



**Contracting Authority: European Commission
Civil Society Facility and Media Programme 2016-2017**

**Regional Programme on Local Democracy in the Western
Balkans (ReLOaD)**

Annex I to Grant Contract nr. 2016/382-867

**Description of the Action (including the Logical Framework of
the Project and the Concept Note)**

Title of the action:	Regional Programme on Local Democracy in the Western Balkans (ReLOaD)
[Number and title of lot]	N/A
Location(s) of the action:	Albania, Bosnia and Herzegovina, Kosovo*, the former Yugoslav Republic of Macedonia, Montenegro, Serbia
Name of the applicant	United Nations Development Programme (UNDP) in Bosnia and Herzegovina (BiH)
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	
Legal status ⁴	International Organisation
Co-applicant	N/A
Affiliated entity ⁶	N/A

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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.

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.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

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PART A. CONCEPT NOTE

1. Summary of the Action

Title of the action:	Regional Programme on Local Democracy in the Western Balkans (ReLOaD)
[Lot] - Please tick the box corresponding to the specific lot for which you are applying:	N/A
Location(s) of the action: — specify country(ies), region(s) that will benefit from the action.	Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia (Western Balkans region ⁷) with a focus on 50 local governments. ⁸
Total duration of the action (months):	36 months
EU financing requested (amount)	EUR 8.5 mil Breakdown: 5 mil EUR - Multi-Country Civil Society Facility (CSF); 3 mil EUR - national (Bosnia and Herzegovina) CSF; 0.5 mil EUR - national (Albania) CSF
EU financing requested as a percentage of total budget of the Action (indicative)	84.75%
Objectives of the action	Overall objective: To strengthen participatory democracies and the EU integration process in the Western Balkans (WB) by empowering civil society to actively take part in decision making and by stimulating an enabling legal and financial environment for civil society. Specific objective: To strengthen partnerships between local governments and civil society in the WB by scaling-up a successful model of transparent and project-based funding of civil society organizations (CSOs) from local government budgets towards greater civic engagement in decision-making and improvement of local service delivery.
Target group(s) ⁹	Local governments (LG), CSOs in participating countries.
Final beneficiaries ¹⁰	The final beneficiaries are CSOs, citizens and local communities of participating local governments which will benefit from more inclusive and transparent local decision-making processes, as well as from improved and diversified local service delivery.
Estimated results	Result 1. Local governments and CSOs have basic understanding on the comprehensive transparent model for funding of CSOs from municipal budgets. Result 2. A model of transparent and project-based funding of CSOs by local governments is introduced and institutionalized in all participating local governments, and thus promoted and

⁷ For the purposes of this action, Western Balkans region includes the following countries: Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, and Serbia.

⁸ For the purposes of this document, terms local governments, municipalities and/or cities are the same and might be used interchangeably throughout the document.

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

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.

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	<p>anchored across Western Balkan countries.</p> <p>Result 3. Services delivered by civil society organisations address the needs of local communities within partner local governments across the Western Balkans countries.</p> <p>Result 4. The capacity of civil society organisations and local governments in implementation of municipal grant schemes and delivering of good quality projects is strengthened.</p> <p>Result 5. Enhanced regional networking and dialogue of civil society and local governments across the Western Balkan countries enable multiplication of good practices.</p> <p>Result 6. Diversified dialogue and cooperation mechanisms between local governments and CSOs. (specific for Bosnia and Herzegovina)</p>
<p>Main activities</p>	<p>Activity 1.1. Establishment of Project's structures.</p> <p>Activity 1.2. Organization of kick-off meetings.</p> <p>Activity 1.3. Promotion and awareness raising.</p> <p>Activity 2.1. Selection of partner local governments in participating WB countries.</p> <p>Activity 2.2. *Conduct assessment of existing in-country mechanisms for disbursement of public funds to CSOs and provide specific recommendations for improvement looking at experiences and lessons learned from the viewpoint of the principal model from Bosnia and Herzegovina.</p> <p>Activity 2.3. Assessment of existing (budget) mechanisms for disbursement of public funds to CSOs in each selected local government.</p> <p>Activity 2.4. Discuss and formalize a methodology and accompanying tools, as well as monitoring framework for funding of CSOs by local governments' budgets within all target localities.</p> <p>Activity 2.5. Awareness-raising and familiarisation of local government leadership and staff, as well as CSOs with the methodology for disbursement of public funds to CSOs.</p> <p>Activity 2.6. Set a financing mechanism in line with national legislations (i.e. specific municipal budget line(s)) to fund CSO activities within each participating local government.</p> <p>Activity 3.1. Design tailored grant schemes for CSOs in each target local government.</p> <p>Activity 3.2. Launch of Public Calls for CSO Proposals, selection and contracting of CSOs.</p> <p>Activity 4.1. Capacity development of local government staff within targeted localities in Project Cycle Management.</p> <p>Activity 4.2. Capacity development of CSOs within targeted localities in Project Cycle Management.</p> <p>Activity 4.3. Monitoring of CSO projects' implementation through combined monitoring teams.</p> <p>Activity 4.4. In-country promotion of the methodology for disbursement of public funds to CSOs and its tools, as well as successful practices in each participating WB country.</p> <p>Activity 5.1. Cross-country and multi-pronged exchange of experiences, ideas and good practices, including study trips,</p>

	<p>among the participating WB countries.</p> <p>Activity 5.2. Cross-country thematic networking.</p> <p>Activity 5.3. Create online interactive platform facilitating virtual knowledge sharing, advocacy and communication.</p> <p>Activity 5.4. Design knowledge products and tools to strengthen local participatory democracy and public services delivery.</p> <p>Activity 6.1. Increase the transparency of local governments through creation of civic forums, utilization of Information Communication Technology (ICT) for citizens and improving capacities of municipal councils. (specific for Bosnia and Herzegovina)</p> <p>Activity 6.2 Conduct a survey to identify existence of standards for social services delivery by CSO and identify possible improvements in this domain. (specific for Bosnia and Herzegovina)</p> <p>*This activity is not applicable for Bosnia and Herzegovina.</p>
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2. Description of the Action

Western Balkan countries use similar models for funding of CSOs from public budgets, where common challenges relate to insufficient transparency and/or clear criteria of the selection processes. These uncompleted and often discriminatory models limit heightening the position and importance of civil society in these countries and slow down further development of participatory democracies in the WB.

The overall objective of the Action is to strengthen participatory democracies and the EU integration process in the Western Balkans by empowering civil society to actively take part in decision making and by stimulating an enabling legal and financial environment for civil society.

This Action builds on and scales up the experiences of *the Reinforcement of Local Democracy (LOD) Project* implemented in Bosnia and Herzegovina by UNDP and supported by the European Union (EU). As a regional initiative, the Action will be implemented throughout the following WB countries: **Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.**

The specific objective is to strengthen partnerships between local governments and civil society in the WB by scaling-up a successful model of transparent and project-based funding of CSOs from local government budgets towards greater civic engagement in decision-making and improvement of local service delivery.

The Action will focus on institutionalising the interaction between local governments and CSOs, while strengthening capacities of all relevant stakeholders to engage more productively in such partnerships. Importantly, the underlying intention of the Action is to replicate and sustain a transparent, development-oriented and project-based approach to funding of CSOs by municipal budgets that contributes to realisation of legitimate local priorities in line with local development strategies. Moreover, mechanisms for monitoring 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 also appropriate tools.

As a result, the Action will expand local governments-CSO relations and improve quality of CSO services. It will focus on needs of 50 local governments, at least five in each participating country, and enable adaptation of a funding model offered for replication from Bosnia and Herzegovina to each country's specifics. The number of selected local governments per country might slightly differ depending on the interest of local governments, their size and available Action funding per country (i.e. in case of Bosnia and Herzegovina 20 LGs

will be targeted, and in case of Albania 10 LGs). Dissemination and wider outreach/exchange of successful models and best practices will be included in a regional networking and governments-civil society dialogue across the WB.

The Action will deploy a set of activities to ensure in-country promotion of the methodology for funding of CSOs by municipal budgets and will explore possibilities for scaling up the pilots and successful models towards their institutional sustainability¹¹ and further replication (i.e. through Associations of Municipalities and Cities; relevant government institutions responsible for coordination with civil society, national CSO networks, etc.). In parallel, the Action will promote and facilitate cross-country thematic networking of CSOs and local government representatives through regional events, peer-to-peer experience exchange and regional interaction through social media. Towards the end of the Action implementation, each participating country will compile the methodology and its tools, as well as the portfolio of successful projects implemented by CSOs based on the newly-introduced methodology, and disseminate them widely in-country as well as across the region.

The Action is an important step for participating countries towards transparent project-based funding for CSOs, enabled through regional scaling up of a successful model and characterised by intensive cross-country dialogue and exchange. It also makes important contributions to a more mature level of collaboration between local governments and civil society, fostering local democracy and vibrant communities.

The Action duration is 36 months.

3. Relevance of the Action

3.1. Relevance to the objectives/sectors/themes/specific priorities of the call for proposals

The Action is fully aligned with the *Multi-country Indicative Strategy Paper (MCSP) 2014-2020* which recognizes support to civil society as one of its priorities: "An empowered civil society is an essential component of any participatory democracy. Although IPA beneficiaries are gradually adopting legislation and strategies more favourable to civil society development, engagement with civil society remains weak. An enabling legal and financial environment should be promoted while also ensuring that the necessary structures and mechanisms are in place for civil society to cooperate effectively with public authorities, including social dialogue."¹² Moreover, the Action will work to "increase focus on civil society, including capacity building and encouraging the creation of an enabling environment for its development and greater involvement of stakeholders in reforms, including through greater transparency of government action and spending..."¹³ Correspondingly, the *Enlargement Strategy and Main Challenges 2014-15* recommends that "more also needs to be done to foster enabling environment for civil society organizations. A strong civil society enhances political accountability and promotes deeper understanding of accession-related reforms."¹⁴ In addition, *Indicative Strategy Papers 2014-2020* (CSP) for all of the WB countries¹⁵ highlight the importance of the civil society role expecting greater participation in building inclusive democracies and future accession processes.

11 For example, in Bosnia and Herzegovina the methodology has been formally adopted by both entity Governments and Associations of Municipalities and Cities, and recommended for use to all local governments country-wide.

12 As quoted in the Multi-Country Civil Society Facility and Media Programme 2014-2015. http://ec.europa.eu/enlargement/pdf/financial_assistance/ipa/2015/multi-country/ipa_ii_2014-031-605.01_2015-037-653.01-csf-and-media-multi-country.pdf

13 COM (2013) 700 – "Enlargement Strategy and Main Challenges 2013-14" available at: http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/strategy_paper_2013_en.pdf

14 COM (2014) 700 – "Enlargement Strategy and Main Challenges 2014-15" available at: http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-strategy-paper_en.pdf

15 Indicative Strategy Papers in all WB countries are for the period 2014-2020, apart from Bosnia and Herzegovina where the Indicative Strategy Paper is for the period 2014-2017.

The Action has direct linkages to the *Guidelines for EU support to Civil Society in Enlargement Countries, 2014-2020* and their specific objectives and results:

- Objective 2: An enabling financial environment, which supports sustainability of CSOs, Result 2.4: Government support to CSOs is available and provided in a transparent, accountable, fair and non-discriminatory manner.
- Objective 3: Civil society and public institutions work in partnership through dialogue and cooperation, based on willingness, trust and mutual acknowledgment around common interests. Result 3.1: Public institutions recognise the importance of CSOs in improving good governance through CSOs' inclusion in decision making processes.¹⁶

Also, the *Indicative Strategy Papers 2014-2020* (CSP) for each of the WB countries equally emphasize importance of strengthening democratic institutions and making democratic processes more inclusive. In that respect the role of civil society, and its involvement in the pre-accession process, is expected to be stronger.

Furthermore, the Action supports the *EU 2020*¹⁷ that first summons for partnerships national, local and regional authorities as well as civil society and other social partners to get involved in delivering the vision, and secondly recognizes that civil society as a social partner must be empowered to participate and support the EU social dialogue processes. Also, it is focused on improvement of mutual collaboration between (local) governments and civil society and it will have a direct impact on good governance and some of its main characteristics, such as inclusiveness, responsiveness, efficiency and fairness, as noted in the *SEE 2020 Strategy*.¹⁸

3.2. Relevance to the particular needs and constraints of the target country and localities and synergies with other relevant initiatives

An integral part of the EU accession agenda is to promote the inclusion of civil society and further development of participatory democracies in the WB region. All WB countries face challenges related to the lack of collaboration between local governments¹⁹ and civil society. Also, lack of transparency of existing public mechanisms for support of civil society organizations (CSO), mainly at the local level, is perceived as one of the main obstacle for development and functioning of credible civil society.

Main findings at regional level were well summarized in the *Multi-Country Civil Society Facility and Media Action Document 2014-2015*: "The lack of a conducive financial environment is one of the main challenges that civil society and media organization are experiencing in the current period of crisis. As indicated in most EU progress reports, CSOs are still largely depending on funding by foreign donors. State funding, which could represent an important alternative support, presents problems of accountability and transparency of the distribution mechanisms. As a consequence, CSOs are struggling with insufficient diversification of funds that undermine their sustainability and independence."²⁰

WB countries use similar models for funding of CSOs from public budgets, where common challenges relate to insufficient transparency and/or clear criteria of the selection processes. These limited, uncompleted and often discriminatory models limit heightening the position and importance of civil society in these societies and slow down further development of participatory democracies in the WB. In order to provide a broader

16 Guidelines for EU support to civil society in enlargement countries, 2014, 2020.

17 Europa 2020 A strategy for smart, sustainable and inclusive growth available at: http://ec.europa.eu/europe2020/index_en.htm

18 South East Europe (SEE) 2020 strategy available at: <http://www.rcc.int/pages/62/south-east-europe-2020-strategy>

19 For the purposes of this document terms local governments, municipalities and/or cities are the same and might be used interchangeably throughout the document.

20 Multi-Country Civil Society Facility and Media Action Document 2014-2015 available at: http://ec.europa.eu/enlargement/pdf/financial_assistance/ipa/2015/multi-country/ipa_ii_2014-031-605.01_2015-037-653.01-csf-and-media-multi-country.pdf

overview of the current situation in the WB region, brief country profiles are presented below. The overviews summarise the findings of the EC progress reports, Baseline Report from the Balkan Civil Society Development Network (BCSDN) - Country Baseline Reports, the Technical Assistance for Civil Society Organizations (TACSO) National Needs Assessments²¹ and limited desk research conducted by the UNDP in Bosnia and Herzegovina in close cooperation with UNDP Country Offices from the WB.

Albania: In general, "local government lacks adequate capacity to ensure proper cooperation and funding of civil society."²² This statement was reconfirmed in the EC Albania 2014 Progress Report, noting that "Cooperation between CSOs and local government units remains very weak due to the lack of adequate capacity to ensure proper cooperation and funding for CSOs. The civil society sector remains fragmented and overly dependent on donor funding."²³ Public funding is available only for the past three years through the state agency, Agency for the Support of Civil Society (ASCS).²⁴ In addition to the support by the Agency, grants and non-financial support are limited and available only in big municipalities.²⁵ One of the biggest threats to the sustainability of the work of CSOs is the lack of clear rules and procedures for public funding of CSO programs and contracting CSOs for delivering social services. "At the moment, the procedures for distributing public funds are described only in the law on ASCS and other internal regulations of ASCS. As the existence of ASCS itself is not enough to meet all needs for funding of CSO programs and delivering social services, it is necessary to invest in setting clear-cut rules, standards and procedures for allocating public funds for CSOs at all levels, especially local government units."²⁶ The Albanian Government has made clear its commitment to establishing healthy environment that will encourage civil society independence, efficiency and sustainability. To that end, the Government programme 2013-2017 emphasizes the necessity of reforms in regard to: 1) Improving legal and fiscal framework for the activities of non-profit organisations; 2) Increasing transparency of work of public institutions through publicizing opportunities for cooperation as well as rules and procedures for applying for public funding of non-profit organisations' projects; 3) Submitting new legal initiatives to a broad consultative process with the CS 4) Building capacities of civil society organisations to provide services which the State is incapable of delivering yet. To this end, the Council of Ministers of the Republic of Albania approved on May 27, 2015 the Road Map for Drafting Policy and Measures for Enabling Environment to Civil Society. This document sets out a targeted programme of priority areas of action that the Albanian Government is taking to improve environment for cooperation with civil society. In addition, the Law on the Establishment and Functioning of the National Council of Civil Society was adopted in November 2015 with the aim to ensure institutional collaboration between government and CSOs in favour of expanding democracy, consolidation of good governance, increased transparency in public decision-making through better involvement of civil society in this process. The National Council of Civil Society was established in June 2016 through an open voting process.

Bosnia and Herzegovina: Bosnia and Herzegovina has been experiencing challenges in establishing institutional mechanisms for cooperation with CSOs and ensuring transparent mechanisms for CSO funding. Namely, the transparency limitations related to the funding mechanisms (public funds) are direct result of inappropriate financial and legal regulations and their implementation on a state and entity levels. Furthermore, CSOs reporting on received funding is poor. Only in few cases interim or final reports exist,

21 Within the DG Enlargement Guidelines for EU support to civil society in enlargement countries, 2014-2020 (CSF/CSO Guidelines), it is foreseen that CSOs will be involved in the yearly monitoring of the indicators and results with TACSO's support. Information presented in the Baseline report used data from the Balkan Civil Society Development Network (BCSDN) country baseline reports, from the IPSOS baseline research and from the TACSO national Needs Assessments. In addition, in order to make the information deriving from the Baseline report more concise and user friendly and easier to monitor, in cooperation with the DG ELRAG Unit 3, TACSO has developed so called Country 'Traffic lights'. For details visit: <http://www.tacso.org/documents/reports/?id=11067>.

22 ALBANIA Civil Society Facility Programme 2014-2015 - INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020, p 4. http://ec.europa.eu/enlargement/pdf/financial_assistance/ipa/2015/multi-country/ipa_ii_2014-031-605.02_2015-037-653.02-csf-and-media-albania.pdf.

23 Albania 2014 Progress report available at: http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-albania-progress-report_en.pdf

24 <http://www.amshc.gov.al/web/index-en.php>

25 Monitoring matrix on enabling environment for civil society development, country report Albania. http://www.partnersalbania.org/Albania_MonitoringReport_Executive_Summary.pdf page 1.

26 ROAD MAP for Albanian government policy towards more enabling environment for civil society development; TACSO Albania, December 2014. [http://www.integrimi.gov.al/files/news_files/Annex-RoadMap-overview_of_actions_\(4\).pdf](http://www.integrimi.gov.al/files/news_files/Annex-RoadMap-overview_of_actions_(4).pdf)

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audits are not conducted nor does real monitoring of CSO activities funded by the government exist. Additionally, it is atypical for contracting authorities (municipalities, cantons, entities, and state) to run transparent public calls for proposals deploying consistent evaluation criteria.

However, significant changes have been introduced by the **LOD intervention**²⁷ on the local level in last six years. This process, which included harmonization of municipal funding for CSOs with local community needs, evolved gradually. The approach opened space for CSOs to be recognized as service providers, at the same time demonstrating for local governments to learn how to outsource different services to CSOs. Working with 40 LGs in first three LOD phases and achieving accomplishments concerning promotion of transparency in funds disbursement resulted in gradual acceptance of the mechanism for transparent funds disbursement.²⁸ Vertical and horizontal integration of the intervention in both entities (Federation of BiH²⁹ and Republika Srpska³⁰) has also been initiated.

Despite positive developments, there are still challenges to be addressed in order to establish strong partnerships between local governments and CSOs and to create unified and transparent mechanisms for funds disbursement for CSO project-based activities in accordance with local service needs and identified priorities (further replication and upscaling, capacity development of local governments, status of public benefit organizations that correlates with preferential financing of CSOs vs. project-based funding, etc.). In that regard, the recent EC Progress Report for BiH notifies that "cooperation with civil society at State, Entity and cantonal levels remains weak. Institutional mechanisms for cooperation with civil society are still not fully operational at the Entity level and are lacking at the State level. A state strategy for civil society has not yet been adopted. Civil society organisations often face administrative restrictions during the registration process. Transparency in the allocation of funds for civil society organisations needs to improve."³¹

Kosovo: As per the EC Kosovo 2015 Progress Report, "the manner in which public funding is provided to civil society is non-transparent and unregulated."³² While the Kosovo Government Strategy for Cooperation with Civil Society 2013-2017 is in place³³, according to the same report, "the implementation of the government's strategy for cooperation with civil society is monitored by the Council on the Implementation of the Government Strategy for Cooperation with Civil Society. The lack of appropriate participation by relevant ministries, insufficient resources and capacity and an overreliance on donor-funding illustrate the absence of political will to genuinely engage with civil society." Ad-hoc cooperation remains the main form of cooperation between municipalities and civil society.

There is yet no legal or policy document that regulates state support for CSOs, or national level mechanism for distribution of public funds to CSOs. Public funds for CSOs are not clearly planned within the state budget. As participatory budgeting is not common in Kosovo, CSOs are not part of the public funding cycle even for public funds for civil society.³⁴ Kosovo lacks specific procedures for distribution of public funding to CSOs, including standard selection criteria (a few ministries have drafted specific administrative instructions

27 The Reinforcement of Local Democracy (LOD) project, funded by the European Union's Instrument for Pre-accession Assistance (IPA), was initiated in 2009 to strengthen inclusiveness, participation and transparency in municipal funding, to emphasize the importance of the role of civil society in local communities and to create long-lasting partnerships between local governments and CSOs. The model creates the conditions for competitive project-based approaches to funding disbursement, motivating CSOs to professionalize and become better service providers, acting in accordance with local development strategies. The LOD project is implemented in Bosnia and Herzegovina by the United Nations Development Programme: http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/operations/projects/poverty_reduction/reinforcement-of-local-democracy-iv--lod-iv-.html.

28 For more about the mechanism/model of transparent and project-based funding of CSOs by local governments please see section Lessons learned and link to previous financial assistance on page 9 of this document.

29 Government of Federation of Bosnia and Herzegovina has adopted the LOD methodology and recommended it to the entity and cantonal ministries as well as the municipalities and cities in FBiH.

30 The RS Ministry of Administration and Local Self-Governance recommended the mechanism (LOD methodology) to all municipalities and cities in RS.

31 Bosnia and Herzegovina 2014 Progress report available at: http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-bosnia-and-herzegovina-progress-report_en.pdf

32 Kosovo 2015 Progress Report available at: http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_kosovo.pdf

33 Available at: https://zqn.rks.gov.net/Portals/0/Docs/eng/Strategija%20_ANG.pdf

34 Country "Traffic lights" TACSO, Kosovo page 4, http://www.tacso.org/doc/trafficligh_ko.pdf.

to serve as a legal basis for the funds they provide to particular CSOs, however, these instructions have numerous problems and cannot be considered as a proper legal basis for public funding to CSOs). Although there is a number of normative acts applicable in Kosovo (e.g. Law on Access to Public Documents no. 03/L-215; Law on Local Self-Government and municipal regulations on transparency), these laws still do not provide sufficient jurisdiction for access to transparent disbursement of funds to CSOs at the local level.

In line with the above, according to a report by the Kosovar Civil Society Foundation for 2014,³⁵ "funds to CSOs are disbursed from specific institutions at central and local level without any cooperation or coherence. These funds are not planned within the state budget and few cases of specific budget lines for CSOs can be identified in the state budget. Additionally, "no changes have been made also on the procedures for distribution of public funds. There are no specific procedures for distribution of public funding to CSOs, including lack of standard selection criteria, which would ensure that public funding is distributed in a prescribed manner." With regards to the accountability, monitoring and evaluation of public funding to CSOs, there is lack of information, and "no progress has been made during 2014". According to TACSO Needs Assessment Reports, the public funding for CSOs was one of the least regulated areas with regards to cooperation between government and civil society. The Kosovar Civil Society Index suggested that the public funds for CSOs are significantly present, but distributed without any defined criteria and transparency. According to the TACSO Survey conducted in Spring 2016, around 40% of surveyed CSOs declared to have received funds from local level during 2015, with similar results being true also for central government funds³⁶.

Within the current Government Strategy for Cooperation with the Civil Society 2013 - 2017, the Strategic Objective 3 foresees the building of a system and defines criteria to support financially the CSOs. The Office of Good Governance of the Office of Prime Minister (OGG/OPM) is the single government body responsible for developing the cooperation with civil society, while previously the NGO Registration and Liaison Department has reduced its mission by removing its "liaison" role and concentrating only at the registration part. TACSO Office in Kosovo, in consultations with Local Advisory Group (LAG) members, the EU Office in Kosovo and OGG/OPM support the implementation of the strategy with the focus on the Strategic Objective 3. According to the Annual Plan for 2016 of the Strategy for cooperation with civil society 2013-2017, the Ministry of Finance is now mandated to draft and adopt the necessary regulations to operationalize a model of funding which came out from a specific working group. Besides member of the Council, OGG/OPM, Ministry of Finance and CSOs, additional relevant institutions such as the Office of the Treasury, Legal Office of the Prime minister, Ministry of European Integration, and Office for Communities contributed to discussions on the model.

On the local level, no consistent or systematic approach of any municipality in involving civil society and citizens in its work is in place. One can hardly find a case where a local government and civil society have developed or signed a strategic document to establish principles of systemic cooperation.

Established in 2009, and comprised of 3 government representatives, 4 representatives from donor community, 1 media, and 11 civil society organizations, the Kosovo Local Advisory Group serves as a Kosovo-wide resource group for civil society development and a strategic forum. The Kosovo LAG is continuously engaged to improve legal and functioning environment for civil society in Kosovo, enhance the role of CSOs in the democratic process, develop general funding conditions and capacities of CSOs, institutionalize cooperation between government and CSOs and enhance public trust and image of CSOs in Kosovo. In addition, with around 170 members, the CIVIKOS platform promotes a suitable environment for formal cooperation of civil society and institutions.

The former Yugoslav Republic of Macedonia: The country has a number of established frameworks for financing CSOs and an elaborate Strategy for Collaboration with Civil Society 2011 – 2017 that includes a measure for improving the framework for governmental funding to CSOs. The General Secretariat of the Government has a special unit that administers the funding disbursed through the specific programme for

³⁵ http://www.kcsfoundation.org/repository/docs/23_04_2015_1140159_CSDev_Matrix_Kosovo_Country_Report_2014.pdf

³⁶ IPSOS Survey for TACSO, 2016

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CSOs support managed through public calls in accordance with the Law on Funding CSOs and Foundations. The Law on Units of Local Self-Government provides for allocation of portion of the municipal budget for support of CSOs. Pursuant to this, in practice majority municipalities have budget line for CSOs. Nonetheless, in most cases the amount is not more than 1% of the municipal budget.³⁷

Generally, there is no unified system, application procedure and clearly defined criteria for allocating funds to CSOs from the municipal budget. On the local level, particularly important are the sectorial laws that allow certain municipal services to be outsourced to CSOs (i.e. the Law on Social Protection). A number of municipalities finance CSOs through that channel, and some have special annual programmes for cooperation with CSOs that they usually administer through public calls. The City of Skopje and the municipalities of Debar, Jegunovce, Veles and Strumica have multiyear strategies for cooperation with the CSOs and the rest of the municipalities cooperate with the CSOs in accordance with strategies and action plans on broader topics such as the local economic development, youth, people with disabilities, antidiscrimination, etc.³⁸

Although the Law on Local Self-Government provides for delegation of municipal competencies to CSOs, only few municipalities have utilized that opportunity. However, there is evidence that most of the municipalities in the country actively cooperate with the CSOs on specific activities. Although the central government allocates funds for CSOs continuously, the public funding still does not represent a significant resource vis-à-vis other resources for the sustainability of CSOs in a situation of reduced donor support. Approximately, Euro 200,000 were allocated to 40 CSOs in 2014 and 2015³⁹ directly by the central government, while the total allocation of funds to CSOs, including direct Government financing, the line ministries and agencies for 2014 amounted to approximately Euro 1.5 million. To make comparison, between 2004 and 2009 the Government allocated between Euro 3.5 and 5.1 million on yearly basis to different non-profit organizations either directly or through line ministries and agencies.⁴⁰ This indicates quite significant decrease of funds available to CSOs over the period of 5 years. There is a Code for Good Practices for Funding, which provides transparent procedures, with clear and equitable criteria, for allocation of state budget funds to CSOs, and accountability of CSOs in spending the grants. However, despite good practices in some institutions, there are many that rarely allocate support to CSOs in a transparent manner in line with the Code. Very often funds are allocated to arbitrarily pre-selected beneficiary organizations.⁴¹ Therefore, the country has a certain framework and established practices that can be analysed and additionally enhanced, in a national and regional context.

The 2015 EC Progress Report finds that the binding framework of rules for state financing of civil society has not been, however, adopted, and the system for allocating state funds to civil society remains ineffective and inefficient. Insufficient administrative capacity and the lack of a specific budget in the Government Unit for NGO Cooperation are hampering implementation of the 2012-2017 strategy on cooperation with civil society. CSOs continue to be treated equally as the profit-making entities (trade companies) and with some regulations they are even in a less favourable position when it concerns tax regime⁴². There are no special encouragements or benefits for the CSOs that would contribute to indirect state support to their sustainability. Some of the tax legislation regulations are a burden to the administrative and financial work of the organizations.

Montenegro: "Montenegro needs to establish a sustainable system of public funding for CSOs and an appropriate institutional framework. It also needs an institutional culture that facilitates grassroots activities by civil society, through free concessions of public spaces and other forms of support. The current system of

37 TACSO Needs Assessment Report, The former Yugoslav Republic of Macedonia, <https://www.dropbox.com/sh/ojiuf0547d9eosp/AABe7xf2UJYJACwgTn9P3lsTa?dl=0>

38 <http://www.mcms.org.mk/en/our-work/research-and-publications/1195-pregled-na-zakonska-ramka-i-praktiki-za-sorabotka-i-vklucivanje.html>

39 Decision for allocation of the finances from the budget of RM intended for financing the programme activities of the associations and foundations for 2015.

40 Public Funding for Civil Society Organizations: Good Practices in the European Union and Western Balkans, TACSO Montenegro Office, January 2011, page 13

41 Country "Traffic lights" TACSO, The former Yugoslav Republic of Macedonia, page 3 http://www.tacso.org/doc/traffigh_mk.pdf

42 TACSO Needs Assessment Report, The former Yugoslav Republic of Macedonia, <https://www.dropbox.com/sh/ojiuf0547d9eosp/AABe7xf2UJYJACwgTn9P3lsTa?dl=0>

public funding has so far proven inefficient, a fact acknowledged by the State Audit Institution. Moreover, the Law on Games of Chance, currently the only source of public financing for CSOs, is not being implemented properly and the amount allocated to CSOs' projects is decreasing," as indicated in the EC Montenegro 2015 Progress Report.⁴³

Although the Law on NGOs envisages that government provides funding support to NGO projects from the state budget, there are no legal preconditions created for its successful implementation. In addition, the legal basis for the allocation of funds to NGOs by local governments is contained in Article 116 of the Law on Local Self-Government, which stipulates that cooperation between LGs and NGOs is achieved under conditions and procedures prescribed by the general act of the municipality, and consequently all Montenegrin municipalities have a general act - decision on the financing of NGOs. In some municipalities, there were no public calls announced, in others, despite the signed contracts, there was no disbursement of funds.⁴⁴ The total funds allocated by municipalities in 2015 have decreased almost three times compared to 2010.

In 2015, 35% of distributed funds have been allocated based on decisions of Mayors, and in 2014 almost half of the funding has been allocated in this manner. This does not represent the breach of the Law as such, but it does establish bad, non-transparent practice which also sets different standards for CSOs. The whole process of providing funds to local CSOs lack effective monitoring and evaluation.⁴⁵ Additionally, at the end of 2011, the Ministry of the Interior, Union of Municipalities of Montenegro and the Centre for Development of Non-Governmental Organizations (CRNVO), with the support of the OSCE, developed models of the *Decision on manner and procedure for participation of local population in conducting of public affairs*, *Rules and Procedures of Assembly*, *Decision on criteria, manner and procedure for distribution of funds to NGOs*, *Agreement on cooperation between assembly and NGOs*, and *Council for cooperation between local self-government and NGOs*. Only few local self-governments have harmonized part of their documents with these models.

Serbia: Serbia has set up a regulatory framework for participation of civil society in public policy making on the national and local levels as well as for financing CSO activities from public sources⁴⁶, including local governments' budgets. While the regulatory framework in place for the last several years significantly contributed to altering some harmful practices (e.g., introducing public calls for proposals for civil society project to be funded from local budgets), the EC Serbia 2015 Progress Report indicates a gap between policy and practice, noting that "mechanisms to ensure transparent funding of CSOs need to be put in place". This holds particularly for underdeveloped areas, while cities often have their own bylaws that provide an additional commitment to transparency. The Office for Cooperation with Civil Society identifies diverse practices in implementing existing procedures, as well as collisions between local legislation and the national bylaw. In terms of allocation of funds, the greatest need for improvement is in defining criteria for evaluating CSO project proposals and in implementing consultative processes with CSOs to define priorities for funding.

Consultation practices generally also vary significantly among different regions. While champion municipalities can be identified, many with established track records of partnering with CSOs on specific projects, a significant number would benefit from capacity building that would support general understanding of the potential of civil society in all stages of the policy process. New amendments to the Law on Local Self-Government oblige local authorities to regulate the holding of public debates for legislation in their statutes, which provides for a timely intervention that would support the implementation of this requirement.

43 Montenegro 2015 Progress report available at:
http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_montenegro.pdf

44 TACSO 2, Montenegro Needs Assessment Report, November 2013, page 16.
http://www.tacso.org/doc/na_report_mn_2014_03en.pdf

45 CRNVO Report on financing NGOs from the local self-government budgets
http://www.crnvo.me/sites/crnvo/files/article_files/izvjestaj_o_finansiranju_nvo_iz_budzeta_lokalnih_samouprava.pdf

46 The main documents in this regard are the Regulation on Funds for Encouraging the Programmes or Missing Part of Funds for Financing Programmes of Public Interest Implemented by Associations (adopted in 2012 and amended in 2013 and 2015), Guidelines for Transparent Financing of Associations and Other Civil Society Organisations from Local Self-Government Budgetary Funds (published in 2013), and the Guidelines for Including Civil Society Organizations in the Regulation Adoption Process with an accompanying Handbook for implementing the Guidelines (Published in 2014 and 2015, respectively).

In Serbia, the ReLOaD Action builds on the initiatives implemented towards similar objectives by different actors. The Office for Cooperation with Civil Society has held a series of trainings for over 211 local government representatives on implementing the national regulations concerning financing CSOs from public sources and continues to identify a significant need for strengthening the capacities of CSOs concerning transparent financing and cooperation with local governments (so far, 5 two-day trainings have been held on the role of civil society in improving local transparent financing practices, for a total of 104 CSO representatives). The Standing Conference of Towns and Municipalities and the Belgrade Open School have worked with municipalities in south and south-western Serbia on strengthening partnerships between municipalities and CSOs in meeting local strategic objectives, including developing recommendations for transparent funding. Their findings concur with the particular need to improve the clarity of criteria and introduce robust monitoring and evaluation practices.

In terms of allocation of funds, the existence of a separate budget line for donations to civil society does not in itself guarantee financing of CSO projects – “line 481” includes funds for political parties, religious institutions, sports associations, and the Red Cross, none of which receive funding based on transparent competitive processes. The severe instability of local government budgets detracts both their planning abilities and the available resources. Research also suggests that LSGs tend to favour disbursing smaller grants to a larger number of organizations, diminishing the effects of competitive processes. Civil society participation in budget development and design of calls for proposals is a rare practice and frequently seen as imposed by donors. A number of CSOs in Serbia have advocated for greater transparency and equity concerning budget allocations, which has also been hampered by delays with adopting program-based budgeting on the local level.

On the national level, the Office for Cooperation with Civil Society would itself require further support and strengthening. Among other things, a long lag in management change delayed the finalization and adoption of National Strategy for an Enabling Environment for Civil Society Development (2015-2019), which will provide the overarching strategic framework for civil society development in Serbia.

3.3. Target groups and final beneficiaries

Local governments (municipalities and cities) represent one of the main target groups. They play an important role in creating enabling environment for engagement of CSOs in policy-making and fostering effective partnerships with civil society. The Action will assist local governments (their legislative and executive structures) to introduce transparent and effective funding mechanisms and accompanying monitoring framework for supporting CSOs in a transparent and development-oriented manner. It is expected that the Action will directly support at least 50 local governments and their communities in participating countries.

CSOs are another key target group. It is expected that the Action will support directly at least 200 CSOs from participating countries, while through local community processes or regional networking it will indirectly outreach to more than 300 CSOs from the region. CSOs will be also direct beneficiaries of financial resources for realisation of local priority projects, selected as a result of competitive, transparent and inclusive process. The Action will directly support strengthening of project capacity of CSOs, thus improve their overall absorption capacity with regard to various funding opportunities.

Relevant institutions responsible for interaction with CSOs in participating countries are also one of the target groups. These institutions/government structures are instrumental for the adaptation, anchoring, promotion and ultimately – sustaining of the methodology for funding of CSOs by public funds on a local level in participating countries. These institutions differ from country to country, starting from their level of development, internal capacities and specific mandates. In general, national level institutions in charge for civil society will be included to enable state level support to the Action, while associations of local governments will be involved in horizontal promotion and support of the local government level. Both will be engaged to enable preconditions for successful piloting and gradually scaling up the Action results.

These are: **Albania** - Office of Minister of Local Issues, Agency for Support of Civil Society and Albanian Association of Municipalities (AAM), National Council of Civil Society; **Bosnia and Herzegovina** - Ministry of Justice of Bosnia and Herzegovina, Ministry of Justice of the Entity of Federation of BiH (FBiH)⁴⁷, Ministry of Administration and Local Self-Government of the Entity of Republika Srpska (RS)⁴⁸, Associations of Cities and Municipalities from both entities; **Kosovo** - The Office of Good Governance of the Office of Prime Minister, Ministry of Local Government Administration, Association of Kosovo Municipalities; **Montenegro** - Government's Office for the Cooperation with NGOs, the Union of Municipalities of Montenegro, **the former Yugoslav Republic of Macedonia** - Ministry of Local Self-Government, Association of Units of Local Self-Government of the Republic of Macedonia; **Serbia**: Office for Cooperation with Civil Society (Government of the Republic of Serbia), Standing Conference of Towns and Municipalities.

Final beneficiaries are grass-root CSOs, citizens and local communities of participating local governments who will benefit from more inclusive and transparent local decision-making processes, as well as from improved and diversified local service delivery. Having in mind that the Action will support implementation of CSO projects in target localities, it is expected that the outreach to direct beneficiaries will be approximately 38.000 citizens, including, socially excluded population groups, youth and women.

3.4. Particular added-value elements

In addition to the direct effects of the Action, as described above, a number of added-value benefits are expected. The networking activities will contribute to **cross-country collaboration** and indirectly – to **conciliation and interaction among representatives of various ethnic groups** engaged in the Action. The Action also affirms and raises awareness on the importance of project-based delivery of public financial tools and incentives, which is a key pre-condition for **building absorption capacities for the EU Pre-Accession financial assistance at the local level**.

Furthermore, considering lessons learnt from the implementation of the project in Bosnia and Herzegovina, the Action will directly **support socially excluded population groups**. Thematic areas, such as social services for the most vulnerable, social inclusion, gender equality, environmental protection, human rights, etc. will most likely be framing local CSO projects. In that regard, the Action will assist in reinforcing local service delivery and community wellbeing, especially in areas where local governments fail to outreach specific population groups and their interests with adequate services and support. The Action applies an inclusive and partnership-based approach throughout its activities, introducing **gender equality** in local community affairs.

Finally, the Action is an **integral part of the broader local governance and local development programme implemented by UNDP**, which financial scope only in Bosnia and Herzegovina for the next 5 years amounts to nearly USD 60 million. Such level of complementary financial resources, coupled with cross-fertilising synergies at the local level, will certainly add value to the effects anticipated by the Action.

Moreover, UNDP is well positioned in the WB countries to bring on board institutional counterparts from various government levels, thus adding an important vertical policy dimension into the Action's impact.

47 Note: this is an entity (not state) Ministry of Justice organized within the Federation of Bosnia and Herzegovina entity. For details about the structure of Bosnia and Herzegovina please consult the following link: <https://www.oecd.org/countries/bosniaandherzegovina/46817943.pdf> (page 95).

48 Note: this is an entity (not state) Ministry of Administration and Local Self-Government of Republika Srpska organized within the Republika Srpska entity. For details about the structure of Bosnia and Herzegovina please consult the following link: <https://www.oecd.org/countries/bosniaandherzegovina/46817943.pdf> (page 95).

PART B. FULL APPLICATION FORM

1. General information

Reference of the Call for Proposals	Direct Agreement
Title of the Call for Proposals	N/A
Name of the applicant	United Nations Development Programme (UNDP) in Bosnia and Herzegovina
Number of the proposal⁴⁹	
Title of the action	Regional Programme on Local Democracy in the Western Balkans (ReLOaD)
Location of the action <i>-specify country(ies) region(s) that will benefit from the action</i>	Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia (Western Balkans region ⁵⁰) with a focus on 50 local governments. ⁵¹
[Number of the Lot]	N/A

49 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.

50 For the purposes of this action, Western Balkans region includes the following countries: Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, and Serbia.

51 For the purposes of this document, terms local governments, municipalities and/or cities are the same and might be used interchangeably throughout the document.

2. The Action

2.1. Description of the Action

2.1.1. Description

Overall objective of the Action

The overall objective of the Action is *to strengthen participatory democracies and the EU integration process in the Western Balkans by empowering civil society to actively take part in decision making and by stimulating an enabling legal and financial environment for civil society.*

Specific objectives

Specific objective of the Action is to *strengthen partnerships between local governments⁵² and civil society in the WB by scaling-up a successful model of transparent and project-based funding of civil society organizations from local government budgets towards greater civic engagement in decision-making and improvement of local service delivery.* Evidences from previous local governance/civil society interventions in Bosnia and Herzegovina clearly demonstrate that successful projects are based on the community ownership where local authorities assume greater responsibilities. There are many challenges in establishing transparent mechanisms for CSO funding, for example inadequate legislation at different government levels (state, entity, cantonal), lack of commitment by political leaders to introduce transparency in their work, weak capacities of the government to implement the legislation, and in general to understand importance of inclusiveness, transparency and competitiveness for participatory democracy and good governance, as well as limited understanding of benefits of collaboration with civil society.

This Action will pursue the institutionalization of different procedures (including monitoring tools) and changing of attitudes, so that CSOs and local governments recognize the benefits of cooperation and improved relations. Local authorities and the non-governmental sector/civil society should operate as partners and, in order to facilitate it, transparent procedures will be stipulated. This type of arrangement will enable the civil society to strengthen their position with regards to claiming and asserting their roles within local service delivery, as well as bring in certain quality criteria to measure performance. Likewise, these efforts will, in the long run, contribute to better service provision in the areas where there are shortfalls in service delivery.

The fulfilment of this objective will be beneficial to the WB countries 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' local governments' readiness to engage and partner with CSOs.

Expected results and activities

The Action's results are defined as follows:

Result 1. Local governments and CSOs have basic understanding on the comprehensive transparent model for funding of CSOs from municipal budgets.

Result 2. A model of transparent and project-based funding of CSOs by local governments is introduced and institutionalized in all participating local governments, and thus promoted and anchored across Western Balkan countries.

⁵² For the purposes of this document terms local governments, municipalities and/or cities are the same and might be used interchangeably throughout the document.

Result 3. Services delivered by civil society organisations address the needs of local communities within partner local governments across the Western Balkans countries.

Result 4. The capacity of civil society organisations and local governments in implementation of municipal grant schemes and delivering of good quality projects is strengthened.

Result 5. Enhanced regional networking and dialogue of civil society and local governments across the Western Balkan countries enable multiplication of good practices.

Result 6. Diversified dialogue and cooperation mechanisms between local governments and CSOs. (specific for Bosnia and Herzegovina)

Under Result 1, the Action will ensure constitution of relevant project bodies, define strategic and management functions and the project team. In addition, potential partner local governments in the WB will be informed about the Action.

Under Results 2 to 4, the Action will target each participating country within the WB region with the same set of activities. In some aspects, the activities will be simultaneous, but they will also be tailored to the needs of each specific local government or participating country.

Under Result 5, the Action will target the WB region striving towards greater dissemination and wider outreach/exchange of successful models and best practices.

Result 6 is specific for Bosnia and Herzegovina only and it will serve to broaden the scope of the Action since the model in Bosnia and Herzegovina has already been piloted and tested. Widening the scope of work, and involving civil society into more structured civic participation, represents a potential to ensure greater involvement of CSOs in inclusive decision making in order to better serve the citizens in partnership with local authorities.

Result 1. Local governments and CSOs have basic understanding on the comprehensive transparent model for funding of CSOs from municipal budgets.

Activity 1.1. Establishment of Project's structures.

This activity entails development of the Terms of Reference for all formal bodies, including definition of functions of the Project Board, the Boards of Partners and Local Advisory Groups.⁵³ Considering the particularities of each WB country, the final composition of the Board of Partners and Local Advisory Groups will be decided within each country and presented to the Project Board.

Activity 1.2. Organization of kick-off meetings.

Kick-off meetings will be organised in each participating WB country to gather the most relevant stakeholders (including relevant representatives of government institutions, local governments, civil society and media) to inform them about the Action, its purpose, goals and activities, as well as to mobilise their interest to engage in the Action implementation.

Activity 1.3. Promotion and awareness raising.

As part of this activity, promotional/visibility tools (i.e. project brief, visual identity, etc.) will be developed. Awareness raising will include, among others, distribution of communication and visibility tools through various communication channels targeting both local governments and CSOs to build basic understanding on a comprehensive transparent model for CSOs funding. Other actions will include meetings with stakeholders

⁵³ For details on the steering and management arrangements see [section 2.1.2.3](#).

and other relevant interventions to provide for synergies in the Action implementation. Close coordination will be ensured with representatives of the Associations of Cities and Municipalities for purposes of utilization of their formal channels to inform primarily local governments but also other key stakeholders.

Result 2. A model of transparent and project-based funding of CSOs by local governments is introduced and institutionalized in all participating local governments, and thus promoted and anchored across Western Balkan countries.

Activity 2.1. Selection of partner local governments in participating WB countries.

Partner local governments will be selected through a competitive and transparent process in all participating WB countries. Open call for participation, including a predefined set of criteria, will be published in each country. The aim of the selection process is to select 5 local governments in each participating country (Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia), 10 in Albania and 20 local governments (10 new and 10 local governments that participated in previous LOD phases⁵⁴) in Bosnia and Herzegovina.

The call for selection of partner LGs will take into consideration main principles of the Action, with selection criteria tailored specifically for each country, based on the principal model used under the LOD Project in Bosnia and Herzegovina, inputs provided by the Associations of Cities and Municipalities as well as the state counterparts (Board of Partners) in each of the WB countries.

The Action will also examine a track record of partner local governments from other interventions, including EU-funded interventions such as: ROMACTED⁵⁵ and ESERE.⁵⁶ Furthermore, it will explore opportunities to join resources and target same local governments to maximise the impact and/or avoid presence in same localities. Furthermore, other UNDP-implemented interventions in the field of local governance in each WB country will be taken into consideration.

The final form of the call, as well as the criteria set out therein, will be approved by the Board of Partners in each country.

Criteria presented below provide a general framework for final definition of criteria for selection.

The call will have the following guiding principles:

- All local governments have equal opportunity to participate and compete in the call,
- Partner local governments are expected to co-finance the intervention,
- Partner local governments demonstrate willingness to improve their relations with civil society.

Selection criteria will be divided into two groups: obligatory and additional criteria.

⁵⁴ Considering this intervention has been initiated in Bosnia and Herzegovina, criteria for selection of two different cohorts of local governments in BiH will be adjusted and specifically defined during inception phase.

⁵⁵ ROMACTED is a new programme designed to extend the ROMACT and ROMED methodologies to the WB and Turkey. The programme trains mediators in delivering quality mediation between Roma communities and local authorities. ROMACT aimed to improve the responsiveness and accountability of local authorities, particularly elected officials and senior civil servants, towards marginalised Roma communities. It focuses on generating long-term sustained political commitment which will impel sustainable plans and measures for Roma inclusion. The ROMACT programme is a joint programme of the European Commission and the Council of Europe implemented by the latter. Source: <http://coe-romact.org/about-romact>
ROMED has been leading an initiative aiming to train mediators in delivering quality mediation between Roma communities and local authorities. ROMED 2 'Democratic Governance and Roma Community Participation through Mediation' emerged from the learnings of ROMED 1. It invested in local processes aimed at enhancing the participation of Roma in local decision making. It stimulated the self-organisation of Roma communities into Community Action Groups (CAGs). Source: <http://coe-romed.org/romed2/about>

⁵⁶ ESERE - Economic and Social improvement for Roma and Egyptians-booster for social inclusion funded by EU and implemented by UNDP Albania. At the core of the project is a reinforcement of Roma and Egyptians representation in local decision making, planning and project implementation process. This will be achieved by facilitating the dialogue of local government with Roma and Egyptians, Community Counselling Forums, relevant CSOs/NGOs through a participatory planning approach.

Obligatory criteria⁵⁷ are as follows:

- Local government is willing to co-finance CSOs projects with a minimum of 20% of the total funding it receives through the Action framework,
- Local government is willing to initiate and formalize a project-based funding of CSO,

Additional criteria⁵⁸ include the following:

- Existence of active civil society organizations in a territory of local government,
- Local government has a minimum budget for CSO in the amount of___,
- Experience of a local government and/or its readiness to allocate funding for CSOs within a separate budget line using project-based approach,
- Enthusiasm and determination of a local government and its leadership to institutionalize and anchor a methodology for CSOs financing,
- Geographical distribution of local governments,
- Local government has a record of interaction, cooperation, and partnership with civil society,
- Local government has an adopted community development plan/strategy where local socio-economic development priorities are identified in a participatory manner with CSOs.

Other criteria for selection such as combination of urban and rural local governments, development level and similar might be taken into consideration. **Final criteria for the selection of local governments will be tailored for each country based on country specifics, inputs provided by similar actions and key stakeholders.** Although there are significant differences across the WB countries in local governance structures and history of cooperation with civil society, the intention is to keep obligatory criteria identical for all participating countries and to tailor additional criteria according to the local context, so to select the most suitable candidates as pioneers of the Action. The idea is to attract the most advanced local governments that operate along democratic principles, but also to give a chance to smaller and/or less prominent ones that demonstrate strong willingness towards more transparency, have democratic potential and determination to make a change. Final criteria will be approved by **the Board of Partners** in each country and will be integral part of the Guidelines for Applicants (municipalities and cities).

Public calls for selection of partner local governments will be launched using various communication channels and partners' networks (newspapers/internet portals, associations of cities and municipalities, governance platforms, social platforms etc.). *Open days* will be organized within a public call in each participating country and will serve to inform and guide interested local governments to prepare their applications. Every candidate local government must respond to the set of questions that will be in the Application Form. The Application Form will be translated into the national language(s) in each participating country.

The selection process will also include field assessment of top ranked local governments in the form of structured interviews.

Activity 2.2. *Conduct assessment of existing in-country mechanisms for disbursement of public funds to CSOs and provide specific recommendations for improvement looking at experiences and lessons learned from the viewpoint of the principal model from Bosnia and Herzegovina.

Having in mind differences among countries across the WB, an assessment will be conducted in each participating country in relation to existing financing mechanism and regulations as a preparation for the introduction and institutionalisation of the transparent project-based funding. The assessment will also serve as a baseline for the situation analysis in each country as well as a stepping stone for preparation of recommendations for improvement and alignment of practices with the principal model utilised in Bosnia and Herzegovina that strongly follows EU rules (PRAG) and standards. *This activity will not be implemented in Bosnia and Herzegovina.*

⁵⁷ These are general criteria; the final criteria will be tailored specifically for each country.

⁵⁸ Ibid.

Activity 2.3. Assessment of existing (budget) mechanisms for disbursement of public funds to CSOs in each selected local government.

Taking into consideration specific circumstances in each selected local government, an evidence-based assessment will be conducted for all selected localities, capturing main findings in a form of a report. The aim of the assessments is to identify gaps and recommendations for improvements of the existing rules and guidelines of the selected local governments for distribution of funds to CSOs, with focus on a project-based approach. The assessments will be conducted in close interaction with relevant municipal departments. As a result, a set of recommendations will be produced in order to align the existing practices with the methodology for distribution of funds to CSOs promoted through the Action. This assessment will also serve as a baseline for further assessments and monitoring the progress in each selected local government.

Activity 2.4. Discuss and formalize a methodology and accompanying tools, as well as monitoring framework for funding of CSOs by local governments' budgets within all target localities.

Based on recommendations set under the activity 2.2, and the findings and recommendations from the activity 2.3, a formal structure/template of necessary decree/decision will be prepared in close collaboration with local governments. This process will include wider consultations within local governments, including regular meetings with mayors, representatives of the Associations of Cities and Municipalities and civil society with purpose to clarify the benefits of this methodology which will lead to agreeing on final content of the decree/decision. Where possible, alignment with higher administrative levels will be taken into consideration with purpose of unifying the approach. For each respective WB country specific country circumstances will be taken into consideration.

Activity 2.5. Awareness-raising and familiarization of local government leadership and staff, as well as CSOs with the methodology for disbursement of public funds to CSOs.

In order to gain full understanding about the methodology for funding CSOs, awareness-raising activity will be implemented. The project team will inform the leadership and staff within partner local governments about the advantages of the methodology. This activity will target both local governments and CSOs in order to create positive climate for the next steps. It will include direct visits to partner local governments, as well as open discussions and public events.

Activity 2.6. Set a financing mechanism in line with national legislations (i.e. specific municipal budget line(s)) to fund CSO activities within each participating local government.

Each local government will initiate necessary administrative procedure for institutionalization of the model of transparent and project-based funding of CSOs. The process will be facilitated within each local government by securing adoption of formal decisions by municipal assemblies/councils.

In preparation for utilisation of the institutionalized mechanism (methodology), participating local governments will be assisted to analyse their budget and define budget lines relevant for funding of CSOs through Public call. The analysis will be executed having in mind relevant national legislation and the methodology introduced.⁵⁹ The Action presupposes that the process of institutionalization will depend on the development level in each participating local government and will be aligned with the municipal legislation and acts. It is anticipated that some local governments improve their existing formal procedures, while in some cases, greater changes and new procedures will be introduced.

Result 3. Services delivered by civil society organisations address the needs of local communities within

⁵⁹ In cases/countries where specific national legislation and/or a framework does not exist (i.e. lack of legislation at the national level in Kosovo), the Action will assemble key national and local government institutions and reach agreement on a model for CSO funds disbursement on a local level.

partner local governments across the Western Balkans countries.

Activity 3.1. Design tailored grant schemes for CSOs in each target local government.

Design⁶⁰ of a grant scheme for CSOs in each partner municipality will be supported by two ways: through the capacity development assistance in a form of formal trainings related to the project cycle management and the practical implementation of all tools related to the mechanism for transparent funds disbursement for CSO.

Partner local governments will be assisted in preparation of public calls for CSOs and introduced to all necessary tools step by step, including clear and transparent criteria for launching the Call for CSOs and its execution in timely manner.

The process of **defining priorities of a Call for CSOs** in every partner local government will be inclusive. The preparation process includes different steps starting with defining local government's priority areas, as per identified strategic priorities (existing local development strategies and other relevant action plans) and needs in each community. Priorities related to some of the following topics such as social inclusion, gender equality, environmental protection, and human rights issues, as well as the rights of minority groups, in particular the Roma, will be mainstreamed thorough the Call for CSO.

Priority areas for calls for CSO proposals will go through consultative meetings/public hearings with grassroots' CSOs and citizens. Public discussions and/or public hearings that will involve civil society (as direct representatives of their constituencies and a voice of citizens) and citizens in targeted localities are essential for transparency of the process and alignment of the priority areas with most urgent needs of the citizens. Once the priority areas are defined, the Call for CSO project proposals is launched.

It is important to note that the grant scheme will be funded by the Action (80%) and local governments (20%). It is foreseen that on average each local government receives EUR 100,000 from the Action for purposes of the public call for CSOs. This amount is approximate, since the final amount will depend of the absorption capacities of targeted local governments in terms of a level of CSO development in a certain locality and the quality of submitted project proposals. Thus, some local governments might absorb more funds/projects than others which will closely correlate with the quality of proposals. The funds (provided by the Action and local governments) will be merged and used for the awarded CSO projects.

Grant scheme will be managed by the UNDP with strong participation of partner local governments. It will take a multi-tier approach regarding the level of the threshold for selection of CSO projects. Thus, projects with a budget up to EUR 60,000 need to reach a higher score than projects with budgets up to EUR 10,000. For details regarding the public calls for CSO proposals (launching, criteria, selection, etc.) see the Activity 3.2. UNDP will provide all necessary technical assistance and trainings for local government staff and the evaluation commissions, as well as quality assurance for proper execution of the public calls for CSOs and monitoring of the CSO project implementation.

Activity 3.2. Launch of Public Calls for CSO Proposals, selection and contracting of CSOs.

The selected local governments will be implementing the public calls for CSOs with strong assistance by the UNDP. Public calls are open (country-wide), on an equal basis, to all formally registered CSOs while activities by awarded CSOs will be implemented on the territory of the respective locality. Although all formally registered CSOs in a country can apply, the focus of the grant scheme will be on local/grassroots' CSOs. In cases CSO capacities in a certain localities are weak, partnerships between well-established and larger CSOs (from other parts of a country) with local grassroots' CSOs will be promoted. It will be

⁶⁰ Each part of the process of execution of transparent public funding mechanism for CSOs is elaborated within the Methodology for Allocation of Funds to Civil Society Organizations (LOD Methodology) which is used as a key model for replication in WB countries. The mechanism/model will be tailored and adjusted in each country always taking into consideration existing legislative framework and local practices. For the full practical guide see the link: http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/library/poverty/lot-methodology-for-allocation-of-funds-to-civil-society-organiz.html

specifically decided on a case by case basis and defined in criteria for selection bearing in mind specifics of each country.

Upon closure of the calls, based on a formal decision of the local governments, **an evaluation commission of CSO project proposals**⁶¹ will be formally established (members of the evaluation commission could be nominated among representatives of local government, civil society and UNDP project staff). Inclusion of CSO representative(s) in the evaluation commissions will depend on the local specific context.

Established evaluation commission will evaluate all received CSO project proposals in a partner local government and provide recommendations to the Board of Partners for funding. Evaluation results will be publicly displayed through the usual communication channels used by local governments and all CSO applicants will receive formal notification. When necessary, awarded CSOs will be invited to adjust elements of their project proposals and/or budgets as a preceding activity to contract signing. Successful CSOs will then participate in a formal signing ceremony to mark kick off of project implementation.

The process and criteria for the selection of CSOs projects as part of public calls will be aligned with the Methodology for Transparent Allocation of Funds for CSOs. Applicants will be scored on a combination of criteria and those reaching a score beyond a certain threshold will be considered for funding. 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:

- **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.),
- **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-municipal/entity cooperation, youth problems, etc.),
- **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.),
- **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.),
- **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 the assessment of project proposals. Taking into consideration particularities of each WB country,

⁶¹ For details consult the Guidelines for work of the Evaluation Commission (Annex 18) which is integral part of the LOD Methodology. Link: http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/library/poverty/lo-d-methodology-for-allocation-of-funds-to-civil-society-organiz.html

the final criteria will be mutually agreed for each country by the **Board of Partners** during the Inception Phase of the Action. Depending on the absorptive capacity of CSOs in local communities, calls for CSO proposals might be organized in one and/or two tiers, following consecutive years (year 1 and year 2). It is expected 200 CSOs to receive grant awards from the Action's grant scheme in 50 selected local governments.

Result 4. The capacity of civil society organisations and local governments in implementation of municipal grant schemes and delivering of good quality projects is strengthened.

Activity 4.1. Capacity development of local government staff within targeted localities in Project Cycle Management.

It is obvious that simple learning-by-doing capacity building activities are not sufficient to establish strong base for the utilization of the model of transparent and project-based funding of CSOs. Therefore, it is necessary to provide additional capacity development support. Partner local governments will undergo formal trainings, based on previously performed needs assessment, through modules starting from general knowledge in Project Cycle Management (PCM) to practical utilization of the transparent and project-based funding model. This is related to all steps of the transparent funding model, from design of a grant scheme over to selection of successful CSO projects to their implementation, monitoring and preparatory works for next annual budgetary cycle. Particular attention will be paid to ensure equal representation of men and women in capacity building.

Activity 4.2. Capacity development of CSOs within targeted localities in Project Cycle Management.

The proposed methodology is fairly complex as it relies on the EU standards and grant scheme models. The complexity is often a major argument of grassroots' CSOs (small-scale CSOs) that are not competent enough to compete for funding. Therefore, during each of the public calls, a set of customized trainings (project proposal writing, logical framework, visibility, procurement, reporting, etc.) will be organized in order to raise the capacities of CSOs to better respond to the call. Particular attention will be paid to ensure equal representation of men and women in capacity building and to promote gender sensitive actions.

Activity 4.3. Monitoring of CSO projects' implementation through combined monitoring teams.

CSO projects will be monitored by combined UNDP/local government teams. The purpose of the combined monitoring teams is twofold; firstly, they serve as a mechanism to ensure proper utilization of the funds, but they also provide for enhancement of local governments' capacities in relation to project monitoring. The process is envisaged as a "learning by doing" in which the UNDP staff will, together with local authorities, perform monitoring and consulting local counterparts/CSOs. This will also contribute to increased management capacities of CSOs (e.g. in relation to procurement, reporting, etc.). Permanent monitoring teams will be established in partner local governments across the WB for purposes of further utilization of the methodology. This might entail further detailing / strengthening of responsibilities of municipal staff dealing with CSOs, adjustments of job descriptions, involvement of staff from financial departments, etc. This activity will be tailored based on the size of local administration, available funding for CSOs, number of CSOs operating in targeted localities, etc. When constituting monitoring teams, special attention will be paid to ensuring equal gender representation.

Activity 4.4. In-country promotion of the methodology for disbursement of public funds to CSO and its tools, as well as successful practices in each participating WB country.

Promotion of the Action and its results are key to its success. Therefore, the methodology and its tools as well as successful practices and local government champions will be promoted. Various communication channels and joint actions with the relevant ministries in targeted countries, including Associations of Cities and Municipalities will be used to widely disseminate the results. Also, this activity will provide for country-wide promotion and scaling-up to a larger number of local governments within each participating country. It will also feed into wider regional practice sharing network.

Result 5. Enhanced regional networking and dialogue of civil society and local governments across the Western Balkan countries enable multiplication of good practices.

Activity 5.1. Cross-country and multi-pronged exchange of experiences, ideas and good practices, including study trips, among the participating WB countries.

The Activity strongly relies on the standardisation of the approach to CSO funding across the WB and in that regard, exchange of experiences, ideas and good practices will be supported. Regional knowledge sharing events will be organised to bring together practitioners for in-depth, targeted discussions on emerging issues, challenges, innovations and practices in the area of service delivery for participating local governments in order to enable exchange of experience and lessons learned. Three regional knowledge events will be convened (one per year), to be held in different countries, with focus on: 1) showcasing innovations/practices in local service delivery by CSOs; and 2) awarding of best practices to local governments/CSO cooperation. The awards will be selected by an independent panel of experts composed of government, CSO, and other experts. Awardees will receive a plaque of appreciation and get rewarded with a study trip to one of the successful local governments in Bosnia and Herzegovina.

Furthermore, regional networking will be an opportunity to transfer positive practices and experiences regarding the specific BiH activity defined under the Activity 6. (Increase the transparency of local governments through creation of civic forums, utilization of Information Communication Technology)

Activity 5.2. Cross-country thematic networking.

Exchange of experiences is not limited only to the utilisation of the model of transparent and project-based funding of CSOs, but also to the benefits in terms of meeting the needs of the citizens and/or addressing development priorities. Under this activity, cross-country thematic networks will be supported as a formal or informal platform for exchange of experiences among civil society and government representatives. The networks will be result of the needs and joint initiatives and they will vary from specific problem-oriented networks (social service or similar) to more generic support.

Activity 5.3. Create online interactive platform facilitating virtual knowledge sharing, advocacy and communication.

An online interactive platform will be established with the aim of facilitating sharing of knowledge, tools, information, and practices on local governance models and approaches, focusing on transparency and innovative public service delivery mechanisms. The platform will be open to internal UNDP and external practitioners (public sector, CSOs, academics, experts) working on local development, local governance and service delivery issues, and will foster networking among these experts and practitioners. It will also link with and promote relevant work of project partners. In addition to serving as interactive repository of information, the platform will also feature interactive discussions on specific topics of interest to the members (series of thematic discussions to be agreed among the members), as well as blogs and stories providing case studies and hands-on experiences from members in addressing these issues. Online platform will be transferred for further usage to national stakeholders (i.e. Associations of Cities and Municipalities), based on the Project Board approval, after closing of the Action.

Activity 5.4. Design knowledge products and tools to strengthen local participatory democracy and public service delivery.

Knowledge products and tools will be produced (at least one yearly) to showcase emerging practices in innovative CSO service delivery mechanisms in participating countries. These knowledge products will tap on the expertise and experiences not only of UNDP but also the national and local governments with practical guidance and tools for replicating, adapting, and/or upscaling good practices in other localities/countries. More importantly, these knowledge products and tools will add value particularly in ensuring responsive and accountable institutions at national and local levels.

Result 6. Diversified dialogue and cooperation mechanisms between local governments and CSOs. (specific for Bosnia and Herzegovina)

Activity 6.1. Increase the transparency of local governments through creation of civic forums, utilization of Information Communication Technology (ICT) for citizens and improving capacities of municipal councils (specific for Bosnia and Herzegovina only).

Based on the recommendation deriving from a research, five selected partner local governments will be assisted in setting up a civic forum in line with the needs and specific local circumstances. The Action will take into account and embrace existing UNDP civic forum models (Partnership groups and Community partnership) and build up on them with purpose to ensure complementarities and synergies with the existing interventions in the field of local governance. The forums will function as a platform for discussion and addressing most urgent and important issues for a local community. They will be composed, but not limited to, the representatives of local governments, CSOs and business sector with a purpose to serve as a link between the citizens and government officials. In order to promote and improve community participation, five grants for CSOs, that are prominent and active in civic engagement, will be utilised. In addition, a perception survey will be conducted, at the beginning and the end of the intervention to measure progress achieved.

In addition, utilization of ICT will enhance local governments' transparency and ease the access to information. Part of this activity will be conducted in cooperation with the entity Associations of Cities and Municipalities which will be recipients of direct grants for implementation in local communities. Since the local governments councils are crucial for implementing necessary reforms in each local community, special attention will be given to awareness raising of elected council's representatives and their better understanding of importance of inclusion of citizens.

This activity will be promoted through the regional networking component of the Action.

Activity 6.2 Conduct a survey to identify existence of standards for social services delivery by CSO and identify possible improvements in this domain. (specific for Bosnia and Herzegovina only)

For the purpose of identifying standards for delivering social services by CSOs, a survey will be conducted including results and lessons learned of several EU-funded projects.⁶² This survey, and its findings, can also serve as a starting point for piloting of social service standards in Bosnia and Herzegovina.

** Activities marked with this asterisk are not applicable for Bosnia and Herzegovina.*

2.1.2. Methodology

2.1.2.1. Guiding principles and methodological approach

The overall methodology is based on the model previously developed and tested earlier in Bosnia and Herzegovina. This principal replication model will be altered depending of the country specifics and existing tools and practices already introduced in the WB countries. Competitive approach in selection of partner local governments, and at the later stage of CSO projects, will be promoted since the lessons learned from Bosnia

⁶² Such as: 1) *Improving of the social service provision in SEE through empowerment of national networks* project, funded by the Civil Society Facility in the period 2012-2016, <http://www.asb-see.org/wp-content/uploads/2016/07/Improving-the-provision-of-Social-Service-Delivery-in-South-Eastern-Europe-through-the-empowerment-of-national-and-regional-CSO-networks-II.pdf>

2) *Taking action on social inclusion of older people (IPA/2015/370-287)* implemented in cooperation with the Austrian Development Agency and Austrian Red Cross, http://cc.europa.eu/enlargement/pdf/financial_assistance/ipa/2016/20161011-activity-report-january-june-2016.pdf

and Herzegovina show that local authorities ought to be motivated and show strong commitment to participate in the Action.

Background on the principal replication model:

The Reinforcement of Local Democracy Project (LOD) in Bosnia and Herzegovina has introduced significant novelties in local governance by developing a model for transparent municipal funding for CSOs. The approach opened space for CSOs to be recognized as service providers and, at the same time, provided for municipalities to learn how to outsource different services to civil society. Vertical and horizontal integration of the mechanism for transparent funding have been initiated in both entities (Federation of BiH and Republika Srpska) in BiH. A model of transparent and project-based funding of CSOs by local governments or the Methodology for Transparent Allocation of Public Funds to CSOs in BiH (also known as *LOD methodology*)⁶³ aims to assist local governments to use public funds planned for CSOs in a transparent and development-oriented manner, recognising the local needs and embracing a project-based approach. The underlying principles of the Methodology are: **transparency, involvement and inclusion, project-based funding of CSOs versus direct allocation of funds, and universality.** The Methodology comprises a set of steps which guide LGs through the entire process of design, management, and monitoring and evaluation of financial grant schemes for CSOs. In addition, it offers practical procedural guidance and templates, which support the implementation of the funding cycle. Ultimately, by applying this Methodology, LGs ensure: i) transparent and quality-driven process of selecting CSO projects for funding; ii) funding and monitoring of CSO projects which directly contribute to legitimate local needs and local development priorities; iii) foundation for effective partnership and dialogue with civil society. The tool is based on the principles of the EU Grant Scheme approach and allows for transfer of EU best practices and lessons learned.

The Action will create conditions for competitive project-based approach to local government funds disbursement, while at the same time, motivating CSOs to professionalize and become better service providers when competing for these funds. Besides, anchoring the transparent project-based funds disbursement approach and mainstreaming the principles of transparency and inclusiveness, it will improve utilization and transparency of local governments' grant schemes.

The Action will seek, as much as possible, to involve participating local governments and their communities to ensure: i) tailoring of the assistance to the specific circumstances and needs, ii) stimulating local government-CSO collaboration within targeted localities and maximizing usage of municipal funds for meeting local priorities by applying a competitive project-based approach, iii) promotion of regional networking and exchange of practices across the targeted countries and specific localities.

Mechanisms for disbursement of funds foreseen for CSO project-based activities must be inclusive for civil society and the citizens, entailing transparent processes opened up to everyone and fully aligned with local service needs and strategic priorities. Capacity building and technical assistance will be provided to each partner local government in accordance with results of conducted needs assessments. Capacity building will include, among others, training, on-the-job coaching, formal and informal exchange of lessons learned, as well as legal advice in developing regulatory framework for transparent mechanism for CSO funding. Also, the local governments will, through the Action's grant scheme not only learn by doing about the benefits of this approach, but also be trained for the full implementation and management of the grant scheme. Although the operationalization of the grant scheme will be led by local priorities, the Action will take into consideration how the gender equality and social inclusion are promoted and provide additional efforts to promote the importance of these topics within local governments.

As grassroots CSOs working in a medium and/or small-sized local governments often cannot answer to local challenges, capacity development for civil society will be steered towards enhancing CSOs understanding of the concept of inclusive and transparent decision making and building up their technical skills with regard to planning and implementation of projects at the local level.

⁶³ Methodology for Allocation of Funds to Civil Society Organizations for the full practical guide see the following link: http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/library/poverty/lod-methodology-for-allocation-of-funds-to-civil-society-organiz.html

While working primarily at the local level, the Action will seek to establish sound linkages with strategic and legislative frameworks of higher government levels that deal with CSOs. The Action will scale up successful approaches and through the national counterparts build up potentials for scalability. Partnerships that will involve central authorities, respective offices for collaboration with civil society, the Associations of Cities and Municipalities, civil society networks and resource centres and prominent CSOs, will be extended to support horizontal and vertical integration and further promotion of the Methodology for Transparent Allocation of Public Funds for CSOs.

Regular experience and lessons learned sharing activities will be an integral part of the regional networking with purposes of ensuring information flow and exchange of practices within the WB countries. Furthermore, to increase the impact of the Action, close synergies will be ensured with other UNDP-implemented interventions in the field of local governance and local development.

2.1.2.2. Monitoring and evaluation

The main monitoring tools for organising the Action monitoring system encompass the **Logical Framework** (providing baseline and target quantitative and qualitative indicators and results), as well as analytical and systemic data collection throughout all work areas of the assistance delivery. A **Monitoring and Evaluation Work Plan** will be developed to map all essential steps and tools in assessing and reporting progress towards achieving project objectives.

An **Inception Report** will be prepared following the 4-month inception phase.

Annual narrative report will be prepared and submitted to the Project Board. **Annual reports** will be submitted for years 1 and 2 of the Action within two months of the end of the reporting period. The Action will also conduct **independent evaluation**.

A **Final Report** (cumulative) will also be prepared and submitted to the Project Board within six months of the end of the Action, incorporating the findings of the final independent evaluation.

When it comes to **baseline research and analyses**, collecting detailed baseline information on the current status of municipal relations with civil society will be conducted during the inception phase. It will allow the Action to 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.

The Action will closely communicate with other civil society related interventions to utilize and summarize the findings related to transparent funding of civil society; i.e. baseline report from the Balkan Civil Society Development Network (BCSDN) - Country Baseline Reports, the TACSO National Needs Assessments and others.

2.1.2.3. Steering and Management Arrangements

UNDP will assume full responsibility and accountability for the overall management of the Action, including monitoring and evaluation of interventions, achieving of the objectives and specified results, and the efficient and effective use of resources.

The Action institutional structure comprises the **Project Board**, the **Board of Partners** (to be created in each participating country), the **Advisory Group** (to be created in each participating country), the **Project Assurance**, and the **Project Team**.

The **Project Board** will be the group responsible for making, by consensus, management decisions for the Action. It will be formed immediately upon start of the Action. The **Project Board** meets at least once a year, or more often based on needs. The Project Board's scope of work will include project oversight, as well as regular review of work plans and reports. In addition to overseeing the Action implementation progress, the

Project Board will provide strategic guidance, as well as give final approval to milestone strategic and operational matters. The **Project Board** ensures that required resources are committed and arbitrates on any conflicts within the Action, or negotiates a solution to any problems between the Action and external bodies. The **Project Board** members are DG NEAR (European Union) and UNDP representatives. Furthermore, the extended **Project Board** forum, constituting the members of all Board of Partners (see the details in the following section about constitution of the **Board of Partners** in each participating country) will meet at least once a year and provide their inputs relevant for the Action strategic guidance.

Board of Partners will be established in each participating WB country providing operational and advisory guidance to national project teams.⁶⁴ The Board of Partners will provide advice to the Project Board related to project plans as well as recommendations for alterations, ensuring that all Project interested parties' views are considered. Members of the Board of Partners will be representatives of relevant ministry and/or other government institution in charge of cooperation with civil society, representatives of Associations of Cities and Municipalities from each participating WB country, as well as the EU Delegation and UNDP Country Office from participating WB countries. Furthermore, the members of national **Boards of Partners** will participate in the meetings of the **Project Board** at least once a year and provide their inputs relevant for project strategic guidance.

Envisaged structure of the Board of Partners per each participating country:

Albania: Office of Minister of Local Issues (designated Ministry representative), Albanian Association of Municipalities (AAM) (designated Association representative), Agency for Support of Civil Society (designated Agency representative), Association of Local Autonomy (ALA) – designated Association representative, EU Delegation to Albania (Head of Section and/or task/programme manager), UNDP (representative of UNDP Country Office senior management), civil society representative(s) (mandated by Advisory Group) and TACSO Albania (Resident Advisor) in the capacity of observer (non-voting member).

Bosnia and Herzegovina: Ministry of Justice of Bosnia and Herzegovina (designated Ministry representative), Ministry of Justice⁶⁵ of the Entity of FBiH (designated Ministry representative), Ministry of Administration and Local Self-Government of the Entity of RS⁶⁶ (designated Ministry representative), Associations of Cities and Municipalities⁶⁷ of FBiH and RS (designated Associations' representatives), European Union Delegation to Bosnia and Herzegovina (Head of Section and/or task/programme manager), UNDP (representative of UNDP Country Office senior management), civil society representative(s) (mandated by Advisory Group) and TACSO Bosnia and Herzegovina (Resident Advisor) in the capacity of observer (non-voting member).

Kosovo: The Office of Good Governance of the Office of Prime Minister (national level - designated representative), Ministry of Local Government Administration (national level - designated Ministry representative), Association of Kosovo Municipalities (designated Association representative), CiviKos⁶⁸ (organization representative), European Union Office in Kosovo (Head of Section and/or task/programme manager), UNDP (representative of UNDP Country Office senior management), civil society representative(s) (mandated by Advisory Group) and TACSO Kosovo (Resident Advisor) in the capacity of observer (non-voting member).

64 Matters to be reviewed by the Board of Partners include (among others): approval of final criteria for selection of partner local governments, final approval of results of calls for CSO project proposals in each country, etc.

65 Note: this is an entity (not state) Ministry of Justice organized within the Federation of Bosnia and Herzegovina entity. For details about the structure of Bosnia and Herzegovina please consult the following link: <https://www.oecd.org/countries/bosniaandherzegovina/46817943.pdf> (page 95).

66 Note: this is an entity (not state) Ministry of Administration and Local Self-Governance of Republika Srpska organized within the Republika Srpska entity. For details about the structure of Bosnia and Herzegovina please consult the following link: <https://www.oecd.org/countries/bosniaandherzegovina/46817943.pdf> (page 95).

67 Considering additional foreseen activities for BiH, the role of the Associations of Cities and Municipalities of FBiH and RS will be confirmed in the inception period.

68 CiviKos Platform is a voluntary union of civil society organizations, committed to the development of a favourable environment for cooperation between Civil Society and Public Authorities.

Montenegro: Government's Office for the Cooperation with NGOs (national level - designated representative), Union of Municipalities of Montenegro (designated Union representative), Delegation of the European Union to Montenegro (Head of Section and/or task/programme manager), UNDP (representative of UNDP Country Office senior management), civil society representative(s) (mandated by Advisory Group) and TACSO Montenegro (Resident Advisor) in the capacity of observer (non-voting member).

The former Yugoslav Republic of Macedonia: Ministry of Local Self-Government (national level - designated Ministry representative), Association of Units of Local Self-Government of the Republic of Macedonia (designated Association representative), Delegation of the European Union to Montenegro (Head of Section and/or task/programme manager), UNDP (representative of UNDP Country Office senior management), civil society representative(s) (mandated by Advisory Group), and TACSO Kosovo (Resident Advisor) in the capacity of observer (non-voting member).

Serbia: Office for Cooperation with Civil Society, Government of the Republic of Serbia (national level - designated representative), Standing Conference of Towns and Municipalities (designated representative), Delegation of the European Union to the Republic of Serbia (Head of Section and/or task/programme manager), UNDP (representative of UNDP Country Office senior management), civil society representative(s) (mandated by Advisory Group), and TACSO Serbia (Resident Advisor) in the capacity of observer (non-voting member).

The **Advisory Group** will be employed in each participating country with a purpose of providing advisory support to the **Board of Partners** ensuring regular feedback vis-à-vis the implementation of the Action and its effects on civil society and local governments. It will also share relevant information about other relevant developments in the field of civil society and/or local governance that might influence implementation of the Action as well as to provide other advisory services to the Board of Partners on an ad hoc basis.

The **Advisory Group** per arch country will include, but not limited to: TACSO's in-country Local Advisory Groups (including 15-20 CSO), TACSO Resource centres, academia representatives and other interested stakeholders, as relevant.

Specific Terms of Reference will be defined for the steering arrangements and they will define mechanisms to avoid any conflict of interest.

The **Project Assurance** role supports the Project Board by carrying out objective and independent Action oversight and monitoring functions, in order to ensure the set milestones are managed and completed. The Project Assurance role is delegated by the Project Board, but it cannot be delegated to the Project Manager since the Project Assurance and Project Management roles must be separated. The Project Assurance role is typically assigned to a UNDP Programme Officer, which in case of the Action in matter will be **UNDP BiH Rural and Regional Development Sector Leader**, supported by the **Sector Associate**. The UNDP BiH Rural and Regional Development Sector Leader will ensure that the following aspects have been addressed throughout the project implementation: thorough liaison between the members of the Project Board is maintained; beneficiary needs and expectations are being met or managed; risks are being controlled; project goals and activities remain viable and fit well with the overall UNDP Country Programmes; applicable UNDP rules and regulations are being observed, as well as any legislative constraints; relevant monitoring and reporting requirements and standards are being observed; quality management procedures are properly followed; Project Board's decisions are followed and revisions are managed in line with the required procedures, etc.

The **Project Team** consists of 20 full-time staff, including the **Regional Project Team** and **Project Teams** operating in each country.

The **Regional Project Team (3 team members)** will comprise the **Regional Project Manager/Team Leader**, **Capacity Development Officer** and **Project Associate**.

The **Regional Project Manager/Team Leader** (full-time post, 36 months) has the authority to run the Action on a day-to-day basis on behalf of UNDP. The Regional Project Manager/Team Leader will have the responsibility to ensure that the Action produces the required results, capable of achieving the benefits defined in this document. S/he will be responsible for day-to-day management, coordination with the Projects Officers and respective Project Teams from all WB countries, and also will ensure that the Action produces the results specified, to the required corporate standards and within the constraints of time and cost.

The **Capacity Development Officer** (full-time post, 36 months) will support the implementation and regional replication, networking and knowledge sharing activities. S/he will be responsible for knowledge transfer based on experiences from Bosnia and Herzegovina as well as provision of advisory services related to the adoption and adjustment of the CSO funding mechanism and tools, given existing practices in local governments across the WB countries. Furthermore, s/he will develop a comprehensive monitoring and evaluation plan for the whole regional Action, including other expert support to the Project Teams, and their stakeholders, in properly addressing capacity development assistance and baseline setting for partner local governments and CSOs.

The **Project Associate** (full-time post, 36 months) will provide overall financial, administrative and logistical support for the Action implementation, including regional activities as well as activities implemented in Bosnia and Herzegovina. Furthermore, s/he will ensure horizontal communication with the Project teams in other WB project offices, providing support in relation to administrative and financial management and reporting aspects.

Project Teams in the four countries with the same size of available funds and work distribution (5 local governments foreseen per country) – Kosovo, Montenegro, the former Yugoslav Republic of Macedonia and Serbia will consist of Project Officer⁶⁹ (full-time post, 36 months) and Project Associate (full-time post, 36 months).

The **Project Officer** will be in charge of project implementation and achievement of the Action milestones within the respective country. S/he will be responsible for day-to-day management, ensuring that the Action produces the results specified, ensuring regular communication and networking with Project Teams in other countries, coordinating and reporting to the Regional Project Manager/Team Leader.

The **Project Associate** will have a dual role, programmatic and finance/administrative role. As for the programmatic role, s/he will be enrolled in all field implementation activities, assisting the Project Officer in developing and implementing strategies for anchoring mechanisms for transparent distribution of CSO funds in partner local governments, performing regular and ad hoc monitoring of CSO projects in the field, and assisting in capacity development of local government officials and representatives of CSOs (formal trainings, on-the job coaching, etc.). In terms of finance/administrative role, the Project Assistant will be responsible for the overall financial, administrative and logistical support within respective country including, but not limited to, administrative and financial support to the grant scheme for CSOs, follow-up activities related to the Calls for CSO proposals, including regular and timely disbursement of awarded funds to CSOs, logistical support to the capacity development activities (formal trainings, on-the job coaching, etc.) for local government officials and representatives of CSOs.

The Project Team in Albania will consist of the **Project Officer**, the **Project Associate** and the **Governance and CSO Associate**. An additional team member is necessary considering the level of effort in Albania, including work with 10 local governments and twice as large number of CSOs when compared to other four participating WB countries. The **Governance and CSO Associate** (full-time post, 30 months) will support all actions related to implementation of project activities, including capacity development of 10 partner local governments, adoption and institutionalization of mechanisms for transparent disbursements of CSO funds and monitoring of CSO projects.

⁶⁹ In case of Bosnia and Herzegovina, the position of Project Officer will be different due to the different size and the scope of work. It will be renamed into Sr. Project Coordinator/Grant Officer.

The **Project Team in Bosnia and Herzegovina** will comprise 5 team members, considering the level of effort and scope activities envisaged by the Action.

The **Senior Project Coordinator/Grant Officer** (full-time post, 36 months) will coordinate the activities in Bosnia and Herzegovina on behalf of UNDP under the direct supervision of the Regional Manager/Team Leader. S/he will be responsible for timely implementation of the activities in Bosnia and Herzegovina, providing effective support to the Regional Manager in the implementation of project goals. S/he will be responsible for day-to-day coordination and will ensure that Action implementation in Bosnia and Herzegovina produces the results specified, to the required corporate standards and within the constraints of time and cost. The Senior Project Coordinator/Grant Officer will ensure transparent and efficient implementation of a CSO grant scheme (ca EUR 2.5 million), and all activities encompassed by grant distribution in 20 local governments, including also their programmatic and financial obligations (cost-sharing agreements, etc.). S/he will ensure that the Calls for CSOs and selection process of CSO project proposals is set in a responsible, professional, financially sound, participatory, and responsive manner, in line with local needs, and in accordance with donor policies and procedures. S/he will, among others, assume the overall responsibility for the timely implementation of CSO projects and performance of the Project Team in Bosnia and Herzegovina.

The **Governance Officer** (full-time post, 36 months) will coordinate project activities related to the capacity development component of 20 local governments and civil society organisations in Bosnia and Herzegovina, anchoring the methodology for transparent funds disbursement into local practices, as well as working on further scaling up activities. S/he will be in charge of planning and organisation of workshops and seminars, facilitating the wide representation and full participation of local stakeholders within project activities and closely collaborating with the field staff. The Governance Officer will also be involved in activities related to the community participation and lead policy processes the Action component implemented in Bosnia and Herzegovina.

In addition, considering the number of local governments foreseen for participation in Bosnia and Herzegovina, and consequently expected considerable number of CSO projects awarded under the Action grant scheme, three field staff will be assisting the implementation in 20 local governments.

Field Officer (one full-time post, 36 months) will be employed to coordinate field presence of the Action and support the implementation under the direct supervision of the Senior Project Coordinator/Grant Officer. S/he will be enrolled in all activities in the field, including direct supervision of two Field Associates, and closely collaborate with the Governance Officer executing policies and plans foreseen by the Action.

Field Associate(s) (two full-time post, 36 months each) will perform regular monitoring of local government and CSO activities. They will be assisting the Field Officer in developing and implementing Action plans, including but not limited to, evaluation of CSO project proposals, result-based and financial monitoring of awarded CSO projects, and capacity building of local government officials and representatives of CSOs. Their duties will include providing support in financial reporting, ensuring the quality of inputs and products through implementation of funded CSO projects. They will also serve as a logistic support for organization of various seminars, trainings, visits in the field, etc.

Organizational chart (organigramme) is attached in *Annex 2*.

2.1.2.4. Synergies with other interventions

The Action will further utilise cooperation with other regional interventions such as TACSO (to be included into coordination of activities, regular information exchange and utilization of TACSO's in-country Local Action Groups and Resource Centres). It will also collaborate with the regional ROMACTED initiative and explore opportunities to strengthen the impact on local governments⁷⁰, civil society and socially excluded groups.

⁷⁰ See the Activity 2.1. Selection of partner local governments in participating WB countries for details.

In each participating country, the Action will look for synergies with relevant interventions. Thus, in Albania, the Action will coordinate with a couple of CSF funded anticorruption schemes at municipal level, namely, Civil Society Instruments Against Corruption (CIVILISC) and Partnership Against Corruption Together (PACT) as well as STAR 2 (Support to Territorial Administrative Reform). In Bosnia and Herzegovina, the Action will closely collaborate with CBGI (Capacity Development of Government Institutions) that recently got approved new project phase, expected to become operational in September 2016. Furthermore, in addition to the work UNDP Kosovo does to provide grant financing to social enterprises and develop capacities of civil society on the local level, a clear potential for synergy presents itself with the planned EU-funded project on strengthening social services delivery for the most vulnerable groups on the local level in cooperation with civil society that is in the call for concept notes stage at the time being. The Action will synergise with other relevant UNDP-implemented interventions in the field of local governance in each WB country, to enhance impact and sustainability of results.

Lessons learned and effective products from other regional actions will be subject of regional cooperation to maximize the benefits for the beneficiaries and the community. I.e. ReLOD's Calls for CSOs that will be executed in partner local governments and CSO service delivery could be in line with products of the *Improving of the social service provision in SEE through empowerment of national networks*⁷¹ project, funded by the Civil Society Facility in the period 2012-2016. For all these specifics, we will consider strong synergism and further utilization of tools and knowledge products other EU-funded projects⁷² achieved during the inception phase.

2.1.2.5. Visibility

The Action will ensure visibility according to the Joint Visibility Guidelines for EU – United Nations Actions in the field.⁷³ The visibility activities will be executed in close cooperation between the UNDP, DG NEAR and the concerned EUDs focusing on outputs and the impact of the Action's results. Visibility strategy and communication plan will be basis for promoting project objectives and results. A detailed Communication and Visibility Plan is included in *Annex VI* of the EU-UNDP Grant Agreement.

⁷¹ <http://www.asb-see.org/wp-content/uploads/2016/07/Improving-the-provision-of-Social-Service-Delivery-in-South-Eastern-Europe-through-the-empowerment-of-national-and-regional-CSO-networks-II.pdf>

⁷² Such as: *Taking action on social inclusion of older people (IPA/2015/370-287)* implemented in cooperation with the Austrian Development Agency and Austrian Red Cross, http://ec.europa.eu/enlargement/pdf/financial_assistance/ipa/2016/20161011-activity-report-january-june-2016.pdf

⁷³ Document available here: https://ec.europa.eu/europeaid/sites/devco/files/guidelines-joint-visibility-eu-un_en.pdf.

2.1.3. Duration and indicative action plan for implementing the Action

The duration of the Action will be 36 months, with a four-month inception period.

Year 1	Half-year 1												Implementing body		
	1	2	3	4	5	6	7	8	9	10	11	12			
Activity															
Inception period activities															
Activity 1.1. Establishment of Project's structures.															UNDP
Activity 1.2. Organization of kick-off meetings.															UNDP
Activity 1.3. Promotion and awareness raising															UNDP
Activity 2.1. Selection of partner local governments in participating WB countries --Call for local governments to be launched															UNDP
Project Activities															
Activity 2.1. Selection of partner local governments in participating WB countries															UNDP
Activity 2.2 *Conduct assessment of existing in-country mechanisms for disbursement of public funds to CSOs and provide specific recommendations for improvement looking at experiences and lessons learned from the viewpoint of the principal model from Bosnia and Herzegovina.															UNDP
Activity 2.3. Assessment of existing (budget) mechanisms for disbursement of public funds to CSOs in each selected local government.															UNDP
Activity 2.4. Discuss and formalise a methodology and accompanying tools, as well as monitoring framework for funding of CSOs by local governments' budgets within all target localities.															UNDP
Activity 2.5. Awareness-raising and familiarization of local government leadership and staff, as well as CSOs with the methodology for disbursement of public funds to CSOs															UNDP
Activity 2.6. Set a financing mechanism in line with national legislations (i.e. specific municipal budget line(s) to fund CSO activities within each participating local government															UNDP
Activity 3.1. Design tailored grant schemes for CSOs in each target local government.															UNDP
Activity 3.2. Launch of Public Calls for CSO Proposals, selection and contracting of CSOs															UNDP
Activity 4.1. Capacity development of local government staff within targeted localities in Project Cycle Management.															UNDP

WE

2.1.4. Sustainability of the Action

As a result of the Action, total of 50 partner local governments across the 6 participating Western Balkan countries will pilot/apply the transparent CSO financing mechanisms introducing/strengthening the instrument of a public call and coordinated public funds disbursement according to priority needs. The Action is designed to ensure broader dissemination of these practices through identification of networking structures and institutional bodies in each of the WB countries which would further promote project-based approach and application of transparent mechanisms at the local level. The Action will thus introduce a novel approach in WB countries which is expected to make synergies with other EU related reforms towards a stronger role of the civil society in development and decision making processes.

Institutional and policy sustainability

The institutionalization of the methodology for funds disbursement (LG council/assembly decisions or mayor's decision on establishment of transparent mechanism for disbursement of funds for CSOs) and the institutionalization of the monitoring tools (by formal adoption of monitoring teams within LGs), will support the sustainability of the Action. In addition, formal institutionalization will be reinforced with the capacity development activities resulting in human resources skills improvement and the ability of LG staff to utilize the introduced tools. Also, more systematic definition of the positions and ToRs of municipal staff dealing with CSOs will enable the local administration to continue to mainstream the approach. Furthermore, institutionalized bodies such as evaluation commissions, will remain active and in use.

In addition, municipal councils will, have more understanding of the importance of transparency and the benefits of the methodology for funds disbursement. Council representatives will require more information from the LG administration and ask for reports and final results of these funds invested.

The intervention will closely work with the state bodies in charge of civil society (national offices for cooperation with civil society) ensuring national level supporting lower levels with regard the collaboration with civil society. At the same time, the partnerships with the Associations of Cities and Municipalities would create an environment suitable for wider horizontal integration and wider promotion of the positive practices with intention to equip them with knowledge to continue providing advisory services to local governance.

Promotion of the transparent methodology for CSO funds disbursement will involve scaling up initiatives and work with the national offices for cooperation with CSO and the ACMs. This is a possibility to enact similar decision and methodological instruments on a central level.

Additionally, UNDP's network and regional presence, provides great advantage for the intervention.

2.1.5. Risks and mitigation measures

The Action will deploy an active risk management and contingency planning strategy to ensure sound management and quality delivery of activities. Regular assumption and risk reviews will be undertaken and reported in the progress and reports.

Type of risks	Probability	Likely impact	Mitigation measures and contingency plan
Lack of understanding for the new model of transparent and project-based funding of CSOs by local governments' leadership.	Medium	High	<p>Conduct communication campaign, media promotion to promote benefits of cooperation with CSOs and benefits of participation in the Action.</p> <p>Comprehensive LG selection process will be performed to mitigate the risk.</p> <p>The Action will not engage with LGs where there is no strong commitment.</p>
Inability to co-finance the grant schemes for CSOs due to limited budget	Medium	High	Participating local governments will be required to provide co-funding for the grant scheme. For this purpose, constant communication with local authorities and reminders about

Type of risks	Probability	Likely impact	Mitigation measures and contingency plan
funds allocated for civil society and general limitations of LG budgets.			co-financing will be provided. Action will ensure ownership of the local governments by closely involving officials in all project activities and decisions. Finally, Action will engage into negotiation to extend deadlines for co-financing if needed.
Some local governments try to manipulate evaluation commissions and selection of the CSO project proposals.	Medium	Low	The Action will provide clear guidelines and strong engagement of the project team to prevent misconduct. Strong quality assurance mechanisms in conducting selection process will be ensured by the Action team too. Clear explanation of the role of Board of Partners in final approval of CSO project proposals will be emphasised.
Institutional barriers and/or political deadlocks and lack of political will in WB countries might hamper the dissemination and ownership process.	Medium	Medium	The Action will invest an additional effort to make partnerships at the very beginning of the project implementation with higher levels of government and CSO networks to advocate for the adoption and implementation of the Methodology. Methodology will be presented within the broader EU integration perspective and reforms.
Regional relations might interfere with smooth networking and capitalization.	Medium	Medium	Be sensitive towards political, ethical and cultural differences among participating WB countries. The Action will identify opportunities for regional exchange that would be attractive for representatives of all participating countries. Insist on mutual respect for cultural and social differences.
Political gridlock between municipal government and municipal assembly interfere in project implementation.	Low	Medium	There will be a clear message from the Action team that local governments' involvement will be discontinued without support and cooperation of all political parties and relevant stakeholders. The Action's communication efforts will be directed to widely publicize it to the public to build pressure of the citizens in its implementation.

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2.1.6. Logical Framework

The logical framework is enclosed as *Annex I* to this document.

2.1.7. Budget for the Action

The total budget of the Action is EUR 10,030,000 where requested EU financing amounts to EUR 8,500,000 (84.75% of the total budget) and co-financing by UNDP and local governments stands at EUR 1,530,000. Direct eligible costs of the Action are at EUR 9,424,461, while indirect costs amount to EUR 605,539.

Detailed budget of the Action is enclosed as *Annex III* of the EU-UNDP Grant Agreement.

2.2. UNDP's relevant experience

UNDP is the United Nations' (UN) global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life.

UNDP has offices in 177 countries world-wide and provides expert and technical advice, capacity development and financial support to developing countries, with emphasis on assistance to the least developed. UNDP globally focuses on poverty reduction, democratic governance, energy and environment for sustainable development, and crisis prevention and recovery. UNDP also encourages the protection of human rights and the empowerment of women in all of its programmes.

The UNDP operational system is composed of an accountability framework and an oversight policy. The accountability framework underscores the commitment of UNDP to results-based performance management, as well as to the shared values of accountability and transparency. The oversight policy of UNDP includes conducting independent internal and external audits providing assurances to the Executive Board and the Administrator that functional systems of internal controls are in place, including evaluation of the policy framework, efficient utilisation of resources, and adherence to professional and ethical standards. Government counterparts participate directly in the design, as well as in the implementation and monitoring of UNDP activities through joint project boards, regular meetings with project and programme staff to review the results achieved and to take decisions on future actions.

*The Programme and Operations Policies and Procedures*⁷⁴ provide the operational standards and give procedural guidance on core business processes globally, and are the basis for all aspects of UNDP operations. UNDP utilises a sound and transparent set of mechanisms for financial support to institutional and socio-economic partners and for infrastructure interventions such as micro- and large-scale grant schemes. UNDP also uses the Atlas software system as a results-based platform to support the management of projects, finances, human resources, inventory and procurement, and this forms the basis for UNDP's internal control and accountability framework.

In terms of existing delivery mechanisms, UNDP has sound operational and administrative frameworks, which offer a diverse set of partnership modalities, including specifically with governmental partners. Increasingly, UNDP is engaging in contractual partnerships with governments and their institutions, entailing transfer of implementing responsibility and commensurate financial resources not only to provide for effective and transparent policy delivery, but also to strengthen their capacities.

Of particular relevance to the delivery of the Action are the Financial and Administrative Framework Agreement (FAFA) between the European Community and the United Nations, signed in 2003, as well as the Pillar Assessed Grant Agreement (PAGoDA) in terms of overall management rules, general and special conditions of the agreement.

⁷⁴ Reference: <https://info.undp.org/global/popp/Pages/default.aspx>.

Name of the applicant: UNDP Country Office Bosnia and Herzegovina					
Project title: Reinforcement of Local Democracy		Sector (see Section 3.2.2 of Section 3): 15151 Government and 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)	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Bosnia and Herzegovina	Over 7,700,000	Coordinator/ applicant	European Union	7,000,000	November 2008 to September 2016
Objectives and results of the action		<p>The overall objective of the project is to contribute to democratic stabilization, conciliation, and further development of Bosnia and Herzegovina through support to selected local governments in establishing improved local governance/civil society relations and facilitating financing mechanisms for improved service delivery. Premised on this larger objective, the project's focus is on institutionalizing the principles of relationships between LGs and civil society organizations (CSO) 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 CSOs.</p> <p>Through implementation of its activities, LOD project assists the partner LGs to adopt LOD methodology (transparent mechanisms for the disbursement of local funds) foreseen for CSOs projects. Improved communication and partnership between CSOs and local governments will be promoted, as well as increased mobilization of municipal funds for strengthening local grassroots organizations and further development of services provided by CSOs. CSO projects implemented in LGs will have great benefits for citizens and directly affect the achievement of the local development strategy goals.</p> <p>As a result of the project intervention, LGs will generate transparent mechanisms for the disbursement of funds for CSO projects and will improve cooperation with CSOs. Partnering LGs will allocate resources through municipal public calls, using transparent criteria and the project approach for the disbursement of funds.</p>			

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Name of the applicant: UNDP Country Office Albania					
Project title: ESERE - Economic and Social Empowerment for Roma and Egyptians – a booster for social inclusion		Sector (see Section 3.2.2 of Section 3):			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Albania (Tirana, Durres, Berat, Shkoder)	4,000,000 EUR	Coordinator	Ministry of Social Welfare and Youth (MSWY) Local government Units; Tirana, Durres, Berat, Shkoder	4,000,000 EUR	05/01/2016 to 31/12/2018
Objectives and results of the action		<p>Overall Objective is to contribute to the economic and social empowerment of Roma and Egyptian communities in Albania.</p> <p>Specifically, the Action aims to:</p> <ul style="list-style-type: none"> • Improve and diversify employment promotion measures developed and provided to Roma and Egyptian women and men aiming at enhancing their skills and employability chances. • Increase participation of Roma and Egyptian women and men in local development processes. • Strengthen Roma and Egyptian civil society capacity to combat discrimination and improve their successful participation in financial support schemes; • Improve access to basic equitable, inclusive and decentralised services and integration in the Albanian society. • Enhance institutional capacities at the central and local level to address social inclusion of Roma and Egyptian women, men, boys and girls. 			

Project title: STAR-Support to Territorial Administrative Reform		Sector (see Section 3.2.2 of Section 3):			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Nationwide Albania	1,864,458 USD	Coordinator	SIDA, USAID, UNDP SDC, Italian Embassy- Development Cooperation Office- Italy	549,459 SIDA 220,714 USAID 73,571 UNDP 220,714 SDC 800,000 Italian government	Dates (from Nov/ 2013 to Jun/2015)
Objectives and results of the action		<p>Overall Objective Provide operational support to complete Territorial and Administrative reform</p> <p>Specific Objective</p> <ul style="list-style-type: none"> • Elaborate and adopt a new local administrative division • Prepare the ground and packing the necessary information and assistance for the new local decision-makers and LGUs' heads/mayors to rapidly adapt and act on setting up the new LGUs' with efficiency and minimal disruption. <p>Results of the action:</p> <ul style="list-style-type: none"> • Ministry of Local Issues technical and institutional capacity strengthened to develop and implement the reform. • Public awareness, public consultations and consensus building facilitated • Transition / organization for the actual amalgamations. 			
Name of the applicant: UNDP Country Office Kosovo					

Project title: Local-Level Response to Employment Generation and Integrated Territorial Development		Sector (see Section 3.2.2 of Section 3): 43040			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Dragash/Š, Shtërpçë/Štrpce, Kosovo	1,660,000	Coordinator	Austrian Development Cooperation	1,600,000	15/01/2014 to 14/01/2017
Objectives and results of the action		<p>The project's objectives have been to create and strengthen individual and institutional capacities in the partner municipalities in the south of Kosovo to facilitate economic empowerment and job creation for individuals at risk of economic and social exclusion. In the two years of implementation, as a result of this intervention: i) the capacities of municipal staff and structures involved in the provision of services for economic development and integrated rural development have been strengthened to the point where the participating municipalities can offer services in an efficient, effective, and self-sustained manner, and understand the importance of inclusive and participatory approaches to socioeconomic development; ii) new jobs have been created and additional income has been generated through an improved market positioning and productivity of local micro and small enterprises, including smallholders farmers and associations; iii) 400+ jobs have been created through bottom-up approaches and local-level concentration for employment generation at municipal level through Territorial Employment Pacts (TEPs).</p> <p>In cooperation with the local governments, the project has supported local CSOs through grant financing and capacity development to establish themselves as social enterprises, focusing on work integration of vulnerable members of local communities. As such, together with other interventions to date, UNDP with its local government partners has established 5 CSOs operating as social enterprises, producing jobs for local communities.</p>			

Name of the applicant: UNDP Country Office the former Yugoslav Republic of Macedonia		Sector (see Section 3.2.2 of Section 3):			
Project title: Support to Strengthening National and local Integrity Systems					
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Country wide	385,000	Coordinator	Government of Norway	385,000	March 2012 – March 2013
Objectives and results of the action		<p>The programme "Support to Strengthening National and local Integrity Systems" aims to introduce and sustain effective solutions to addressing integrity/corruption risks, with particular focus on fostering meaningful civic engagement and partnerships across different parts of society by supporting the State Commission for Prevention of Corruption (SCPC) in working and cooperating with the other national and local institutions. Based on the findings of the assessment, a "Social Innovation Camp" involving CSOs, media and other stakeholders was conducted with the aim to generate practical ideas as to using social media tools in function of social accountability in the target municipalities. In the frame of this project, four CSOs (GREEN BOX –Skopje, FOCUS - Veles, European Link Center – Gostivar and YOUTH ENTREPRENEURIAL SERVICE FOUNDATION (YES) were financially supported to implement their ideas in partnership and close cooperation with the local government units.</p>			

Name of the applicant: UNDP Country Office Montenegro					
Project title: Social Welfare and Child Care System Reform: Enhancing Social Inclusion		Sector (see Section 3.2.2 of Section 3): 16010 Social/welfare services			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)	Amount contributed (by donor)	Dates (from dd/mm/yyyy to dd/mm/yyyy)
Montenegro	1,298,440	applicant	EU – EUD Montenegro UNDP Montenegro	1,180,400 118,040	10/01/2011 to 09/07/2014
Objectives and results of the action		The project built and strengthened the institutional mechanisms and capacities that enabled development of community-based social services that responded to the needs of vulnerable groups and contributed to their social inclusion and quality of life. At the very beginning of the project, Open Call for local civil society organizations, dealing with social services provision and social inclusion was launched as one of the key steps in this process. Capacities of local administrations and local CSOs and other stakeholders active in social services provision have been strengthened for identifying socially vulnerable groups and their needs in local community, planning the measures to adequately respond to those needs with very high level of local partnerships developed. As a result, more than 100 local NGOs have been directly participating in local planning process as members of Working Groups.			

Project title: Strengthening the Role of Civil Society in Shaping Poverty-Related Policies and Practice⁷⁵		Sector (see Section 3.2.2 of Section 3): 151 Government and civil society, general 16010 Social/welfare services			
Location of the action	Cost of the action (EUR)	Role in the action: Coordinator, co-applicant, affiliated entity	Donors to the action (name)	Amount contributed (by donor)	Dates
Republic of Serbia	5,588,758	Coordinator	EAR ⁷⁶ Gov't of Serbia Municipal budgets Dfid/ Gov. of Norway UNDP	4,196,449 726,282 253,866 300,000 112,161	28 /12/2006 – 28/10/2010
Objectives and results of the action		The overall program objective was to support policy dialogue between the government and the civil society in Serbia with focus on consolidation of public-civil society partnerships aimed at contributing to decentralization of social protection services through the Social Innovation Fund (SIF); strengthening civil society organizations (CSOs) and links between them so that they can hold Government accountable for poverty reduction by monitoring strategy and policy implementation and effectively advocating for improved environment for the work of civil society organizations; facilitating institutionalization of dialogue between government and civil society on gender issues to mainstream gender equality across different sectoral areas. This was achieved by delivering on the following results: <ul style="list-style-type: none"> •Strengthened capacities of CSOs and other public (both national and local level) actors to provide innovative social welfare services adapted to the needs of the specific communities and beneficiaries. •Enhanced policy environment for more effective provision of social services. •Improved enabling environment for CSOs. •Increased Government accountability in implementing pro-poor policies. •Gender issues mainstreamed in key socio-economic government policies. •Institutionalized channel for structured Government-CSO consultations on gender equality issues. 			

75 This project represents the 4th phase of the EAR initiative that started in 2003 and lasted until 2010.

76 European Union through the European Agency for Reconstruction and, subsequently, through the Delegation of the European Union to Serbia.

PART C. ANNEXES

Annex 1. Logical framework⁷⁷

	Results chain	Indicator	Baseline (incl. relevant year)	Current value (Reference date)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective:	To strengthen participatory democracies and the EU integration process in the Western Balkans (WB) by empowering civil society to actively take part in decision making and by stimulating an enabling legal and financial environment for civil society.	Quality of mechanisms ⁷⁸ in place for cooperation between civil society organizations (CSO) and local governments.	Baseline: Ad-hoc non-transparent, non-inclusive mechanisms for cooperation between CSOs and selected local governments exist across Western Balkans countries (2016)		Target: Harmonized, participatory, standardized and institutionalized mechanisms for public funds disbursement, exist at the local government level in each participating WB country. (2019)	Project records Municipal records on execution of grant schemes for CSOs, meeting minutes, monitoring reports, CSO reports, media coverage	
Specific objective(s):	To strengthen partnerships between local governments and civil society in the WB by scaling-up a successful model of transparent and project-based funding of civil society organizations (CSOs) from local government budgets towards greater civic engagement in decision-making and improvement of local service delivery.	O 1.1. Number of local governments across the Western Balkan countries with strengthened partnerships with civil society via transparent and project-based CSO funding model.	Baseline: 50 local governments, based on previous achievements of LOD in BiH (2016) ⁷⁹		Targets: total 90 local governments (2019) Albania: 10 BiH: 60 (50 + 10 newly-selected partner local governments without previous LOD experience) Kosovo: 5 The former Yugoslav Republic of Macedonia: 5 Montenegro: 5 Serbia: 5	O1.1 Formal agreements / memorandums of understanding and contracts between local governments and CSOs in participating Western Balkan countries.	Relevant institutional partners responsible for coordination with civil society organisations engage pro-actively in the Action. Sufficient number of local

⁷⁷ Considering the scope of the Action (multi-country), there are limitations to define baselines. Due to the lack of comprehensive information, some baselines are defined only for BiH, while baselines for other participating countries will be specified during the inception phase.

⁷⁸ Under this specific Action, quality mechanisms imply a transparent, project-based and development-oriented model of funding CSOs from local government budgets based on competitive public calls and effective grant scheme management frameworks.

⁷⁹ These 50 local governments represent the total number of partner localities which benefitted from the LOD assistance and introduced (formal or informal) cooperation model of funding CSOs.

		<p>O 1.2. Number of citizens within target local governments in participating Western Balkan countries who directly benefit from improved local services as a result from the Action assistance.</p>	<p>Baseline: 0 (2016)</p>	<p>Targets: total 38,000 citizens (of whom 30% female) (2019) Albania: 5,000 BiH: 20,000 Kosovo: 3,250 The former Yugoslav Republic of Macedonia: 3,250 Montenegro 3,250 Serbia 3,250</p>	<p>O 1.2: Action field monitoring reports, CSO reports for implementation of projects indicating beneficiaries, statistics and data from beneficiary CSOs.</p>	<p>governments apply for participation in interventions under the Action. Local governments' leaderships are committed to introduce and systemically further apply the new CSO funding model.</p>
	<p>R1. Local governments and CSOs have basic understanding on the comprehensive transparent model for funding of CSOs from municipal budgets</p>	<p>R 1.1. Number of local governments and CSOs outreach through a public awareness campaign in participating Western Balkans countries.</p>	<p>Baseline: N/A (2016)</p>	<p>Targets: total 240 local governments and CSOs (2019) Albania: 30 BiH: 70 Kosovo: 20 The former Yugoslav Republic of Macedonia: 40 Montenegro: 15 Serbia: 65</p>	<p>R 1.1 Documents about public awareness campaigns, attendance lists; media reports;</p>	<p>Sufficient number of CSOs willing to participate in interventions of the Action.</p>
<p>Outputs</p>	<p>R2. A model of transparent and project-based funding of CSOs by local governments is introduced and institutionalized in all participating local governments, and thus promoted and anchored across Western Balkan countries.</p>	<p>R 2.1. Number of local governments with institutionalized model of transparent and project-based funding of CSOs in the Western Balkan countries.</p>	<p>Baseline: 37 local governments, based on previous achievements of LOD in BiH (2016)⁸⁰</p>	<p>Targets: total 77 local governments (2019) Albania: 10 BiH: 47 (37 + 10 newly-selected partner local governments without previous LOD experience) Kosovo: 5 The former Yugoslav Republic of Macedonia: 5 Montenegro: 5 Serbia: 5</p>	<p>R 2.1 Formal local government decisions and documents, Action records</p>	<p>Continuing political commitment to development of civil society.</p>

⁸⁰ These 37 local governments represent the total number of partner localities which have formalized the model of funding CSOs.

<p>R3. Services delivered by civil society organisations address the needs of local communities within partner local governments across the Western Balkans countries.</p>	<p>R 3.1. Number of CSO projects funded in all partner local governments through the competitive model addressing citizens' needs in participating WB countries.</p>	<p>Baseline: 290 CSO projects, based on previous achievements of LOD in BiH (2016)</p>	<p>Targets: total 490 CSO projects (2019) Albania: 40 BiH: 370 (290 already implemented through LOD and Kosovo: 20 The former Yugoslav Republic of Macedonia: 20 Montenegro: 20 Serbia: 20</p>	<p>R 3.1 Calls for Proposals for CSOs in target localities; contracts and Action records related to grants awarded;</p>
<p>R4. The capacity of civil society organisations and local governments in implementation of municipal grant schemes, and delivering of good quality projects is strengthened.</p>	<p>R 4.1 Number of CSOs within the Western Balkan countries which have improved capacities for better service delivery as a result of the Action. 4.2. Number of local governments who can independently apply the transparent model after completion of the Action</p>	<p>Baseline: N/A (2016) Baseline: 50 local governments, based on previous achievements of LOD in BiH (2016)</p>	<p>Targets: total 300 CSOs (2019) Albania: 60 BiH: 120 Kosovo: 30 The former Yugoslav Republic of Macedonia: 30 Montenegro: 30 Serbia: 30 Targets: total 100 (2019) Albania: 10 BiH: 70 Kosovo: 5 The former Yugoslav Republic of Macedonia: 5 Montenegro: 5 Serbia: 5</p>	<p>R 4.1 Training participants lists, Action reports R 4.2 Training Participants lists, training evaluations/assessments and Action reports</p>
<p>R 5. Enhanced regional</p>	<p>R 5.1. Number of regional knowledge events organized to share and facilitate exchange of experiences, ideas and good practices among participating Western Balkan countries as result of the Action.</p>	<p>Baseline: N/A (2016)</p>	<p>Target (2019): 3</p>	<p>R 5.1 Action reports, newsletters, media coverage, attendance records.</p>

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networking and dialogue of civil society and local governments across the Western Balkan countries enable multiplication of good practices.	R 5.2. Number of local governments from participating WB countries recognized as Best Practice/Model.	Baseline: N/A (2016)	Target (2019): 6 local governments	R 5.2 Best Practise Awards, Boards of Partners Decisions on awards from meeting minutes.		
R 5.3. Number of unique visits/monthly on the newly-set interactive platform facilitating virtual knowledge sharing, advocacy and communications among members on dialogue between local governments and CSOs, transparency and public service delivery issues/approaches.	Baseline: N/A (such web platform is non-existent) (2016)		Target (2019): 300 unique visits/monthly by the end of the Action	R 5.3 Web platform; Success stories published in media and project communication channels (FB Twitter etc.)		
R 5.4. Number of knowledge products and tools ⁸¹ designed and introduced to strengthen local participatory democracy and public services delivery as a result of the Action.	Baseline: 1 (2016) (LOD methodology)		Target (2019): 7 knowledge products ⁸² (for example, methodologies for disbursement of funds to CSOs by local governments; Guidelines for CSOs for implementation of projects funded by local governments, etc.)	R 5.4 Publications and official documents about knowledge products and tools designed.		

81 Knowledge products and tools are as following: platforms, manuals, methodologies adopted and applied etc.

82 Such as, for example, methodologies for disbursement of funds to CSOs by local governments; Guidelines for CSOs for implementation of projects funded by local governments, etc.)

	<p>R 6. Diversified dialogue and cooperation mechanisms between local governments and CSOs. (specific for Bosnia and Herzegovina)</p>	<p>R 6.1. Number of innovative cooperation mechanisms for civic participation introduced in partner local governments as a result of the Action.</p> <p>R 6.2 Number of examined and identified standards for social services delivery by CSOs.</p>	<p>Baseline: 0 (2016)</p> <p>Baseline: 0 (2016)</p>		<p>Target (2019): 5</p> <p>Target (2018): 1</p>	<p>R 6.1 Action reports; official records from pilot local governments.</p> <p>R 6.2 Action reports.</p>	
<p>Activities relevant for Result 1</p> <p>Activity 1.1. Establishment of Project's structures.</p> <p>Activity 1.2. Organization of kick-off meetings.</p> <p>Activity 1.3. Promotion and awareness raising.</p> <p>Activities relevant for Result 2</p> <p>Activity 2.1. Selection of partner local governments in participating WB countries.</p> <p>Activity 2.2. *Conduct assessment of existing in-country mechanisms for disbursement of public funds to CSOs and provide specific recommendations for improvement looking at experiences and lessons learned from the viewpoint of the principal model from Bosnia and Herzegovina.⁸³</p> <p>Activity 2.3. Assessment of existing (budgets) mechanisms for disbursement of public funds to CSOs in each selected local government.</p> <p>Activity 2.4. Discuss and formalize a methodology and accompanying tools, as well as monitoring framework for funding of CSOs by local governments' budgets within all target localities.</p>		<p>Human Resources 1,661,608.99</p> <p>Travel 53,200.00</p> <p>Equipment and furniture 31,869.20</p> <p>Local Office/Operational Cost 321,057.00</p> <p>Other Cost/Services 889,779.13</p> <p>Other 6,466,946.68</p> <p>Indirect Costs 605,539.00</p> <p>TOTAL BUDGET 10,030,000.00</p> <p>EUROPEAN UNION 8,500,000.00</p> <p>UNDP and local governments 1,530,000.00</p>		<p>Local governments have strong support in assemblies to adopt the methodology. Ability and willingness of all stakeholders to actively participate in project activities. Sufficient funding available in budgets of local governments for 10% co-financing. There is continuing political commitment to</p>			

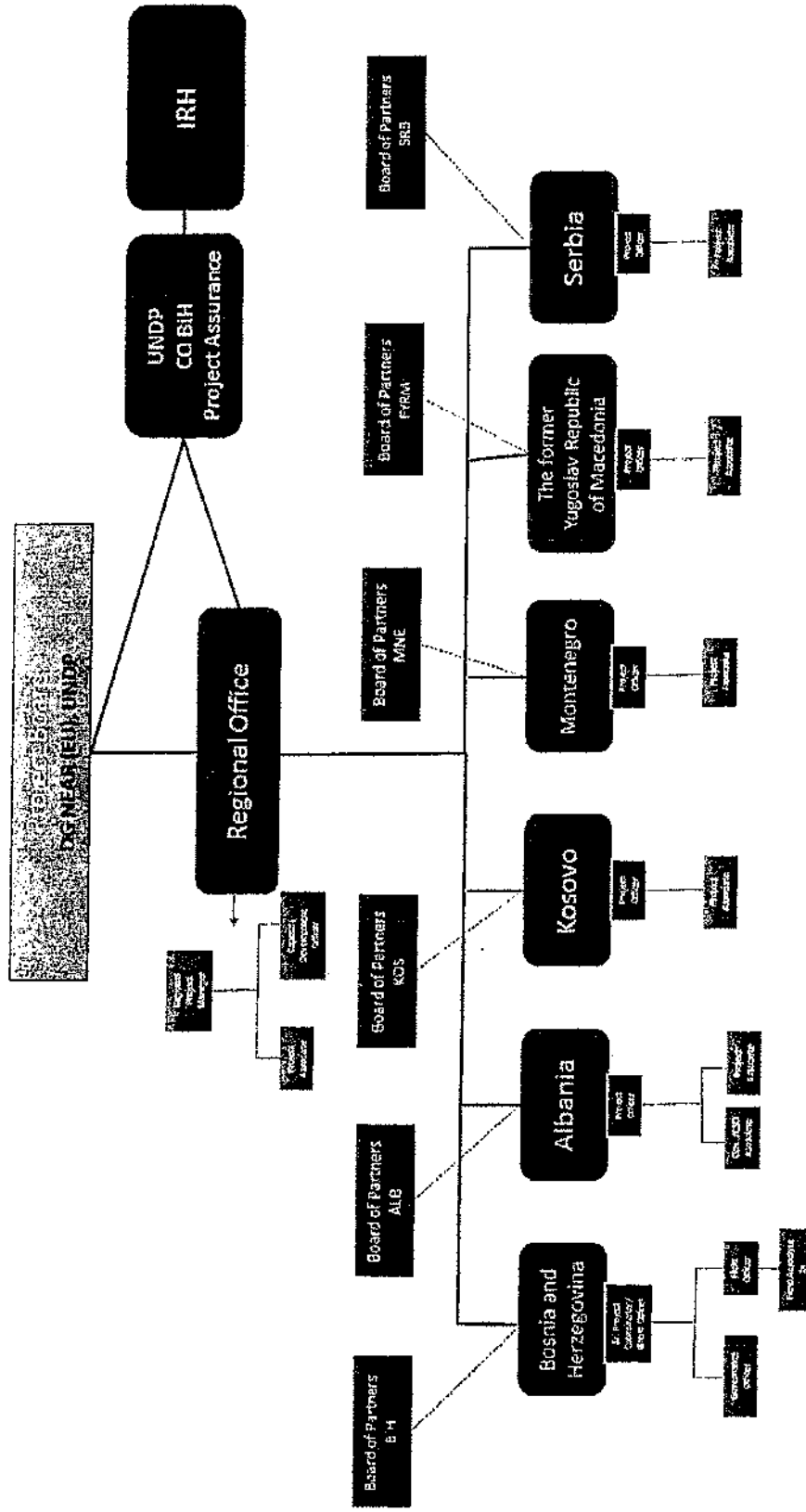
83 *This activity is not applicable for Bosnia and Herzegovina.

<p>Activity 2.5. Awareness-raising and familiarisation of local government leadership and staff, as well as CSOs with the methodology for disbursement of public funds to CSOs.</p> <p>Activity 2.6. Set a financing mechanism in line with national legislations (i.e. specific municipal budget line(s)) to fund CSO activities within each participating local government.</p> <p>Activities relevant for Result 3</p> <p>Activity 3.1. Design tailored grant schemes for CSOs in each target local government.</p> <p>Activity 3.2. Launch of Public Calls for CSO Proposals, selection and contracting of CSOs.</p> <p>Activities relevant for Result 4</p> <p>Activity 4.1. Capacity development of local government staff within targeted localities in Project Cycle Management.</p> <p>Activity 4.2. Capacity development of CSOs within targeted localities in Project Cycle Management.</p> <p>Activity 4.3. Monitoring of CSO projects' implementation through combined monitoring teams.</p> <p>Activity 4.4. In-country promotion of the methodology for disbursement of public funds to CSOs and its tools, as well as successful practices in each participating WB country.</p> <p>Activities relevant for Result 5</p> <p>Activity 5.1. Cross-country and multi-pronged exchange of experiences, ideas and good practices, including study trips, among the participating WB countries.</p> <p>Activity 5.2. Cross-country thematic networking.</p> <p>Activity 5.3. Create online interactive platform facilitating virtual knowledge sharing, advocacy and communication.</p>	<p>development of civil society. Sufficient funding available for cross country and regional networking and knowledge share events</p>
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	<p>Activity 5.4. Design knowledge products and tools to strengthen local participatory democracy and public services delivery.</p> <p>Activities relevant for Result 6</p> <p>Activity 6.1. Increase the transparency of local governments through creation of civic forums, utilization of Information Communication Technology (ICT) for citizens and improving capacities of municipal councils (specific for Bosnia and Herzegovina).</p> <p>Activity 6.2 Conduct a survey to identify existence of standards for social services delivery by CSOs and identify possible improvements in this domain. (specific for Bosnia and Herzegovina).</p>		
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Annex 2. Organigramme



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