SRRP will send to participants a letter with schedules of training. During the training programme, UNDP SRRP will communicate changes to participants at least two weeks prior to the changes.  The training programme will be organised either through consultants or consultancy companies, with communication taking place on regular basis. At the end of each training module, a meeting will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Agriculture Development** | | | **Sub-activity Code:** | **1.5** |
| **Description and Approach** | | | | | |
| UNDP/SRRP will proceed with its efforts to support the agriculture sector in the region due to its importance to the development of the rural economy in terms of employment and income generation especially for the marginalized poor groups such as the returnees. The main sub-activity’s objective is to develop the capacity of the SRRP Municipal and local development structures in fostering agriculture growth. The sub-activity specific objectives are: (i) to develop the local capacities in planning, coordination and implementation of policies, programmes and projects in the agriculture sector; (ii) to further develop effective, farmer driven, advisory and extension services which structures and delivery must focus on identifying and responding to the needs of two distinct groups, namely commercial and low-income, small-scale farmers; and (iii) to integrate the advisory services within the Entity and state structures.  As a prerequisite task, UNDP SRRP will first provide advice to the senior management of each municipality in the definition of appropriate terms of reference for the municipal staff positions involved in agriculture and rural development and within the areas of competencies as set by the law.  UNDP will provide a comprehensive programme of technical assistance and training to the allocated municipal staff, relevant municipal senior managers and staff from local development organisations. The topics that will be covered by the training programme are:   * data collection, collation and analysis for policy, programme and project design in the agriculture and food industry sector; * planning, management and coordination of policies and interventions developed and implemented by donors and governments; * roles of advisory and extension services in agriculture development; * models of agriculture advisory and extensions services; * how to use value chain analysis as a tool for planning and management of agriculture development interventions; * marketing.   During the sessions related to agriculture advisory and extension services, the participants will analyse the benefits of implementing such services through specialised development organisations taking into account the demand by local farmers and the services that could be provided by the local authorities. This will be essential in demonstrating the cost effectiveness of non-municipal extension services compared to municipal extension services.  In regard to extension techniques, the training programme will address practical aspects on how extension services should be provided from farming knowledge assessment, training needs assessment, how to prepare and rehearse before training and how to disseminate market information. Another important element will be on how to study the farmers through visits and surveys in order to identify their level of farming knowledge, their communication skills, their attitudes, their social-cultural system, way of life, problems and felt needs.  The programme will organise two experience sharing visits. The purpose will be to visit municipalities that have successfully developed their agriculture sector and have similar characteristics as the SRRP target municipalities. During the experience sharing visits, successful extension services will be visited to look at their legal status, their sources of finance and their role in agriculture development.  It is also believed that the delivery mechanisms must, by necessity of cost and economies of scale, be linked to wider entity and country level support services for research and extension, particularly with respect to training, access to new technologies and applied research (when these services are established or made available at entity level). It is hoped these needs will also be supported by international technical assistance projects currently being planned for both entities (WB Rural Development Project, USAID/SIDA, Farma Project). | | | | | |
| **Justification** | | | | | |
| Agriculture and rural development plays an important role in poverty reduction. For the public investments in agriculture and rural development to be effective, it is essential to develop an enabling environment for pro-poor agricultural growth. Governments must provide public goods and establish supporting legal, administrative, and regulatory systems to correct for market failures, facilitate efficient operation of the private sector, and protect the interests of the disadvantaged. In this context, the role of local governments is essential in:   * collecting and analysing information for agriculture policy development; * coordinate and manage policies, programmes and projects; * facilitate extension services to farmers; and * empower rural communities.   In the Srebrenica region, the agriculture and rural economy is still far below its potential, with abundant availability of natural resources and rural labour. To boost rural growth, the Municipalities and local development organisation must: (i) develop their capacities in coordination and management of policies, programmes and projects that promote agriculture development and rural economy; (ii) increase their understanding of the sector needs; and (iii) make available extension services to farmers and rural communities to adopt modern farming practices and rural economic activities, thus improve income and economic status. Even if some capacities exist for agriculture development, attention will have to be paid in developing local capacity that will encourage rural nonfarm economic growth.  The development of effective, farmer driven, extension services are a central component of the future development of the agriculture sector. Structure and delivery must focus on identifying and responding to the needs of both commercial and low-income small-scale farmers. The structure may require a division of advisory functions that target specific services to these two groups separately i.e. Advisory capacity may be required to be designed to (i) support specialized commercial producers and professional farmers and (ii) to support low-income, family and hobby farms, often located in less favourable areas that are never likely to be commercially viable but that are likely to remain an intrinsic part of the rural landscape in the Srebrenica region and provide an essential social safety net for a large number of rural citizens for a number of years to come (i.e. until alternative non-farm employment opportunities develop). | | | | | |
| **Partners** | | | | | |
| * Local governments. * Local development organisations. * RS Ministry of Agriculture. * BiH Universities and institutes. * State and Private Extension Services. | | | | | |
| **Beneficiaries:** | | | | | |
| * Municipal staff * Local development organisations * Local agricultural associations * Farmers’ groups | | | | | |
| **Expected Results:** | | | | | |
| 1. | | Training programme provided on data collection, collation and analysis. | | | |
| 2. | | Training programme and technical assistance provided in planning and coordination and management of agriculture sector. | | | |
| 3. | | Basic concepts and benefits of value added chain analysis introduced. | | | |
| 4. | | Training and technical assistance provided on advisory services in agriculture, extension services techniques, types, options of advisory and extension services and their roles in agriculture and rural development. | | | |
| 5. | | 1 experience sharing visit conducted related to regions and countries with successful extension services. | | | |
| **Indicators:** | | | | | |
| 1.1 | | 10 Municipal and local development organisations staff gained knowledge on techniques for data collection, collation and analysis. | | | |
| 1.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 2.1 | | 10 Municipal and local development organisations staff gained knowledge on planning and coordination of agriculture sector policies programs and projects. | | | |
| 2.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 3.1 | | 10 Municipal and local development organisations staff trained in value added chain analysis tool. | | | |
| 3.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 4.1 | | 10 Municipal and local development senior and junior staff gained knowledge on advisory services in agriculture, extension services techniques, types, options of advisory and extension services and their roles in agriculture and rural development. | | | |
| 4.2 | | Level of participants’ satisfaction reached 85%. | | | |
| 5.1 | | 20 participated in experience sharing visits and gained experience in advisory services | | | |
| 5.2 | | Level of participants’ satisfaction reached 85%. | | | |
| **Synergies** | | | | | |
| Internal synergies with the sub-activities: 4.2, 4.3, 4.4, 4.5 and 4.6.  External synergies with USAID FARMA and other international and governmental organisations and agencies dealing in agricultural development. | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of ownership by Municipalities | | | Type of Risk Political | | |
| Impact: high | | |
| Probability: low | | |
| Proximity: close | | |
| Countermeasures:  Reduction - MoUs or letters of commitments to be signed or provided by Municipalities | | |
| 2. Municipal trained staff turnover and failure of Municipality to attract high qualified staff | | | Type of Risk: Operational | | |
| Impact: Low | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction  The sub-activity will be opened to a larger group and emphasis on ensuring efficient knowledge management at organisation and municipal level. | | |
| 3. Lack of motivation of Municipal staff | | | Type of Risk: Operational | | |
| Impact : Medium | | |
| Probability: Medium | | |
| Proximity: Medium | | |
| Countermeasures:  Risk acceptance  Reduction  - Discussions will have to take place with the participants from the Municipalities during the preparation of the curricula. | | |
| 4. Quality of trainers / consultants | | | Type of Risk: Operational | | |
| Impact: High | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction  - trial session for UNDP staff – planning of training start date  - tight monitoring during first sessions / daily evaluation  - proper review of training material at least one month prior to training.  Contingency:  - Termination of contract and selection of alternative trainer. | | |
| 5. Quality of Experience Sharing Visits | | | Type of Risk: Operational | | |
| Impact: High | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction  - good experience sharing visits planning.  - good selection of participants including interviews and experience sharing visits expectations.  - experience sharing visits evaluation and follow up. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. At the end of each training module, an evaluation will be conducted by UNDP to measure the level of participants’ satisfaction with the quality of training. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Participants; and * Consultants.   The programme will inform local stakeholders about the training programme in agriculture development through letters sent to the mayors, directors of public companies/institutions and to the local CSOs. The letter will include information on the purpose of the training programme; the topics to be addressed; the duration of the training programme; and the selection of participants.  Following the selection of the participants, UNDP SRRP will send to participants a letter with schedules of training. During the training programme, UNDP SRRP will communicate changes to participants at least two weeks prior to the changes.  The training programme will be organised either through consultants or consultancy companies, with communication taking place on regular basis. At the end of each training module, a meeting will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Technical support in municipal organizational changes** | | | **Sub-activity Code:** | **2.1** |
| **Description and Approach** | | | | | |
| Within this sub-activity, the programme intends to provide direct assistance through funding organizational assessment that will include comprehensive situation analysis and recommendations to support municipalities and other development organizations in organizational reform. Technical support in municipal organizational changes will be primary focused on support to employees of government institutions and other public-sector workers. The purpose of this sub-activity is to provide accurate information and recommendation through thorough assessments obtained through high quality consultancy in order to support key municipal staff in the process of institutional changes, internal business processes and human resources management.  The search for better ways to organize and improve organizational performance and human resources management becomes more pressing for public institutions and services which are facing higher demands and needs of the citizenry for improved service providing. Providing municipalities with comprehensive organizational assessment that will include clear and sound recommendations for efficient organizational changes is a pre-condition for successful implementation and sustainable results. However, the concern about ownership is crucial to undertaking an organizational assessment. An important underlying hypothesis of the assessment is that the evaluated municipal administration is interested in using the results to improve itself. To do this requires paying attention to the issue of ownership. Therefore, UNDP SRRP intends to actively include relevant municipal officials into entire process of implementing this sub-activity. Learning and knowledge acquisition also drive organizational assessment. Assessment will provide a vehicle to better understand how municipality as service provider is functioning. The intent is to internally use the information to move beyond a picture of the current state and to make operational decisions about how to improve the administration performance. The priority and concern will be about the use of assessment for organizational improvement, with issues such as how to make assessments more relevant to building understanding that contributes to learning and improved organizational performance. The issue is how to get to staff to participate in the assessment and those in power use its results as basis for organizational changes. The process and the findings have to be carried out in such a manner that there is positive benefit for both the individuals involved and for development of the municipality as institution.  Human resources management is crucial for successful performance of the municipal administration at whole. Therefore, UNDP SRRP intends to extend their technical support to municipality in this segment by providing funding for further technical support based on recommendations presented in organizational assessment, and specific needs identified by municipalities itself. The main objectives of the interventions will be in creating a readiness for change within the municipal administration and developing approaches to overcome resistance to change. General guidelines for managing this situation include enlightening municipal staff members about the need for change, expressing the current status of the organization and where it needs to be in the future, and developing realistic approaches about how change might be accomplished. Next, municipal leaders need to recognize that people in the municipal administration are likely to resist making major changes for a variety of reasons, including fear of the unknown, inadequacy to deal with the change and whether the change will result in an adverse effect on their jobs. People need to feel that their concerns are being heard. UNDP SRRP intends to widely communicate the need for the change and how the change can be accomplished successfully with all relevant stakeholders and partners and closely listen to the employees concerns and needs – people need to feel that the approach to change will include their strong input and ongoing involvement. | | | | | |
| **Justification** | | | | | |
| The current situation in all three municipal administrations is generally characterized by serious lack of efficiency in business processes and poor human resources management. Organization of both internal and external procedures is slow and inefficient becoming a subject of critics expressed by majority of citizens. In the same time municipal management and administration is unable to cope with high demands and requests of entity and state level governments and international partners during implementation of development projects. In order to equip municipal administration with crucial guidelines to successfully manage inevitable changes it is necessary to conduct liable organizational assessment, as a pre-condition for development of overall performance. Based on previous experience, it is necessary to emphasize importance of close partnership with local municipal officials and staff since their commitment and sense of ownership will be crucial for creation and implementation of newly recommended changes. Ownership is associated by several factors that make up the organizational assessment. Staff members need to have the capacity to benefit from the work of the organization. They need to gain skills, change systems that inhibit successful work, and have an incentive system that supports processes of change. In sum, staff members need the commitment and ownership to stay with the change process. Ownership is important both at the leadership level as well as at the ground level where actions are carried out and decisions taken. One of the lessons learned from the previous work is that the data generated in the assessment needs to be seen as valid both at the top and at the bottom of the organization. UNDP SRRP intends to engage high quality consultants, international and local that will work closely with municipal staff at all levels to gain information about current organization in order to provide recommendations. In the same time, UNDP SRRP staff will closely monitor all process and work on developing partnership with local municipal staff raising their awareness and commitment to actual implementation of recommended organizational changes. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Relevant entity ministry * OSCE * Other international agencies | | | | | |
| **Beneficiaries** | | | | | |
| * Municipal/Public Institutions key staff members * Citizens | | | | | |
| **Expected Results** | | | | | |
| 1. | | Assessment recommendation fully accepted by municipal officials and new policies and procedures created | | | |
| 2. | | New human resources management tools in place and staff fully adopt new regulations. | | | |
| 3. | | Organizational changes proven to be valuable for raising efficiency of municipality as institution and improvement of municipal staff daily performance | | | |
| **Indicators** | | | | | |
| 1. | | Newly created policies and procedures incorporated in municipal statutory documents by December 2010. | | | |
| 2. | | Business processes and staff efficiency improved and in line with established benchmarks (detailed targets to be set during the first half of 2010). | | | |
| 3. | | Satisfaction of clients raised for 30% confirmed by regular client surveys. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 1.1, 1.3, 2.1 and 2.2. * With other UNDP projects like PAR, ILDP and MTS. * Potential synergies with USAID GAPII and OSCE. | | | | | |
| **Main Risks** | | | | | |
| 1. Organizational assessments become “ceremonial” events to reinforce the status quo. | | | Type of Risk: Operational | | |
| Impact: High | | |
| Probability: Medium | | |
| Proximity: Medium | | |
| Countermeasures:  Reduction: This occurs when municipal leaders and administration want to avoid the change orientation and transparency that an organizational assessment implies. In all municipalities UNDP will secure transparency and participation of all staff in order to raise ownership and reduce risks impact. | | |
| 2. Delays in implementation of newly adopted measures | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: Establishment of tight monitoring mechanisms including review of monthly results and proper and timely reaction on negative feedback.  Prevention: Establishment and presentation of benchmarking system, revised code of conduct and internal regulation to all staff, including incentive and disciplinary consequences. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders and * Consultants.   The programme will inform local stakeholders about the sub-activity through official meetings with the senior municipal officials, directors of public companies/institutions and to the local CSO. The meetings will include information on: the purpose and benefits of the sub-activity; creation of detailed joint sub-activity plan; identification of the key municipal and public companies staff for coordination and duration of the sub-activity.  Following the selection of the above-mentioned key staff, UNDP SRRP will establish regular communication channels in order to discuss any issue and possible changes during the entire process of sub-activity implementation. Meetings will be organised to discuss progress, quality of produced documentation and performance of consultants.  The sub-activity will be implemented through individual consultants and/or companies. Communication will take place on regular basis. Meetings will be organised to discuss progress, quality of services provided and performance of consultants at the end of each consultancy mission. | | | | | |

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| **Sub-activity Name:** | **Public Private Partnerships** | | | **Sub-activity Code:** | **2.2** |
| **Description and Approach** | | | | | |
| Within this sub-activity, the programme intends to develop and establish potential partnerships between the public and private sectors, together with the municipalities. The capacity development purpose of the sub-activity is to further build local capacities in public private partnerships through the practical application of the knowledge gained under the sub-activity 1.2. UNDP/SRRP will provide technical assistance to the municipalities to conduct feasibility studies for potential PPP. Following the feasibility studies, assistance will be provided in the procurement and contracting for the PPP that have demonstrated positive economic and social benefits. | | | | | |
| The approach taken by the programme will follow the standard steps required to establish a PPP. The first will be to identify the various services that the municipalities are currently providing and would like to provide, an example being district heating. Following the identification of public services, a municipal team, with the support of UNDP and an external consultant, will select the services that have the highest potential for a PPP.  The municipal authorities will have to appoint a project officer to supervise the PPP process. In many cases, the project officer is recruited outside of government bodies. However, for this project, as it is not envisaged that the potential PPP will be complicated, it is foreseen that they will be part of the municipal administration. Still, they will have to demonstrate specific competencies, including knowledge of PPP. This factor entails that the project officer would have been an active participant during the training module under 1.2 related to PPP. The project officer’s responsibility will span the entire PPP project life cycle. The project officer’s job will be to ensure that the process runs smoothly, on time, and within budget.  For the next steps for the establishment of potential PPP, UNDP will select consultancy companies to conduct:   * the project appraisal; * the PPP feasibility study; and * the identification of the preferred option for procurement and contracting.   The project officer will be included during the preparation of the terms of reference for the consultancies. During the consultancy assignments, the selected service providers will have to organise regular meetings to report on progress to the municipal authorities and UNDP.  Following the consultancies, UNDP/SRRP will assist the municipalities in the procurement and contracting procedures as well as in contract management. | | | | | |
| **Justification** | | | | | |
| Throughout the world, government – the public sector at local, regional and national levels– has traditionally rendered constitutionally and legislatively mandated services through its employees. For example, in a municipality, the waste management department is typically run by municipal employees (or municipal public utility employees), who operate waste collection and waste disposal sites built by the municipality. Municipalities face a daunting challenge. There is a massive need to extend public services to those who are currently not receiving them and improve the quality of services received by all citizens. What makes PPPs different from traditional contracting out is that, whereas traditional forms of contracting out utilise the private sector for specific services to government, PPPs are intended not only to provide government with a service, but to do so in a way that improves the long-term sustainability of services through enhanced efficiency, stronger human and institutional capacity, greater accountability, and/or improved technology.  The key advantages of PPP are that they have the potential to offer better value for money through:   * allocation of risk to the party that can best manage it; * harnessing of private sector innovation, commercial and management expertise by involving the private sector more directly in the provision of assets and services; * more efficient project delivery based in private sector management principles; * greater accountability for the delivery of services; and * in general, transferring of financing to the private sector, thus freeing up public funds.   In this context, where PPP is introduced, the role of the public sector changes from being the provider of services to being the manager of the provision of such services. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Public Institutions * Other international agencies * Potential relevant entity ministries (based on identified potential PPP) | | | | | |
| **Beneficiaries** | | | | | |
| * Municipal and Public Institutions staff members * Public service users | | | | | |
| **Expected Results** | | | | | |
| 1. | | Feasibility studies completed. | | | |
| 2. | | PPP procurement procedures completed. | | | |
| **Indicators** | | | | | |
| 1. | | Potential PPP identified by June 2010. | | | |
| 2. | | One feasibility study per municipality completed by July 2011. | | | |
| 3. | | Procurement documents prepared by December 2011. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the activities 1.2, 1.3 and 3.2 | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of interest of municipalities to consider PPP as an option | | | Type of Risk: Political | | |
| Impact: High | | |
| Probability: Low | | |
| Proximity: Medium | | |
| Countermeasures:  Reduction: through the training programme, UNDP/SRRP will demonstrate the advantages of PPP. Also, visits by key municipal staff will be conducted to successful PPPs in Bosnia-Herzegovina. | | |
| 2. Difficulties in identifying PPP | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: selection of the individual consultants with greater experience with municipal level PPPs in Central and Eastern Europe. | | |
| 3. Lack of “value for money” to justify a PPP | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Contingency: remaining funds will be transferred to Sub-activity 3.2. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Public companies; * Professional service providers; and * Consultants.   Special attention will be given to the public service providers in order to ensure their understanding that PPP will not have an adverse impact, especially in regard to employment. Information sessions will be organised with the management of utility companies and their employees, in order to explain the processes that will be used and the objectives of establishing PPP.  External professional service providers (companies or consultants) will be hired. Communication will take place on regular basis. Milestones will be set in the contract and meetings at these milestones will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Spatial Planning** | | | **Sub-activity Code:** | **2.3** |
| **Description and Approach** | | | | | |
| The objective of this sub-activity is to conduct spatial planning in collaboration with the municipalities. The capacity development component of the sub-activity is to further build local capacity in outsourcing through the practical application of the knowledge gained under the sub-activity 1.2. Furthermore, the sub-activity will enable the municipalities to develop plans for infrastructure and investment based on updated and accurate data, which they currently lack. | | | | | |
| To implement this sub-activity, the programme will use a standard approach where procurement and contracting will be done by UNDP/SRRP. However, in order to ensure that knowledge gained in formal training is transferred though practical applications of knowledge, municipal staff will be strongly included in:   * the preparation of the ToR; * the evaluation of the proposals submitted through a Request for Proposals; and * the management of contracts   The municipalities will appoint a project officer that will be responsible to coordinate the sub-activity on the behalf of the municipal administration. The project officer’s job will be to ensure that the process runs smoothly.  The spatial planning exercise will take into account policies elaborated at the entity level. It should involve local communities using participatory planning techniques. Identifying and engaging the whole range of stakeholders will be crucial. Stakeholders can include those directly involved in the decision-making process, such as local authorities (politicians and municipal officers), other tiers of government, and industry and private investors, but should also include community representatives and non-governmental organizations (NGOs). In order to be socially inclusive, attention will be paid to redress the balance of public involvement, to ensure that the views of traditionally under-represented people and groups are being heard.  Attention will also be paid to ensure coordination between neighbouring municipalities. Spatial planning will have to operate in conjunction with land registration, since it could involve measures that would create new subdivisions of the land and new patterns of land use. Failure to identify existing patterns and rights of ownership frequently leads to delays or even failure in development programmes based on the newly designed spatial plans.  Following the completion of the spatial plan and its approval by the municipal assemblies, UNDP will work with the municipal authorities to ensure that appropriate regulatory planning instruments are being established. | | | | | |
| **Justification** | | | | | |
| Spatial planning should be an integral part of municipal strategies, as it has an important regulatory and development function. As a regulatory mechanism, local government must approve of economic, social and public activities taking place on the territory of their municipality. As a development mechanism, it is critical for delivering economic, social and environmental benefits by creating more stable and predictable conditions for investment and development, by securing community benefits from development and by promoting prudent use of land and natural resources for development. Spatial planning is thus an important lever for promoting sustainable development and improving quality of life. Spatial planning has a key role in providing a long-term framework for development and coordinating cross-sectoral policies. It can provide a vision and common direction for policies and programmes and identify policy priorities. It can help to avoid duplication of efforts by different departments or development organisations and can assist in the coordination of sectoral policies. The benefits of spatial planning can be divided in three categories; economic, social and environmental, as presented in detail below:  Economic benefits   * Providing more stability and confidence for investment; * Identifying land in appropriate locations to meet the need for economic development; * Ensuring that land for development is well placed in relation to the transport network and the labour force; * Promoting environmental quality in both urban and rural areas, which can then create more favourable conditions for investment and development; * Identifying development that meets the needs of local communities; * Promoting regeneration and renewal; * Making decisions in a more efficient and consistent way.   Social benefits   * Considering the needs of local communities in policy development; * Improving accessibility when considering the location of new development; * Supporting the provision of local facilities where they are lacking; * Promoting the re-use of vacant and derelict land, particularly where it has a negative impact on quality of life and economic development potential; and * Aiding the creation and maintenance of pleasant, healthy and safe environments.   Environmental benefits   * Promoting regeneration and the appropriate use of land, buildings and infrastructure; * Promoting the use of previously developed (“brownfield”) land and minimizing development on “greenfield” land; * Conserving important environmental, historic and cultural assets; * Addressing potential environmental risks (e.g. flooding, air quality); * Protecting and enhancing areas for recreation and natural heritage; * Promoting access to developments by all modes of transport (e.g. walking, cycling and public transport), not just by car; * Encouraging energy efficiency in the layout and design of development.   Currently, all three municipalities have outdated spatial plans. They understand the importance of conducting spatial planning but lack the financial means to conduct quality spatial planning. Additionally, they do not have the technical expertise to prepare solid terms of reference in order to procure the services required. For that reason, UNDP/SRRP is planning to allocate funds and technical expertise to conduct spatial planning in all three municipalities. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Public Institutions * Public Companies (Public Forest Management Company, Utility companies…) * Other international agencies * Relevant entity ministry | | | | | |
| **Beneficiaries** | | | | | |
| * Municipalities | | | | | |
| **Expected Results** | | | | | |
| 1. | | Spatial planning completed in all three municipalities. | | | |
| **Indicators** | | | | | |
| 1.1 | | Terms of reference for Spatial Planning completed by April 2010. | | | |
| 1.2 | | Procurement procedures completed by June 2010. | | | |
| 1.3. | | Spatial plans completed and submitted by December 2011. | | | |
| 1.4 | | Spatial plans approved by municipal councils by March 2012. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 1.2, 1.3, 3.1, 4.1 and 4.2. | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of interest of citizens to participate in the spatial planning | | | Type of Risk: Political | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Medium | | |
| Countermeasures:  Reduction: proper dissemination of information about the spatial planning and its importance in regard to municipal strategic planning. | | |
| 2. Difficulties in contracting services for spatial planning | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Acceptance: the timeframe planned for this sub-activity will allow the programme to accept this risk. | | |
| 3. Lack of adequate geodetic information | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Acceptance: the timeframe planned for this sub-activity will allow the programme to accept this risk. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; and * Professional service providers.   As described in the approach section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised, during which UNDP will present the timeframe for the implementation of the sub-activity to the municipal authorities. During the meeting, UNDP and the municipal authorities will agree on future dates for progress meetings. These meetings will be used to present the progress of the sub-activity and define tasks to be performed by UNDP/SRRP and the municipality during the following period.  An information sheet will be published to inform citizens about the sub-activity. The municipalities, in collaboration with the professional service providers, will be responsible for informing citizens about the participatory workshops. Information about the workshops will need to be published at least two weeks before the workshops.  External professional service providers (companies) will be hired, with communication taking place on a regular basis. Milestones will be set in the contract and meetings at these milestones will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Localised Development Indicators Monitoring** | | | **Sub-activity Code:** | **2.4** |
| **Description and Approach** | | | | | |
| In collaboration with the municipalities, the aim of this sub-activity is to monitor development indicators with a special emphasis on social inclusion. The monitoring of development indicators will offer the municipalities, development organisations and donors with tools to compare the development of the municipalities in relation to the development of the country by using similar indicators as used at the national level; plan development interventions based on up-to-date and accurate data; and further build local capacities in planning and outsourcing through the practical application of the knowledge gained under the activity 1. | | | | | |
| To implement this sub-activity, the programme will use a standard approach where procurement and contracting will be done by UNDP SRRP. However, in order to ensure that knowledge gained in formal training is transferred though practical applications of knowledge, municipal staff will be strongly included in:   * the preparation of the ToR; and * the evaluation of the proposals submitted through a Request for Proposals;   During the contract implementation, UNDP SRRP will seek to ensure that there is adequate inclusion of municipalities and NGOs in the review of contract performance and monitoring results.  There will be two sets of development indicators that will be measured under this sub-activity. The first set will address poverty and social exclusion indicators. The selection of indicators will be based first on the **Laeken indicators** and then on indicators specifically designed according to the local context and relevant to rural areas and minority returnee communities.  The Laeken indicators are a set of common European statistical indicators on poverty and social exclusion, established at the European Council of December 2001. The set of indicators cover four important dimensions of social inclusion (financial poverty, employment, health and education), which highlight the need to analyse it in its “multidimensionality”. There are eighteen common statistical indicators grouped into ten primary indicators to cover the most important elements identified as leading to poverty and social exclusion, and eight secondary indicators to describe other dimensions of the problem. Both primary and secondary indicators are commonly agreed and defined indicators. The European Union also encouraged these common indicators to be supplemented with a third level of indicators that reflect specific national or local circumstances.  Given the complexity to obtain accurate data at local level, it is clear that it might not be possible to measure all eighteen Laeken indicators. Still, UNDP SRRP will ensure that the following indicators be measured:  **Primary Indicators**   * At-risk-of-poverty rate and threshold; * Inequality of income distribution; * At-persistent-risk-of-poverty-rate; * Long-term unemployment rate; * Persons living in jobless households; * Early school leavers not in education or training; * Self defined health status;   **Secondary Indicators**   * Dispersion around the at-risk-of-poverty threshold; * Gini coefficient[[14]](#footnote-14); * Long term unemployment share; and * Persons with low educational attainment, by age and gender.   Many of the monetary indicators are based on a concept of relative poverty, referring to individuals living in households where equivalised income is below a nationally-defined threshold: most often, 60% of the median national equivalised income. Given the conventional nature of the retained threshold and the fact that having an income below this threshold is neither a necessary nor a sufficient condition of being in a state of poverty, this indicator is referred to as a measure of *poverty risk*.  The second set will concentrate on physical and economic development indicators including:   * infrastructure and utilities; * internal and external investments; * labour force structure; * industrial production; * agricultural production; * tourism; and * services.   During the inception period of the contract for professional services, the selected company will have to define in agreement with UNDP the indicators and the methodology that will be used. The methodology used by the service provider will be required to be in line with the standards adopted by the Statistical Institutes of Bosnia and Herzegovina. The main sources of data for the Laeken indicators will be household and labour force surveys.  The first assessment should be conducted in 2009 and used as a baseline, potentially with measuring and monitoring of the indicators each subsequent year. However, depending on the results from the first assessment and the difficulties encountered, UNDP SRRP will assess whether yearly assessments would be appropriate and feasible. If not, assessments should then be conducted every one and a half years. | | | | | |
| **Justification** | | | | | |
| The municipalities face an important challenge in developing adequate strategies, as available data commonly either outdated or inaccurate. The municipalities also lack the opportunity to compare their level of development with the national level of development. As they are unable to assess their situation based on facts and number and to compare it to the situation in Bosnia and Herzegovina, the ability to efficiently mobilise resources is reduced. The purpose of this sub-activity is to overcome these challenges. Furthermore, this sub-activity will allow UNDP to re-align its programme according to the changing environment.  Localization of development indicators provides an encompassing definition of poverty and sustainable human development, as well as a clear framework for integrated local development planning that adopts a more holistic, multi-sector approach to poverty reduction and human development. This is a crucial aspect, as most of the strategies that have been adopted by the municipalities are based on estimated, inaccurate or outdated data.  Localization links national and local levels through the same set of indicators, which enables comparisons and benchmarking, and provides a target-based, measurable framework for monitoring and reviewing local development results. Additionally, it will also enable the municipalities, development organisations and donors to compare the development rate of the region to the national development rate, and as such to assess the impact of the municipal development strategies.  The availability of accurate and updated indicators will allow the municipalities to improve their planning processes. Evidence-based policy making and intervention planning will be an effective tool for advocacy, mobilization of resources, including efficient and sustained investments for local action, and harmonization of assistance. Awareness could be raised regarding the specific development challenges faced by the municipalities. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Public Institutions * Public Companies (Public Forest Management Company, Utility companies,…) * Entity and national statistical institutes * Other international agencies * Relevant entity ministries | | | | | |
| **Beneficiaries** | | | | | |
| * Municipalities * Local NGOs * Development agencies | | | | | |
| **Expected Results** | | | | | |
| 1. | | Updated and accurate development indicators available in each municipality. | | | |
| 2. | | Promotion of the localised development methodology completed. | | | |
| **Indicators** | | | | | |
| 1.1 | | Terms of reference for development indicators monitoring completed by January 2010. | | | |
| 1.2 | | Procurement of professional services completed by April 2010. | | | |
| 1.3 | | Localised development indicators methodology developed by May 2010. | | | |
| 1.4 | | First development analyses available by September 2010. | | | |
| 1.5 | | Second development analyses available by September 2011. | | | |
| 1.6 | | Third development analyses available by September 2012. | | | |
| 1.7 | | Fourth development analyses available by September 2013. | | | |
| 1.8 | | Localised development indicators methodology handed over to the municipal authorities. | | | |
| 2. | | Promotional event organised by October 2012. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 1.2, 1.3, 3.4 and 4.6. | | | | | |
| **Main Risks** | | | | | |
| 1. Difficulties in contracting services | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Medium | | |
| Countermeasures:  Acceptance: the wide timeframe planned for this sub-activity will allow the programme to accept this risk. | | |
| 2. Lack of interest by citizens to participate in household interviews | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: the programme will conduct an information campaign to inform citizens about the importance of the survey. | | |
| 3. National methodology not defined at the beginning of 2009. | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Acceptance: the wide timeframe planned for this sub-activity will allow the programme to accept this risk.  Contingency: the programme will develop the methodology in line with EU standards. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; and * Professional service providers.   As described in the approach section, the local stakeholders will be strongly involved in the implementation of the activity. An introduction meeting will be organised, during which UNDP/SRRP will present the timeframe for the implementation of the activity to the municipal authorities. During the meeting, UNDP/SRRP and the municipal authorities will agree on the date for progress meetings. These meetings will be used to present the progress of the activity and define tasks to be performed by UNDP/SRRP and the municipality during the following period.  An information campaign will be organised by the municipalities to raise civic awareness about the activity and its’ importance for the planning of development activities.  External professional service providers (companies) will be hired, with communication to take place on a regular basis. Milestones will be set in the contract and meetings at these milestones will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Capital Investment in Infrastructure** | | | **Sub-activity Code:** | **3.1** |
| **Description and Approach** | | | | | |
| Within this sub-activity, the programme intends to provide technical expertise and to allocate financial resources for capital infrastructural project identified by Municipal Development Strategies and prioritized by Municipal Partnership Groups. This sub-activity represents the continuation of the participatory mechanism, successfully established during the previous SRRP phases, which is fully operational and functional. Through this sub-activity, UNDP SRRP programme is planning to assist in improving conditions of public infrastructure such as road network, collection and distribution water pipeline networks and expanding water and wastewater treatment in three municipalities, which will contribute to poverty reduction. Further, it will strengthen local capacities through the application of the knowledge gained under the sub-activities 1.1, 1.2 and 1.3.  The release of funds for capital investment in infrastructure will be conditional to the successful implementation of the capacity development interventions described under sub-activities 1.1 and 1.3 for local governments and utility improvements, and which are essential to the proper operation of autonomous local government staff and public utilities. Conditions will include budgetary reforms, improved billing and fee collection systems, maintenance practices and indication of the ability to effectively manage resources. Action plans will be developed and agreed to in advance by all parties in reorganization, targets, and timing of reforms.  The first step will be to define, together with the members of the Programme Executive Group, the scope of activities to be supported and to set guidelines for the allocation of resources. The guidelines will define: how planning at local level will have to be conducted including consultation with citizens; the format of the project proposals, including the budget and the co-financing that will be provided by the Municipality or other sources mobilised by the municipal authorities; and annexes. Aside from the first year, the proposed projects will have to be defined on the basis of the Municipal Development Strategies and new Municipal Spatial Plans. For the first year, the scope of activities will be opened only on the basis of the Municipal Development Strategies.  The second step will be the Call for Proposals (CfP). The Programme will open a call for proposals. The Programme will establish an evaluation board that will conduct the evaluation and prioritization of the project proposals. The evaluation board will be composed of representatives from UNDP and other development organisations. The criteria will have been set prior to the launch of the call for proposals. They will include:   * Level of citizens participation; * Level of women participation; * Quality of the project proposals with special attention to the justification of the intervention; and * Sustainability measures.   Following the evaluation of the project proposals, the results will be published and an appeal period of two weeks will be opened. Within two weeks after the deadline for the submission of complaints, appeals will be reviewed by an independent body to ensure fairness and transparency. After the appeals have been reviewed, the final selection of projects will be submitted to the mayors for endorsement.  In 2009, the programme will be responsible for the procurement procedures while in 2010, the programme will start to transfer the procurement and implementation responsibilities to the Municipalities. It is expected that in 2012 at the latest, the whole responsibility for the implementation of the sub-activity will be transferred to the Municipalities.  From the first year, the Municipalities will be responsible to monitor and report on projects’ progress to UNDP SRRP. UNDP SRRP will create, together with the Municipalities, a database of best practices that will be available to all. | | | | | |
| **Justification** | | | | | |
| The Programme looks at poverty in its multi dimensions. Poverty has economic and social dimensions. The economic dimension focus on material needs from income opportunities, shelter and water supply. Poverty in this sense may be understood as a condition in which a person or community is lacking in the [basic needs](http://en.wikipedia.org/wiki/Basic_needs) for a minimum standard of well-being and life, particularly as a result of a persistent lack of income. Poverty in this sense may be understood as a condition in which a person or community is lacking in the [basic needs](http://en.wikipedia.org/wiki/Basic_needs) for a minimum standard of well-being and life, particularly as a result of a persistent lack of income. Poverty may also be understood as an aspect of unequal [social status](http://en.wikipedia.org/wiki/Social_status) and inequitable social relationships, experienced as social exclusion, dependency, and diminished capacity to participate, or to develop meaningful connections with other people in society. Through this sub-activity, the programme intends to address some of the non income dimensions of poverty.  Participation of citizens in the life of their municipality is essential to ensure equal development opportunities and adequate planning. It is essential to further build a culture of participation and participatory planning as an important tool to ensure transparency and build trust in local governing institutions. It is necessary to continue to support local governments in planning, development of clear prioritization mechanisms, implementation and financing of projects as started in 2004 with the Participatory Budgeting activity in order to develop their capacities and sense of ownership and reasonability for development activities in the future.  Infrastructure improvement benefits people by improving their living well-being but also their economic opportunities. It helps reducing human poverty by directly improving access of people to health and educational services and by providing them with cleaner water and energy. Infrastructure also contributes to human poverty reduction by enhancing agricultural productivity, reducing transportation costs, generating more jobs and income by enhancing economic growth. There is a link to governance as the intended benefits cannot be obtained unless infrastructure is managed properly – from the design and location decision to implementation to operations and maintenance.  The impacts of infrastructure on economic growth and poverty reduction occur in multiplier way. There are first round effects followed by subsequent impacts. The first-round effects on poverty reduction are more direct, while the subsequent effects, realised through fiscal spending channels, are broader and more general. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Relevant entity ministry * Local civil society organisations * Local communities * Other international agencies in the area | | | | | |
| **Beneficiaries** | | | | | |
| * Municipal Administration * Citizens | | | | | |
| **Expected Results** | | | | | |
| 1. | | Trained municipal and public institutions applied new knowledge during the implementation of municipal development projects. | | | |
| 2. | | Capital investment projects implemented. | | | |
| **Indicators** | | | | | |
| 1. | | Participatory mechanisms used in the selection of projects (valid for each cycle) | | | |
| 2. | | Project cycle management tools used in the implementation of projects(valid for each cycle) | | | |
| 3. | | Project proposals submitted in EC similar format (valid for each cycle) | | | |
| 4. | | Progress reports submitted (valid for each cycle) | | | |
| 5. | | Projects selected (valid for each cycle) | | | |
| 6. | | Projects implemented (valid for each cycle) | | | |
| 7. | | Citizens satisfaction level (valid for each cycle) | | | |
| **Synergies:** | | | | | |
| * Direct synergies with the sub-activities 1.1, 1.2 and 1.3. * With other UNDP projects like ILDP. * Potential synergies with other international agencies in the area. | | | | | |
| **Main Risks** | | | | | |
| 1. Difficulties in defining guidelines by partnership groups | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: UNDP SRRP will follow and monitor the process and ensure that guidelines are fair and equitable to all. | | |
| 2. Lack of interest by citizens to participate in work of Partner Groups | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: The programme will conduct an information campaign to inform citizens about the importance of participation in the sub-activity. | | |
| 3. Political pressure on the partnership groups | | | Type of Risk: Political | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: A memorandum of understanding will be signed with the municipal authorities to define the responsibilities of each party as well as the modalities that will be used. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; and * Professional service providers.   As described in the Approach section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present to the municipal authorities the timeframe for the implementation of the sub-activity. During the meeting, UNDP and the municipal authorities will agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  A first information meeting will be organised with representatives from all socio-economic interests groups to present to them the sub-activity. Following the definition by the Partner Groups of the Call for Proposals guidelines, other meetings will be organised to discuss needs and priorities and to present the guidelines for preparation of project proposals. An information campaign will be organised by the Municipalities to inform citizens about the sub-activity and its importance for the planning of development activities.  The results of the project proposals’ evaluation will be published through local monthly newspapers and posting on the municipal information boards. | | | | | |

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| **Sub-activity Name:** | **Public Services** | | | **Sub-activity Code:** | **3.2** |
| **Description and Approach** | | | | | |
| Within this sub-activity, the programme intends to provide technical expertise and to allocate financial resources for projects in the sphere of improvement of public services, identified in the Municipal Development Strategies and prioritized by the Municipal Partnership Groups. This sub-activity represents the continuation of the mechanism, successfully established during the previous SRRP phase, which is fully operational and functional. The programme intends, together with the Municipalities, to support projects aiming at improving the provision of public services to citizens, with a special emphasis on building sensitivity towards vulnerable groups, which will contribute to poverty reduction by addressing the dimension of human deprivations. The sub-activity will seek also to strengthen the link between the local Public and Social Institutions and their Municipalities in order to maximise the efficiency in the use of public and donor funds in the provision of public and social services. Further, it will strengthen local capacities through the application of the knowledge gained under the sub-activities 1.1, 1.2 and 1.3.  The release of funds will be conditional to the implementation of the capacity development interventions described under sub-activities 1.1 and 1.3 for local governments and public institutions staff and that are essential to the proper operation of autonomous local government and public institutions. Conditions will include organizational reforms, improved client-consumer relations, and the ability to effectively manage resources. Action plans will be developed and agreed to in advance by all parties in reorganization, targets, and timing of reforms.  The first step will be to define, together with the members of the partnership groups, the scope of activities to be supported and to set guidelines each year for the call for proposals. The guidelines will define: how planning at local level will have to be conducted including consultation with citizens; the format of the project proposals, including the budget and the co-financing that will be provided by respective municipalities; and annexes. Basis for discussions during meetings of Partnership Groups will be Municipal Development Strategies for each municipality.  The second step will be the call for proposals (CfP). The Municipalities, through their partnership groups, will open a call for proposals. The evaluation and prioritization of the project proposals will be done by the partnership group. The criteria will have been set prior to the launch of the call for proposals and included in the CfP documents. They will include:   * Level of citizens participation; * Level of women participation; * Justification of the intervention; and * Sustainability.   Other criteria will be set by the partnership groups. UNDP SRRP will seek uniformity of criteria among all three municipalities but it will not be essential. Following the evaluation of the project proposals, the results will be published and an appeal period of two weeks will be opened. Within two weeks after the deadline for the submission of complaints, appeals will be reviewed by an independent body to ensure fairness and transparency. After the appeals have been reviewed, the final selection of projects will be submitted to the mayor for endorsement.  In 2009, the programme will be responsible for the procurement procedures while in 2010, the programme will start to transfer the procurement and implementation responsibilities to the Municipalities. It is expected that in 2012 at the latest, the whole responsibility for the implementation of the sub-activity will be transferred to the Municipalities.  From the first year, the Municipalities will be responsible to monitor and report on projects’ progress to UNDP SRRP. UNDP SRRP will create, together with the Municipalities, a database of best practices that will be available to all.  In addition, to the projects that will be approved, the programme will establish, together with the municipal authorities, a monitoring board that will: review the improvement in the provision of public services; provide advice to the municipal authorities during strategic planning; and insure collaboration and synergies between public institutions and local NGOs involved in the provision of public and social services. | | | | | |
| **Justification** | | | | | |
| Participation of citizens in the life of their municipality is essential to ensure equal development opportunities and adequate planning. It is essential to further build a culture of participation and participatory planning as an important tool to ensure transparency and build trust in local governing institutions. It is necessary to continue to support local governments in planning, development of clear prioritization mechanisms, implementation and financing of projects as started in 2004 with the Participatory Budgeting activity in order to develop their capacities and sense of ownership and reasonability for all development activities in the future. In addition this sub-activity will significantly improve living conditions of citizenry and lay foundation for development of economic activities in the region.  Funding for public services in municipal budget is very limited, especially in under-developed municipalities like Srebrenica, Bratunac and Milici and quality of service provision is very low, due to lack of qualified staff or poor performance of existing underpaid staff and lack of necessary equipment and material. To overcome these problems, it is crucial to implement an activity that will foster communication and collaboration between Public Service Providers, Municipalities and local NGOs through the definition of strategies and interventions in order to maximise the efficiency in the use of funds. These interventions will provide clear mechanisms for Municipalities for providing targeted subsidies to vulnerable groups and as such improve their living conditions. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Public Institutions * Local civil society organisations * Relevant entity ministry * Other international agencies in the area | | | | | |
| **Beneficiaries** | | | | | |
| * Municipalities * Public Institutions * Vulnerable groups * Citizens | | | | | |
| **Expected Results** | | | | | |
| 1. | | Trained municipal, public institutions and NGO staff members successfully applied newly acquired knowledge during the implementation of projects aimed at improvement of public services. | | | |
| 2. | | Projects for the improvement of public services implemented | | | |
| **Indicators** | | | | | |
| 1.1 | | Participatory mechanisms used in the selection of projects each year as from 2010. | | | |
| 1.2 | | Project cycle management tools used in the implementation of each approved project from 2010 until 2013. | | | |
| 1.3 | | Project proposals submitted in EC similar format for each cycle as from 2010. | | | |
| 1.4 | | Progress reports submitted for each approved project. | | | |
| 2.1 | | Projects selected by June of each year as from 2010. | | | |
| 2.2 | | Projects successfully completed. The timeframe will depend on the project definition. All projects will be completed by August 2013. | | | |
| 2.3 | | Citizen’s satisfaction level reached 80% by September 2013. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 1.1, 1.2, 1.3 and 4.6. * With other UNDP projects like ILDP * Potential synergies with other international agencies in the area | | | | | |
| **Main Risks** | | | | | |
| 1. Difficulties in defining guidelines by partnership groups | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: UNDP SRRP will follow and monitor the process and ensure that guidelines are fair and equitable to all. | | |
| 2. Lack of interest by Public Institutions to actively participate in the work of Partner Groups | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: selection of participants on the basis of his previous interests in acquiring new knowledge.  Reduction: conditionality of funds provided to public institutions upon active participations from these institutions representatives.  Reduction: Monitor attendance and quality of attendance of participants. | | |
| 3. Political pressure on the partnership groups | | | Type of Risk: Political | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: A memorandum of understanding will be signed with the municipal authorities to define the responsibilities of each party as well as the modalities that will be used. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; and * Professional service providers.   As described in the Approach section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present to the municipal authorities the timeframe for the implementation of the sub-activity. During the meeting, UNDP and the municipal authorities will agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  A first information meeting will be organised with representatives from all socio-economic interests groups to present to them the sub-activity. Following the definition by the Partner Groups of the Call for Proposals guidelines, other meetings will be organised to discuss needs and priorities and to present the guidelines for preparation of project proposals. An information campaign will be organised by the Municipalities to inform citizens about the sub-activity and its importance for the planning of development activities.  The results of the project proposals’ evaluation will be published through local monthly newspapers and posting on the municipal information boards. | | | | | |

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| **Sub-activity Name:** | **Micro rural development projects** | | | **Sub-activity Code:** | **3.3** |
| **Description and Approach** | | | | | |
| In collaboration with the municipalities, this sub-activity will support micro rural development projects aimed at improving living conditions in rural areas. The sub-activity will address the participation of citizens in decision- making at the local community level, ensuring that interventions will be relevant to the needs of citizens. Furthermore, the sub-activity will strengthen local capacities through the application of the knowledge gained from sub-activities 1.1, 1.2 and 1.3. | | | | | |
| In order to implement this sub-activity, steps have been defined to ensure that the knowledge gained under sub-activity 1.3 will be applied. The first step will be to develop, together with the members of the partnership groups, the scope of activities to be supported and to set yearly guidelines for the calls for proposals. Aside from the first year, the scope of activities will be defined on the basis of the community assessment conducted under the sub-activity 4.6. For the first year, the scope of activities will be opened only to infrastructure works. The guidelines will define the following: how participatory planning at the community level will include consultation with citizens; the format of the project proposals, including the budget and co-financing that will be provided by the community; and required annexes.  The second step will be the Call for Proposals (CfP). The municipalities, through their partnership groups, will open a call for proposals to local communities. The call will be opened for a period of 45 days, giving local communities sufficient time to define their project and to prepare their project proposal. The evaluation of the project proposals will be done by the partnership group. The criteria will have been set prior to the launch of the call for proposals and included in the CfP documents. They will include:   * Level of citizens participation; * Level of women participation; * Justification of the intervention; and * Sustainability   Other criteria will be set by the partner groups. UNDP SRRP will seek uniformity of criteria among all three municipalities but it will not be a requisite. Following the evaluation of the project proposals, the results will be published and an appeal period of two weeks will commence. Within two weeks after the deadline for the submission of complaints, appeals will be reviewed by an independent body to ensure fairness and transparency. After the appeals have been reviewed, the final selection of projects will be submitted to the mayors for endorsement.  The third step will be the definition of the technical specifications for the inputs required by the selected projects, performed by municipal authorities. In 2009, the programme will be responsible for the procurement procedures. In 2010, the programme will start to transfer the procurement and supervision responsibilities to the municipalities. It is expected that in 2012 at the latest, the whole responsibility for the implementation of the sub-activity will be transferred to the municipalities.  From the first year, the municipalities will be responsible for monitoring and reporting on projects’ progress to UNDP SRRP. Together with the municipalities, UNDP SRRP will create a database of best practices that will be publicly available. | | | | | |
| **Justification** | | | | | |
| To reduce poverty, the Programme has to address it in all its dimensions: lack of income and human deprivations in areas of health, education, participation and security. In that regard, the participation of rural communities in the life of their municipality is essential to ensure equal development opportunities and adequate planning. To further build a culture of community participation, it is necessary to continue to support micro rural projects, started in 2004 with the participatory budgeting activity. This sub-activity allows the programme to be flexible in its response to needs in local communities and ensure that its interventions are relevant to the specific needs of each community. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Local development organisations * Other international agencies | | | | | |
| **Beneficiaries** | | | | | |
| * Municipalities * Local Communities (MZ) * Citizens | | | | | |
| **Expected Results** | | | | | |
| 1. | | Micro rural projects implemented for improved living conditions in rural areas. | | | |
| **Indicators** | | | | | |
| 1.1 | | Guidelines defined by partnership groups by March 2010 | | | |
| 1.2 | | Project proposals submitted by June in 2010 and by March for 2011, 2012 and 2013. | | | |
| 1.3 | | Selected projects successfully completed within the timeframe set in the approved project proposals. All projects completed by August 2013. | | | |
| 1.4 | | Level of beneficiary satisfaction reached 80% for each approved project | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 1.1 and 4.6. | | | | | |
| **Main Risks** | | | | | |
| 1. Difficulties in defining guidelines by partnership groups | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: UNDP/SRRP will follow and monitor the process and ensure that guidelines are fair and equitable to all. | | |
| 2. Lack of interest by citizens to participate in the definition of project proposals at MZ level | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: the programme will conduct an information campaign to educate citizens about the importance of participation in the sub-activity. | | |
| 3. Political pressure on the partnership groups | | | Type of Risk: Political | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: a memorandum of understanding will be signed with the municipal authorities to define the responsibilities of each party as well as the modalities that will be used. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; and * Professional service providers.   As described in the approach section, local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised, during which UNDP will present the timeframe for the sub-activity implementation to the municipal authorities and agree on dates for future progress meetings. These meetings will be used to present the progress of the sub-activity and define tasks to be performed by UNDP and the municipality during the following period.  An initial information meeting will be organised with representatives of local communities in order to present the sub-activity. Following the definition of the call for proposals guidelines by the partnership groups, a workshop will be organised for MZ representatives in order to explain the call for applications and how to use the guidelines. This workshop will be organised each year prior to the launch of the call for proposals.  An information campaign will be organised by the municipalities in order to inform citizens about the sub-activity and its importance for the planning of development activities.  The results of the evaluation of project proposals will be published through local monthly newspapers and posting on the municipal information boards. | | | | | |

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| **Sub-activity Name:** | **Social Projects** | | | **Sub-activity Code:** | **3.4** |
| **Description and Approach** | | | | | |
| In collaboration with the municipalities, this sub-activity intends to support social projects aimed at improving the provision of social services to vulnerable groups and building the capacities of local NGOs and centres for social welfare (CSW) in designing social interventions. The sub-activity will seek also to strengthen the link between local NGOs and the CSW in order to maximise the efficiency in the use of public and donor funds in the provision of social services.  Furthermore, the sub-activity will allow municipal authorities, local public institutions and local development organisations to apply knowledge gained from sub-activity 1.3. | | | | | |
| To implement this sub-activity, the programme has defined steps to ensure that the knowledge gained under the sub-activity 1.3 will be applied. The initial step will be to hire a local consultant that will review the municipal strategies regarding social services, analyse social information available at the CSW and together with local NGOs and the CSW, define interventions.  On the basis of the identified interventions, the CSW, with the support of local NGOs, will prepare project proposals for these interventions. A board composed of representatives from the municipalities, local NGOs[[15]](#footnote-15) and UNDP SRRP, will review the proposals. The board will decide on if the project proposals should be approval, returned to the CSW for further improvement, or rejected.  For the approved projects, the municipalities will define the inputs required. In 2010, the programme will be responsible for the procurement procedures. In 2011, the programme could start to transfer the procurement and supervision responsibilities to the municipalities depending on their capacity development. It is expected that by 2012 at the latest, the whole responsibility for the implementation of the sub-activity will be transferred to the municipalities.  From the first year, the municipalities will be responsible for monitoring and reporting on the project’s progress to UNDP SRRP. In collaboration with the municipalities, UNDP SRRP will create a database of best practices that will be publicly available.  In addition to the projects that will be approved, in partnership with municipal authorities, the programme will establish a monitoring board that will review the improved provision of social services; provide advice to municipal authorities during strategic planning; and ensure collaboration and synergies between CSW and local NGOs involved in the provision of social services. | | | | | |
| **Justification** | | | | | |
| The current provision of social services is very limited, especially in under-developed municipalities such as Srebrenica, Bratunac and Milici, due to limited staff capacities and funds. The primary suppliers of social services are the municipal centres for social welfare (CSW). While their operation is regulated at the entity level, their budget is transferred from the municipal budget, with the exception of child support, which is provided directly by the RS Ministry for Health and Social Protection to the CSW.  As the centres for social welfare are unable to provide for all needs, various local citizens associations are providing additional social services to vulnerable categories, including children and adults with special needs, patients suffering from multiple sclerosis, women suffering war trauma and other vulnerable groups.  So far there has not been any attempt to coordinate these various interventions within a framework. The CSW still view local associations as competitors for resource mobilisations and do not understand that local associations have access to sources of funding to which the CSW do not have access to. However, local associations do not make any effort to improve communication and collaboration with the CSW.  To overcome these problems, it is crucial to implement an activity that will foster communication and collaboration between local associations and CSW through the definition of strategies and interventions in order to maximise efficiency in the use of funds. These interventions will provide social services to vulnerable groups and as such improve their living conditions. Also, through rigorous monitoring, the implementation capacities of local stakeholders will be improved. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Centres for Social Welfare * Local citizens organisations * Other international agencies | | | | | |
| **Beneficiaries** | | | | | |
| * Centres for Social Welfare * Local citizens organisations * Vulnerable groups | | | | | |
| **Expected Results** | | | | | |
| 1. | | Social projects implemented for improved living conditions of vulnerable groups. | | | |
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| **Indicators** | | | | | |
| 1. | | Municipal strategies in regard to social protection reviewed by September 2010. | | | |
| 2. | | Analyses of social mapping information completed by October 2010. | | | |
| 3. | | Identification of interventions completed by December 2010. | | | |
| 4. | | Project proposals submitted by March 2011. | | | |
| 5. | | Selected projects successfully completed by August 2013. | | | |
| **Synergies** | | | | | |
| * Direct synergies with the sub-activities 1.1 and 1.3. * Synergies with sub-activity 4.6 in regard to the identification of vulnerability households in rural areas. | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of willingness by CSW to collaborate | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: UNDP/SRRP will include the CSW from the beginning of sub-activity implementation to ensure their buy-in.  Contingency: UNDP/SRRP will implement the sub-activity without the involvement of the CSW. | | |
| 2. Lack of interest by NGO to collaborate with the CSW | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: the programme will organise a workshop with the local NGOs, during which successful cases of collaboration between NGOs and CSW will be presented. | | |
| 3. Lack of capacities by local NGOs and CSW in preparing quality project proposals | | | Type of Risk: Political | | |
| Impact: Low | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: UNDP/SRRP will provide additional technical support in the preparation of project proposals. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information or if socio economic or environmental conditions change drastically in the target area.  An effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; and * Professional service providers.   As described in the approach section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present to the municipal authorities, centres for social welfare and relevant local NGOs the timeframe for the implementation of the sub-activity. During the meeting, UNDP and local stakeholders will agree on future dates for progress meetings. The progress meetings will be used to present sub-activity progress and define tasks to be performed by UNDP and the local stakeholders during the following period.  External professional service providers (consultants) will be hired. Communication with them will take place on regular basis. Milestones will be set in the contract and meetings at these milestones will be organised to discuss progress and performance. | | | | | |

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| **Sub-activity Name:** | **Provision of Business Development Services to MSMEs** | | | **Sub-activity Code:** | **4.1** |
| **Description and Approach** | | | | | |
| UNDP/SRRP will proceed with its support to the private sector and to enable favourable environment for its development and growth through provision of Business Development Services to local MSMES.  The main objective of the sub-activity is to provide a sufficient level of business development services, and creating a conducive business environment, that enable investments and employment generation for the poor. The specific objectives addressing the internal needs of MSMEs are: (i) to improve the approach and methodology of BDS services provision and shift from generic training and technical to wider audience of local MSMEs, to new more comprehensive approach “one to one counselling, coaching and mentoring”; (ii) to provide high calibrated services tailored according to the needs of selected local progressive MSMEs; (iii) to provide vocational training to unskilled labour; and (iii) to tailor and provide intensive training to start up micro businesses specifically those located in rural areas. Further, it will strengthen local capacities through the application of the knowledge gained under the sub-activity 1.4.  Formerly known as “non-financial services”, Business Development Services concentrated on providing training, consulting, and other services that addressed the internal constraints of enterprises — their lack of education and technical capacity. More recently, it has grown to include marketing services and information resources that help firms gain access to services usually enjoyed only by larger firms. Infrastructure development and policy reform, which address external constraints on firms in these critical areas, are also included under the BDS umbrella. When MSMEs began articulating what they wanted and practitioners listened, the range of services started to expand. The BDS field now comprises many sub-fields as follows:   * Market access; * Infrastructure; * Policy/Advocacy; * Input supply; * Training and technical assistance; * Technology and product development; and * Alternative financing mechanisms.   Under this sub-activity, the programme will not address the sub-fields related to infrastructure and policy/advocacy. These will be addressed through other sub-activities like: Sub-activity 1.4 – Knowledge acquisition in Private Sector Development; Sub-activity 2.4 – Spatial Planning; and Sub-activity 3.1 – Capital Investments in Infrastructure. However the findings from the evaluation of this sub-activity will help the municipalities in regard to policy making in the future. All the other sub-fields will be addressed through the interventions planned under this sub-activity.  In order to achieve the above objectives UNDP/SRRP will conduct the following tasks:   * Transparent selection of progressive MSMEs and signing letters of commitments; * Diagnostics and assessment of technical assessment needs of selected MSMEs; * Tailoring of training and technical assistance programme; * Provision of training and technical assistance; * Counselling, coaching and mentoring of selected MSMEs and follow up; * Building of show cases and dissemination of results to wider audience of MSMEs in the region and wider; * Selection of start up businesses; * Tailoring of training and technical assistance programme; * Provision of training and technical assistance to start up businesses; * Provision of assistance to access finance; * Follow up of MSMEs that are taking part in the sub-activity’s implementation; and * Provision of market demand based vocational training for unskilled labour.   To be able to deliver the planned tasks, the programme will have to seek support from consultants and consultancy companies. The local stakeholders will be involved in the design of the terms of reference which will give them the opportunity to apply the knowledge gained under the sub-activities 1.2 and 1.4. The municipalities will appoint project officers that will be responsible to coordinate the sub-activity on the behalf of the municipal administration. His/her job will be to:   * ensure that the process runs smoothly; * keep records; and * write progress reports.   From the first year, the Municipalities will be responsible to monitor and report on the sub-activity’s progress to UNDP SRRP so as to prepare them for the transfer of implementation responsibilities. The programme will create, together with the Municipalities, a database of best practices that will be available to all. | | | | | |
| **Justification** | | | | | |
| The Srebrenica Region is challenged by a difficult economic transition in which widespread wartime damage to industrial infrastructure, loss of much of the skilled workforce, and post-war depression have greatly reduced levels of production, investment patterns, and efficiency. UNDP SRRP is committed to an economic growth strategy that emphasizes poor people's economic empowerment, and recognizes private sector development as an important means to this end.  The main problem underlying the limited economic development in the Srebrenica Region is the presence of *substantive structural barriers to companies investing in the Srebrenica Municipality.* Our work with stakeholders (large and small private sector companies, investors, lending organizations, municipalities and business support organizations) has repeatedly and clearly identified five key barriers to investment:   * a lack of skilled workers; * a lack of sufficient business support services, including access to new technologies; * a lack of suitable sites for the establishment of production units; and * a lack of necessary infrastructure.   Business development services are a very important means of supporting the development of micro, small and medium – sized enterprises (MSMEs) and overcome the problems stated above. MSMEs are known to create employment, generate income and contribute to economic development and growth. Employment and income generation are particularly important as far as impoverished rural areas, and vulnerable communities and groups are concerned. In this sense, providing Business development services is an important means of addressing poverty and empowering the poor and vulnerable groups.[[16]](#footnote-16)  After three years of experience in the provision of BDS, the programme also understand the need to introduce a new approach of BDS provision to the local MSMs namely to shift from the training and assets provision for wider audience of MSMEs, to a new modality that focus on counselling, mentoring and coaching of selected small group of MSMEs and building show cases and disseminate them to wider group of MSMEs.  The rationale behind this new modality is that:   * Local MSMEs do not see yet an added value in technical assistance and training services; * MSMEs managers or owners have not time for long training courses; * Local MSMEs are more interested in cash and assets; * Local MSMEs are not willing to pay for high quality and expensive services; * Donor interventions in SRRP region in provision of training, assets and cash failed to achieve theirs objectives: employment, growth; * Local BDS service providers subsidized by donors can not be sustainable; * The new modality will demonstrate that Training and technical assistance in a form of mentoring can be more beneficial in solving some problems that will have positive impact on the enterprise performance rather than a grant; and * The new modality will contribute in building BDS market in Srebrenica region and local BDS providers can have role more as brokers for such services. | | | | | |
| **Partners** | | | | | |
| * Local NGOs/ BDS Service providers * Municipalities * MSMEs * RS Ministry * Financial Institutions and Economic Development Funds | | | | | |
| **Beneficiaries** | | | | | |
| * Staff of selected partners * Local Micro, Small and Medium Enterprises * Management staff of progressive MSMEs * Unskilled labour * Citizens | | | | | |
| **Expected Results** | | | | | |
| 1. | | Training and technical assistance provided to Local Progressive Enterprises provided | | | |
| 2. | | Training and technical assistance to start up Businesses provided | | | |
| 3. | | Show cases build and disseminated | | | |
| 4. | | Unskilled labour trained in production technologies | | | |
| **Indicators** | | | | | |
| 1.1 | | 20 MSMEs benefited from the technical assistance programme by December 2012. | | | |
| 2.1 | | 40 Start up businesses received assistance by December 2012. | | | |
| 2.2 | | 30 start up assisted to access finance | | | |
| 3.1 | | 12 Show cases built by December 2012. | | | |
| 4.1 | | 200 unskilled labour trained in new modern production technologies by July 2013. | | | |
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| **Synergies** | | | | | |
| Direct synergies with the sub-activity 1.4.  Additional internal synergies with sub-activities 2.4, 4.5 and 4.6.  External synergies with similar projects and programmes like USAID/SPIRA and CARE, and others development organisations involved in private sector development.  Synergies could be sought also with investment funds/banks like for example the Development Fund for Eastern Republika Srpska (Fond za razvoj istočnog dijela Republike Srpske) or the Bosna Bank International. | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of support by Municipalities | | | Type of Risk: Political | | |
| Impact: High | | |
| Probability: Low | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: Ensuring full support by authorities at local by signing of a memorandum of understanding.  Contingency: transfer of funds to another related sub-activity. | | |
| 2. Staff turnover at municipal and organization levels | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Medium | | |
| Countermeasures:  Acceptance  Reduction: the sub-activity will be opened to a larger group  Reduction: Ensuring knowledge management at organization and municipal level. | | |
| 3. Lack of interest by participants | | | Type of Risk: | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: conditionality of support to BDS | | |
| 4. Quality of trainers / consultants | | | Type of Risk: | | |
| Impact: High | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: trial session for UNDP staff – planning of training start date  Reduction: tight monitoring during first sessions / daily evaluation  Contingency: Termination of contract and selection of alternative trainer.  Reduction: proper review of training material at least one month prior to training. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information, or if socio economic or environmental conditions change drastically in the target area.  Effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as field visits, stakeholder meetings, documentation of programme activities and regular reporting. Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Entrepreneurs; * Citizens; and * Professional service providers.   As described in the first section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present the sub-activity, its timeframe and objectives to the municipal authorities. During the meeting, UNDP and the municipal authorities will agree on dates for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipalities during the following period.  A first information meeting will be organised for representatives of local MSMEs and local development organisations to present to them the sub-activity. Further communication with local entrepreneurs will be through mail sent at regular intervals to inform them about the progress of the sub-activity and what interventions are ongoing.  For the vocational training for unskilled labour, the programme will use the local media to disseminate the information on time. Information should be published at least three weeks before the start of any training.  Regular information about the sub-activity’s progress will be published through the local media through a general information sheet about the programme’s implementation. | | | | | |

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| **Sub-activity Name:** | **Provision of Extension Services** | | | **Sub-activity Code:** | **4.2** |
| **Description and Approach** | | | | | |
| The main aim of this sub-activity will be to improve the access of farmers to quality extension services. Through these, the programme intends to improve local agricultural production in terms of quality and productivity through the adoption of new farming techniques. The role of the extension services will be also to provide local producers with improved access to the market.  The sub-activity specific objectives are to: (i) upscale the quality of services being currently provided; and (ii) diversify the services to include wider range of farmers needs. The sub-activity intends also to: (i) increase the interest of farmers in extension services; and (ii) strengthen local capacities in extension services through the application of the knowledge acquired under the sub-activity 1.5.  The programme will provide technical assistance covering the following areas:   * Fruit and Berry Fruit production techniques, harvesting, post harvest handling and fruit and berry fruits products marketing; * Dairy, sheep, bull fattening production techniques; * Farm Business management, farm accounting, business planning and business finance; * Access to financial services (such as bank loans, insurance) and alternative financial services such as government subsidies, complementary measures for investments and other grants; * Information on markets, and linking farmers with input suppliers, food processors and wholesalers; and * Assistance to local government in programming and strategic planning in rural and agriculture development.   To be able to deliver the planned sub-activities, the programme will have to seek support from a domestic extension service provider, preferably a local one. The local stakeholders will be involved in the design of the terms of reference which will give them the opportunity to apply the knowledge gained under the sub-activities 1.2 and 1.5. The municipalities will appoint a project officer that will be responsible to coordinate the sub-activity on the behalf of the municipal administration. His/her job will be to:   * ensure that the process runs smoothly; * keep records; and * write progress reports.   The extension service provider will have to use the following modalities to provide the technical assistance as mentioned above:   * Field assessments and analysis; * Demonstration plots; * Classroom, practical, demonstration and day to day advice ; * Experience sharing visits; * Provision of technical assistance and information through telephone, media, brochures and possibly new innovative means such as internet or SMS; * Markets assessment and provision of information to farmers and policy makers; and * Consultancy assignments.   The understanding of extension concept is based on three premises namely being educational, having a philosophy and scope with responsibilities. The educational element of extension is two folds: being informal and formal. The informal type of education is one that has no syllabus. Its syllabus is the farmers’ problems and needs. It also has no classroom, as its classroom is the farmers’ home or farm. The teaching of the extension worker to the farmers is based on the farmers’ conditions and setting. The formal type of extension education on the other hand is planned, has written objectives and content, and can be examined but in most cases. This type of education is carried out through short courses.  Looking at extension as being educational presupposes that doing extension work involves teaching and learning. This means that the extension worker like a teacher needs to prepare and rehearse before hand and teach well like a good teacher. The teaching should simulate the farmer to learn and understand. The farmer as a learner should have interest and the willingness to learn.  The seriousness and thoroughness of the extension worker is governed by the second premise of the extension concept – the philosophy of extension. The philosophy states:   * “start where people are”. This means studying the farmers through visits and surveys in order to identify their level of farming knowledge, their communication skills, their attitudes, their social-cultural system, way of life, problems and felt needs; * “with what they have”, such as farm tools and any other capital available; and * “help them help themselves” this means teaching farmers how to do better farming using their own efforts and resources following the principles of extension.   The principles of extension services are that:   * extension should not be forced on people; * extension should not be a form of charity; * rural people should participate in every effort intended to improve their way of life; * the extension workers should do one at a time; * the extension staff should utilise local leadership; and * the extension workers should study the job thoroughly.   The philosophy and principles will guide the work of the extension service provider that should abide to them if they want to be relevant to the population they should serve. | | | | | |
| **Justification** | | | | | |
| The original concept of extension services was that of bridging the gap between the farmers and the sources of information or knowledge. Such sources included organisations or institutions generating knowledge and technologies such as research centres, universities and administration. This is called the traditional model. This role has evolved and is now of a more comprehensive model that does not include only an educational role but of providing a larger range of services. The extension service is not anymore only the link between the knowledge and the farmers but also of the link between farmers and the government, between farmers and the market, and between farmers and finance institutions (from commercial bank to development finance institutions).  The rationale behind this sub-activity can be summarized as follows:   * the importance of agriculture income generation of rural households in post-conflict Srebrenica region; * the favourable agro-climatic conditions and availability of land resources suitable for particular agriculture sub-sectors; * the outdated farming practices resulting in low productivity of agriculture production and bad quality of products that do not meet the market demand; * lack of market access and understanding of market needs due to lack of market information; * low quality of input and farm equipment; * lack of access to financial services and government market support schemes and complementary measures; * increasing demand for extension services by farmers and rural population due to successful results achieved so far; and * recognition of the importance of the extension services by local governments for agriculture sector development.   Extension, such as it was in the pre-war agricultural support system of BiH and in Srebrenica was provided through the local agricultural research and veterinary stations. Services were targeted primarily at the large-scale state farm, processors and cooperatives in the region though some services were extended to small-scale farmers through the cooperative structures, primarily in the form of advice on use of purchased inputs which tended to be repaid in agricultural commodities through both the cooperatives and agro–processors. Generally, advice and services that were available were of limited value to the majority of producers and particularly to small-scale producers due to the substantial disparity between the production systems, resources and management objectives of the state and private production systems.  When the programme started its activities in the Srebrenica region, it was evident that the local farmers were not able to access such services. The services also limited themselves to educational ones. The entity extension service is located in Bjeljina. Due to the large area covered by the extension service, it is unable to abide to the concepts stated in section 1 like the three philosophy statements. UNDP SRRP decided to outsource the extension service to a local provider that could meet the needs of the farmers. By being present in the region, it can be familiar with the farmers, allow participation of farmers in its work and provide advice to the local authorities in policy making. This is essential in creating a conducive environment for agriculture development. | | | | | |
| **Partners** | | | | | |
| * Local Governments * BiH Universities and institutes * RS Ministry of Agriculture * State and Private Extension Services | | | | | |
| **Beneficiaries** | | | | | |
| * Farmers * Rural population * Local governments * Local extension service workers | | | | | |
| **Expected Results** | | | | | |
| 1. | | Classroom and practical training provided to farmers(in direct collaboration with the sub-activities 4.3, 4.4 and 4.5) | | | |
| 2. | | Demonstration plots established | | | |
| 3. | | Market & input supply information provided to farmers | | | |
| 4. | | Services related to access to finance and government subsidy schemes provided | | | |
| 5. | | Advice to farmers using different means of communication provided | | | |
| **Indicators** | | | | | |
| 1.1 | | 400 farmers attended training by March 2013. Number of farmers that attended training organised jointly by the extension service provider and UNDP (sub-activities 4.3, 4.4 and 4.5). | | | |
| 1.2 | | level of satisfaction has reached 80% for each training organised. | | | |
| 2.1 | | Selection of ten demonstration farmers completed by December 2009. | | | |
| 2.2 | | Inputs and technical assistance provided to 10 demonstration farmers by December 2010. | | | |
| 3.1 | | Market research conducted by December of each year (except 2009). | | | |
| 3.2 | | Input supplier market research conducted by December of each year (except 2009). | | | |
| 3.3 | | Information disseminated to farmers by January of each year (except 2009). | | | |
| 4.1 | | At least 200 farmers per year have received government subsidies. | | | |
| 4.2 | | At least 40 farmers have received loans for farm expansion investments by June 2013. | | | |
| 5.1 | | At least 300 farmers are receiving regular advice from the extension service by March 2013. | | | |
| 5.2 | | Level of satisfaction of farmers has reached 80% by March 2013. | | | |
| **Synergies** | | | | | |
| Direct synergies with the sub-activities 1.5.  Additional internal synergies with sub-activities 1.3, 4.3, 4.4, 4.5 and 4.6.  External synergies with similar projects and programmes like USAID/ LAMP and others development organisations involved in agriculture development like JICA or World Bank as well as with the RS Ministry of Agriculture.  Synergies could be sought also with investment funds/banks like for example the Development Fund for Eastern Republika Srpska (Fond za razvoj istočnog dijela Republike Srpske) or the Bosna Bank International. | | | | | |
| **Main Risks** | | | | | |
| 1. Lack of political will by the Municipalities to support extension services | | | Type of Risk Political | | |
| Impact: high | | |
| Probability: low | | |
| Proximity: close | | |
| Countermeasures:  Reduction: The extension service should sign a MOU or exchange letters of understandings with the Municipalities and possibly the Ministry of Agriculture. | | |
| 2. Turnover among extension service trained staff and failure of extension service to attract high qualified staff | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Acceptance  Contingency: UNDPSRRP Agriculture Specialists will take over the provision of technical services to be provided by the RES | | |
| 3. Lack of interest by local farmers for extension services | | | Type of Risk: Operational | | |
| Impact : medium | | |
| Probability: medium | | |
| Proximity: medium | | |
| Countermeasures:  Reduction:   1. the programme will develop a clear information campaign related to extension services with emphasis on the role of the extension service in helping local farmers in accessing subsidies from the entity government. 2. the adoption of the demonstration farms model will allow for farmers to see the results of up-to-date technical advice for agricultural production. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information, or if socio economic or environmental conditions change drastically in the target area. Effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as:   * Regular field visits and interviews with extension service recipients; * Regular reporting; and * Training evaluation and tests of participants.   Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; * Beneficiaries; and * Extension service providers.   As described in the first section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present the sub-activity to the municipal authorities, representatives of farmers and of the RS Ministry of Agriculture. UNDP and the main stakeholders will also agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  Information to citizens and beneficiaries will be disseminated through local media, municipal information boards and MZ information boards. Leaflets or brochures will be printed to disseminate specific information related to extension service provision.  As the extension services will be provided by the external company/organisation, the programme will organise regular performance review meetings to look at the progress towards the objectives and amend the contract if needed. | | | | | |

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| **Sub-activity Name:** | **Dairy** | | | **Sub-activity Code:** | **4.3** |
| **Description and Approach** | | | | | |
| UNDP/SRRP will proceed with its support to the sheep production through targeted interventions along side the sheep –sub-sector value added chain. The main objectives of the sub-activity is to promote the competitiveness of dairy production through strengthening the commercial and integration of small scale one in the highly competitive market and thus increase income and employments for rural population especially the returnees.  Specific objectives are to: (i) improve milk productivity and quality close to EU standards through provision of training and technical assistance; (ii) expands dairy sub-sector development sub-activity to include new areas; (iii) to adopt dairy farming practices according to EU standards; and (iv) to expand heard size through promotion of investments in modern dairy farms.  In order to achieve the above mentioned objectives, UNDP SRRP envisaged the following sub-activities:   * Expansion of milk collection to include new areas and dairy farmers; * Provision of technical assistance related to improved dairy cattle nutrition, forage production, storage, milk hygiene, herd management, health care and diseases prevention as well as adequate dairy cattle shelters and housing practices; * Provision of input and equipment as incentives for the adoption of EU standards; * Conduct analysis related dairy farms compliance with the EU standards related to animal welfare, labour welfare and environment protection; * Provision of training, advice and input to dairy farmers as incentives in order to meet the above EU standards; * Provision of assistance in designing investment & Business plans and access to finance; and * Organization of small scale farmers in clusters around milk collection centres assembly. | | | | | |
| In order to achieve the above sub-activity objectives, UNDP/SRRP will use the following implementation modalities:   * Field assessments and analysis; * Classroom, practical, demonstration and day to day advice ; * Experience sharing visits; and * Consultancy assignments.   The programme has designed a database to monitor and assess the performance of farmers, in terms of productivity, quality of milk, farm expansion and other aspects. It is a tool to measure the application by farmers of new knowledge acquired during training. It will further enable UNDP to assess its own performance in regard to technical assistance but also to adapt the level of day to day advice to individual needs.  The training programme will be designed to be as practical as possible with more emphasis on practical demonstration in farms. The programme will further assess the possibility of farmers-to-farmers training.  Experience sharing visits will be organised for groups of 20 farmers. The objectives of the experience sharing visits will be for farmers to see farm management in line with EU standards. It will give the opportunity for the region farmers to discuss with farmers from Croatia or Slovenia dairy farm management issues and the changes that had to be made to adopt EU standards.  The programme will use its dairy farming expert to manage the day-to-day tasks, while the agriculture team leader will ensure the overall management and the coordination with projects implemented by other organisations. For specific purposes, the programme will hire consultants.  UNDP/SRRP will involve its partners, the Municipalities, the Regional Extension Service, the RS Ministry of Agriculture and other related governmental bodies, in all stages of the sub-activity’s implementation. At the start of the sub-activity, a sub-activity board will be established. The role of the board will be to review the progress and performance of the sub-activity and to propose changes if needed. | | | | | |
| **Justification** | | | | | |
| The dairy sub-sector sub-activity has demonstrated to be a successful model for boosting rural economy and sustaining minority return. So far the sub-activity has achieved its objectives and even exceeded in some areas such as milk quality. Through the support to the sector, UNDP SRRP has enabled more than 100 families to attain stable increased revenues through dairy farming activities. This is of importance especially for minority returnees that have more difficulties to access formal employment than the majority resident population.  However and unless additional support is provided to the sector, the dairy farming activities won’t be sustainable in the coming years due to increased competition in the milk market from other regions within B-H and neighbouring countries. Such competition will seriously affect the dairy farmers, especially the small scale ones. Therefore UNDP/SRRP committed itself to proceed with support to the sub-activity to promote investments of the commercial farmers and better integrate the small scale ones into the market through their organisations into clusters. The programme will also provide assistance to farmers to comply with the EU standards that will require from farmers additional investments and adoption of new technologies. | | | | | |
| **Partners** | | | | | |
| * Municipalities * Regional Extension service * The RS ministry of Agriculture * Veterinarian inspectorate and veterinarian services | | | | | |
| **Beneficiaries** | | | | | |
| * Commercial and small scale dairy farmers * Rural Population | | | | | |
| **Expected Results** | | | | | |
| 1. | | Technical assistance in modern dairy farming practices provided | | | |
| 2. | | Technical assistance in EU dairy farming standards provided | | | |
| 3. | | Investment plans designed | | | |
| 4. | | Input and equipment provided | | | |
| **Indicators** | | | | | |
| 1.1 | | 150 farmers trained on dairy farming practices | | | |
| 1.2 | | 2 experience sharing visits conducted for 40 farmers | | | |
| 2.1 | | 100 farmers trained on EU dairy farming Standards | | | |
| 2.2 | | 80 farmers received incentives and became compliant with EU standards | | | |
| 3. | | Investment and business plans designed for 20 farmers | | | |
| 4. | | Inputs provided to 40 small scale farmers | | | |
| **Synergies** | | | | | |
| Direct synergies with the sub-activities 1.5 and 4.2.  Additional internal synergies with sub-activities 4.4, 4.5 and 4.6.  External synergies with similar projects and programmes like USAID/ LAMP and others development organisations involved in agriculture development like JICA as well as with the RS Ministry of Agriculture.  Synergies could be sought also with investment funds/banks like for example the Development Fund for Eastern Republika Srpska (Fond za razvoj istočnog dijela Republike Srpske) or the Bosna Bank International. | | | | | |
| **Main Risks** | | | | | |
| 1. high competition and drop of raw milk prices ( inadequate government market support measures) | | | Type of Risk: Economic | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Prevention: Dairy market assessments  Risks acceptance or Dairy farm relief fund (input provision) | | |
| 2. Human Factor – Dairy farmers left the sub-activity | | | Type of Risk: Social | | |
| Impact: low | | |
| Probability: medium | | |
| Proximity: close | | |
| Countermeasures: Risk acceptance | | |
| 3. Lack of support of local governments | | | Type of Risk: Political | | |
| Impact: low | | |
| Probability: low | | |
| Proximity: close | | |
| Countermeasures:  Prevention: involvement of local governments in all stages of sub-activity planning and implementation, signing MOU with local governments/ seeking support from Ministry of Agriculture and better coordination with Ministry of Agriculture Projects Coordination Unit. | | |
| 4. Diseases outbreaks | | | Type of Risk: Natural | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: far | | |
| Countermeasures:  Prevention: Monitoring and Surveillance of outbreaks though coordination with relevant governments bodies. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information, or if socio economic or environmental conditions change drastically in the target area. Effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as:   * Regular field visits and beneficiaries monitoring; * Track records of milk quantity and quality sold to dairies. * Monitoring of market and prices; * Regular reporting; and * Training evaluation and reporting.   Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; * Beneficiaries; and * Inputs providers.   As described in the first section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present the sub-activity to the municipal authorities, representatives of the Regional Extension Services and of the RS Ministry of Agriculture. UNDP and the main stakeholders will also agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  In addition, the programme will send six monthly reports to the Ministry of Agriculture to ensure that they are well informed about the sub-activity’s implementation and to enable them to provide timely suggestions to programme. There would official exchange of information with BiH Veterinarian inspectorates, municipal veterinarian inspector.  Information to citizens and beneficiaries will be disseminated through local media, municipal and MZs’ information boards, and on information boards located at the milk collection centres. Leaflets or brochures will be printed to disseminate specific information related to dairy production. Information about workshops will be sent to the farmers at least two weeks prior to the workshop. | | | | | |

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| **Sub-activity Name:** | **Sheep** | | | **Sub-activity Code:** | **4.4** |
| **Description and Approach** | | | | | |
| UNDP/SRRP will proceed with its support to the sheep production through targeted interventions along side the sheep –sub-sector value added chain. The main objectives of the sub-activity is to promote the competitiveness of sheep production through strengthening the commercial and integration of small scale one in the highly competitive market and thus increase income and employments for rural population.  Specific objectives are to: (i) improve sheep productivity (ii) expand the sheep flock (iii) increase income of sheep farmers through rational use sheep based products free of diseases and access to markets.  In order to achieve the above objectives UNDP/SRRP envisages the following sub-activities:   * Flock expansion through provision of sheep with high genetic potential and suitable for the Srebrenica Region; * Sheep diet improvement through introduction of high value protein feed and mineral ingredients; * Introduction of low const and high quality sheep feed, pasture improvement and adequate management; * Adequate sheep shelters adoption; * Wide spread diseases prevention through training and awareness raising; * Monitoring and surveillance of wide spread diseases through coordination with municipal, RS entity, FBiH and State level veterinarian inspectors; and * Provision of assistance and advice to farmers to access market. | | | | | |
| In order to achieve the above sub-activity objectives UNDP/SRRP will use the following implantation modalities:   * Formal and practical training; * Demonstration farms and day to day advice; * Experience sharing visits; * Provision of input construction material, equipment and machinery, as incentives for new technology acquisition; and * Sheep Diseases awareness campaign and establishment of information flow system among the BIH, RS and FBiH inspectorate and the Municipal Veterinarian Inspector as well as other international projects World Bank, Twining Project related to Veterinary sector (diseases monitoring and surveillance).   The programme has designed a database to monitor and assess the performance of dairy farmers, in terms of productivity, quality of product, farm expansion and other aspects. It is a tool to measure the application by farmers of new technologies introduced to them during training and their commitment. It further enables UNDP to assess its own performance in regard to technical assistance but also to adapt the level of day to day advice to individual needs. A similar database will be used for this sub-activity. The database will be further used in the selection of farmers to receive inputs from UNDP.  The selection of sheep farmers will be based on an invitation to local producers to participate in the sub-activity. Interested candidates will receive upon request a detailed description of the sub-activity and how it will be implemented. The information package will also explain that input support will be conditional to the application of new technologies by producers and to their commitment to training. To ensure that all potential applicants understand the sub-activity and the procedures regulating its implementation, workshops will be organised to allow potential candidates to ask questions and make suggestions to improve the implementation modalities. As stated in the previous paragraph, the programme will use a database to record and monitor the level of commitment by producers.  The training programme will be designed to be as practical as possible with more emphasis on practical demonstration in farms. The programme will assess the possibility of farmers-to-farmers training in later stages.  UNDP SRRP will involve its partners, the Municipalities, the Regional Extension Service, the RS Ministry of Agriculture and other related governmental bodies in all stages of the sub-activity’s implementation. At the start of the sub-activity, a sub-activity board will be established. The role of the board will be to review the progress and performance of the sub-activity and to propose changes if needed. | | | | | |
| **Justification** | | | | | |
| UNDP/SRRP within its effort to boost the economy of Srebrenica region has identified the sheep as sub-sector with potential for pro-poor economic development due to the following:   * Agro-climatic conditions favourable for sheep rearing; * Sheep production is the only mean of exploitation of natural resources in hilly and mountainous areas that characterize the Srebrenica Region; * Existing tradition in sheep production farming; and * Sheep sub-sector can attract and sustain returnees to the remote areas though provision of economic opportunities and job creation.   UNDP SRRP has conducted analyses of the sector that has demonstrated its positive economic and financial benefits for local producers using standard financial models. The models also allow UNDP SRRP to assess the minimum required investments to ensure sustainability of farming activities. In the case of the sheep sub-sector, it has shown that a low level of investment can generate sufficient growth. This was important to ensure that the programme will not propose non profitable investments to low income families. | | | | | |
| **Partners** | | | | | |
| * SRRP Municipalities * Regional Extension Service * RS & FBiH Ministry of Agriculture, MOFTER Department of Agriculture, Food and Rural Development * State, Entities Veterinarian inspectorate | | | | | |
| **Beneficiaries** | | | | | |
| * Sheep farmers and rural population of the Srebrenica region | | | | | |
| **Expected Results** | | | | | |
| 1. | | Sheep farms expanded. | | | |
| 2. | | Modern sheep farming technology related to sheep diet, grazing, shelter introduced. | | | |
| 3. | | Training and technical assistance, advice on disease prevention, sheep rearing, health protection provided. | | | |
| 4. | | Diseases awareness campaigns implemented and information flow on diseases outbreaks established. | | | |
| **Indicators** | | | | | |
| 1. | | Inputs provided to 100 sheep farmers for farm expansion by June 2013. | | | |
| 2. | | Training and technical advice on modern sheep farming related to sheep diet, grazing and adequate shelters provided to 150 farmers by October 2013. | | | |
| 3. | | Training and technical assistance and advice on diseases prevention provided to 200 farmers by October 2013. | | | |
| 4.1 | | At least 2 diseases campaign completed by December 2010. | | | |
| 4.2 | | At least 2 additional awareness campaigns completed by December 2011. | | | |
| 4.3 | | Coordination established with relevant veterinarian bodies by March 2010, maintained until October 2013 and handed over to municipal authorities. | | | |
| **Synergies** | | | | | |
| Direct synergies with the sub-activities 1.5 and 4.2.  Additional internal synergies with sub-activities 4.3, 4.5 and 4.6.  External synergies with similar projects and programmes like USAID/ LAMP and others development organisations involved in agriculture development like JICA as well as with the RS Ministry of Agriculture.  Synergies could be sought also with investment funds/banks like for example the Development Fund for Eastern Republika Srpska (Fond za razvoj istočnog dijela Republike Srpske) or the Bosna Bank International. | | | | | |
| **Main Risks** | | | | | |
| 1. Contagious disease outbreaks | | | Type of Risk: Natural | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures  Reduction:   * RS 10 years action plan for brucellosis eradication * Monitoring and surveillance through establishment of tied coordination with BiH and Entities ministries of agriculture and veterinarians inspectorate * Awareness campaigns | | |
| 2. Prices fluctuation | | | Type of Risk: Economic | | |
| Impact: Medium | | |
| Probability: Low | | |
| Proximity: Medium | | |
| Countermeasures:  Acceptance | | |
| 3 Human factor - lack of interest of farmers to adopt new sheep farming techniques | | | Type of Risk:: social | | |
|  | | | Ipact: Low | | |
|  | | | Probability: Medium | | |
|  | | | Proximity: medim | | |
|  | | | Countermeasures  Reduction: Sound and thorough selection of farmers and provision of incentives for successful ones. | | |
| 4. Human factor   * Sheep farmers left the sub-activity | | | Type of Risk: Social | | |
| Impact: medum | | |
| Probability: medium | | |
| Proximity: Blizu | | |
| Countermeasures  Reduction: Sound and thorough selection of farmers | | |
| 5. Lack of support from the local governments | | | Type of Risk: Political | | |
| Impact: Low | | |
| Probability: low | | |
| Proximity: close | | |
| Countermeasures:  Reduction: Involvement of local government in all stages of sub-activity implementation and signing an MOU. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information, or if socio economic or environmental conditions change drastically in the target area. Effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as:   * Regular field visits and data collection of sheep farm performance; * Regular reporting; and * Training evaluation and tests of participants.   Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; * Beneficiaries; and * Inputs providers.   As described in the first section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present the sub-activity to the municipal authorities, representatives of the Regional Extension Services and of the RS Ministry of Agriculture. UNDP and the main stakeholders will also agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  In addition, the programme will send six monthly reports to the Ministry of Agriculture to ensure that they are well informed about the sub-activity’s implementation and to enable them to provide timely suggestions to programme. There would official exchange of information with BiH Veterinarian inspectorates, municipal veterinarian inspector.  Information to citizens and beneficiaries will be disseminated through local media, municipal information boards and MZ information boards. Leaflets or brochures will be printed to disseminate specific information related to sheep production. Information about workshops will be sent to the farmers at least two weeks prior to the workshop. | | | | | |

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| **Sub-activity Name:** | **Fruit** | | | **Sub-activity Code:** | **4.5** |
| **Description and Approach** | | | | | |
| UNDP/SRRP will implement fruit and berry fruit sub-activity through targeted interventions along the values added chain. The main objective of the sub-activity is to promote the rural economy, income generation and employment through promotion of the fruit and berry fruit production and marketing.  The sub-activity specific objectives are: (i) to increase the production and improve the quality of fruits and berry through introduction of modern and environment friendly production techniques. (ii) to assist small scale fruit and fruits producers in better access to markets.  In order to achieve the above objective UNDP/SRRP envisages the following interventions:   * Provision of technical assistance to fruit and berry fruits producers in modern environment friendly techniques; * Promotion of adoption of new modern environment friendly techniques; * Promotion of investments and expanding fruit berry fruits farms through provision of incentives and assistance in access to finance; * Provision of inputs and equipment for adoption of modern farming practices adoption; * Promotion of homemade based fruit traditional products especially among women and small scale subsistence producers; and * Assistance to producers in market access and better integration of producers in market channels. | | | | | |
| In order to achieve the above sub-activity objectives UNDP/SRRP will use the following implantation modalities:   * Formal, classroom and practical training; * Establishment of demonstration orchards and berry fruits plots and conducting scooping visits ; * Field visits, leaning by doing and day to day advice; and * Market assessment and provision of information to producers.   The programme has designed a database to monitor and assess the performance of dairy farmers, in terms of productivity, quality of product, farm expansion and other aspects. It is a tool to measure the application by farmers of new technologies introduced to them during training. It further enables UNDP to assess its own performance in regard to technical assistance but also to adapt the level of day to day advice to individual needs. A similar database will be used for this sub-activity. The database will be further used in the selection of farmers to receive inputs from UNDP.  The selection of fruit and berry fruit producers will be based on an invitation to local producers to participate in the sub-activity. Interested candidates will receive upon request a detailed description of the sub-activity and how it will be implemented. The information package will also explain that input support will be conditional to the application of new technologies by producers and to their commitment to training. To insure that all potential applicants understand the sub-activity and the procedures regulating its implementation, workshops will be organised to allow potential candidates to ask questions and make suggestions to improve the implementation modalities. As stated in the previous paragraph, the programme will use a database to record and monitor the level of commitment by producers.  In its approach to the development of the fruit and berry fruit sub-sector, the programme will divide its interventions into three segments:   * Berry fruit production aimed at producers with adequate land plots and sufficient labour force; * Intensive tree fruit production aimed at producers with adequate land plots and sufficient labour force; and * Semi-intensive tree fruits production aimed at producers with limited access to land plots and labour force[[17]](#footnote-17).   The training programme will be designed to be as practical as possible with more emphasis on practical demonstration in farms. The programme will assess the possibility of farmers-to-farmers training in later stages.  UNDP/SRRP will involve its partners, the Municipalities, the Regional Extension Service, the RS Ministry of Agriculture and other related governmental bodies in all stages of the sub-activity’s implementation. At the start of the sub-activity, a sub-activity board will be established. The role of the board will be to review the progress and performance of the sub-activity and to propose changes if needed. | | | | | |
| **Justification** | | | | | |
| UNDP/SRRP within its effort to boost the economy of Srebrenica region has identified the fruit and berry fruits as promising sub-sectors for pro poor economic growth. The favourable agro climatic conditions and existing tradition in fruit and berry fruit production which is mostly export oriented, labour intensive and low investment requirement, provide great opportunities for family income and employment of rural population in Srebrenica region, however there are many challenges that impede the sub-sectors developments including:   * Outdated farming technologies; * Low quality of input and seedlings; * Bad quality of fruits; * Old orchards and berry plantations; * Low level of productivity; * Uneven production- lack of reliability of supply to markets (processors) from year to year; and * Bad integration of small scale producers in market.   The programme needs also to ensure access to market for local producers. This is the reason why the introduction of new production technologies is essential and that attention will be paid to new trends on the global market with, for example, the introduction of new production standards like GLOBALGAP (Good Agriculture Practice[[18]](#footnote-18)).  UNDP SRRP has conducted analyses of the sector that has demonstrated its positive economic and financial benefits for local producers using standard financial models. The models also allow UNDP SRRP to assess the minimum required investments to ensure sustainability of farming activities. In the case of the fruit and berry fruit sub-sector, it has shown that a low level of investment can generate sufficient growth. This was important to ensure that the programme will not propose non profitable investments to low income families. | | | | | |
| **Partners** | | | | | |
| * SRRP Municipalities * Extension Services * Market integrators, cooperatives and Fruit - Berry Fruits Processors * International and national organizations involved in fruits –berry fruits sub-sectors * Ministry of Agriculture * Agriculture and Food faculties and institutes | | | | | |
| **Beneficiaries** | | | | | |
| * Fruit and berry fruit producers (returnees and citizens) * Rural Population | | | | | |
| **Expected Results** | | | | | |
| 1. | | Training and technical assistance provided | | | |
| 2. | | Demonstration orchards and berry fruit plots established | | | |
| 3. | | Experience sharing visits conducted | | | |
| 4. | | Incentives, input and equipment provided for new technologies adoption and investments for expanding farms. | | | |
| 5. | | Market information and market access provided | | | |
| **Indicators** | | | | | |
| 1. | | Training and technical assistance provided to 50 producers by October 2013. | | | |
| 2. | | 5 demonstration orchards and berry fruits plots established by December 2010 | | | |
| 3. | | 2 experience sharing visits organised by October 2012. | | | |
| 4.1 | | Input and equipment provided to 30 producers by June 2011. | | | |
| 4. | | 30 farms expanded by June 2012. | | | |
| 5.1 | | Market information provided to 100 producers on weekly basis from April until November of each year. | | | |
| 5.2 | | Market access established by December 2010. | | | |
| **Synergies** | | | | | |
| Direct synergies with the sub-activities 1.5 and 4.2.  Additional internal synergies with sub-activities 4.3, 4.4 and 4.6.  External synergies with similar projects and programmes like USAID/ LAMP, Italian Cooperation and others development organisations involved in agriculture development like JICA as well as with the RS Ministry of Agriculture.  Synergies could be sought also with investment funds/banks like for example the Development Fund for Eastern Republika Srpska (Fond za razvoj istočnog dijela Republike Srpske) or the Bosna Bank International. | | | | | |
| **Main Risks** | | | | | |
| 1. Climatic disaster caused by extreme weather conditions like hail and drought. | | | Type of Risk Natural | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity close | | |
| Countermeasures:  Acceptance  Prevention   * Protection against hail * Irrigation systems against drought | | |
| 2. Plant diseases | | | Type of Risk: Natural | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction  Awareness campaigns and cooperation with relevant government bodies | | |
| Prevention   * Selection of diseases free seedlings, * Selection of suitable location for planting * Proper soil preparation and testing before planting * Plant sanitarian measures | | |
| 3. Prices fluctuation | | | Type of Risk: Economic | | |
| Impact : low | | |
| Probability: medium | | |
| Proximity: close | | |
| Countermeasures:  Acceptance | | |
| 4. Human factor/ producers reluctant to adopt new technologies/lack of producers commitments | | | Type of Risk: Operational | | |
| Impact: medium | | |
| Probability: low | | |
| Proximity: close | | |
| Countermeasures:  Reduction  Selection of beneficiaries based on testing performed after preliminary training has been conducted. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information, or if socio economic or environmental conditions change drastically in the target area. Effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as:   * Regular field visits and beneficiaries monitoring; * Monitoring of markets and prices; * Regular reporting; and * Training evaluation and reporting.   Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; * Beneficiaries; and * Inputs providers.   As described in the first section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present the sub-activity to the municipal authorities, representatives of the Regional Extension Services and of the RS Ministry of Agriculture. UNDP and the main stakeholders will also agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  In addition, the programme will send six monthly reports to the Ministry of Agriculture to ensure that they are well informed about the sub-activity’s implementation and to enable them to provide timely suggestions to programme. There would official exchange of information with BiH Veterinarian inspectorates, municipal veterinarian inspector.  Information to citizens and beneficiaries will be disseminated through local media, municipal information boards and MZ information boards. Leaflets or brochures will be printed to disseminate specific information related to sheep production. Information about workshops will be sent to the farmers at least two weeks prior to the workshop. | | | | | |

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| **Sub-activity Name:** | **Small Farm Diversification Projects** | | | **Sub-activity Code:** | **4.6** |
| **Description and Approach** | | | | | |
| UNDP/SRRP is planning to adopt a new approach to effectively target poor households living in rural areas. Through this approach, it is expected to improve the equity in access to economic opportunities for the poor.  The purpose of this sub-activity is to improve small farm households’ revenue streams through the diversification of family economic activities in rural areas. The sub-activity’s specific objectives are to: (i) identify patterns of vulnerability and poverty in rural communities through the adoption of sustainable livelihood tools developed by DFID[[19]](#footnote-19) and adapted to Srebrenica Region needs; and (ii) tailor individual household strategies and provide assistance to active poor families to tackle constraints to poverty reduction[[20]](#footnote-20). The sub-activity also intends to strengthen the local capacities to adopt the new approach and tools in further planning and implementation of poverty reduction strategies.  This sub-activity is based on the concept of sustainable livelihood defined as follows: “A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.”[[21]](#footnote-21)  The Programme will adopt a framework that will allow us to find solutions adapted to the needs of each community and each beneficiary families. It puts people at the centre of development. The planned sub-activities are:   * Community mapping; * Definition of strengths and constraints at community level; * Definition of vulnerability; * Identification of poor families; * Selection of active poor families; * Family strengths and constraints analyses; * Definition with families of solutions; * Provision of inputs; * Provision of technical assistance; and * Follow up of families.   The programme intends to use an approach developed by DFID for sustainable livelihood. The livelihoods framework is a tool to improve our understanding of livelihoods, particularly the livelihoods of the poor as presented in the diagram below.  While the livelihood framework provides solution at community level to address the multi-dimensional aspects of poverty and will help the programme to identify links with existing activities or development projects, the Programme plans to go one step further by addressing the needs of active poor families by identifying together with these families their individual strengths and constraints and to develop family plans.  Experts will look first at maximising revenues from farm activities while reducing the seasonality and the exposure of external shocks of these revenue streams by diversifying these farm activities. Secondly, the Programme will look at opportunities for non-farm activities by identifying skills available within the family like for forestry activities, craft activities and homemade food products.  Prior to the start of the sub-activity, the Programme will hire a consultant with experience with the sustainable livelihood framework to adapt it to the specificities of the region and to extend it for family level interventions. To implement the sub-activities, the Programme will contract domestic development organisations that will be responsible to apply the developed methodology. UNDP SRRP will expect from these organisations to spend significant time in the communities. This will be crucial if the Programme wants to properly identify the social and human capital within these communities and improve the internal functioning of the group that could lead to social safety networks being established.  In total, 20 communities will be selected together with the municipal administration based on criteria that will be set by the Programme and local authorities with the support of the consultant. During the first of the third phase’s implementation, the Programme will work with 9 local communities. The remaining 11 local communities will be included in the sub-activity during the second year. | | | | | |
| **Justification** | | | | | |
| The external evaluation has identified limiting factors that prevented the programme’s activities from addressing effectively poverty in terms of reduction and outreach. The agriculture sub-sectors development approach, like the dairy project, has provided limited benefits for poor households lacking the capacities in terms of access to land, labour and assets. Through the selection processes and their criteria based on objective variables specific to the sub-sector like suitable land for proposed farming activity, many poor households were excluded from participating in these activities. The sub-sector development approach also has provided limited choices to small scale farm households. Some of them due to their difficult economic situation decided to accept the programme’s proposed farming activities which they did not necessary favour. As such, it has exposed the families’ income to high external risks, such as products prices fluctuation or animal diseases which may have negative impacts on the household income. Further, agriculture sub-sector interventions tend to look at the constraints to the development of these sub-sectors and how vulnerable families could be included in the production chains. However, it does not look at the family income streams and poverty patterns.  Therefore, UNDP SRRP envisages developing sustainable livelihood tools in order to reach the active poor and provide them with access to diversified rural economic activities. Through such an approach, the programme will provide equal access to economic opportunities for marginalized poor population and reduce the influence of external risks on poor families’ income.  One of the lessons learned through the implementation of the dairy and sheep activities during the second phase of the programme was that technical assistance needs sometimes to be adapted to the particularities of each family. Of course this will be extremely difficult to implement for the whole region and for agricultural producers. Still in the case of active poor families, it is a necessity.  As the sustainable livelihood framework is people-centred and enables development organisations to identify the main factors that affect people’s livelihood, it will allow the Programme to overcome the constraints set above and to allow itself the opportunity to:   * properly identify poor families; * find individual solutions for each family; * increase family’s ownership; and * increase the impact of technical assistance.   In this way, it addresses the weaknesses identified by the external evaluation. | | | | | |
| **Partners** | | | | | |
| * Local Governments * Regional Extension Services * Development organisations * Ministry of Agriculture | | | | | |
| **Beneficiaries** | | | | | |
| * Rural population * Local governments * Active poor families | | | | | |
| **Expected Results** | | | | | |
| 1. | | Community analyses completed. | | | |
| 2. | | Active poor families provided with inputs for livelihood support. | | | |
| 3. | | Technical assistance provided to active poor families in rural areas. | | | |
| **Indicators** | | | | | |
| 1.1 | | Community mapping completed for 20 local communities by December 2010. | | | |
| 1.2 | | Vulnerability analyses completed for 20 local communities by March 2011. | | | |
| 2. | | 300 active poor families in rural areas received inputs by November 2011. | | | |
| 3.1 | | Technical assistance provided to 300 active poor families by December 2012. | | | |
| 3.2 | | Level of satisfaction of families has reached 80% by October 2013. | | | |
| **Synergies** | | | | | |
| The implementation of other programme’s sub-activities, like 4.2, 4.3, 4.4 and 4.5, will participate in the achievement of the expected results of this sub-activity. While the findings extracted from the community analyses will feed into the planning of the sub-activities 3.2, 3.3 and 3.4.  External synergies with similar projects and programmes. | | | | | |
| **Main Risks** | | | | | |
| 1. Inability to find competent partner organisations | | | Type of Risk: operational | | |
| Impact: high | | |
| Probability: low | | |
| Proximity: close | | |
| Countermeasures:  Contingency: In that case, the programme will redefine its approach in terms of contracting domestic development organisations. An alternative will be for UNDP to directly hire additional field staff that will be responsible to conduct community activities. | | |
| 2. Lack of interest of rural families to participate in the community activities | | | Type of Risk: Operational | | |
| Impact: Medium | | |
| Probability: Medium | | |
| Proximity: Close | | |
| Countermeasures:  Reduction: a clear communication strategy will be developed with the representative of the selected local communities. | | |
| 3. Difficulties in defining non farm activities for active poor families | | | Type of Risk: Operational | | |
| Impact : low | | |
| Probability: medium | | |
| Proximity: medium | | |
| Countermeasures:  Acceptance: As currently the main source of income for active poor families in rural areas is agriculture, the programme will still achieve its objectives. | | |
| **Monitoring** | | | | | |
| Monitoring will be performed at three levels: sub-activity, activity and programme. At the sub-activity level, UNDP/SRRP staff will monitor the implementation of the sub-activity against the targets set at annual level, providing project management, staff and other stakeholders with information on whether progress is being made towards achieving the set objectives. In this regard, monitoring represents a continuous assessment of project implementation in relation to project plans, resources, infrastructure, and use of services by project beneficiaries. Additionally, monitoring sub-activity progress will alert managers to actual and potential project weaknesses, problems and shortcomings in a timely manner. This would provide managers with the opportunity to make adjustments and corrective actions to improve the programme/project approach, work plan and implementation strategies.  At the activity level, UNDP/SRRP will monitor the progress of the sub-activity against the expected results and their respective indicators. Monitoring requirements will include providing regular feedback to enhance the ongoing learning experience and to improve the planning process and effectiveness of interventions, enabling managers and staff to identify and reinforce initial positive results, strengths and successes. Monitoring exercises will continuously check on conditions or situations of target groups and changes brought about by programme sub-activities. In this regard, monitoring will assist programme management to analyse whether the project continues to be relevant to the target group and/or geographical area and whether programme assumptions are still valid. In addition, proper monitoring will ensure maintenance high accountability within the programme to donors and local stakeholders.  Monitoring actions will be undertaken throughout the lifetime of the programme. Ad hoc evaluation research might be needed if unexpected problems arise for which planned monitoring activities cannot generate sufficient information, or if socio economic or environmental conditions change drastically in the target area. Effective monitoring plan will include adequate planning, baseline data, indicators of performance, and results and practical implementation mechanisms that include actions such as:   * Regular field visits and interviews with local community representatives and beneficiaries; and * Regular reporting.   Programme monitoring will be carried out by programme management, programme staff and relevant local stakeholders. | | | | | |
| **Communication Plan** | | | | | |
| Detailed communication plans will be developed for the following groups:   * Local stakeholders; * Citizens; * Beneficiaries; and * Extension service providers. | | | | | |
| As described in the first section, the local stakeholders will be strongly involved in the implementation of the sub-activity. An introduction meeting will be organised during which UNDP will present the sub-activity to the municipal authorities, representatives of farmers and of the RS Ministry of Agriculture. UNDP and the main stakeholders will also agree on the date for progress meetings. The progress meetings will be used to present sub-activity’s progress and define tasks to be performed by UNDP and the Municipality during the following period.  Information to citizens and beneficiaries will be disseminated through local media, municipal information boards and MZ information boards. Leaflets or brochures will be printed to disseminate specific information related to extension service provision.  As the extension services will be provided by the external company/organisation, the programme will organise regular performance review meetings to look at the progress towards the objectives and amend the contract if needed. | | | | | |

## Appendix C – Gantt Chart for Year 1











## Appendix D – Municipalities Capacity Assessment

In this appendix, the summary table of capacity assessment for each Municipality are presented.

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| --- | --- | --- | --- | --- | --- | --- |
| **Core Issues** | | **Functional Capacities** | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | **Formulate Policy & Strategy** | **Budget, Manage & Implement** | **Monitor & Evaluate** |
|  | **SREBRENICA** | Existing Level | Existing Level | Existing Level | Existing Level | Existing Level |
| 1.0 | Leadership | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 |
| 2.0 | Policy and Legal Framework | 3.00 | 2.00 | 2.00 | 2.00 | 1.00 |
| 3.0 | Mutual Accountability Mechanisms | 2.50 | 2.00 | 1.67 | 1.00 | 1.75 |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 3.20 | 2.25 | 1.50 | 1.50 | 1.00 |
| 4.2 | Access to Information & Knowledge | 3.00 | 1.00 | 1.00 | 1.50 | 1.00 |
| 5.0 | Human Resources (HR) | 2.00 | 1.00 | 2.00 | 1.00 | 2.00 |
| 6.0 | Financial Resources | 2.67 | 1.00 | 1.00 | 1.00 | 2.00 |
| 7.0 | Physical Resources | 3.67 | 2.00 | 2.00 | 2.50 | 3.00 |
| 8.0 | Environmental Resources | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 9.0 | Human Rights | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| **Overall** | | **2.60** | **1.73** | **1.72** | **1.55** | **1.68** |

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| --- | --- | --- | --- | --- | --- | --- |
| **Core Issues** | | **Functional Capacities** | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | **Formulate Policy & Strategy** | **Budget, Manage & Implement** | **Monitor & Evaluate** |
| **BRATUNAC** | | Existing Level | Existing Level | Existing Level | Existing Level | Existing Level |
| 1.0 | Leadership | 2.25 | 3.00 | 3.00 | 2.00 | 2.00 |
| 2.0 | Policy and Legal Framework | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 |
| 3.0 | Mutual Accountability Mechanisms | 2.00 | 2.00 | 1.67 | 1.00 | 1.75 |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 2.60 | 1.75 | 1.50 | 1.50 | 1.00 |
| 4.2 | Access to Information & Knowledge | 3.00 | 1.00 | 1.00 | 1.50 | 1.00 |
| 5.0 | Human Resources (HR) | 2.00 | 1.00 | 2.00 | 1.00 | 2.00 |
| 6.0 | Financial Resources | 2.67 | 1.00 | 1.00 | 1.00 | 2.00 |
| 7.0 | Physical Resources | 3.00 | 2.00 | 2.00 | 3.00 | 2.67 |
| 8.0 | Environmental Resources | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 9.0 | Human Rights | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| **Overall** | | **2.25** | **1.68** | **1.72** | **1.60** | **1.64** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Core Issues** | | **Functional Capacities** | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | **Formulate Policy & Strategy** | **Budget, Manage & Implement** | **Monitor & Evaluate** |
| **MILICI** | | Existing Level | Existing Level | Existing Level | Existing Level | Existing Level |
| 1.0 | Leadership | 3.00 | 3.00 | 3.00 | 2.50 | 2.00 |
| 2.0 | Policy and Legal Framework | 4.00 | 2.00 | 2.00 | 2.00 | 1.00 |
| 3.0 | Mutual Accountability Mechanisms | 3.00 | 2.00 | 1.67 | 1.00 | 1.75 |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 3.40 | 2.25 | 1.50 | 1.50 | 1.50 |
| 4.2 | Access to Information & Knowledge | 3.00 | 1.00 | 1.00 | 1.50 | 1.00 |
| 5.0 | Human Resources (HR) | 2.00 | 1.00 | 2.00 | 1.00 | 1.75 |
| 6.0 | Financial Resources | 2.33 | 1.00 | 1.00 | 1.00 | 1.75 |
| 7.0 | Physical Resources | 3.67 | 2.00 | 2.00 | 2.75 | 3.00 |
| 8.0 | Environmental Resources | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 9.0 | Human Rights | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| **Overall** | | **2.74** | **1.73** | **1.72** | **1.63** | **1.68** |

## Appendix E – Capacity Assessment of key local Civil Society Organisations

In this appendix, the capacity assessment results for five key local civil society organisations are presented.

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| **Point of Entry** | |  | | | | | | | | |
| **Organisation - Prijatelji Srebrenice** | |
|  |  |  | |  | |  | |  | |  |
| **Core Issues** | | **Functional Capacities** | | | | | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | | **Formulate Policy & Strategy** | | **Budget, Manage & Implement** | | **Monitor & Evaluate** | |
|  |  | Existing Level | Existing Level | | Existing Level | | Existing Level | | Existing Level | |
| 1.0 | Leadership | 3.33 | 2.67 | | 2.50 | | 3.00 | | 2.33 | |
| 2.0 | Policy and Legal Framework | 2.00 | 2.00 | | 2.00 | | 3.00 | | 2.00 | |
| 3.0 | Mutual Accountability Mechanisms | 2.00 | 2.00 | | 3.00 | | 3.00 | | 2.13 | |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 2.50 | 2.00 | | 3.00 | | 3.00 | | 2.33 | |
| 4.2 | Access to Information & Knowledge | 4.00 | 4.00 | | 2.50 | | 3.43 | | 2.00 | |
| 5.0 | Human Resources (HR) | 3.00 | 3.00 | | 2.00 | | 3.00 | | 2.67 | |
| 6.0 | Financial Resources | 3.00 | 2.00 | | 2.50 | | 4.00 | | 3.67 | |
| 7.0 | Physical Resources | N/A | N/A | | 3.67 | | 1.00 | | 3.00 | |
| 8.0 | Environmental Resources | 1.00 | 1.00 | | 1.00 | | 1.00 | | 1.00 | |
| 9.0 | Human Rights | 4.00 | 3.00 | | 3.00 | | 3.00 | | 2.00 | |
| **Overall** | | **3.10** | **2.71** | | **2.80** | | **3.05** | | **2.57** | |

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| **Point of Entry** | |  | | | | | | | |
| **Organisation – Srebrenica Business Centre** | |
|  |  |  | |  | |  | |  | | |  |
| **Core Issues** | | **Functional Capacities** | | | | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | | **Formulate Policy & Strategy** | | **Budget, Manage & Implement** | | **Monitor & Evaluate** |
|  |  | Existing Level | Existing Level | | Existing Level | | Existing Level | | Existing Level |
| 1.0 | Leadership | 3.33 | 2.67 | | 4.00 | | 3.00 | | 2.33 |
| 2.0 | Policy and Legal Framework | 3.00 | 3.00 | | 3.00 | | 4.00 | | 3.00 |
| 3.0 | Mutual Accountability Mechanisms | 2.50 | 3.00 | | 4.00 | | 4.00 | | 3.13 |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 3.00 | 2.50 | | 3.00 | | 4.00 | | 2.33 |
| 4.2 | Access to Information & Knowledge | 3.00 | 3.00 | | 3.00 | | 3.29 | | 2.00 |
| 5.0 | Human Resources (HR) | 2.67 | 3.00 | | 3.00 | | 2.67 | | 2.00 |
| 6.0 | Financial Resources | 3.00 | 2.50 | | 3.50 | | 4.00 | | 3.67 |
| 7.0 | Physical Resources | N/A | N/A | | 3.00 | | 3.00 | | 3.00 |
| 8.0 | Environmental Resources | 2.00 | 1.00 | | 1.00 | | 2.00 | | 2.00 |
| 9.0 | Human Rights | 3.00 | 3.00 | | 2.00 | | 3.00 | | 2.00 |
| **Overall** | | **3.19** | **2.96** | | **3.28** | | **3.66** | | **2.83** |

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| **Point of Entry** | |  | | | | | | | | |
| **Organisation - Drina Srebrenica** | |
|  |  |  | |  | |  | |  | |  | |
| **Core Issues** | | **Functional Capacities** | | | | | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | | **Formulate Policy & Strategy** | | **Budget, Manage & Implement** | | **Monitor & Evaluate** | |
|  |  | Existing Level | Existing Level | | Existing Level | | Existing Level | | Existing Level | |
| 1.0 | Leadership | 4.00 | 3.17 | | 3.50 | | 3.60 | | 2.67 | |
| 2.0 | Policy and Legal Framework | 3.00 | 3.00 | | 3.00 | | 3.00 | | 2.00 | |
| 3.0 | Mutual Accountability Mechanisms | 3.00 | 3.00 | | 3.00 | | 4.00 | | 3.00 | |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 3.00 | 2.50 | | 2.67 | | 3.00 | | 2.67 | |
| 4.2 | Access to Information & Knowledge | 3.00 | 3.00 | | 2.50 | | 3.29 | | 2.00 | |
| 5.0 | Human Resources (HR) | 3.00 | 3.00 | | 4.00 | | 3.00 | | 2.33 | |
| 6.0 | Financial Resources | 3.50 | 2.50 | | 2.50 | | 5.00 | | 3.67 | |
| 7.0 | Physical Resources | N/A | N/A | | 3.67 | | 3.00 | | 3.00 | |
| 8.0 | Environmental Resources | 1.00 | 1.00 | | 1.00 | | 1.00 | | 1.00 | |
| 9.0 | Human Rights | 3.00 | 3.00 | | 3.00 | | 3.00 | | 2.00 | |
| **Overall** | | **3.31** | **3.02** | | **3.20** | | **3.54** | | **2.70** | |

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| **Point of Entry** | |  | | | | | | | |
| **Organisation – Srebrenica Regional Extension Service** | |
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| **Core Issues** | | **Functional Capacities** | | | | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | | **Formulate Policy & Strategy** | | **Budget, Manage & Implement** | | **Monitor & Evaluate** |
|  |  | Existing Level | Existing Level | | Existing Level | | Existing Level | | Existing Level |
| 1.0 | Leadership | 4.00 | 3.00 | | 3.50 | | 3.20 | | 2.33 |
| 2.0 | Policy and Legal Framework | 3.00 | 3.00 | | 3.00 | | 3.00 | | 2.00 |
| 3.0 | Mutual Accountability Mechanisms | 3.50 | 3.00 | | 3.00 | | 4.00 | | 3.00 |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 3.00 | 3.00 | | 3.00 | | 4.00 | | 2.33 |
| 4.2 | Access to Information & Knowledge | 3.00 | 3.00 | | 2.50 | | 3.43 | | 2.00 |
| 5.0 | Human Resources (HR) | 3.67 | 3.00 | | 2.00 | | 3.00 | | 2.33 |
| 6.0 | Financial Resources | 2.50 | 2.00 | | 3.00 | | 5.00 | | 3.67 |
| 7.0 | Physical Resources | N/A | N/A | | 3.00 | | 3.00 | | 3.00 |
| 8.0 | Environmental Resources | 3.00 | 1.00 | | 1.50 | | 3.00 | | 2.00 |
| 9.0 | Human Rights | 2.00 | 2.00 | | 3.00 | | 4.00 | | 2.00 |
| **Overall** | | **3.46** | **2.88** | | **3.06** | | **3.96** | | **2.74** |

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| **Point of Entry** | |  | | | | | | | |
| **Organisation - Priroda** | |
|  |  |  | |  | |  | |  | |  |
| **Core Issues** | | **Functional Capacities** | | | | | | | |
| **Engage in Multi-Stakeholder Dialogue** | **Analyze a Situation & Create a Vision** | | **Formulate Policy & Strategy** | | **Budget, Manage & Implement** | | **Monitor & Evaluate** |
|  |  | Existing Level | Existing Level | | Existing Level | | Existing Level | | Existing Level |
| 1.0 | Leadership | 3.33 | 3.00 | | 3.50 | | 3.40 | | 2.67 |
| 2.0 | Policy and Legal Framework | 3.00 | 2.00 | | 3.00 | | 3.00 | | 2.00 |
| 3.0 | Mutual Accountability Mechanisms | 3.00 | 2.00 | | 3.00 | | 3.00 | | 2.88 |
| 4.1 | Inclusion, Participation, Equity & Empowerment | 3.25 | 2.50 | | 2.67 | | 4.00 | | 2.33 |
| 4.2 | Access to Information & Knowledge | 3.00 | 3.00 | | 2.50 | | 3.57 | | 2.00 |
| 5.0 | Human Resources (HR) | 3.33 | 3.00 | | 2.00 | | 2.67 | | 2.67 |
| 6.0 | Financial Resources | 3.00 | 2.00 | | 2.50 | | 4.00 | | 3.67 |
| 7.0 | Physical Resources | N/A | N/A | | 3.67 | | 1.00 | | 3.00 |
| 8.0 | Environmental Resources | 1.00 | 1.00 | | 1.00 | | 1.00 | | 1.00 |
| 9.0 | Human Rights | 3.00 | 3.00 | | 2.00 | | 3.00 | | 2.00 |
| **Overall** | | **3.24** | **2.69** | | **2.87** | | **3.18** | | **2.69** |

## Appendix F – Prior and Ongoing Assistance by UNDP - Evaluation Recommendations

The UNDP Srebrenica Regional Recovery Programme was established in 2002 as a response to the urgent needs of the Eastern Bosnia region, and in particular the three municipalities of Srebrenica, Bratunac, and Milići. The aim was to address three crucial areas: (i) removing obstacles to minority return; (ii) creating economic opportunities; and (iii) strengthening weak governance structures. The primary goal of injecting resources into these three marginalised municipalities was to accelerate the accumulation of physical, human, knowledge, and social capital to a level that these municipalities could not achieve on their own, particularly given the lack of assistance from sub-national government structures, under the current budgetary constraints and political climate.

The original budget was USD 12.4 million over a period of three years. UNDP mobilised the funds necessary for this first phase. Given the important needs the region still has and the success of the Programme, UNDP BiH decided to launch a second phase. This has been running since 2006 and should be completed by mid-2009. The projected budget was USD 19 million, of which UNDP succeeded in mobilising USD 11.9 million. The Programme has therefore mobilised USD 24.3 million to date. During the Programme’s second phase, the municipalities contributed parallel funding of USD 1.8 million.

### 2.1 Achievements to Date

During its first phase, from 2002 to mid-2006, Gender Mainstreaming, Civil Society, and Citizen Participation constituted the foundation of all programme activities, with Infrastructure and Economic Development initiatives utilised not only to improve living conditions and access to social infrastructure, but also to promote best practices and the values of good Local Governance.

Perhaps one of the most important achievements of the Programme in its first stages was the strong and sincere involvement of local institutions and citizens in planning and implementing capital investment and economic development activities, which aimed at strengthening local capacity on a learning-by-doing approach and ensuring equity in the allocation of resources. Component outputs fall into three areas – Local Governance, Economic Development, and Infrastructure and Housing – with cross-cutting themes of a rights-based approach, civil society participation, and gender.

Within the Local Governance component, some of the most important results have been in restoring or strengthening local government processes, particularly participatory planning, project preparation, and procurement. Through the participatory budgetary mechanism, there has been important progress in building transparency and accountability and ensuring that municipal expenditure serves the needs of all citizens. This was achieved through formal training (480 training days), on-the-job training, and direct mentoring provided by UNDP staff to municipal staff. For UNDP, the importance of local development is not exclusively a matter of outcomes but also of processes. Recently, UNDP has seen improvement with the ongoing process of Municipal Strategic Planning and the implementation of funds made available by the Council of Ministers. The quality of the Municipal Strategic Planning exercise has been more than satisfactory, with real public involvement and a sincere desire on the part of municipal staff to lead the process properly as facilitators. With regard to the Council of Ministers funds, the municipal administrations have been concerned to use the funds properly and ensure full accountability and transparency. While progress might be faster, the municipalities understand fully the importance of these funds and are working to the best of their capacity.

The Programme also made significant progress in the delivery of basic services in all three municipalities with the establishment of municipal front offices to serve their respective populations (43,000 inhabitants). Life in rural areas has been improved by initiatives like the provision of health services, especially by using mobile clinics in rural areas.

The Economic Development component has incorporated a diverse and rather scattered range of interventions, reflecting a more opportunistic strategy, but this is probably inevitable in the Srebrenica environment. It is addressing the key determinants of economic growth, namely (i) access to finance (micro-credits and grants for business start-ups; and fiscal incentive grants to existing businesses) and (ii) improving the business environment through the provision of business development services.

Sound planning and economic analyses have gone into all interventions and future directions have been identified on the basis of an important regional business cluster mapping exercise, which highlights future opportunities for the SRRP in the wood-processing sector. There have been recent developments with regard to support for agricultural activities, both in identifying and promoting commercial opportunities and in livelihood support for poor and vulnerable rural households.

UNDP SRRP is the first programme in the region to move from basic humanitarian support to poor families through the delivery of livestock to the provision of longer-term development support. For example, UNDP SRRP is currently implementing a dairy sub-sector development project, from which some 119 families have directly benefited in ways which enable them to generate considerable income. The key difference from other similar schemes is that the SRRP provides support along the entire production chain from farm to processor. Thus, the SRRP provided assistance in livestock restocking, but in combination with technical assistance and market access. After the first ten months of implementation, milk production generated by the project was bringing in an annual income of approx. € 500,000.

Support has also been provided to the restoration of basic services (power and water supply in rural areas), reducing the isolation of rural returnee communities (roads), and supporting housing reconstruction, both directly and by other agencies. The local authorities and institutions have been strongly involved in all activities, strengthening local capacity, especially with regard to the absorption of donor funds, which will be of vital importance for the municipalities in years to come, if they want to become eligible for EU structural funds. The maintenance of newly reconstructed infrastructure remains an issue that the Programme will have to address, together with the municipalities, in the next phase of the Programme.

### 2.2 In Numbers

Economic Benefits

More than 6,500 people have been reached through various economic development activities. The main results achieved so far are:

* More than 200 individuals have a stable source of income from milk production. Milk sales to dairy processors increased from 5,000 litres per month in 2004 to 210,000 litres per month today. It represents, at current farm gate prices, income of close to BAM 2 million per year. Thanks to coaching and guidance from UNDP staff, milk quality produced in the area has reached European standards.
* Business and skills enhancement training delivered to 3,000 participants.
* UNDP has supported private sector development, helping to create close to 140 jobs, or close to 20% of all new jobs created in Srebrenica (official employment figures show a 50% increase in jobs during the past 3 years, or 700 new jobs).
* 2,500 sheep were distributed to 446 female-headed households in remote rural areas. The focus has been on livelihood support with potential for further income generation from wool, meat, and cheese production. These women were also trained in hoof trimming and sheep nutrition.
* Agricultural producers benefited from the regional extension service, providing technical assistance to improve agricultural practices in dairy, sheep, fruit, and berry farming.

Better Local Governance

The entire population of all three municipalities has benefited from improved public services and provision of social services. Through its Local Government and Civil Society components, UNDP SRRP has funded projects focusing on the provision of social services to vulnerable groups and the improvement of public services. These efforts have achieved the following results:

* Upgraded information technology systems at Bratunac Municipality;
* The introduction of new and transparent procurement procedures through formal training and hands-on training in all three municipalities;
* Two health-related projects supporting elderly and vulnerable people, with a focus on returnees, internally displaced people, and children with special needs;
* A Mobile Out-patient Clinic serving 1,000 people, especially returnees living in rural areas in Srebrenica;
* Improved delivery of basic services in all three municipalities, thanks to the establishment of municipal front offices (serving close to 50,000 inhabitants);
* Public inclusion in decision-making thanks to the reconstruction of 28 local community offices and the provision of NGO services to identify their needs; and
* 25 infrastructure projects, supported together with the municipalities and selected by participatory mechanisms, with close to 7,000 direct beneficiaries.

Access to Infrastructure

More than 17,500 people have benefited from improved infrastructure with the reconstruction of rural roads, water supply systems, and power grids. Since 2002, UNDP SRRP’s infrastructure component has achieved the following results:

* 180 kilometres of rural roads repaired;
* 11 village water supply systems restored, benefiting 2,000 people;
* 1,000 children enjoy better schooling conditions;
* 2,222 households now have access to treated water in Srebrenica;
* 45 km of high voltage lines, twelve substations, and 40 km of low voltage lines installed to improve the power supply to 1,500 families; and
* 90 houses reconstructed - 55 in Srebrenica and 35 in Bratunac, enabling the return of displaced families to their pre-war residences.

**Evaluation Recommendations**

The main recommendations made by external evaluators are presented in this section.[[22]](#footnote-22) Answers are provided, where required, as to how UNDP SRRP intends to address the recommendation or has already addressed it in the formulation of this programme document.

**Programme Design**

1. Baseline studies need to be implemented to assist the municipalities in developing a dynamic data base (e.g., demography, productive assets, economic potential, and household vulnerability).
   * The Programme has already collected information from the municipalities on demography, agriculture, and the private sector during the preparation of this programme document. The Programme intends to develop local capacity in data collection and analyses through the monitoring of development indicators based on the UN Millennium Development Goals (see sub-activity 2.5).[[23]](#footnote-23) Secondly, the Programme is planning to implement an activity that will target the “active poor” in rural areas. As part of this activity, in-depth local community mapping exercises will be conducted to identify available resources.
2. In planning the next phase, avail of the services of an experienced external *logframe* facilitator.

* The Programme has conducted a participative exercise lead by an external facilitator for the preparation of the result framework.

**Implementation Approach**

1. Improve knowledge management practices; UNDP to support SRRP in scaling up experiences.

* Programme management will reinforce its knowledge management practices with the introduction of a better system to record best practices.

1. Based on the improved logical framework, review the monitoring strategy.

* The Programme will monitor progress towards expected achievements at three levels. The first will be at activity level. For each activity, deliverables are clearly defined together with the monitoring system. The second is at output level. The Programme has paid attention to setting outputs with clear and measurable indicators. At the outcome level, the Programme will use the development indicators monitoring activity (sub-activity 2.5) to measure improvements with regard to poverty reduction comprehensively and at regular intervals. For the second outcome on capacity development, UNDP SRRP will assess municipal and NGO capacity using the UNDP methodology.

**Project Components**

***Local Governance***

1. Approach improving municipal capacity by working towards a National Execution arrangement.

* The Programme’s strategy has been designed to move from UNDP Implementation to National Implementation. Please refer to the Management Arrangement section.

1. Continue to upgrade efforts to work in a conditional manner.

* Except for the ones related to formal knowledge acquisition, all activities will require greater involvement by the municipal authorities. The use of funds will be conditional on the completion of specific tasks by the municipal authorities.

1. Localise poverty across all initiatives and focus more on social exclusion through a livelihoods approach; consider localising MDGs.

* As stated above, UNDP SRRP has designed an activity that will monitor development indicators based on the Millennium Development Goals.

1. Undertake a baseline gender analysis, mainstream the gender programmes, and make programmes explicit.

* Under overall programme management, UNDP will conduct specific baseline analyses which will cover gender. This will allow UNDP to monitor improvement in regard to gender explicitly.

1. Coordinate all local governance and capacity building efforts with OSCE, GAP, SPIRA, and UNDP Country Office.

* UNDP will assist the municipalities to improve their coordination capacity so as to ensure synergy between the various development projects/programmes being implemented in their municipalities.

1. Undertake baseline assessments in key work areas before planning new programmes.

* Some baseline studies have already been conducted, e.g. the agriculture sector. Others are planned during the inception period of the Programme’s third phase. For example, UNDP SRRP has plans to support the municipalities in a spatial planning exercise that will include analysis of the current infrastructure situation.

1. Focus on civil society for service delivery; approach to strengthening CSOs needs rethinking.

* The programme strategy has been formulated to put more emphasis on developing the capacity of the municipalities and local CSOs. Direct involvement by CSOs in programme implementation is foreseen in seven activities. For example, the Programme is planning to implement projects to improve public services, as well as social projects. In both cases, UNDP SRRP will support projects selected by competitive process, based on project proposals submitted by local NGOs.

1. Focus on effective knowledge management, together with monitoring and evaluation.

* Changes in the Programme’s organisational structure will allow more structured and effective knowledge management.

***Infrastructure***

1. Evolve from implementation of infrastructure works to coaching.

* The coaching role is already very present in the current implementation of the Programme’s second phase. In the third phase, that role will naturally increase with the transfer of implementation responsibilities from UNDP to the municipal authorities.

1. Support municipalities in developing a comprehensive spatial plan for local/rural development to guide necessary infrastructure intervention (particularly in road construction).

* This is already included in the Programme’s third phase (sub-activity 2.4).

1. Establish a Multi Donor Infrastructure Fund (including mechanisms for generation of local revenue);

* Given current local capacity and the reducing donor interest in funding infrastructure investments, UNDP BiH does not consider this recommendation appropriate. The Programme also believes it would be more efficient for the municipalities to seek external funding on the basis of projects for larger infrastructure projects that include cost-benefit analysis.

1. Continued support to the water sector should be conditional on the political will to set sound prices.

* UNDP BiH is committed to the improvement of the water sector in Bosnia and Herzegovina and therefore in the Srebrenica region. The Programme agrees with the recommendations made by the evaluator that support to the water sector should include a strong emphasis on the financial sustainability of the utility companies. This will require changes in the current billing system and water pricing.

1. Survey the potential environmental and health hazards of asbestos water distribution pipes and the lack of waste water treatment and propose solutions.

* This issue has also been raised by the mayors. UNDP SRRP will offer technical assistance to the municipalities in conducting the necessary surveys and defining needs for waste water treatment.

1. Phase out from the power sector.

* UNDP SRRP does not plan any major involvement in the power sector. Minor emergency works might be supported but only on an exceptional basis.

1. Road construction to be integrated in local development planning; possible exception: linking up returnees for the sake of social inclusion through participatory planning; integrate economic feasibility criteria into the selection procedure.

* There will be two modalities for road reconstruction. The first one is through the “Capital Investment in Infrastructure” activity. The second will be through the “Micro Rural Development Projects” activity. Selection criteria for the former will include: the level of public participation in decision-making, impact on return, and economic benefits. In the second modality, the accent will on social inclusion, living standards, and public participation at local community level.

1. Focus investment in public buildings on “ethnical neutral” vocational training and health facilities.

* The Programme does not plan any specific activity for the reconstruction of public buildings. Any reconstruction of public buildings will be supported under the “Capital Investment in Infrastructure” activity. The Programme does not believe that it should restrict itself to “ethnical neutral” vocational training in addressing the need for the reconstruction of educational facilities.

1. Institutionalise and integrate participatory planning mechanisms in municipal development planning, implemented according to Republika Srpska standards.

* As stated above, UNDP SRRP is already planning to provide assistance to the municipalities in spatial planning. This will be conducted in line with the standards set by the Republika Srpska. The entity has not set standards for participatory planning mechanisms. Should the Republika Srpska set such standards, UNDP SRRP will provide assistance to the municipalities in applying them.

***Economic Development***

1. Phase out from implementing a grant provision strategy to a micro economic development incentive strategy; this scheme should target economically diversified households with in-kind capital assets.

* In the past two phases, the UNDP SRRP approach has been to provide up-front grants followed by technical assistance. In its third phase, the Programme will use an incentive system conditional on the successful introduction of new production and management techniques.

1. Apply risk management strategies and develop contingency plans with designated stakeholders.

* UNDP SRRP considers this recommendation a general one that should be applied to the Programme as a whole. In responding to it, the Programme will identify and analyse risks at various levels. The first will be the activity level. The second is output level and the third outcome level. This will allow the Programme to manage its exposure to risk properly, by defining adequate countermeasures for each risk.

1. Assist partners in exploring the feasibility of other potential endeavours (e.g., honey, waste recycling, and agro-business).

* The Programme will ensure a certain flexibility in the design of some activities (e.g. sub-activities 2.3, 4.1 and 4.2), to allow UNDP SRRP to be opportunistic when needed.

1. Assess household livelihood coping strategies and income levels to focus more on the most vulnerable groups.

* In response to this recommendation, UNDP SRRP has designed a specific activity called “Small Farm Revenue Diversification Projects.” The purpose of the activity will be to define, together with the residents in rural communities, criteria of vulnerability for use in identifying what will be defined as the *active poor*. Once the families have been identified, UNDP SRRP will define responses to meet the specific circumstances of each family.

1. Look at the feasibility of scaling up the Tax Incentive Scheme.

* UNDP SRRP will not be able to respond positively to this suggestion due to UNDP rules and regulations. Other alternative financing mechanisms to support micro enterprises and start-up will be explored.

1. Assist the municipalities in exploring the feasibility of attracting investment and the development of industrial zones.

* This recommendation will be addressed through two activities. The first (sub-activity 1.4) will address the capacity of municipal authorities and local development organisations for private sector development, including industrial zone planning and management and investment promotion. The second (sub-activity 4.1) will look directly at implementing activities related to business development services, including the development of incentive systems for investors.

1. Phase out from investing in the micro finance sector; explore the interest of Micro Finance Insitutions in integrating specialised business advisors within their structures.

* UNDP SRRP does not intend to invest further in the micro finance sector. The Programme will, however, explore the interest of MFIs in integrating specialised business advisors into their structures.

1. Explore the development of a new strategy for the creation of infrastructure to promote business development; the strategy should distinguish between Business Development Services facilitation and provision.

* The Programme has already developed the main axis of interventions for the promotion of BDS. A market assessment is being conducted, on the basis of which UNDP SRRP will add detail to its action plan to support BDS.

1. Continue support to Srebrenica Business Centre with more strategic intervention to make it more responsive to the potential demands of SMEs; Shift the emphasis from grant provision to technical support.

* The Programme will address this on the basis of the results of the BDS market assessment.

1. Reorient the SRES[[24]](#footnote-24) to a focus on all business services related to the agricultural and livestock sectors; Assist the SRES in providing certified rootstock and seed.

* The recommendation will be included in the definition of the terms of reference for the provision of agricultural extension services.

1. Encourage partners to comply with international quality standards; network with specialised agencies.

* UNDP BiH has already identified support to companies to meet international quality standards as a key factor for private sector development. The Programme will work with local companies on the introduction of EU/International standards in collaboration with a UNDP BiH Private Sector Specialist and with the European Commission Delegation in Bosnia and Herzegovina.

1. SARA[[25]](#footnote-25) should explore ways to assist the private sector comply with environmental legislation (awareness building, advocacy, testing, technical advice).

* UNDP SRRP is already addressing this recommendation in its second phase and support to SARA.

1. Continue support to the dairy sector, but shift away from grant provision and implementation to coaching and monitoring.

* This recommendation was taken into account during the formulation of the dairy activity (please refer to the sub-activity 4.3).

**Exit Strategy**

1. The projected institutional, economic, social, financial, and environmental sustainability of activities implemented by the project and absorption capacity by partners upon project termination should be the major guidelines for planning the last phase; the following recommendations are of strategic importance to preparing for the gradual take over of responsibilities, strategies, and activities developed under the auspices of SRRP.

* The third phase of the Programme has been developed so as to address capacity gaps in the municipalities, public institutions, and local development organisations. The strategy has been designed to emphasise the importance of capacity development. Management arrangements have also been designed with a view to transferring implementation responsibilities to the municipal authorities.

1. Prioritise the collection of data on demography, economic potential, and social vulnerability to give municipal local development planning substance.

* This is being addressed through a specific activity (sub-activity 2.5), but will be stressed in all activities. UNDP SRRP will work with the Republika Srpska Institute of Statistics to ensure consistency in the methodology used.

1. Line up municipal-level strategic and operational planning procedures with planning methodologies agreed at the entity level.

* UNDP SRRP will introduce the participatory planning methodology being developed by UNDP BiH. There are no specific municipal-level strategic planning procedures agreed at the entity level except for spatial planning.

1. Support municipal authorities in developing a well-coordinated and coherent local development plan.

* Currently, all three municipalities have formulated development strategies. In Milići, their strategies will run until 2010. In Srebrenica and Bratunac, their strategies are until 2012. As part of its capacity development plans, UNDP SRRP intends to support the municipalities in that respect. The main point will be to ensure that accurate and up-to-date statistics are available.

1. Bring to scale and integrate participatory planning and budgeting methods as experimented by the project.

* The Programme will further develop participatory mechanisms to ensure their relevance and that they ensure equity and transparency in the allocation of public funds.

1. Phase out from capital grants in economic activities and support banks, MFIs, and the SRES in gradually taking over as intermediaries; business development services should be self-financed.

* UNDP SRRP will strengthen activities within its provision of BDS to SMEs with regard to access to finance. Capital grants will still be made available to businesses, but with very specific objectives like technology up-grading.

1. Strengthen CSO organisational, institutional, and technical capacity to hold government accountable.

* This will form part of the Programme’s interventions in strengthening participatory mechanisms.

1. Political will to reform revenue collection, set realistic user fees, demonstrate transparency in information sharing, and incorporate environmentally sound and equitable development strategies in local development planning should condition UNDP’s future level of commitment.

* This recommendation will be integrated in the design of processes to be used by the Programme in selecting projects.

1. Donor contributions will increasingly have to be managed by the local administration itself, governed by entity procedures and rules for tendering works and services.

* This is addressed under the management arrangements for the third phase.

1. Capacity building needs to be based on an assessment of a common understanding of the above.

* Evaluation recommendations have been incorporated in the Programme’s design. The Programme will monitor progress in regard to local capacity development. Evaluations will be conducted on a regular basis to allow the Programme to re-align as the environment changes.

## Appendix G – Control Processes for Transfer of Implementation Responsibilities



## Appendix H – Programme Risk Log

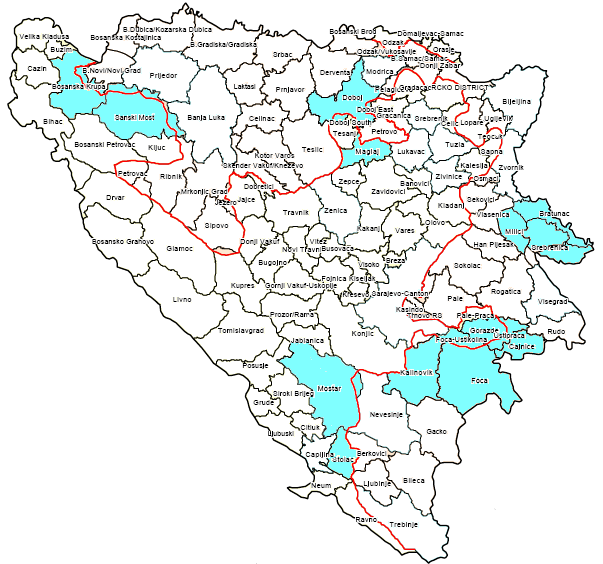
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| **Project Title: Srebrenica Regional Recovery Programme Phase III** | **Award ID: 00057476** | **Date: 27.01.2009** |

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Description** | **Date Identified** | **Type** | **Impact &**  **Probability** | **Countermeasures / Mngt response** | **Owner** | **Submitted, updated by** |
| 1 | General  Financial sustainability of CSOs | *20.10.2008* | Environmental | This risk could affect the sustainability of the planned interventions after the programme’s closure. The potential impact at the programme’s start will be limited. It is anticipated that the impact will increase with time. Through the risk countermeasure, it is hoped that the probability will then decrease so that the risk will not become critical.  P = 5  I = 2 | Acceptance  Reduction – UNDP will work with the main CSO on their strategic planning and resource mobilisation skills as part of its interventions under the activities 1 and 2. | Programme Manager | Mokhtar Ahdouga |
| 2 | General  Political pressures from the mayors to influence project funds allocation | *20.10.2008* | Political | This risk could undermine our plans and ability to implement our activities. Also it could undermine the programme’s efforts during the past five years in promoting transparent municipal budget allocations.  P = 3  I = 3 | Reduction   * Up-to-date and accurate information. * Better information dissemination at the beginning of the programme’s implementation. * Agreeing on source of information. * Introduction of more field assessment prior to final selection. * Strong Executive Group composed of representatives from donor as well as entity and state ministries. * Use of participatory mechanisms in the selection process. * Strengthening of participatory mechanisms. * Signing of MoU with the Municipalities defining the modalities in the use of funds. | Project Board | Danijela Huseinbasic |
| 3 | General  Weak internal capacities in monitoring resulting in poorly documented reports | *20.10.2008* | Organizational | This risk could affect the capacity of the programme to take decisions on time if changes have to be made to the programme’s activities and implementation modalities.  P = 4  I = 3 | Reduction   * Indicators are clearly defined and realistic targets are set (SMART) * Ensure that baseline information is properly collected for all indicators. * Ensure that means of verification are well described in the project document. * Ensure that the annual monitoring plan is detailed enough. * Development of a new database to record properly interventions and beneficiaries * Staff development in project management, especially monitoring and evaluation | Programme Manager | Guy Dionne |
| 4 | General  Lack of adequate and up-to-date data | *20.10.2008* | Operational | This risk could reduce the capacity of the programme to plan its interventions and to evaluate the performance of its interventions. As such it could affect the capacity of the programme to remain relevant to the changing environment and reach its expected results.  P = 3  I = 3 | Reduction   * Training to municipal and NGO staff in statistical data collection and analysis * Community based data collection through the sub-activity 2.4 * Regular contact with the regional office of the RS Statistical Institute | Programme Manager | Mokhtar Ahdouga |
| 5 | General  Delays in the delivery of goods | *20.10.2008* | Operational/  Regulatory | This risk is due to the changes in the custom exemption procedures. As a result, the delivery of imported goods can last for many months.  P = 4  I = 4  Critical | Acceptance   * Planning to include these delays   Reduction   * Actions by UNDP BiH CO to improve communications with the relevant ministries | Cluster Coordinator | Alexandre Prieto |
| 6 | General  Staff turnover | *20.10.2008* | Organizational | This risk can cause interruption or loss of momentum in the programme implementation affecting established partnerships with programme stakeholders.  P = 3  I = 3 | Reduction   * Clear definition of roles and responsibilities * Recognition of staff performance * Proper documentation of the programme activities and progress to ensure proper hand over. | Programme Manager | Alexandre Prieto |
| 7 | General  Capacity of programme staff including skills and experience necessary for the programmes effective implementation | *20.10.2008* | Organizational | This risk could affect the ability of the programme to achieve its planned results. The probability is 3 as this risk is affected by the difficulty of the programme to recruit staff.  P = 3  I = 3 | Reduction   * Training needs of the programme team are regularly reviewed and opportunity for training is systematically provided * Employment of external technical consultancies to provide additional support in development of particular programme areas | Programme Manager | Alexandre Prieto |
| 8 | General  Distorted perception of the public on the programme delivery in terms of its relevance about how funds are used, etc. | *20.10.2008* | Environmental | This risk could have an impact on the interest of citizens to actively participate in the programme’s implementation.  P = 3  I = 2 | Reduction   * Effective communication plans * Improved quality and consistency of reporting on plans and progress of the SRRP to the public * Transparency in the allocation of resources. | Programme Manager | Danijela Huseinbasic |
| 9 | General  Limited capacities of local CSOs in planning, financial management, reporting and resource mobilisation. | *20.10.2008* | Operational | The programme relies on the participation of NGOs in the implementation of its activities. Also NGOs will play an important role in the future and as such are part of the programme’s exit strategy.  P = 4  I = 3 | Reduction   * Inclusion of NGO staff in capacity development interventions * Technical assistance to the key NGO in strategic planning and resource mobilisation | LG Coordinator | Danijela Huseinbasic |
| 10 | General  Difficulty in procuring services | *20.10.2008* | Operational | The programme will rely on professional service providers. During the past period, the programme has faced problems in procuring professional services. This could affect the capacity of the programme to deliver effectively its capacity development interventions.  P = 4  I = 3 | Contingency   * The programme will in its planning allow for time delays. * The programme will plan for alternative options like direct contracting of consultants. | Programme Manager | Mokhtar Ahdouga |
| 11 | General  Municipal, Public Institutions and NGO staff high turn-over | *20.10.2008* | Operational | This risk could affect the ability of the programme’s to successfully transfer implementation responsibilities to the local authorities and to ensure the sustainability of UNDP’s interventions in the region. This risk mainly relates to the municipality of Srebrenica  P = 4  I = 2 | Reduction   * The programme will ensure that sufficient staff is trained so that staff turn-over will have limited impacts. * Municipal staff training programmes will be integral part of the municipal business processes. * Possibility to design interactive training softwares. | Programme Manager | Danijela Huseinbasic and Mokhtar Ahdouga |
| 12 | General  Quality of trainers / Consultants | *20.10.2008* | Operational | This risk is crucial as its occurrence could jeopardise the whole capacity development aspect of the programme’s third phase.  P = 3  I = 4 | Reduction   * Tight monitoring of training * Regular training evaluation * Revision of training material prior to training sessions * Timely reaction to negative feedback from participants | Coordinators | Danijela Huseinbasic and Mokhtar Ahdouga |
| 13 | General  Lack of interest by participants during the training programmes | *20.10.2008* | Operational | This risk could affect the whole programme strategy in developing local capacities and as such in the transfer of implementation responsibilities to the local authorities  P = 3  I = 4 | Reduction   * Selection of participants on the basis of their previous interest in acquiring new knowledge. * Conditionality of funds provided to public institutions upon active participation from representatives of these institutions. * Monitor attendance and quality of attendance of participants * Obtain full support of the mayors for capacity development | Programme Manager | Danijela Huseinbasic and Mokhtar Ahdouga |
| 14 | SD 1  Weak municipal staff capacity in project design. | *20.10.2008* | Operational | This risk could affect the programme’s ability to deliver the planned inputs in a timely manner during the first two years of the programme.  P = 4  I = 3 | Reduction   * This risk will be addressed through the implementation of the activities 1 and 2. * In addition, the provision of technical support by UNDP staff is foreseen. * Mayors are taking affirmative actions towards their staff. | LG Coordinator | Danijela Huseinbasic |
| 15 | SD 1  Lack of interest by citizens, public institutions and CSW to participate in the work of the Partnership Groups | *30.11.2008* | Operational  Political | This risk could lead to the programme’s inability to select interventions in participative and transparent manner. It also reduces the capacity of the programme to establish a higher sense of responsibility among citizens in respect to their future but also of the public institutions.  P = 3  I = 3 | Reduction   * Information campaign promoting the importance of citizens participation * Regular communication with citizens on the progress of the programme * Conditionality of funds allocation upon active participation of public institutions representatives in the work of the Partnership Groups | LG Coordinator | Danijela Huseinbasic |
| 16 | SD 1  Political pressures on the work of the Partnership Groups | *30.11.2008* | Political | This risk could lead to the programme’s inability to select interventions in participative, fair and transparent manner. It could also block the programme’s implementation.  P = 3  I = 4 | Reduction   * As stated in the project document, it is planned to design implementation mechanisms at the beginning of the third phase that will be approved by the Executive Group. * The work of the partnership group will be revised and new rules will be developed and made available to the public. * Improved information dissemination by the partnership groups. * Allow for the presence of citizens during the work of the partnership groups. | LG Coordinator | Danijela Huseinbasic |
| 17 | SD 1  Difficulties in defining guidelines by partnership groups | *20.10.2008* | Operational | The Partnership Groups will play an important role in the implementation of the activities under SD1. Guidelines will have to be defined to regulate the work of the Partnership Groups and how projects will be identified and selected. If the risk occur, it will unable the programme to move forward in the identification and selection of interventions.  P = 2  I = 4 | Reduction   * UNDP SRRP will follow and monitor the process and ensure that guidelines are fair and equitable to all and abide to the principles of Human Rights and Gender Equality.   Contingency   * The programme will impose the guidelines. However this is the last option as it could result in a lack of interest by citizens in the work of the Partnership Groups and reduce local ownership over the programme. | LG Coordinator | Danijela Huseinbasic |
| 18 | SD 5  Failure to identify appropriate beneficiaries in time which leads to delay in activities implementation | *20.10.2008* | Operational | This risk could lead to delays in the programme’s implementation  P = 4  I = 2 | Reduction   * Well tailored activity sheets (call for applications) including selection criteria based on deep assessment of target beneficiaries; * Communication plan about the activities developed targeting communities * Improved selection procedure, this involve enlargement of selection committee to include citizens representatives and involvement of selection committee members in all selection process (receiving complaints and providing answers to them) * Selection of beneficiaries conditional to their active participation in training programmes | ED Coordinator | Mokhtar Ahdouga |
| 19 | SD 5  Animal contagious diseases | *20.10.2008* | Operational | This risk is crucial in the implementation of the sheep and dairy activities (5.2 and 5.3)  P = 4  I = 4  Critical | Reduction   * Regular animal testing organised in collaboration with the municipal authorities. * Proper information dissemination to farmers about potential animal diseases outbreak * Regular contacts with the B-H Veterinarian Office   Contingency   * Contingency reserve planned during budget allocation as well as time implementation tolerance. | ED Coordinator | Mokhtar Ahdouga |
| 20 | Transfer of management responsibilities to the municipal authorities | *08.10.2009* | Operational | This risk relates to the ability of the programme to develop local capacities so that the management responsibilities could be transfer to the local authorities. During the first three years of the programme, this risk will not directly impact on the programme’s implementation.  P = 4  I = 2 | Reduction   * Municipal capacity development assessed at annual level to measure progress and define actions to be taken the following year to increase the progress. * Transfer will be defined municipality by municipality.   Contingency   * UNDP will not transfer the implementation responsibilities to the municipalities. | Project Manager | Alexandre Prieto |
| 21 | Insufficient active participation of the senior beneficiaries in the work of the Executive Group (Project Board) | *08.10.2009* | Operational | This risk relates to the interest of the senior beneficiaries to participate in the work of the Executive Group and their ability to constructively participate in it. This risk could result in a lack of proper management of the programme by the Executive Group. Still, its impact on the overall implementation of the programme would be minimal.  P = 4  I = 2 | Acceptance  Reduction   * Careful selection of the senior beneficiaries. * Improvement in the preparation of the Executive Group meetings including documents to be prepared. | Cluster Coordinator | Alexandre Prieto |

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|  | **The Impact of the Financial Crisis at the Local Level in BiH** |

This assessment is based on a survey undertaken in the first week of April 2009 in the following 16 Municipalities in BiH**:** Sanski Most, Bosanski Krupa, Maglaj, Doboj, Srebrenica, Bratunac, Milici, Foca, Cajnice, Novo Gorazde, Kalinovik, Gorazde, Foca-Ustikolina, Blagaj, Stolac and Mostar. Where possible, representatives of the local development department, the Centre for Social Work, and the Institution for Employment were interviewed as well as the Mayor.

The survey was undertaken by UNDP project staff who are currently implementing projects in these municipalities and who work regularly with these authorities. The format of the survey was semi-structured interviews, with the guide having been devised by Country Office staff. The intention was to assess the perception of the impact of the economic crisis at the local level and the degree to which that impact is being monitored and evaluated, as well as to initiate discussion on this topic with a view to identifying potential areas in which local communities may be able to respond to this challenge. UNDP BiH intends to follow up on this research with those municipalities with which it is working on area-based development projects.



1. **Impact on the Private Sector**

All municipalities surveyed have observed a slowdown in activities in the private sector. Similarly, in almost all municipalities a temporary suspension or permanent termination of employees has been registered (there is, however, no available data to link this directly with the current economic downturn).

The impact of crisis seems more visible in those Municipalities where the secondary and tertiary sectors are more present, reflecting, through global value chains, on the input suppliers, usually located in transitional and/or underdeveloped business communities. Wood and metal processing seem to be the most affected sectors, as they provide inputs (semi products or materials) to the next link in the chain, usually located abroad. In some municipalities (eg. Doboj, Srebrenica and Blagaj) there is optimism that new jobs will be created in the coming year in some sectors.

**Agricultural production** is mentioned as the major substantial activity as well as manufacturing. This appears to be the sole sector creating new jobs. This may be temporary, however, given the seasonal nature of the work involved.

**A decrease level of consumption** had been observed in all Municipalities.

**Construction**: In some municipalities construction projects have ceased, but all Municipalities expressed concerns as there are no new initiatives requesting construction permits.Not only real-estate demand but also demand for loans for capital investment has decreased.

**Employment:** Unemployment data and payment information are available to Municipalities on a monthly basis in the FBiH, while in the RS the municipalities have to request information from local branch offices of the Employment Offices. There are evident difficulties in assessing the actual unemployment figures in each entity, however, since many people register in the FBiH where payments are higher, while living in the RS. The actual number of unemployed in the RS is therefore likely to be higher than the number registered at the Bureau of Employment (for example in Doboj Municipality).

Most municipal officials interviewed reported that they have no knowledge of whether men or women are being more affected by job losses. Doboj is the only municipality with data on recently unemployed and sites figures at 153 men and 84 women having lost their jobs in January and February. This distinction is corroborated by the data from Una-Sana Canton which reports job losses for 1405 men and 906 women in the Canton in the same period. A number of municipal officials suggest that more men than women are being affected by newly generated unemployment due to the sectors in which jobs are being lost. In Stolac, for example, due to the closure of a steel production factory, around 90% more men than women have lost jobs.

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|  | Sanski Most | Bosanski Krupa | Maglaj | Doboj | Srebrenica | Bratunac | Milici | Foca | Cajnice | Novo Gorazde | Kalinovik | Gorazde | Foca-Ustikolina | Blagaj | Stolac | Mostar | UNA SANA Canton Bihac[[26]](#footnote-26) |
| Layoffs or business closures | Yes | Yes | Yes | Yes | Yes | Yes | Yes | - | - | - | - | Yes | Yes | Yes | Few | - | Yes |
| Increased registrations at Employment centres | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | - | - | Yes |
| Newly unemployed registering at CSW | Yes | Yes | Yes | Yes | No | No | No | - | - | - | - | - | - | - | - | - | - |
| Evidence of salaries not being paid on time | Yes |  | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | - | No | Yes | No |
| Construction ceasing | Yes | No | No | No | No | No | No | No | No | No | No | No | No | Yes[[27]](#footnote-27) | No | - | - |
| Evidence of business growing/jobs being created | Yes | No | No | No | No | No | No | No | No | No | No | Yes | No | No | No | - | Yes agriculture |

1. **Impact on the Public Sector**

**Job losses & expected cutbacks:**

No municipalities report layoffs in the public sector at the current time. However, salary reductions and delays in payment are noted in nine while these are expected throughout 2009 in a further four. Budgetary reductions are expected to be in the vicinity of of 10% to 30%**.**  In Mostar, for example, salaries are expected to be lowered by 15 to 20% and 200 people working in the municipality will be laid off. Municipal officials particularly expressed regret at proposed cuts to public infrastructure investments.

**Measures at Entity level**

**RS**– The RS government has requested each municipality to prepare a Programme of Measures for Mitigating the Consequences of the World Economic Crisis on the level of the municipality in order to deal with the impact of the economic crisis on local economies ) The government has recognised a general decrease in all investments. The plan foresees a rebalancing of the budget in the second quarter of the year, based on incoming data in the first three or four months of 2009.

**FBiH** – Municipalities in the FBiH appear to coordinate the exchange of information and data on the impact of the crisis largely on an ad hoc basis. No further budgetary support is expected from the entity government but, rather, reductions have been announced.

**Social Welfare:** The lack of harmonised and clear procedures for applying for social welfare was highlighted, in particular regarding differences between entities. Requirements for applying to the Social Work Centre are strict in both Entities. In almost all municipalities covered, a lack of sufficient resources for CSWs is reported, although many officials report that this was the case prior to the financial crisis. Reduced revenue allocations to municipalities are expected to make this situation worse.

With the registered increase of this demand, the role played by remittances has a significant impact.

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|  | Sanski Most | Bosanski Krupa | Maglaj | Doboj | Srebrenica | Bratunac | Milici | Foca | Cajnice | Novo gorazde | Kalinovik | Gorazde | Foca-Ustikolina | Blagaj | Stolac | Mostar | Bihac |
| Layoffs in public sector | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No |
| Cutbacks, salary reductions, non-payment of salaries foreseen | Not yet | Not yet | No | Not yet | Not yet | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | - | - | Yes | expected in 2009 |
| Requests for CSW assistance increasing | Yes, | Yes | Yes | Yes, | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes[[28]](#footnote-28) | Yes | Yes |
| Municipality has resources to increase benefits | Yes, | Just | No, | No | No | No | No | No | Yes | No | Yes | Yes | No | No | Yes | No | No |
| CSWs have sufficient financial resources | Yes | No | No | No | No | No | No | No | No | No | No | No | No | - | - | Just | No |

1. **Social Impact**

**Labour migration:**

(Note: assessment of levels of return labour migration is difficult due to its often seasonal nature and the lack of comparative data over time). Anecdotal evidence suggests that some labour migrants have returned as job opportunities have ceased and there is less interest in seeking employment and are, instead, seeking employment in local agriculture. Two municipalities report returns from construction sectors abroad (Srebrenica & Bratunac). All municipal officials interviewed would like to see improved development of the local agriculture sector; though it is unclear from where such resources would come from. Many labour migrants are not eligible to seek assistance from their CSWs since they are not considered sufficiently destitute.

**Vulnerable categories:**

In all Municipalities there are vulnerable group of people. The most vulnerable are identified as families with children, the elderly and civilian victims of war. A decrease in the quality of their conditions is foreseen by the Municipalities due to the fact that they will have less money to allocate for social benefits.

Youth seems to be recognised as one of the most vulnerable categories along with IDPs, people living in collective centre and female-headed households. It is also expected that family relations will be expected to absorb frustrations created by this financial and economic crisis.

**Remittances:**

Remittance incomes are seen as providing critical support in supplementing household incomes. In the municipalities included in this survey, there is a very high level of dependency of remittances. While there is no data available that would show a decrease in the amount of remittances, a decrease in consumption is in evidence.

**Social effects:**

A number of municipal officials have observed an increase in levels of social unrest, begging, theft and general discontent. In Mostar, for example, this is attributed to frustration related to delays in salaries being paid and difficulties in making loan repayments. In a number of municipalities this increase in tension is also believed to be linked to rising levels of domestic violence.

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|  | Sanski Most | Bosanski Krupa | Maglaj | Doboj | Srebrenica | Bratunac | Milici | Foca | Cajnice | Novo gorazde | Kalinovik | Gorazde | Foca-Ustikolina | Blagaj | Stolac | Mostar | Bihac |
| People leaving for work | Yes | Yes | Yes | - | Yes | Yes | Yes | No | No | No | No | No | No | Yes | - | No | Yes |
| Labour migrants returning | Yes | Yes | Yes | - | Yes | Yes | Yes | No | No | No | No | No | No | - | - | - | Yes |
| Returning migrants seeking employment | Yes | Yes | Yes | - | Yes | Yes | Yes | No | No | No | No | No | No | - | - | - | Yes |
| High level of dependence on remittances | Yes | Yes | Yes | Yes | Yes | - | - | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Vulnerable groups present | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Resources available to assist vulnerable | Yes | No | No | No | Partially | Partially | No | No | No | No | No | No | No | No | Yes | Yes | No |
| Other notable social affects | No | Yes | No | No | No | No | Yes | - | - | - | - | - | - | Yes | No | Yes | - |

1. **Monitoring and Assessment**

**Monitoring & Assessment Capacities:**

It is clear that local authorities have not fully grasped the potential consequences of the global financial and economic crisis. Municipalities do not have access to data that can enable them to readily monitor and assess either the social or economic, nor are they actively collecting such data. While data may exist which would assist municipal authorities in assessing the current impact in the local area, it is clear that it is generally not being effectively utilised. For example, a few municipalities are attempting to assess the situation through data related to tax revenues (Bosanski-Krupa, Maglaj and Doboj) and information from Institutes of Employment, yet the majority are not.

In Sanski Most, an assessment has been made of people registered at the Employment Office and the CSW; apparently the most advanced among the municipalities surveyed, Sanski Most has also budgeted a programme of measures for mitigating the consequences of the financial crisis in its budget, while Maglaj municipality is also attempting to put finances aside for the same purpose.

While some local authorities, therefore, have made an attempt to grasp the effects on local economies, there are others that do not have statistical information or have not tried to access it in order to better understand the changes in the preceding months. There is also a tendency to link any sense of a downturn to the ongoing political problems in BiH rather than any other external factors.

The majority of municipal officials were therefore only able to site anecdotal evidence for many of their observations; as such, the accuracy of the overall assessment remains weak.

Despite the lack of data, some municipalities are attempting to take mitigating action; Stolac municipality, for example, is reducing expenditure by 11% for this purpose.

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|  | Sanski Most | Bosanski Krupa | Maglaj | Doboj | Srebrenica | Bratunac | Milici | Foca | Cajnice | Novo gorazde | Kalinovik | Gorazde | Foca-Ustikolina | Blagaj | Stolac | Mostar | Bihac |
| Ability to measure economic impact | None | Some | Some | Some | None | None | None | None | None | None | None | None | None | None | No | None | - |
| Ability to measure social impact | Intended | None | Intended | - | None | None | None | None | None | None | None | None | None | None | No | None | None |
| Assessments have been made | Some | - | - |  | Some | Some | Some | Some | Some | Some | Some | Some | Some | No | No | None[[29]](#footnote-29) | Some |

1. **Longer term opportunities**

Municipalities have focused on providing financial support to local private enterprises facing difficulties in recent months, however, local administrations in general do not have sufficient resources to maintain such support.

One of the most interesting findings of this brief survey is that despite the presence of a significant number of other industries in many municipalities, **agriculture is seen, almost without exception, as the main area for future employment generation.**

Specifically, this includes entrepreneurship projects in the area of agriculture; the agro-food sector; construction of hydro power plants, stimulation of agricultural production, for which programmes exist, but financial means are lacking and expected. External support is requested for the development of industry and agriculture sectors.

One of the reasons for this seemingly narrow horizon may be that agriculture can be a safe refuge in contrast to what might be more challenging or daunting sectors. The lack of processing industry, job opportunities and management / specialized knowledge, may contribute to the perspective that agriculture is a safe industry to develop.

Almost all Municipalities demonstrate interest in attracting external financing for long term investments in this sector. Although the majority of the Municipalities expressed strong interest to support those willing to start agricultural business, the lack of any strategic or systematic approach to doing so is evident.

Some municipalities, such as Blagaj and Mostar, do identify other potential areas such as tourism.

1. Economic development is looked at in its broad meaning. The programme defines rural economic development as the efforts that seek to improve the economic well-being and quality of life for a community. [↑](#footnote-ref-1)
2. Social exclusion is a process whereby certain individuals or groups are driven to the edge of society, prevented from living a decent life with full participation in society due to ethnic origin, age or gender differences, disability, financial hardship, lack of formal employment and opportunities, and/or lack of education. This distances them from access to health and social services, as well as social and community networks and activities. They have little or no access to power and decision-making and are thus unable to have any control over decisions that affect their daily lives (UNDP, National Human Development Report for BiH, 2007). [↑](#footnote-ref-2)
3. The scores were as follows: 1 - No evidence of relevant capacity; 2 - Anecdotal evidence of capacity; 3 - Partially developed capacity; 4 - Widespread, but not comprehensive, evidence of capacity; 5 - Fully developed capacity. [↑](#footnote-ref-3)
4. The organisations assessed have ongoing or had Micro-Capital Grant Agreements with the programme. The selection of MCGA recipients is done on a competitive process based on their competencies. [↑](#footnote-ref-4)
5. This revenue was exceptional due to the high purchase price offered by local buyers. With a more real buying price, the revenue would have been closer to [↑](#footnote-ref-5)
6. UNDP defines capacity as “the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.” Capacity development is thereby the process whereby these abilities are obtained, strengthened, adapted, and maintained over time. [↑](#footnote-ref-6)
7. Extracted from the UNDP Practice Note on Supporting Capacity for Integrated Local Development, 2007 [↑](#footnote-ref-7)
8. Functional capacity is defined as capacity necessary for the successful creation and management of policies, legislation, strategies, and programmes. [↑](#footnote-ref-8)
9. The Milići strategy runs until 2010. UNDP SRRP will provide assistance to the municipality in the preparation of their new strategy. [↑](#footnote-ref-9)
10. Four of these projects are being currently addressed by the programme. [↑](#footnote-ref-10)
11. The Laeken indicators have been developed to measure social exclusion. They do not measure all dimensions relevant to social exclusion, however. Additional indicators that take into account other dimensions, like deprivation and community participation, will also be measured. [↑](#footnote-ref-11)
12. The elements are Programming, Identification, Appraisal, Financing, Implementation and Evaluation as defined under the Project Cycle Management methodology. [↑](#footnote-ref-12)
13. Project refers here to selected and implemented interventions under this activity. [↑](#footnote-ref-13)
14. The Gini coefficient is a measure of statistical dispersion most prominently used as a measure of inequality of income distribution or inequality of wealth distribution. [↑](#footnote-ref-14)
15. Representatives of NGOs that are not included in the preparation of the project proposals. [↑](#footnote-ref-15)
16. Extracted from UNDP’s Business Development Services “How To” guide, Bratislava Regional Centre. Site: http://europeandcis.undp.org/poverty/psd/show/FA14BD48-F203-1EE9-BFE68960B3314C1D [↑](#footnote-ref-16)
17. For that category of farmers, UNDP will seek to maximize the use of resources (human and land) through diversification of farming activities (see sub-activity 4.6). [↑](#footnote-ref-17)
18. GLOBALGAP is a private sector body that sets voluntary standards for the certification of agricultural products around the globe. The GLOBALGAP standard is primarily designed to reassure consumers about how food is produced on the farm by minimising detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare. [↑](#footnote-ref-18)
19. UK Department for International Development [↑](#footnote-ref-19)
20. By active poor, UNDP SRRP means families that have limited physical resources but have sufficient human resources to develop agriculture and non agriculture activities. [↑](#footnote-ref-20)
21. Adapted from Chambers, R. and G. Conway (1992) *Sustainable rural livelihoods: Practical concepts for the 21st century.* IDS Discussion Paper 296. Brighton: IDS. [↑](#footnote-ref-21)
22. Only the recommendations specific to the programme’s implementation are included in this section. [↑](#footnote-ref-22)
23. For an overview of planned activities, please refer to Figure 2 in section 3.2. [↑](#footnote-ref-23)
24. SRES: Srebrenica Regional Extension Services [↑](#footnote-ref-24)
25. SARA is a local civil society organisation which is building its environment protection-related capacity. [↑](#footnote-ref-25)
26. The final column contains information from an interview with the Institute for Employment in Una-Sana Canton, in Bihac. [↑](#footnote-ref-26)
27. According to the interviewee, construction works in Blagaj have stopped due to a political crisis resulting from the delay in selecting a major. [↑](#footnote-ref-27)
28. This increase is attributed to recent changes in the legislation affecting Persons with Disabilities. [↑](#footnote-ref-28)
29. Assessments have not been made due to the political crisis in Mostar – the mayor has not been elected. [↑](#footnote-ref-29)