



Contracting Authority: EU Delegation to BiH

Civil Society Facility 2013 Grant Application Form

Title of the action:	Reinforcement of Local Democracy IV (LOD IV): Institutionalizing Cooperation between Municipalities and CSOs for Improved Service Delivery
[Number and title of lot]	N/A
Location(s) of the action:	Bosnia and Herzegovina with a focus on 10 Municipalities
Name of the applicant	United Nations Development Programme/Bosnia and Herzegovina
Nationality of the applicant ¹	International Organisation

Dossier No	
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(for official use only)

EuropeAid ID ²	N/A
Ongoing contract/Legal Entity File Number (if available) ³	No. 2012/293-657
Legal status ⁴	International Organisation
Co-applicant ⁵	N/A
Affiliated entity ⁶	N/A

¹ An organisation's statutes must show that it was established under the national law of the country concerned and that the head office is located in an eligible country. Any organisation established in a different country cannot be considered an eligible local organisation. See the footnotes to the Guidelines for the call.

² To be inserted if the organisation is registered in PADOR (Potential Applicant Data On-Line Registration). For more information and to register, please visit <http://ec.europa.eu/europeaid/onlineservices/pador>.

³ If an applicant has already signed a contract with the European Commission and/or has been informed of the Legal Entity File number. If not, write 'N/A'.

⁴ E.g. non-profit, governmental body, international organisation.

⁵ Use one row for each co-applicant.

⁶ Use one row for each affiliated entity..

Applicant's contact details for the purpose of this action	
Postal address:	UNDP BiH, Zmaja od Bosne bb, 71000 Sarajevo,
Telephone number: (fixed and mobile) Country code + city code + number	+387 33 293 400
Fax number: Country code + city code + number	+387 33 552 330
Contact person for this action:	Adela Pozder-Čengić, RRD Sector Coordinator
Contact person's email:	adela.pozder-cengic@undp.org
Address:	Zmaja od Bosne bb, 71000 Sarajevo
Website of the Organisation:	http://www.ba.undp.org

Any change in the addresses, phone numbers, fax numbers or e-mail, must be notified in writing to the Contracting Authority. The Contracting Authority will not be held responsible in the event that it cannot contact an applicant.

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PART A. CONCEPT NOTE

1 INSTRUCTIONS FOR DRAFTING THE CONCEPT NOTE

1.1 Summary of the action⁷

Please complete the table below, which should not exceed 1 page.

Title of the action:	Reinforcement of Local Democracy IV (LOD IV)
<input type="checkbox"/> Lot: <i>Please tick the box corresponding to the specific lot for which you are applying.</i>	<u>N/A</u>
Location(s) of the action: — <i>specify country(ies), region(s) that will benefit from the action</i>	Bosnia and Herzegovina with a focus on 10 Municipalities
Total duration of the action (<i>months</i>):	24 months
EU financing requested (amount)	2.000.000 EUR
EU financing requested as a percentage of total budget of the Action (indicative)	96.78%
Objectives of the action	<p>The overall objective of LOD IV:</p> <p><i>To contribute to democratic stabilization, conciliation, and further development of Bosnia and Herzegovina through support to selected municipalities in establishing improved local governance-civil society relations and facilitating financing mechanisms for improved service delivery.</i></p> <p>The three specific objectives of LOD IV are:</p> <ol style="list-style-type: none"> <i>1. To facilitate permanent partnerships between CSOs and Local Self-government units⁸ by building awareness of the mutual benefits of cooperation, encouraging sustainable dialogue, and building capacity necessary for interaction.</i> <i>2. To generate unified and transparent mechanisms for disbursing municipal funds foreseen for CSO project-based activities in accordance with local service needs and identified priorities.</i> <i>3. To encourage CSOs to specialize/professionalise their activities and become more responsive to local needs and less dependent on current donor priorities.</i>
Target group(s) ⁹	The main target groups envisaged in this endeavour are Local Self-government Units (LSU) and CSOs.

⁷ Cover page as per template in page 1 should be attached as well

⁸ Term Local Self-government unit (LSU) include both municipalities and cities. These terms are used interchangeably in this report.

⁹ "Target groups" are the groups/entities who will be directly benefit from the action at the action purpose level.

Final beneficiaries ¹⁰	The final beneficiaries are Civil Society Organizations and citizens in selected municipalities that will derive benefit from improved service delivery at the local level.
Estimated results	<p>Inception phase results:</p> <ol style="list-style-type: none"> 1. Local Self-government Units are aware of how to benefit from partnership with CSOs and vice versa. 2. Management structure, with all main stakeholders identified, is established. 3. Responsibilities, communication channels, and procedures for project selection are defined for all stakeholders affected by municipal disbursement of funds to CSOs (with details varying to some degree across municipalities, reflecting the diversity of actors). <p>Results:</p> <ol style="list-style-type: none"> 4. Local Self-government Units co-finance all selected CSO projects with at least 10%. 5. 10 Local Self-government Units use transparent mechanisms for the disbursement of funds foreseen for CSO projects. 6. At least one successful and transparent municipal call for CSO proposals is executed in accordance with LOD mechanisms for funds disbursement. 7. Mechanism for monitoring and evaluation of project activities and results implemented by CSOs are institutionalized. 8. Local stakeholders are aware of the necessity to strengthen their capacities with regard to and are trained in PCM, monitoring and evaluation processes, budget planning, information sharing, intra-municipal coordination and promotion of partnerships.
Main activities	<ul style="list-style-type: none"> • Conduct strong campaign and promote project initiative and results from the previous LOD phases to all municipalities and CSOs. • Mobilize local funds from municipal budgets to strengthen and further develop services provided by CSOs. • Prepare Public Call for proposals and Guidelines that will contain detailed selection criteria for grant applicants (partnering municipalities). • Assist municipalities in preparing Public Call for CSOs that will contain detailed selection criteria for Grant Applicants (CSOs). • Build capacity of local stakeholders through trainings based on identified needs. • Facilitate establishment of local monitoring teams which report to UNDP and the Project Board on local sub-project implementation, and monitor the partnership between the selected municipalities and CSOs.

¹⁰ "Final beneficiaries" are those who will benefit from the action in the long term at the level of the society or sector at large.

1.2 Description of the action (max 1 page)

Based on earlier experiences and the successful implementation of the preceding three LOD project phases and taking into consideration experience in working with 40 municipalities and cities in BiH, the Reinforcement of Local Democracy IV (LOD IV) tends to maintain local presence with the aim to **contribute to democratic stabilization, reconciliation and further development of BiH** through support to selected Local Self-government Units (LSU) in establishing improved local authority/civil society relations and facilitating financing mechanisms for improved service delivery. The overall objective will be addressed through three specific objectives. It is envisaged that these objectives, and their respective activity sets, engage approximately ten (10) municipalities in the period of two years (2014-2016) of the project duration. In addition, the Project will consider, in case of available funding, selection of two most successful LSUs from the previous three project phases stimulating competition between partner municipalities and experience sharing.

In general, the project will focus on institutionalizing the principles of relationships between LSUs and CSOs by raising awareness of the significance of such principles, strengthening the capacity of different stakeholders to better engage in this relationship and, establishing a transparent and consistent municipal funding mechanism to support implementation of priority projects and ensure service delivery activities by CSOs.

Specific objectives are as follows:

1. *Establishing permanent partnership between CSOs and local authorities by raising the awareness on mutual beneficial cooperation;*

This objective will address the challenge of facilitating municipal governments to open up civic space and to, in a targeted way, join forces with CSOs to increase the quality of the environment they occupy. CSOs as well as governments must be in a position to behave in a transparent and conducive manner to maintain the partnership. On that line, the objective will also pursue institutionalization of different procedures (including monitoring tools and communication mechanisms).

2. *Generating a unified and transparent mechanism for disbursing LSU's budget funds designated for CSOs project activities;*

In view of a considerable imbalance in power and resources amongst municipalities and their CSO counterparts and approaches and great differences in capacities, focus will be on establishing a single financing mechanism (i.e. specific municipal budget line) to fund CSO activities where very specific rules must be established to reduce abuse and/or improper distribution of assets. This objective serves to ensure the municipal budget allocations for CSOs are managed, disbursed, and implemented transparently and consistently and that projects and activities financed effectively respond to the actual local needs and to planning frameworks already in place.

3. *Encouraging CSOs to specialize and professionalize their activities by adopting a longer-term planning perspective, becoming more responsive to local needs and less dependent on current donor priorities;*

CSOs will participate in a competitive process of the Public Call for proposals that will be carried out by municipalities. This activity, together with the clauses from agreements between municipal authorities and the civil sector and the long-term and transparent regulations resulting from this project, will enable CSOs to become more specialized in their activities and to tailor their capacities to the localized needs rather than to changing donor requirements. Encouraging the involvement of CSOs in the implementation of the existing long term strategic plans of municipalities and providing CSOs with trainings to develop their project planning and implementation capacities will further strengthen their role as reliable partners within the local development process.

Both local governance and civil society are very much interested in the intervention since it is the only intervention promoting grassroots' initiatives, mutual collaboration and participatory processes at the same time providing excellent tools for both sides for future cooperation. Considerable interest of LSUs to participate in the previous project phases, which was significantly exceeding capacities of the project, was one of the main reasons for the maintenance of this model. Also CSOs on a local level are keen to participate and get involved deeper into the cooperation with the governments and participate in decision making. This is also supported by significant response of the civil society on calls for CSOs and capacity building actions.

As a result of the project, **a minimum of 10 LSUs will generate transparent mechanisms for the disbursement of funds for CSO projects**, with at least one project per municipality funded. Partnering LSUs will allocate resources that amount to at least 10% of the total available budget for the municipal public call, using transparent criteria and the project approach for the disbursement of funds. Moreover, **mechanisms for monitoring/evaluation of projects activities and results implemented by CSOs will**

be created and adopted, while a monitoring baseline for local government/CSO relations will be defined introducing appropriate tools.

The intervention is an important step towards transparent project-based funding foreseen for CSOs but also towards more mature level in collaboration between the two sectors with intention to enable better service delivery for the citizens in local communities.

1.3 Relevance of the action (max 3 pages)

1.3.1 Relevance to the particular needs and constraints of the target country/countries, region(s) and/or relevant sectors (including synergy with other EU initiatives and avoidance of duplication)

Further development of the democratisation processes, in line with the EU integration perspective, continues to be one of the primary objectives of Bosnia and Herzegovina. This includes development of credible civil society that will serve as a partner to the BiH government. This is underlined in a preamble of the Stabilisation and Association Agreement¹¹ showing “the commitment of the Parties to contribute by all means to the political, economic and institutional stabilisation in Bosnia and Herzegovina as well as in the region, through the development of civil society and democratisation.” Similarly, the acknowledgment of partnership between civil society and the BiH government is recognised in the EU Integration Strategy for Bosnia and Herzegovina: “BiH will confirm this determination through further democratisation and development of its institutions, the rule of law, free and democratic elections, development of civil society by providing conditions for greater political and economic freedoms, and the respect for human and minority rights.”¹² Under the necessary measures, the Strategy notes necessity to: “Improve functions and stability of institutions guaranteeing further democratisation of society.”¹³

Also, the European perspective and determination for stronger support to civil society is embedded into the Multi-Indicative Programme Document (MIDP)¹⁴ for BiH: “an important objective of the Public Administration reform will be the participation of civil society in the policy formulation and decision making process.” It also highlights factors for improvement of the current status of civil society: “Although cooperation agreements with civil society organisations exist at the state and entity-level as well as in the municipalities, civil society organisations are often excluded from the decision-making processes and funding mechanisms are not transparent.”¹⁵

LOD IV supports directly implementation of the existing RS Strategy for Local Self-Government Development and its programme 4.2 *for strengthening of civil society*, and concrete goals: 4.2.2. *Focus on improvement of transparency of the work of local governance and public companies* and 4.2.3 *ensure active participation of non-governmental organizations in decision-making and monitoring*.¹⁶ However, absence of a specific state and other entity strategy for development of civil society (case of FBiH) proves incapacity of a government to adequately deal with this sector.

Furthermore, the role of civil society in development of BiH is acknowledged in the Country Strategy of Development (2010-2014): “after acquiring the candidate status, additional opportunities for financing social inclusion policies will open, and this process will introduce innovations in the area of cooperation between public and civil sector in preparation and implementation of policies. Consequently, this will contribute to strengthening social capital and greater cohesion in the society, what is a basis for further

¹¹ Stabilisation and Association Agreement -- Bosnia and Herzegovina (p.6)

¹² EU integration strategy for Bosnia and Herzegovina; Political criteria for integration – section 2.1.1, page 26.
Available at: <http://www.dei.gov.ba/en/>

¹³ Ibid

¹⁴ The Multi-annual Indicative Planning Document (MIPD) 2011-2013 for Bosnia and Herzegovina - in its section no. 3

¹⁵ Ibid.

¹⁶ Strategy for Local Self-Government Development: 2010-2015 p. 13, 31; RS Ministry of Administration and Local-Self-Government 2010, <http://www.vladars.net/sr-SF-Cyrl/Vlada/Ministarstva/muls/Documents/strategija%20razvoja%20lokalne%20samouprave%20u%20republici%20srpskoj%20za%20period%202009-2015.pdf>

BH development.¹⁷ Also, ability of civil society to bridge gaps and provide services in communities where it is really necessary should be additionally improved through capacity building activities and enhancement of collaboration between the sectors, as stated in the Social Inclusion Strategy:

Owing to the know-how and skills in the area of providing different vulnerable groups with social protection services, the NGO sector could be a noteworthy partner to the public sector which, for financial support to service provision, has limited resources for meeting growing needs for social services. The current cooperation role is mostly related to including NGOs into process of consultations with the public sector. A step further is the move towards enhancing the partnership between these two sectors, which brings about a clearer role of the NGO sector not only in consultations but in decision-making as well, which is important from the point of view of quality of services, and strengthening of social responsibility in providing efficient services based on the needs of beneficiaries. In addition to that, strengthening of the partnership contributes to the strengthening of social capital, the underdeveloped nature of which lies at the roots of social exclusion of vulnerable categories of population.¹⁸

All mentioned priorities, and efforts to solve them, are restricted due to the complex country structure and consequent several existing and applicable laws that regulate registration of CSOs (associations and foundations). Although they seem harmonised, different ministries are in charge of the implementation of these laws, creating their own CSOs registries without existence of a centralized registry that should encompass all of this data. Thus, a concern about a double registration is present (p.73)¹⁹. In addition, it is almost impossible to determine the exact number of active CSOs as the unified and/or harmonised registry of CSOs has never been created. Based on some estimates, approximately 50% of all registered CSOs (app. 12,000) in the entire BiH are active (p. 80).²⁰ The percentage illustrates how the existing legal framework is not fully applicable, resulting in a lack of official definition of civil society organizations often causing different interpretations.

Even though some progress has been made, and taking into consideration existence of the political intention and commitment, as well as support from the international community, civil society engagement with local authorities at the municipal level remains limited and fragmented in Bosnia and Herzegovina. Due to strong promotion of the Agreement on cooperation between municipalities and CSO in previous project phases, approximately 100 municipalities and cities in BiH signed this or similar type of an agreement with civil society. Improvements from the previous phases based on direct experiences and lessons learned, and in combination with a professional team, will be significant resources for the LOD IV. In that regard, continuation of the LOD concept would be the continuation of the efforts to work on the enhancement of relations between local governments and civil society and an answer to some of the challenges in building these relations.

There are numerous studies²¹ on the civic landscape that enumerate the challenges to both the development of the sector and strengthened relations between citizens and the State. Several impediments are worth highlighting:

- Within FBiH and RS municipalities, funds are least often allocated exclusively through public tenders, RS municipalities allocate funds through this method twice as much as FBiH municipalities, whereas most funds in municipalities are allocated partially through public tenders and partially through other procedures. (CIF 2012).

¹⁷ Strategy of Development of BH, BiH Directorate for Economic Planning, May 2010, (p 113-114), available at www.dep.gov.ba

¹⁸ Social Inclusion Strategy, BiH Directorate for Economic Planning, May 2010, (p 24), available at www.dep.gov.ba

¹⁹ There are approximately 12,000 registered associations in BiH without a single Registry for entire BiH. *Civil Society: Contributions to the development of the Strategy on establishment of an enabling environment for civil society development in Bosnia and Herzegovina*. (2009). HTSPE Ltd. UK & Kronauer Consulting. Sarajevo.

²⁰ Ibid.

²¹ To name a few: "Heads or Tails – Government allocations for the Non-governmental Sector in BiH for 2012" (CIF in BiH and CSPC, February, 2013), "Mapping Study of Non-state Actors in Bosnia and Herzegovina" (EC Delegation, May 2005), "Civil Society Assessment in Bosnia and Herzegovina" (USAID, June 2004), "Country Study of USAID NGO Sustainability Index (USAID, 2007)", and "Employment, Social Service Provision, and the Non-Governmental Organisation Sector (prepared by the Independent Bureau for Humanitarian Issues, funded by Department for International Development of the UK, May 2005), and Consolidated Report of the Municipality Assessments in Bosnia and Herzegovina" (RMAP, UNDP, April 2004).

- Less than 50% of NGOs surveyed in the Federation of BiH rated the quality of their relationship with municipal government as either “good” or “very good” (USAID, 2004).
- 61.19% of BiH CSOs do not have a single employee with associate degree and/or university degree. (HTSPE Ltd. UK & Kronauer Consulting, 2009).
- Only 10% of organizations rated the NGO sector – in entirety – as being “very effective” in providing services. (IBHI and DfID, 2005).

As for opportunities, there exist a number of telling indicators and trends in the area of public administration reform and service delivery. For example:

1. Approximately 100 municipalities have signed – in cooperation with local NGOs – agreements/protocols on mutual cooperation and partnership between non-governmental and public sector (LOD analyses).
2. According to the same study, most NGOs seem to be filling a gap in existing service provision as over 40% of the respondents stated that they had no competition from either public or NGO sector. (IBHI and DfID, 2005).
3. 71.80% CSOs work exclusively in the interest of their members, while participation of associations working in the general public interest is merely 28.20%. (HTSPE Ltd. UK & Kronauer Consulting, 2009).

As noted, the agenda of many CSOs is subject to frequent changes, and thus appear to be ‘donor-driven’. On top of that, many CSOs represent an extension of political agendas. Thus, even though CSOs receive funds mostly from the municipal budgets, there is merely a minimum or no transparency of disbursement criteria for these resources. Sport organizations, often professional clubs (soccer, basketball, etc) and war veteran associations are those that receive greater part of the funding.

The transparency limitations related to the funding mechanisms (public funds) are direct result of inappropriate financial and legal regulations. Furthermore, CSOs reporting on received funding is poor. Only in few cases do interim or final reports exist, and audits are not conducted. There is no real monitoring of CSO activities funded by LSUs. Additionally, it is atypical for contracting authorities (municipalities, cantons, entities, and state) to run transparent Public Call for proposals and deploy consistent evaluation criteria. Otherwise stated, institutionalized mechanisms for disbursement of funds foreseen for CSOs and their activities are entirely deficient.

Consequently, LOD IV follows methodology from the previous LOD project phases and it will effectively focus in three general areas: i) building awareness in order to contribute to better understanding of the role of civil society by municipal authorities and vice versa as well as institutionalizing the standards of their mutual relations ii) strengthen capacities of local authorities and civil society organizations and iii) provide conducive environment for establishing of a transparent funding mechanism for implementation of projects.

In addition, experiences of the LOD project shows that many grassroots’ CSOs do not have adequate capacity for development of project ideas and submitting good quality project proposals. Taking into consideration numerous past capacity building activities related to empowerment of CSOs, it should be emphasized that these actions were focused mostly in urban areas where only a certain percentage of NGOs/CSOs could participate. Other CSOs seem to be left behind in their communities, mostly rural and less developed, without a chance to receive any kind of training. This shows low level of understanding of planners and donors, and what is more important, low capacities of grassroots’ CSOs in BiH regarding their managerial and administrative capacities.

Particularly important in the context of Bosnia and Herzegovina is that the LOD contributes to building public trust and raise the overall quality of democracy and a pluralistic society. CSOs/NGOs can operate in a more transparent setting and obtain a more stable source of funding, while on the other hand municipal authorities (and ultimately citizens) benefit from more targeted use of their resources. As a part of the LOD Methodology, principles of inclusiveness and transparency in decision making, in particular including and voicing out civil society in these processes, will in turn gain a sense of improved confidence and result in more trust between these two sectors and focus on the identification of local priorities. In addition, close collaboration with the Associations of Cities and Municipalities of both entities will focus on horizontal integration and promotion of the LOD methodology, and enable smooth transfer of knowledge to local stakeholders and sustainability.

The LOD IV intervention will continue to initiate collaboration and ensure synergies with other interventions dealing with civil society in BiH, especially the EU funded ones. In that regard, *Technical Assistance to Civil Society in BiH* (TACSO BiH) with whom LOD has collaborated closely in the previous project phases will continue to be string partner in supporting CSOs interventions on a local level. In addition, other EU funded intervention, the *Capacity building of government institutions to engage in policy dialogue with civil society in BiH* (CBCD), is supposed to support vertical integration of the LOD methodology and jointly with the entity Associations and cities support raising awareness in upper government levels regarding importance of transparent funding and general collaboration with civil society.

1.3.2 Describe and define the target groups and final beneficiaries, their needs and constraints, and state how the action will address these needs

As stipulated, the primary target groups of this intervention are Local Self-government Units (municipalities and cities) represented by municipal bodies and respective departments such as municipal councils and administrators of decentralized funds as well as recipient organizations within civil society. 10 LSUs will be involved in the intervention while a minimum of one CSO per LSU will be awarded. In case of available funding, selection of two most successful LSUs from the previous three project phases will be considered in order to stimulate competition between partner municipalities, promote positive practices and experience sharing.

The final beneficiaries of the main activities are citizens and grassroots CSOs in selected municipalities that will derive benefits from improved service delivery at the local level. Taking into consideration CSO projects that will be awarded through the intervention, it is expected at least 10.000 citizens, mostly from socially excluded categories, to be affected by these grassroots projects, based on municipal priorities and capabilities of local CSOs.

Building up on a previous experiences and good practices, it is realistic to expect that municipalities will learn how to involve civil society in policy and decision making process and implementation of priority projects and possibly also how to cooperate with CSOs in areas where municipality lacks capacities to provide quality services. As noted earlier, transparency limitations related to the public funds disbursement foreseen for civil society are direct result of inappropriate financial and legal rules and chronic lack of capacities to work with civil society. Large interest, expressed by both LSUs and CSOs, in previous project phases (LOD I and LOD II, and LOD III) clearly demonstrated strong demand for support of initiatives focused on strengthening relations with civil society, and more precisely advancement in transparent disbursement of public (municipal) funds through capacity development of both sectors. Thus, the capacity development of LSUs and CSOs, as well as the prospects of utilizing the Instruments for Pre-Accession Assistance (IPA) funds, driven by the EU integration process, is more likely to occur through adoption of the concept of LOD methodology which serves as a base for both CS and municipal administrations for applying, competing and implementation of EU funds as well as for proper project management. The intervention will assist in deepening mutual cooperation especially in areas where LSU fails to provide adequate services for citizens in local communities.

1.3.3 Particular added-value elements

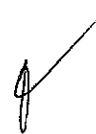
The intervention will strongly support dialogue and collaboration between the two sectors, assist grassroots CSOs to improve service delivery and assist participatory decision making processes on a local level. Furthermore, LOD IV will continue to support socially excluded groups based on lessons learned and experiences derived from the previous project phases. In that regard thematic areas will be determined in line with real community needs, targeting social inclusion topics with focus on unemployment, poverty reduction and protracted displacement. Areas such as social issues, gender issues, environment issues, and human rights issues as well as the rights of minority groups, in particular Roma, will be an integral part of the selection and evaluation process. Partner municipalities as well as similar CSO projects will be motivated to cooperate, share experiences and initiate intermunicipal cooperation. It is expected CSO projects to bridge gaps within their local communities in the areas local governance fails to do it due to scarce resources.

PART B. FULL APPLICATION FORM

1 GENERAL INFORMATION

Reference of the Call for Proposals	<i>Direct agreement</i>
Title of the Call for Proposals	<i>N/A</i>
Name of the applicant	United Nations Development Programme/Bosnia and Herzegovina
Number of the proposal²²	
Title of the action	Reinforcement of Local Democracy IV (LOD IV): Institutionalizing Cooperation between Municipalities and CSOs for Improved Service Delivery
Location of the action <i>-specify country(ies) region(s) that will benefit from the action</i>	Bosnia and Herzegovina with a focus on 10 Local Self-government Units (Municipalities and Cities)
[Number of the Lot]	<i>N/A</i>

²² For restricted procedures only; when the Contracting Authority has evaluated the Concept Note it informs the applicant of the outcome and allocates a proposal number.



2 THE ACTION²³

2.1 Description of the Action

2.1.1 Description (max 13 pages)

Overall Objective and Purpose of Action:

The overall objective of LOD is *to contribute to democratic stabilization, conciliation, and further development of Bosnia and Herzegovina through support to selected municipalities in establishing improved local governance/civil society relations and facilitating financing mechanisms for improved service delivery.* Premised on this larger objective, the project will focus on institutionalizing the principles of relationships between local self-governance units and civil society organizations and raising awareness of the significance of such principles, strengthening the capacity of different stakeholders to better engage in this relationship and, establishing a transparent and consistent municipal funding mechanism to support implementation of priority projects and ensure service delivery activities by civil society organizations. Gender sensitivity and promoting multi-ethnic interventions will be given special consideration in each objective and all activities.

Specific Objectives, Results, and Activity Sets

The overall objective will be addressed through three specific objectives. It is envisaged that these objectives, and their respective activity sets, will engage approximately ten (10) municipalities in Bosnia and Herzegovina. Prior to embarking upon achievement of the objectives and results and implementing related activity sets, a number of inception phase activities are required. They include conducting a promotional campaign, re-establishing Project Board (PB), preparing a call for municipalities to participate, determining criteria for municipal selection and selecting partner municipalities, and aligning LOD IV activities with other development interventions. In addition, the LOD IV project will take into consideration selection of municipalities that participated in the previous three project phases. This new partnership modality would be based on best practices and dedication of municipal administrations. It would require more initiative from the municipal administration, including greater co-financing.

Specific Objective One – *to facilitate permanent partnerships between CSOs and local self-governance units by building awareness of the mutual benefits of cooperation, encouraging sustainable dialogue, and building capacity necessary for interaction.*

Mainstreaming civil society in BiH municipal development efforts assumes that CSOs exist and are recognised as legitimate stakeholders. Whether or not this is the case depends on the quality of the civic environment, which can be understood as the complex mix of formal regulations, informal rules, cultural norms and policy, and economic incentives that condition the degree to which civil society can form, operate autonomously with accountability and co-determine how the mandates of development policies and processes are achieved. Low quality environments constrain civic growth and autonomy of action while high quality environments tend to positively nurture and encourage them. This objective will address the challenge of facilitating municipal governments to open up civic space and to, in a targeted way, join forces with CSOs to increase the quality of the environment they occupy. Aside from the larger environment, civil society as well as government must be in a position to behave in a transparent and conducive manner to partnership. This objective will also pursue the institutionalization of different procedures (including monitoring tools and communication mechanisms) and changing of attitudes, so that CSOs and municipalities realize the benefits of cooperation and improved relations. In addition, LOD

²³ The evaluation committee will refer to information provided in the Concept Note as regards objectives and the relevance of the action.

IV activities will be focused on assessment of civil society in partner municipalities by means of assisting LSUs to use tools for development of information and database on participation of civil society organizations within their administrative borders.

Central/local authorities and the non-governmental sector/civil society should operate as partners and, in order to facilitate this, a transparent contractual arrangement will stipulated. This type of agreement/protocol between local authorities and CSOs will enable the CSO sector to strengthen their position with regards to claiming and asserting their roles within local services delivery as well as bring in certain quality criteria to measure performance. Likewise the agreement will contribute, in the long run, to execution of services by CSOs, which so far have been taken over by government counterparts only. Also study trips for participating municipalities and experiences from other countries will foster exchange of ideas and good practices.

The fulfilment of this objective would benefit Bosnia and Herzegovina in at least three regards: i) it will strengthen the competence of the non-state sector; ii) it will lead to more efficient and better targeted services and iii) it will contribute to social inclusion at the local level. This objective will also 'test' municipality readiness to engage CSOs since selected municipalities will have to demonstrate that agreements/protocols with CSOs have been signed.

Specific Objective Two – *to generate unified and transparent mechanisms for disbursing municipal funds foreseen for CSO project-based activities in accordance with local service needs and identified priorities.*

Considerable changes in the responsibilities of municipal authorities and CSOs in Bosnia and Herzegovina have been required over the course of the last decade as they move from humanitarian aid to service delivery in local communities. There is a considerable imbalance in power and resources amongst municipalities and their CSO counterparts and approaches and capacities differ greatly.

In order to establish a single financing mechanism (i.e. specific municipal budget line) to fund CSO activities, very specific rules must be established to reduce abuse and/or improper distribution of assets. These regulations must include information pertaining to competition and selection procedures, implementation, and reporting as well as sanctions for the breach of agreements. In order to decrease elite capture and arbitrariness within project selection and respond to local needs and social inclusion, selection of priority areas of cooperation with and implementation by CSOs should be furthermore based on the criterion of transparent and participatory local assessment and planning processes.

This objective serves to ensure the municipal budget allocations for CSOs are managed, disbursed, and implemented transparently and consistently and that projects and activities financed effectively respond to the actual local needs and to planning frameworks already in place. Public Calls for CSOs will be carried out by each selected municipality and trainings will be provided for municipalities to ensure they have the capacity necessary for executing the public calls in line with LOD methodology. Majority of the LOD IV resources will be deployed to meet this objective.

Specific Objective Three – *to encourage CSOs to specialize/professionalise their activities and become more responsive to local needs and less dependent on current donor priorities.*

The CSOs will participate in the competitive process of the Public Call for proposals that will be carried out by municipalities. This activity, together with the clauses from agreements between municipal authorities and the civil society sector and the long-term and transparent regulations resulting from this project, will enable CSOs to become more specialized in their activities and to tailor their capacities to the localized needs rather than to changing donor requirements. Encouraging the involvement of CSOs in the implementation of the existing long term strategic plans of municipalities and providing CSOs with trainings to develop their project planning and implementation capacities will further strengthen their role as reliable partners within the local development process.

Results

Inception phase results:

1. Local Self-government Units aware of how to benefit from partnership with CSOs and vice versa.
2. Management structure, with all main stakeholders identified, is established.
3. Responsibilities, communication channels, and procedures for project selection are defined for all stakeholders affected by municipal disbursement of funds to CSOs (with details varying to some degree across municipalities, reflecting the diversity of actors).

Project Results:

4. *Local Self-government Units co-finance all selected CSO projects with at least 10%.*

This result will ensure that municipalities see themselves as invested stakeholders in the CSO service provision process. Furthermore, the result creates a permanent municipality-CSO relationship and ensures that CSOs will have sustainable funding in the future; thus, allowing CSOs to focus their project on municipal and local needs instead of the shifting external donor demands.

5. *10 Local Self-government Units use transparent mechanisms for the disbursement of funds foreseen for CSO projects.*

This result is to ensure that various municipal protocols and consultative bodies exist and function productively. Although one of the mandatory selection criteria for the selection of municipalities will aim, that signed agreements/protocols establishing relations between the Municipal Council, Municipality Mayor, and CSOs and other pre-conditions are in-place, this result will ensure adherence to such standards and norms. This project will introduce and foster standard operating procedures or a "code of conduct" for signed agreements/protocols, and other practices that contribute to improved working and standardised relations between municipal authorities and civil society actors. The resulting transparent mechanisms will include alignment with the LOD methodology, or in other words commitments regarding public tendering for financing projects from Municipal Budget funds. Whereas currently existing agreement/protocols may contain loosely worded and not specific information on publishing public tenders, selection of applications submitted, notifying applicants, for instance, the guidelines prepared and adopted under this project will ensure that resources are allocated and expended in a transparent manner.

6. *At least one successful and transparent municipal call for CSO proposals is executed in accordance with LOD mechanisms for funds disbursement.*

The underlying purpose of this result is to guide municipalities and CSOs through a transparent call for proposals and therefore build up their capacities, using the 'learning-by-doing' method, for such activities in the future. This result will trigger submission of 20 to 100 proposals and the selection of a minimum of 10 proposals for funding and implementation. This will ensure that agreements/protocols establishing relations between municipalities and CSOs extend to deliverable commitments.

7. *Mechanism for monitoring and evaluation of project activities and results implemented by CSOs are institutionalized.*

Monitoring of the concrete CSO/NGO projects will be carried out by the municipal authorities and other local community members, with support and general oversight provided by UNDP. Under this result, monitoring mechanism will be introduced to ensure that funds are used for the purposes for which they were provided and in compliance with the financial and non-financial terms within the contracts and proposals. This should further introduce principles of sound financial management and provide feedback to municipalities and donors. This will also result in monitoring guidelines for projects implemented by CSOs.

8. *Local stakeholders are aware of the necessity to strengthen their capacities with regards to and are trained in PCM, monitoring and evaluation processes, budget planning, information sharing, intra-municipal coordination and promotion of partnerships.*

The result will ensure that municipal entities (authorities, CSOs, citizens, etc.) are equipped with appropriate skill-sets and exposed to innovative practices in order to better facilitate the LOD IV implementation. In addition, further skills and knowledge in regards to the future requirements for European integration will be built, with a focus on promoting the partnership principle. Trainings for local stakeholders on topical themes and based on specific needs of each municipality will be delivered. A minimum of three trainings will be held on topical themes such as EU regulations, grant management, participatory budgeting exercises, improved service delivery, project cycle management, and project proposal design.

Activities

LOD IV project is structured around eight activities while each of the activities is divided into one or more sub-activities. Therefore detailed description of activities is indicated below. Hence, LOD IV intervention will be executed through following eight activities:

- A1. Strong promotional campaign and launching an invitation to BiH municipalities to apply for participation in LOD IV project;
- A2. Establishing of project steering structure and creating cooperation with similar interventions and selection of partner municipalities;
- A3. Review municipal public calls for CSO proposals and guidelines - in line with the LOD methodology;
- A4 Mobilize local funds from municipal budgets for services provided by CSOs;
- A5 Work on generating transparent mechanisms for CSO funds disbursement;
- A6 Assist municipalities in preparing Public Call for CSOs, selection of successful projects;
- A7 Institutionalization of monitoring mechanism in partner municipalities;
- A8 Build capacities of local stakeholders through trainings based on identified needs, networking and expert assistance in the field.

In accordance with above described structure, further part of this section provides a detailed description of each activity:

A1. Strong promotional campaign and launching an invitation to BiH municipalities to apply for participation in LOD IV project

LOD IV will use existing resources from previous phases of LOD, partner municipalities and CSOs for promotion of the project, including an NGO web portal (www.ngo.ba) for announcing the LOD IV project phase. Additionally, all significant project activities will be promoted through the official UNDP web site (www.undp.ba) and official channels of the entity Associations of Municipalities and Cities. Finally, municipalities will be invited through more conventional communication channel using at least two daily newspapers for formal invitation for participation in this competitive call.

This activity is divided into following sub activities that are to be executed:

- A 1.1. Conduct strong campaign and promote LOD IV to all municipalities and CSOs;
- A 1.2. Launch invitation for municipalities to participate in LOD IV (Call for Municipalities);

This activity is paired with the following indicators:

- 100 LSUs informed of LOD project and initiative.
- 3 major CSO networks informed of LOD project and initiative.
- Entity associations of municipalities and cities (AMC) published info on LOD 4 as support to campaign.
- At least two events attended or organized for purposes of additional promotion of the Project.
- 5 articles on LOD 4 activities published in media.
- One promotional package accepted by stakeholders and media.

A2. Establishing of project steering structure and creating cooperation with similar interventions and selection of partner municipalities

The LOD IV project will ensure national ownership through the Project Board (PB) and Project Advisory Board (PAB). Steering mechanisms will be retained and the PB will be re-established including members of the EU Delegation to BiH, Ministry of Justice BiH, and UNDP. PAB will also

be re-established with designated members of ACM of both RS and FBiH entities and elected representative of CSOs in BiH. The four member PAB will perform advisory role and will assist/advise in decision making the PB members. Both PB and PAB will maintain regular meetings as per project dynamics ensuring smooth and most effective project course. Set of tools for selection of partner municipalities developed in previous phases of LOD project will be evaluated and adjusted enabling selection of up to 10 new partner municipalities for LOD IV. Based on these tools a Public Call for Municipalities to participate in the LOD IV will be launched in media. All applications received will go through a few layers of evaluation (initial screening, desk, field, UNDP/EUD experiences) and new municipalities will be awarded partnership status. The relationship will be defined within an MoU that is to be signed on an official ceremony. Parallel to this process the LOD team will initiate regular cooperation and coordination with similar interventions in the field in order to achieve synergetic effect. This activity is divided into following sub activities that are to be executed:

- A2.1. Re-Establish Project Board (PB) with members including BiH MoJ, EUD and UNDP and Project Advisory Board (PAB) with members of ACM of both RS and FBiH entities and elected representative of CSOs in BiH;
- A2.2. Align LOD intervention with additional UNDP (i.e. ILDP and MTS) and/or EU funded (i.e. TACSO) programmes and organizations (CSOE, etc) in order to ensure synergies for greater impact.
- A2.3 Review and adjust selection procedures for municipalities; criteria for Call for proposals, objectives and priorities, if necessary;
- A2.4. Facilitation of the selection process and selection of LOD partner municipalities;
- A2.5 Sign MoUs with selected Municipalities;

Project dynamics foresees implementation of sub-activities A2.1 and A2.2 to be executed during inception phase while others will be executed during project phase.

This activity will ensure reaching the following indicators:

- PAB re-established and held 5 sessions. (R2)
- PB board re-established and held number of sessions. (R2)
- 10 periodical coordination meetings with other projects with complimentary activities to LOD conducted. (R2)
- At least 10 field visits to applicant LSUs with existing agreement (R2)
- 10 LSUs selected for partnership in LOD 4. (R2)
- Criteria for LSUs selection adjusted and in use. (R2)
- 1 set of documents for public call to LSUs adjusted and approved by PB. (R2)
- 1 call for LSUs participation developed and guidelines for selection prepared. (R2)
- One joint MoU signing ceremony organized (R2)
- 10 MoUs with UNDP signed. (R2)

A3. Review municipal public calls for CSO proposals and guidelines - in line with the LOD methodology;

Mechanisms for transparent disbursement of funds foreseen for CSO project-based activities will be aligned with local service needs and strategic priorities (development strategies). Integral part of this mechanism is a Public call for CSOs that is open for all CSOs from BiH excluding any restrictions on a territorial basis. The whole process and supporting documents will be evaluated and aligned with the LOD methodology. This activity has only one sub-activity:

A 3.1 Review municipal public calls for CSO proposals and guidelines - in line with the LOD methodology;

This activity will ensure reaching the following indicators:

- 1 criteria for public calls adjusted and approved by PB
- 1 set of documents for public call to CSOs adjusted and approved by PB.
- 1 public calls for proposals developed and guidelines for CSO project selection prepared.

A4. Mobilize local funds from municipal budgets for services provided by CSOs;

The LOD intervention assumes close cooperation with its partner municipality as well as sharing responsibilities. In line with that it is expected from partner municipalities to provide financial support

of CSOs projects. Partner municipalities will participate with at least 10% of the approved CSO project budgets. Initial agreements will be based on Memorandum of Understanding (MoU) which clearly defines the areas of cooperation. A Cost-Sharing Agreement (CSA) will then be signed with each partner municipality indicating their share of costs which is set on minimum 10% but it can be higher based on decision of municipalities.

This activity has only one sub-activity:

A4.1 Mobilize local funds from municipal budgets for services provided by CSOs;

This activity will ensure reaching the following indicators:

- 10 Cost Sharing Agreements (CSAs) developed and agreed upon with partner LSUs.
- 10 MCGAs signed with partner CSOs.

A5. Work on generating transparent mechanisms for CSO funds disbursement;

Since the specific challenge lies in quality of allocation of the public funds, which is an integral part of the cooperation municipalities and CSOs, LOD intervention foresees integration of the LOD Methodology into operation of partner municipalities. Foundations of the LOD Methodology (conceived in LOD I and finalized during LOD II) lie in Project Cycle Management and it uses approach similar to the EU grant schemes, however adjusted and simplified for LSUs and CSOs and their current capacities. This methodology will be available to each partner municipality and all processes and cooperation with CSOs within LOD IV project will be executed in accordance with these principles.

This activity has only one sub-activity:

A5.1 Work on generating transparent mechanisms for CSO funds disbursement

This activity will ensure reaching the following indicators:

- LOD methodology was available to all partner LSUs.
- Mechanisms were published and readily available to CSOs.
- CSO representative was present at all program evaluation meetings.
- Municipalities followed up on CSO concerns/inquiries.

A6. Assist municipalities in preparing Public Call for CSOs, selection of successful projects

During the course of the intervention each partner municipality will publish Public call for CSOs and select successful CSO projects for financing. LOD team will support municipalities to prepare the Call, facilitate a selection of the representative of the civil society for participation in the evaluation commission, and evaluate the projects and select those suitable for funding in accordance with pre-prepared criteria. Evaluation process will take place in partner municipalities and consist representatives of LSU, civil society and the LOD project. The latter ones are to be present in order to ensure the process is in line with rules and principles of the call. Based on selection made by Evaluation commissions the PB approves recommended projects for funding. Administrative segment of the process will be maintained by the LOD project. Micro Capital Grant Signing Ceremonies will be held in all partner municipalities representing beginning of the CSO project implementation. This activity that is divided into following sub activities that are to be executed:

- A6.1 Assist municipalities to issue Call for proposals open to all Bosnian and Herzegovinian CSOs;
- A6.2 Facilitation of the selection process and selection of CSO projects;
- A6.3 Facilitate the process of PB adoption CSO projects who were successful in the call for municipalities;
- A6.4 Signing of MCGAs with CSOs.

This activity will ensure reaching the following indicators:

- Call for proposals for CSO projects prepared and launched.
- One project per municipality was funded.
- Guidelines and application form for project proposals were publicly available to CSOs.
- 50 total CSO project applications received by all participating municipalities.
- 20 CSO projects approved by PB and 20 MCGAs signed between UNDP and CSOs.
- 10 field technical assistances conducted.

A7. Institutionalization of monitoring mechanism in partner municipalities;

Institutionalization of the monitoring mechanism within the LOD IV partner municipalities is important segment of the LOD intervention. Here, the focus is to steer to the municipal funds foreseen for CSOs and the projects awarded under the municipal grant award schemes. The centre of attention

was on future municipal activities and relations with civil society. In line with this partner municipalities will be supported to introduce monitoring as standard procedure and to establish monitoring teams within the municipal administrations. Members of this team will be supported by LOD field staff with purpose to enhance their capacities through practical work (learning by doing). This activity has one sub-activity:

A 7.1 Institutionalization of monitoring mechanism in partner municipalities;

This activity will ensure reaching the following indicators:

- 10 municipalities trained in using LOD monitoring and evaluation guidelines. (R7)
- 20 joint monitoring visits performed by municipal authorities and UNDP to oversee the implementation of CSO/NGO projects and 20 monitoring reports prepared.
- 100 of UNDP monitoring visits performed oversee the implementation of CSO projects.
- 10 combined monitoring teams established.
- 10 municipal decisions on monitoring teams adopted.

A8. Build capacities of local stakeholders through trainings based on identified needs, networking and expert assistance in the field

LOD intervention is based on real needs of partner municipalities. In that regard, capacity building is based on Training Needs Assessment which will define most urgent needs of municipalities based on which the training modules will be developed and trainings delivered. This will be supported with on job trainings, and expert analysis of the procedures in partner municipalities as an extra support to capacity building and improvement of their standard procedures. Beside training and improvement of the internal procedures activities such as networking and exchange of best practices on local and wider level will be undertaken. This activity is divided into the following sub activities:

- A8.1 Codify and disseminate good practices and other demonstration efforts to encourage replication throughout country;
- A8.2 Convene a final lessons learnt workshop with participating municipal representatives and share results in order to facilitate networking between project beneficiaries;
- A8.3 Identify training needs within some pre-existing topical areas. Possible areas include preparing project proposals and identifying resources, and accessing IPA and meeting EU regulations;
- A8.4 Prepare training modules in selected areas and deliver trainings;
- A8.5 Arrange study trips for participating municipalities - foster exchange of ideas and good practices;
- A8.6 Continue promoting LOD IV and CSOs through www.ngo.ba web portal, www.undp.ba and other media; Promotion/visibility will be undertaken in line with Joint Visibility Guidelines for EC-UN Actions in the Field. In order to achieve systematic and far reaching promotion the Visibility & Communication Strategy is to be developed in cooperation with EU Delegation.
- A8.7. Wider horizontal integration of LOD methodology throughout BiH with support of ACMS;

This activity will ensure reaching the following indicators:

- 50 information sharing meetings conducted. (R8)
- Final report/document on LOD achievements disseminated widely by municipalities and CSOs. (R8)
- Representatives from all partner municipalities attended final workshop. (R8)
- Two representatives from each partner municipality attended two training events. (R8)
- One representative from each partner municipality participated in one study trip. (R8)
- 20 CSOs attend one training event. (R8)
- Municipality and CSO personnel trained in previously missing skills. (R8)

2.1.2 Methodology (max 5 pages)

Public Call for municipalities:

The UNDP will be leading the process of the Call for Municipal Participation.

Criteria for the selection of municipalities

An important part of the project is preparation of a Call for Municipal Participation in Bosnia and Herzegovina which was very successful in the previous project phases gathering excellent response from interested local administrations. This call includes main principles of the LOD project and predetermined criteria. Experience gained through the entire process of the previous phases, as well as inputs given by stakeholders, synergistic projects, and other constituencies, will be taken into consideration to determine and approve methodology.

The final form of this call, as well as the criteria set out therein, will be approved by the Project Board. Suggested criteria are divided into two groups: obligatory and additional criteria.

Criteria for municipal selection²⁴:

Obligatory criteria

1. Municipality has a valid formal partnership agreement with CSOs.
2. Municipality is willing to co-finance CSOs projects with a minimum of 10% of the total funding it receives through the LOD Project framework.
3. Municipality has jointly defined priority areas of cooperation with CSOs, which are aligned with its overall local development directions. Municipality overall development directions were determined in a participatory way and broadly reflect on the following thematic areas: poverty reduction, social inclusion, gender, human rights, environment, as well as the empowerment of vulnerable groups.

Additional criteria

1. Municipality allocates funding for CSOs within a separate budget line.
2. Municipality has a clearly defined methodology for CSOs financing, including projects based on the project approach, local social service needs, and identified priorities.
3. Municipality has a functional body for evaluation and approval of CSO project proposals.
4. Municipality has established mechanisms for monitoring/evaluation of projects and initiatives implemented by CSOs.
5. Municipality has an adopted community development plan where local socio-economic development priorities are identified in a participatory manner.
6. Municipality has a solid record of inter-action, cooperation, and partnership with CSOs.
7. Municipality is a member of one of the ACMs (FBiH or RS).

Adjustment criteria for municipal selection might be included to indicate a good track record in cooperation of a municipality with other UNDP's local governance interventions.

The Call for Municipal Participation will avoid municipal 'elites capturing' by including the set of criteria that will be adopted by the Project Board. These can vary from requirements on co-financing (i.e. linking the co-financing rate to the size of the municipal budget) to increased number of geographical lots (and avoiding certain economic regions to be the only eligible ones in their

²⁴ Final criteria for the selection of municipalities will be approved by the Project Board. Criteria will be a part of the
the
Guidelines for applicants. The Guidelines will be included as a part of the technical documentation of the Public
Call for
Municipalities.

respective lots).

Priority areas for CSO projects:

Priority areas for CSO projects will be defined through a participatory process in each project municipality. In that regard thematic areas will be in line with municipal development strategies, action plans and real community needs. Based on previous experiences and needs of local population, the main topic is social inclusion with focus on unemployment, poverty reduction and protracted displacement. Areas such as social issues, gender issues, environment issues, and human rights issues as well as the rights of minority groups, in particular Roma, will be an integral part of the selection and evaluation process.

Public Call for CSOs

The selected municipalities shall be leading the process of Public Call for CSOs.

Criteria for the selection of projects

After the selection of municipalities is completed and the selected municipalities have defined their areas of priority, as described above, the municipalities will launch a Public Call open to all CSOs in BiH.

Municipalities will be provided technical assistance in evaluation, which will be executed in participatory and inclusive manner. The process has to be aligned with the LOD methodology. Applicants will be scored on a combination of criteria and those reaching a score beyond a certain threshold will be considered for funding.

A multi-tier approach regarding the level of this threshold will be adopted. Thus, projects with a budget up to USD 100,000 need to reach a higher score than projects with budgets up to USD 50,000 and USD 20,000 respectively. Also, CSOs submitting pure capacity building projects could be required to reach lower scores than CSOs submitting complex projects, e.g. in the area of economic development. The suggested criteria fall into the following categories:

1. **Financial and operational capacity** (do applicants and partners have sufficient experience in project management, do applicants and partners have sufficient expert capacity, do applicants and partners have sufficient management capacity, etc.)
2. **Relevance** (how relevant is the project to the goal, are the needs of target groups and end users clearly defined, does the project approach them correctly, does the project have additional qualities, such as innovative approach and good practice models, does the proposal advocate the rights based policy model and does it have influence on subgroups, does it promote gender equity and equal possibilities, protection of environment, inter-entity cooperation, youth problems, etc)
3. **Methodology** (are the planned and proposed activities appropriate, practical, and in line with goals and expected results, how consistent is the overall project design, is the level of inclusiveness and involvement of partners in project implementation satisfactory, does the project include objectively measurable indicators of activity results, etc)
4. **Sustainability** (will the proposed project activities have a concrete influence on target groups, are the results expected from proposed activities institutionally sustainable, will the structures that enable the continuation of activities exist at the end of the project, will local "ownership" over project results exist, etc.)
5. **Budget and cost rationality** (is the relationship between estimated costs and expected results satisfactory, are the proposed costs necessary for project implementation, is the budget clear and does it also include a narrative part, does it provide justification for technical equipment, is the rule that limits administrative and staff costs to under 20% of total costs met, are CVs and vacancy descriptions submitted where applicable, etc)

Applicants are scored on each of these criteria and thus obtain an overall score for their application. The suggested criteria are herewith proposed for the clarity of the project document and will not be taken as final criteria for assessment of municipal project proposals. Final criteria will be mutually agreed at the Project Board session during the Inception phase (see more about PB in section on Steering Arrangements).

Once Calls for Proposals are published, the previously established evaluation committee comprising of municipal staff and representatives of civil society organisations convenes (conflict of interest must be avoided), projects are evaluated and sent to UNDP, and the Project Board re-evaluates the proposals and announces the final awards.

Related activities:

To increase the impact of the intervention, LOD IV activities will be implemented ensuring synergies with other UNDP project activities in the field of local governance.

Existing partnership with the ACMs that had been initiated in LOD III will be extended to also widen horizontal integration and promotion of the LOD methodology. The capacities of the ACMs will be enhanced for the purposes of promotion and dissemination of the LOD methodology for fund disbursement but also for service provision in terms of collaboration of local governance with civil society.

Baseline Research and analyses:

By collecting preliminary baseline information on the current status of municipal relations with civil society, the project can objectively measure changes over the time and the influence of specific activities on strengthening partnerships. Secondly, this research can contribute to identifying possible bottlenecks, opportunities, and/or gaps that may require modification of project interventions. This result will consist of a modest, not in-depth, analytical (quantitative and qualitative) study of municipal/civil society interaction in target municipalities.

LOD IV will undertake research related to the status of civil sector and the existing market related to provision of services relevant for the local communities which are at the same time relevant for the European Union. These services could be standardized and assist in meeting the local needs and improving involvement of local agencies obliged to fulfil and fund them. Experiences and good practices will be noted and presented to the stakeholders.

Nonetheless, taking into consideration significant amount of implemented project in all LOD project phases, it is foreseen to undertake appropriate impact analysis of over 230 CSO implemented projects and their impact on the citizens in local communities (over 40 LSUs in BiH).

Steering Arrangements

The project steering structure will consist of two bodies, the Project Board (PB) and the Project Advisory Board (PAB). The Project Board (PB) will be composed of the representatives from the BiH Ministry of Justice (MoJ), the European Union Delegation to BiH (EUD), and UNDP. The PB will be formed immediately after the start of the project. The PB will meet at least quarterly. Should difficulties or delays occur at the PB level, the EUD and UNDP representatives would reach final and binding decisions.

The PB will provide overall guidance to the project and approve procedures, such as guidelines for the Call for Municipal Participation, selection of municipalities, Public Call for CSOs, and evaluation of CSO project proposals.

The PAB will provide recommendations to the PB on all activities relevant to the project implementation and improvement. Recommendations and suggestions will be presented to the PB by project management. The PAB will be composed of the representatives from RS and FBiH ACMs and elected representatives of CSOs in BiH.

Management

The project will be led by the full-time Project Manager. The LOD team will consist of the following staff:

1. Project Manager
2. Grants/Operations Coordinator
3. Capacity Development Coordinator
4. Monitoring and Evaluation Coordinator
5. Monitoring Associate (2 placements)
6. Monitoring Assistant (half-time)
7. Grants Assistant (half-time)
8. Project Associate
9. Project Assistant

Organizational chart (organigramme) is attached in Annex E. ToRs of the above staff are attached in Annex F.

Visibility

The project will ensure visibility according to the Joint Visibility Guidelines for EC-UN Actions in the Field.²⁵ The visibility activities will be executed in close cooperation between the UNDP and EUD focusing on outputs and the impact of the action's results. Visibility strategy will be basis for promoting values and benefits of sustainable dialogue between governments and civil society for the project while all stakeholders, LUSs and CSOs will be offered coaching in order to continue to promote its activities, the EU values and become a donor.

Some of the main communication tools that will be created and/or adapted are: a toolkit for the municipalities and CSOs, press releases, web portals (UNDP web site and ngo.ba, CSO sites), NGO networks, entity Associations of cities and Municipalities, LOD newsletter, etc.

²⁵ Document available here:

http://ec.europa.eu/europeaid/work/operations/funding/international_organisations/other_documents_related_united_nations/index_en.htm

2.1.3 Duration and indicative action plan for implementing the action (max 4 pages)

The duration of the action will be 18 months.

The LOD IV project will last for 24 months, while actual activities will commence on June 1, 2014. Duration of the implementation phase will last for five months and it will end on November 1, 2014.

Year 1	Year 1												Implementing body
	1	2	3	4	5	6	7	8	9	10	11	12	
1.1. Conduct strong campaign and promote LOD IV to all municipalities and CSOs;													UNDP
1.2. Launch invitation for municipalities to participate in LOD IV (Call for Municipalities).													UNDP
2.1. Re-Establish Project Board (PB) with members including MoJ, EC and UNDP and Project Advisory Board (PAB) with members of ACM of both RS and Federation BiH and elected representative of CSOs in BiH.													UNDP
2.2 Align LOD intervention with additional UNDP (i.e. ILDP and MTS) and/or EU funded (i.e. TACSO) programmes and organizations (OCSE, etc) in order to ensure synergies for greater impact.													UNDP
Project Phase													
2.3 Review and adjust selection procedures for municipalities; criteria for Call for proposals, objectives and priorities including adjustments, if necessary													UNDP
2.4. Facilitation of the selection process and selection of LOD partner municipalities;													UNDP
2.5 Sign MoUs with selected Municipalities,													UNDP
3.1. Review municipal public calls for CSO proposals and guidelines - in line with the LOD methodology													UNDP
4.1. Mobilize local funds from municipal budgets for services provided by CSOs.													UNDP

For the following years:						
Activity	Half year 1	2	3	4	5	Implementing body
7.1 Institutionalization of monitoring mechanism in partner municipalities						UNDP
8.1. Codify and disseminate good practices and other demonstration efforts to encourage replication throughout country.						UNDP
8.2. Convene a final lessons learnt workshop with participating municipal representatives and share results in order to facilitate networking between project beneficiaries.						UNDP
8.5. Arrange study trips for participating municipalities - foster exchange of ideas and good practices.						UNDP
8.6 Continue promoting LOD IV and CSOs through www.ngo.ba web portal, www.undp.ba and other media;						UNDP
8.7 Wider horizontal integration of LOD methodology throughout BiH through support of ACMs						UNDP

2.1.4 Sustainability of the action (max 3 pages)

While municipal administrations in a great number of municipalities in BiH are resistant to the adoption of unified and transparent mechanisms for disbursement of funds for CSOs, because the political parties often use these funds to finance CSOs of "special importance, the project will take the steps in promoting benefits of this approach by involving other partners.

In the preparation phase, the EU Delegation in BiH and UNDP will undertake a series of activities to promote the project among the municipalities that will send a clear message to all municipalities that without engaging in partnerships, establishment of permanent cooperation with CSOs, and introducing unified and transparent mechanism for disbursement of funds foreseen for CSOs, municipalities will not be eligible to access any EU funds.

The main precondition for fulfilment of the expected results is certainly the readiness of LSUs to understand the development perspective that opens up ahead of them with establishment of the permanent cooperation with CSOs and introduction of the unified and transparent mechanism for disbursement of funds foreseen for CSOs and their activities. Considering that 40 LSUs have participated in the previous project phases and available assistance of the ACMs both horizontal and vertical approaches are in focus.

Partnership with the ACMs will result not only in horizontal and vertical integration of the LOD Methodology. The ACMs, when fully trained and capacitated, will continue to provide advisory services to the BiH municipalities and promote transparent funding for CSOs approach on the entity level. Thus, the sustainability will be ensured through the ACMs being paired up with the transfer of ownership.

Once the key political factors realise the perspective that opens up in regard to the pre-accession funds, it is certain that a great number of municipalities will decide to establish this permanent cooperation with CSOs. Consequently, this project development would create an environment suitable for adoption and widespread acceptance of the LOD methodology not only in partner municipalities but in other municipalities and cities in BiH. In addition, positive response from the local level will generate a bottom up push for improvement not only in the field of transparent financing of CSOs but also creating a space for a dialogue and wider public collaboration.

No.	Proposed Action	Type of risks	Mitigation measures	Contingency plan
1	<i>A1. Strong promotional campaign and launching an invitation to BiH municipalities to apply for participation in LOD IV project</i>	Municipalities with a low understanding of the benefits of cooperation with CSOs have already participated in previous project phases and candidate municipalities do not have a need but they do not have a sufficient understanding and willingness.	Constant communication with LSUs; assess level of commitment and whether it is due to the lack of capacity or political will. Conduct strong campaign built on established partnerships and increase media promotion in order to promote benefits of cooperation with CSOs and benefits of participation in LOD.	Do not get engaged with municipalities where commitment is completely lacking; select only those capable to achieve results required by LOD.
2	<i>A5 Work on generating transparent mechanisms for CSO funds disbursement</i>	Municipalities do not have adequate expertise and skills on which LOD mechanism will be built in order to realise capacities necessary for the development and disbursement of	In case where municipal capacities are insufficient LOD team will invest extra effort in capacity building activities and	Implement the project activity with greater participation of the LOD team and ACMs.

		Calls for CSO project proposals;	Increased synergy between similar initiatives such as CSO.	
3	<i>A5 Work on generating transparent mechanisms for CSO funds disbursement;</i>	CSOs do not have adequate capacity necessary for the development and delivery of project proposals;	Regular communication with CSOs and capacity development in PCM and more intensive presence of the project team. Utilising locally placed project team members for support of CSOs as well as timely released calls for proposals.	Repetition of the Calls for CSO proposals paired up with additional trainings for CSO;
4	<i>A5 Work on generating transparent mechanisms for CSO funds disbursement;</i>	Some municipalities try to manipulate evaluation commissions and selection of the CSO project proposals;	Provide clear guidelines and strong engagement of the project team to the benefit of the project conduct.	Explain the role of PB in selection of CSO project proposals to municipal administration and the PB ability to cancel or overrule all suspicious activities.
5	<i>A4 Mobilize local funds from municipal budgets for services provided by CSOs;</i>	Limited budget funds allocated for the civil society due to shortages of in municipal budgets causing inability to commit sufficient funding	Constant comm. with local authorities and funders about co-financing as per MoU. Ensure ownership of the CSU by very closely involving all parties in all project activities and decisions.	Engage into negotiation to extend deadlines for co-financing.
6	<i>A8 Build capacities of local stakeholders through trainings based on identified needs, networking and expert assistance in the field</i>	Political instability in BiH could stall cooperation and slow down actions about further integration of the LCD methodology;	Make more effort do differentiate our activities and cooperation with CSOs from daily politics. Closely monitor political developments and adapt to newly developed conditions	Implement the project with partial participation and re-establish actions related to vertical integration when the conditions are met.

The intervention will ensure high level of achievements of all elements of sustainability.

Financial sustainability. According to different analysis, most of municipal funding is currently disbursed to CSOs directly from the budget in a non-transparent manner and without any financial control, monitoring and evaluation mechanisms. At the moment, it is unknown how CSOs use the funds. One of the primary objectives of this project is to introduce multi-

constituency planning bodies, a joint-planning mechanism and unified and a transparent mechanism for disbursement of funds foreseen for CSOs and their activities in order to mobilize a larger portion of funds for project based CSO funding and create a sustainable funding source for CSOs. With adequate monitoring and evaluation mechanisms for utilization of funds by selected CSOs, CSOs project impact will be maximized. The funding for continuation and sustainability of the project activities will be ensured from the municipal budget. The financial sustainability will be provided from the same budget lines that are currently used to cover administrative costs of non-transparent disbursement of funds with possible increase of grant funds through access to pre-accession EU funds. Therefore, there will not necessarily be any additional costs, except for those costs of work with CSOs that already exist within the municipal administration.

Institutional level: Focusing priority areas for CSO project implementation on available municipal development strategies/plans, showing a thorough, transparent and non-arbitrary participatory process for identification of municipal priorities will contribute to anchoring the project activities within the development institutions (bodies) at the local level and will ensure that the real needs are addressed. As explained above, the ACMs will support sustainability of the methodology as the transfer of ownership will be smoothly performed in years to come. Furthermore, promotion of the partnership principle involving civil society, business and public sector, will ensure institutional sustainability and local ownership of the project and its results. Establishment of multi-constituency bodies and the reference to participatory, strategic planning mechanisms is not only supportive to the project activities but is also an EU strategy which might become a pre-condition for all future EU Call for Proposals in the region. This will ensure respect and implementation of existing local modalities of policy design and cooperation at the municipal level as well as functioning mechanisms even after the end of the project period. Besides, during the project implementation a full cooperation will be established with the respective CSO/NGO associations that will perform regular follow up on implementation of the local protocols and inform the public through their annual reports, thus aiming to create additional pressure upon municipalities to continue with implementation of the protocol and joint planning mechanisms with CSO even after the end of the EUD financed activities.

Policy level: The final element of the project sustainability, which will manifest the full political support of the local administration to the project objectives, is the policy sustainability. The policy sustainability will be ensured through several elements that will be adopted by the municipal councils, mayors and representatives of CSOs:

1. Protocol on cooperation with CSOs at the local level;
2. Municipal Council decision on establishment of multi-constituency planning bodies and participation of the municipal representatives in its functioning;
3. Municipal Council decision or Mayor's decision on establishment of unified and transparent mechanism for disbursement of funds foreseen for CSOs and their activities based on the project approach;
4. Adoption of rules and regulations for project assessment and selection of the projects that will be awarded with grants;
5. Adoption of appraisal and monitoring methodologies.

The adoption of these decisions by the municipal councils, which will be binding upon Mayors and municipal administration administrations, will ensure full policy sustainability of the project even after the end of the EU financial support.

In addition, with regard to all the mentioned, the choice of UNDP as implementing agency will further ensure high levels of sustainability.

Firstly, UNDP has proven record in local projects implementation, which combines hands-on TA with concrete project development and introduction of co-financing modalities. While political resistance to innovation is indeed sometimes a problem, UNDP results and work with cca. 70 municipalities, show that long-term commitment to partnership, practical on-the-job trainings and tailored capacity building can be a key motivating factor for progressive municipalities to adjust their business processes.

Secondly, UNDP implements the ILDP and LDC which offer synergies and positive reinforcement regarding i) raising municipal interest for participating in the program, ii) cross-fertilization of various training programs; iii) embedding the LOD activities in the framework of participatory identified municipal priorities in the form of broad, integrated plans that hinder arbitrariness in selection and counterbalance elite capture; iv) setting the selected CSO projects in a broader set of targeted municipal trainings and development interventions. Additionally, UNDP's network and regional presence, provides great advantage for the intervention.

2.1.5 Logical Framework

Please see Annex C for details.



2.1.6 Budget, amount requested from the Contracting Authority and other expected sources of funding

Please see Annex B for details

2.1.7 Applicant's experience

Name of the applicant: United Nation Development Programme					
Project title: Reinforcement of Local Democracy - LOD		Sector (see Section 3.2.2 of Section 3): 151 Government and Civil Society - 15120 - Public sector financial management, - 15140 Government Administration - 15150 Strengthening civil society			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)²⁶	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Bosnia and Herzegovina	1,550,000	Coordinator	Delegation of European Commission to Bosnia and Herzegovina	1,500,000	November 13, 2008 – September 30, 2010
Bosnia and Herzegovina	1,550,000	Coordinator	Delegation of the European Union to Bosnia and Herzegovina	1,500,000	October 1, 2010 – May 31, 2012
Bosnia and Herzegovina	2,666,000	Coordinator	Delegation of the European Union to Bosnia and Herzegovina	2,000,000	June 1, 2012 – May 31, 2014
Objectives and results of the action		The overall objective of LOD is to contribute to democratic stabilization, conciliation, and further development of Bosnia and Herzegovina through support to selected municipalities in establishing improved local self-government unit/CSO relations and in the financing mechanisms for improved service delivery. In total 40 partner municipalities were involved in implementation of the previous phases of the Project. The municipality representatives went to round of capacity building for applicants. Involved municipalities accepted to implement LOD methodology on transparent disbursement of public funds to CSOs, through formal municipal decisions. The LOD Project Board has decided to fund total 218 CSO projects in 40 partner municipalities. Involved CSOs established partnership relations with local communities.			

²⁶ If the donor is the European Union or an EU Member State, please specify the EU budget line, EDF or EU Member State.

Name of the applicant: United Nation Development Programme					
Integrated Local Development Project		Sector (see Section 3.2.2 of Section 3): 151 Government and Civil Society - 15110 -- Economic and development policy/planning, - 15120 -- Public sector financial management, - 15140 Government Administration			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)²⁷	Amount contributed (by donor)	Dates (from dd/mm/yy to dd/mm/yy)
Bosnia and Herzegovina	4,188,504	Coordinator	1) Swiss Government (via the Swiss Cooperation Office in Bosnia and Herzegovina); 2) Government of Bosnia and Herzegovina (specifically: Una-Sana Canton, Western Herzegovina Canton and the local governments of: Cazin, Bihać, Bijeljina, Bosanska Krupa, Bosanski Petar, Bugojno, Bužin, Dobo, Dobo Istok, Dobo Jug, Gračanica, Gradačac, Jajce, Jazepolje, Kotor Varoš, Lakaši, Livno, Ljubinje, Ljubaki, Lopare, Magla, Odžak, Orašje, Osmaci, Posušje, Prijedor, Prnjavor, Šamac, Sanski Most, Srbac, Srebrenik, Tuzla, Velika Kladuša, Vlasenica, Zenica); 3) UNDP in Bosnia and Herzegovina.	1) 3,558,456 2) 372,097 3) 257,950	01/01/2012 - 30/06/2015
Objective s and results of the action	By 2015, local strategic planning system in Bosnia and Herzegovina is further consolidated by enhancing its vertical integration with higher government planning frameworks, up-scaling its coverage country-wide and strengthening local governments and their socio-economic partners' development capacities.				

²⁷ If the donor is the European Union or an EU Member State, please specify the EU budget line, EDF or EU Member State.

Name of the applicant: United Nation Development Programme					
Project title: Improving Cultural Understanding In Bosnia and Herzegovina Project		Sector (see Section 3.2.2 of Section 3): 16 Other Social Infrastructure Services - Culture and recreation			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)²⁸	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Bosnia and Herzegovina	Cca 8,402,286 USD	Co-applicant, UNESCO Lead Agency, UNDP and UNICEF Participating agencies	Millennium Development Goals, UNDP and UNICEF Government agencies	-8,000,090 \$ -270,880 \$ -131,406 \$	December 12, 2008 – June 30, 2012
Objectives and results of the action		<p>The MEDP is helping Cultural Understanding in BiH programme was conceived on the basis of strengthening the sector of culture and education with the purpose of achieving sustainable development and inter-culture and tolerant society.</p> <p>Results: Improved policies & legal frameworks in culture and education sectors</p> <p>Strengthened capacities of state and entity-level Governments in monitoring and evaluation of cultural development.</p> <p>Promoted inter-cultural inclusion in primary schools of project target communities.</p> <p>Enhanced local initiatives delivering positive cross-cultural messages.</p> <p>Increased capacity and profitability levels within the cultural industries.</p> <p>Generated positive public discourses on interculturalism.</p>			

²⁸ If the donor is the European Union or another State, please specify the EU budget line, EDF or EU Member State.

Name of the applicant: United Nation Development Programme					
Support to Result-based Approach (SUTRA)		Sector (see Section 3.2.1 of Section 3): 75010 Reconstruction, repair and rehabilitation			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors in the action (if any)²⁹	Amount contributed (by donor)	Dates (from dd/mm/yy to dd/mm/yy)
Bosnia and Herzegovina	Over 16.2 million USD	Coordinator	EC, BiH Government (through Return Fund), UNHCR and UNDP	2003	August 31, 2008
Objectives and results of the action	<p>The overall objective of the Project was to "Support the participation of Bosnia and Herzegovina in the Stabilisation and Association Process (SAP)/European partnership." With relation to the return sector, the project purpose was to ensure that "Domestic institutions at state and municipal level are able in a sustainable manner to manage responsibility for return and reintegration of refugees and displaced persons." These objectives were to be achieved through the five following, mutually reinforcing expected results:</p> <ol style="list-style-type: none"> 1. "Domestic institutions coordinate, manage, implement and monitor return, reintegration and local development projects" 2. "Partner municipalities using a participatory approach initiate, design and manage return and local development projects in line with project guidelines" 3. "Housing, infrastructure and sustainability projects developed and implemented for selected beneficiaries" 4. "Service delivery in partner municipalities and their target communities (Mjesne Zajednice) with majority returnee population improved" 5. "CSOs involved in return, reintegration and capacity building project implementation using various funding mechanisms" <p>Result 1: "Domestic Institutions coordinate, manage, implement and monitor return, reintegration and local development projects" Result 2: "Partner municipalities using participatory approach initiate, design and manage return and local development projects in line with project guidelines" Result 3: "Housing, infrastructure and sustainability projects developed and implemented for selected beneficiaries" Result 4: "Service delivery in partner municipalities and their target communities (Mjesne Zajednice) with majority returnee population improved" Result 5: "CSOs involved in return, reintegration and capacity building project implementation using various funding mechanisms"</p>				

²⁹ If the donor is the European Union or an EU Member State, please specify the EU budget line, EDF or EU Member State.