

**Development Strategy
of the
Association of Municipalities
and Cities of the Federation of
Bosnia and Herzegovina**

2011- 2015

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1. Introduction

1.1. About Association

Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina (Association) is independent organization of voluntarily joined municipalities and cities in Federation of Bosnia and Herzegovina, established with the purpose of development of local self government and improvement and protection of the common interests of members.

The Association, as a non-governmental and non-profit organization, was established by municipalities and cities in the Federation of BiH during the Founding Assembly on May 29, 2002, in Mostar. At that time fifty-four municipalities have joined and adopted Statute of the newly founded Association. Association is the legal successor of the Association of Municipalities and Cities of the Socialist Republic of Bosnia and Herzegovina, established in 1972 with a purpose to develop and improve system of local self government, to protect interests of local communities and to foster inter municipal and international cooperation.

During the Electoral Assembly held in Gradacac, on March 23rd, 2007, members adopted new Statute and appointed representatives to governing bodies. At that time 29 additional municipalities joined the Association, and one more during the following year. The Association counts 79 member municipalities out of 80 units of local self government in FBiH (five municipalities ceased to exist: Mostar Old Town, Mostar North, Mostar South, Mostar West and Mostar Southwest). Municipality Kresevo is not a member of the Association.

From the international aspect, three important events outlined new perspectives of the Association. They are:

1. Ratification of the European Charter of Local Self Government, October 1994 (SRBiH Government)
2. Joining of the Association of Municipalities and Cities of the SRBiH to the Congress of Local and Regional Authorities of Europe (CLRAE) as a Special Guest Member (November 1994)
3. Joining of Bosnia and Herzegovina to the Council of Europe (April 2002)

Within the Association members can exchange experiences and opinions, promote common interests, participate in legislative consultations, protect common interest, and cooperate with domestic and international organizations and governmental institutions.

Municipalities and cities in Federation of Bosnia and Herzegovina only when united can successfully accomplish their interests on Cantonal, Federal and State level. The purpose of the Association as representative of municipalities and cities of the Federation BiH is to represent members' interests in the best possible way.

1.2. Legal Status

The Law on Principles of Local Self Government in Federation of Bosnia and Herzegovina adopted on 08.09.2006, ensured continuation of the Association's work, and defined Association's competencies. The Association can:

- Act as a legal representative of its members in front of higher levels of government;
- Prepare drafts of laws and amendments to the laws in order to strengthen the position of local self government;
- Give opinions and propositions regarding public revenue sharing in part which outlines financing of local self government;
- Cooperate with similar domestic and international organizations, as well as become a member of other international associations;
- Perform other functions in accordance with the Statute.

The Law on Principles of Local Self Government in the Federation of Bosnia and Herzegovina states following: *„If the Mayor, the Council or one third of the Council believe that the adopted budget may, under certain circumstances, jeopardize the functioning of the local unit of self-government, they may seek arbitration within seven days. The arbitration shall be conducted within one month by a body established by the Federal Ministry of Finance, and the conclusion of that body shall be binding. The body of arbitration shall comprise representatives of the Federal Ministry of Finance, Cantonal Ministry of Finance, municipal council and the head of municipality, an independent finance expert and a representative of the Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina. The budget shall be implemented until the arbitration results in a decision. “*

Also, the law binds legislative bodies to obtain *„... the opinion of the Association of Municipalities and Cities on all issues that concern allocation of funds, as well as on all changes to laws that may affect financial obligations of local self-government units,“* which is a direct quote of the European Charter Article that obliges higher levels of government to consult local government regarding all issues pertaining to local government.

According to this Law, Federal and Cantonal authorities must, as much as possible, consult local self government units when drafting legislature that directly affect local self government, and that consultation is realized through Association.

The 96th Amendment to the Constitution of the Federation of Bosnia and Herzegovina (2004) gives competence to the Association to initiate legal proceedings in order to protect right on local self government. Association has used this competence on several occasions.

1.3. Association's Structure and Membership

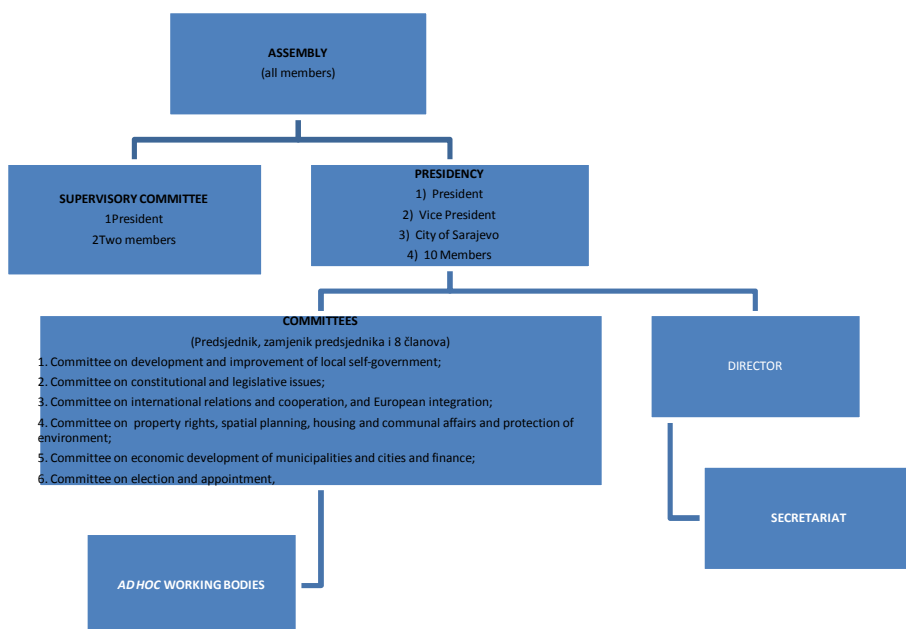
Association counts 77 member municipalities and 2 cities, out of 80 units of local self government in Federation of BiH. According to the Statute, any municipality and city in Federation may become a member of the Association as long as Municipal Council adopts a Decision of Membership to the

Association, and official municipal representative signs the Membership Agreement. Membership is voluntary, and all members are equal. Only Municipality Kresevo is not a member of the Association.

Members of the Association have following rights and responsibilities:

- To participate in all Association's activities, especially through submission of initiatives, as well as participation in reviewing initiatives and making decisions;
- To participate through work groups and governing bodies of the Association, and especially in decision making processes;
- To participate in preparation, adoption and implementation of the Association's Work Plan;
- To elect and to be elected in Association's work groups and governing bodies;
- To pay membership fee in a timely manner.

1.4. Association's Governing Bodies



Governing bodies of the Association are:

- Assembly
- Presidency
- Supervisory Committee

1.4.1. Assembly of the Association

Assembly is the highest governing body of the Association, comprised of all members (representatives), usually Municipal Mayors, with a four year mandate. Member of the Assembly may be other municipal representative appointed by the Municipal/City Mayor. The Assembly is led by the Chairman of the

Assembly and Deputy Chairman of the Assembly that are, as a rule, from different constitutive peoples. All members equally participate in the work of the Assembly, and every member has one vote during decision-making processes.

Assembly officially meets at least once per year where all important decisions are made regarding Association's work.

1.4.2. Association's Presidency

Presidency is an executive body of the Assembly that harmonizes work of all Association's bodies and work groups. Members of the Presidency are elected during the Electoral Assembly Session, with a four year mandate, and they are municipal/city Mayors. Presidency has 13 members – President, Vice President and eleven members that are elected as follows:

- Municipalities/cities in each canton amongst themselves elect one member of the Presidency;
- City of Sarajevo has one representative in the Presidency.

Elected Presidency member has a responsibility to represent common stands of all municipalities that he/she represents. President and Vice President are rotating every two years and they may not be of the same constitutive peoples. Each Presidency Session is held in a different municipality/city, 6 to 8 times per year. Obligations of the Presidency are outlined in Article 27. of the Statute of the Association. Out of all governing bodies of the Association, Presidency meets most times and decides on all important questions and initiatives, approves proposed activities, passes decisions and conclusions, adopts legislative documents, initiates activities and, in general, strategically guides the work of the Association.

1.4.3. Supervisory Committee

Supervisory Committee has a President and two members. President and members of the Supervisory Committee are elected and removed by the Assembly from the Assembly members and have a four year mandate.

Supervisory Committee meets at least once per year and reviews and controls financial operations of the Association.

Director of the Association

Director of the Association is the head of the Secretariat and is elected and removed by the Presidency.

Director of the Association represents the Association and is accountable to the Presidency of the Association.

1.4.4. Forms of Association's Activities

A. Standing Work Groups

Standing work groups are committees that are constituted for managing diverse local self government issues.

Committees are:

- Committee on development and improvement of local self-government;
- Committee on constitutional and legislative issues;
- Committee on international relations and cooperation, and European integrations;
- Committee on property rights, spatial planning, housing and communal affairs and protection of environment;
- Committee on economic development of municipalities and cities and finance;
- Committee on election and appointment,

Each committee has a President, Vice President and eight members appointed with a four year mandate.

If invited by the President, other representatives of local authorities, organizations, scientific and vocational professionals may participate in the work of the committees.

Committees meet based on need.

Committee on development and improvement of local self government has a mandate to discuss issues that deal with development of local democracy in municipality/city, enhancement and development of democratic processes, as well as strengthening and enabling local authorities for responsible governance and public works of interest for citizens, implements political and democratic requests of the Council of Europe for the purpose of further decentralization, reviews and proposes administrative structures of local communities according to competences, supports initiatives for constituting primary revenue sources for competences that are not financially supported by the Federal and Cantonal authorities, supports fiscal decentralization activities, proposes measures for protection of local authorities and right on local self government, and monitors realization of decisions and requests from the Congress of Council of Europe (CLRAE).

Committee on constitutional and legislative issues has a mandate to discuss and prepare appropriate initiatives related to constitutional and legislative improvements of the system of local self government, prepares propositions of constitutional amendments that regulate local authorities' competences, and for establishment of cities as urban, public and spiritual centers, supports mechanisms for protection of local authorities and right on local self government, participates in defining of fiscal politics and reform of the taxation system, as well as positioning and participation of the Association in creation of internal politics and preparation of draft laws that are of interest for local self government.

Committee on international relations and cooperation, and European integrations has a mandate to review and discuss issues regarding international cooperation of municipalities and cities – establishes and strengthens cooperation with associations in neighboring countries, supports projects of cooperation and partnerships between municipalities and cities in the Federation of BiH with cities across Europe, develops cooperation with local democracies through their Embassies in BiH, enhances and develops cooperation with local authorities' organizations, supports economic and cultural development and interests of the Federation BiH through participation in programs and projects of regional Network of Associations of Local Authorities of South-East Europe, as well as develops cooperation with Association of Municipalities and Cities of the Republic of Srpska with united approach through Coordination body of two Associations of municipalities and cities in BiH.

Committee on property rights, spatial planning, housing and communal affairs and protection of environment discusses questions that are of interest for local self government regarding urbanism, spatial planning, communal infrastructure, capacity building of local authorities for investments in reconstruction and development of communal infrastructure, prepares appropriate decisions for legislative projects regarding spatial planning and urbanistic politics with a purpose of capacity strengthening of municipal authorities to independently regulate and manage public affairs that are of interest for local community, monitors and researches housing issues, and ensures implementation of unitary politics in the process of privatization, and especially in the legislature that treats property sale with tenancy issues.

Committee on economic development of municipalities and cities and finance monitors and develops culture of entrepreneurship on local level, monitors changes in taxation system and introduction of stimulating taxation system, promotes employment in public sector, with a purpose to strengthen private entrepreneurship as competent and active participant in financial and economic flow in the country, enhances development and inter-cooperation of small businesses, especially in regards to work on concept of the new taxation system and legislative incentives as well as other conditions (office space, consumer policy, supply, and tourism), develops activities that enhance politics of equal possibilities for all, monitors and discusses legislative field of entrepreneurship and economics.

Committee on election and appointment, based on Association members' suggestions, establishes decision drafts for appointment and/or removal of representatives in working bodies, Supervisory Committee and *Ad Hoc* work groups.

B. Ad Hoc Work Groups

Based on need, for the purpose of managing specific tasks related to the scope of work, committees may constitute Ad Hoc bodies (work groups) whose members are committee members and/or other professionals in the related field.

In accordance with the Statute of the Association, Ad Hoc work groups were constituted in the recent past with following tasks:

- Creating Model of Statute for the municipalities
- Creating Model of Rules of the Municipal Council
- Drafting the Law on Employees in Local Self Government
- Drafting the Law on Land Registry and Cadastre

- Drafting the Law on Election, Cessation for the Term of Office, Revocation and Replacement of Mayors in FBiH Municipalities
- Law on Debt, Borrowing and Guaranties in the Federation of Bosnia and Herzegovina
- Law on Treasury
- Law on Concessions
- Drafting the Law on Forestry
- Preparation of documents that modify inter-administrative communication in Federation of BiH

1.4.5. Secretariat of the Association

Secretariat of the Association provides professional, administrative and technical work for the Association, governed by the Director. This body prepares all materials for the Assembly meetings, Presidency meetings, Supervisory Committee meetings, Committees meetings and work groups meetings. Presidents of the mentioned bodies schedule meetings based on the Director's initiative, who is also responsible for regularly holding these meetings. All documents that are subject of discussion during these meetings are prepared by the Secretariat, independently or with a help of other relevant partners. Secretariat is also responsible for implementation of adopted conclusions, suggestions, decisions, etc.

Projects implemented by the Association are prepared and realized by the Secretariat with the approval of Presidency of the Association.

2. PEST Analysis

(Summary of the most important political, economic, social and technical circumstances)

Political and Legal Aspects

Characteristics	Impact
Absence of political will for decentralization and strengthening of local self government status	Opportunity: Possible Association's contribution in change of legislative framework with a purpose to improve local self government status.
Adopting/amending Cantonal Laws on Principles of Local Self Government/ harmonizing with the Law on Principles of Local Self Government in FBiH	Opportunity: Association may impact the legal framework for transfer of competences and revenues to local self government. Opportunity: Affirmation of the Association for helping LSG in harmonizing administration and work with a new legal framework.
EU Accession	Opportunity: Establishing position within the Association to inform local self government units regarding the processes of BiH accession to EU and provide support in preparation and implementation of measures in the process of EU standards harmonization requests, as well as cooperation with relevant institutions.
Development of local communities and civil society	Opportunity: Establishing service within the Association that will provide exchange of good practices regarding organization and functioning of local communities and cooperation with NGOs, as well as affirmation of inclusive planning.

Economic Aspects

Characteristics	Impact
Economic Crisis	Threat: Decrease in public revenues and donor funds, as well as problems with sufficient budgetary means of LSGs, will cause problems in financing of the Association
Usage/Monitoring of Resources and Assets	Opportunity: Higher level of participation of LSGs in decision making process regarding usage of available resources and concession revenue sharing as well as other revenues. Opportunity: Association's contribution in LSGs capacity building for efficient management of resources, including partnering projects of LSGs/ communal services, etc.
Fiscal Decentralization	Opportunity: Potential Association's contribution in enhancement of the legislative framework for more favorable public revenue sharing for units of local self government. Opportunity: Stronger impact of the Association on the entity and cantonal budget and better treatment of LSG by the governmental institutions.

Social Aspects

Characteristics	Impact
Demographic and Migration Trends	Threat: Abandonment of rural areas with a higher level of pressure on urban areas Opportunity: Possible contribution of the Association in lobbying for implementation of the European Charter regarding balanced and equal development
Absence of cooperation and	Opportunity: Possible contribution of the Association to

coordination of authorities in social actions	rationalization of organization of social actions and clear division of responsibilities and means.
Pressure of social issues on units of local self government	Threat/Opportunity: Possible contribution of the Association in supporting, understanding and trust building between citizens and authorities

Technological Aspects

Characteristics	Impact
e-governance	Opportunity: Possible role of the Association in preparation and implementation of (donor) projects for implementing e-governance and more comprehensive usage of existing capacities, while creating preconditions for e-connecting of units of local self government through Association.
e-communication	Opportunity: Association could have a role in preparation and implementation of projects that increase usage of contemporary technologies in communication with individuals, focus groups and relevant organizations, in preparatory and implementation phases.
e-Association	Opportunity: Usage of contemporary technologies in work and communication as well as promotion of local self government and harmonization with a purpose of e-connection.

3. SWOT Analysis of the Association of Cities and Municipalities of the FBiH

Strengths

- Constitutional and legal position of the Association
- Common interests, politics and position of the Association's members
- Acceptance of the Association by its members and relevant organizations and institutions
- Membership of the Association in international and regional associations
- Association's important role in starting initiatives for legislative changes and participation in the drafting of the same
- High level of professional and technical capacities within the Association

Weaknesses

- Credibility of the Association is not at the appropriate level in the view of the key domestic and international partners
- Financial uncertainty
- Less than adequate structure of services offered to members
- Less than adequate participation of members in Association's activities
- Unsatisfactory level of communication/consulting, opinion exchange, etc. horizontally and vertically
- Governing the Association's administration and large member administration does not satisfy quality of management standards
- Influence of politics on the work of the Association
- Staff is not qualified enough for lobbying

Opportunities

- Further development of professional support to local self government and larger variety and scope of services to members and cooperation with relevant organization to achieve that goal
- It is important to harmonize legislative framework for local self government through harmonizing Cantonal laws with the Law on Principles of Local Self Government in Federation BiH
- Establishing a professional function within the Association for support to local self government regarding European Integrations and process of accession BiH to EU
- Support of international partners and donors

Threats

- Unsatisfactory level of communication/consulting, opinion exchange, etc. horizontally and vertically (with higher levels of government)
- Not implementing the Law on Principles of Local Self Government in FBiH and lack of harmonization of Cantonal laws with this Law
- Transfer of competencies to local self government without transfer of finances for realization of those competencies
- Disregard for propositions and suggestions of the Association by the higher levels of government
- Unsatisfactory membership fee for financing the Association which may lead to dependency of the Association on donor contributions
- Lack of interest of donors for financing Association's projects and work
- Uneven development of local self government
- Free services for local self government offered by the international donors
- Member's lack of trust toward the Association
- Lack of interest on the part of the higher levels of government for local self government

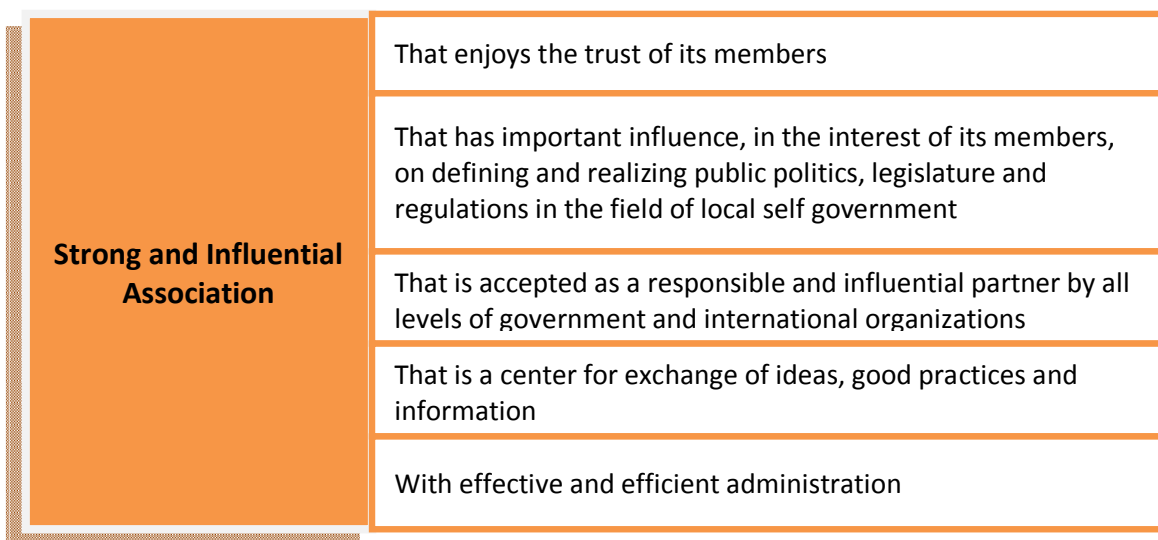
4. Vision and Strategic Goals of Development of Association of Municipalities and Cities of the Federation of BiH

While defining vision and strategic goals of the Association one must have in mind the problems that might be created by the fact that FBiH did not adopt development strategy for local self government, or any other document that treats this area. Therefore, while shaping and defining vision and strategic goals, one must start with the Mission of the Association which is defined by the Statute of the Association and other documents, decisions included in the European Charter of Local Self Government, Law on Principles of Local Self Government in Federation of BiH and other legislative acts on the entity level that treat organization and work of local self government.

Diagram of the Association's Vision

Short version:

Strong and influential Association, accepted as a relevant partner with effective and efficient administration



Slogan:

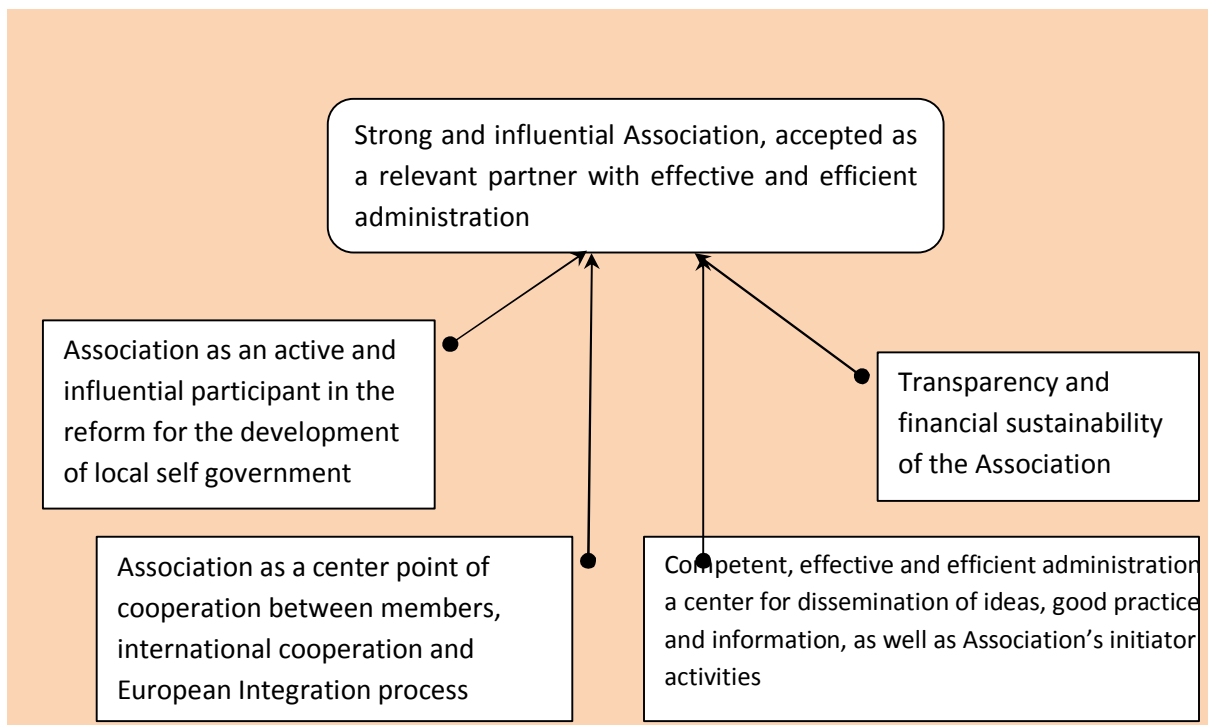
**Association / Together for Organized and Developed
Local Self Government**

5. Strategic Objectives

In accordance with the vision, by the end of 2015, following strategic objectives are in plan for implementation:

- ⇒ Association as an active and influential participant in the reform for the development of local self government
- ⇒ Association as a center point of cooperation between members, international cooperation and European Integrations process
- ⇒ Competent, effective and efficient administration as a center for dissemination of ideas, good practices and information, as well as Association's initiator of activities
- ⇒ Transparency and financial sustainability of the Association

Correlation between Vision and Strategic Objectives



Each defined strategic objective is in accordance with the vision, and accomplishment of each strategic objective will bring Association closer to accomplishing its vision.

Also, there are correlations and effects amongst strategic objectives. Third and fourth strategic objectives are tightly connected to each other, and together they are preconditions for reaching the first and the second strategic objectives, while accomplishing first and second strategic objectives are base for a long term problem solution that are reflected in third and fourth strategic objectives.

5.1. First Strategic Objective: Association as an Active and Influential Participant in the Reform for Development of Local Self Government

In accordance with its position, the Association has an important role and responsibility in implementation of reform processes that affect functioning and development of local authorities. Local self government (LSG) units are active participants in the reform processes, and role of the Association is representation of their interests in relation toward other relevant actors, such as higher levels of government and international institutions and organizations.

With its scope of work, the Association may in large contribute to strengthening position of LSG in the process of decentralization and changes in the legislative framework in accordance with the Law on Principles of Local Self Government in Federation BiH, so that dynamics of transfer of competences with transfer of resources, especially financial, to LSG, would be harmonized to the highest possible level. Association can articulate and lobby for the interests of majority of LSGs, and those interests become unified interests, therefore, have more chance to be realized, rather than sporadic, individually initiated, initiatives. As a result, LSGs would not be put in a position to take over competences that they cannot realize because of lack of jurisdiction or resources, and cooperation with higher levels of government would be more efficient. Also, Association should represent LSG's interests in the budgetary planning processes on entity and Cantonal level.

New competences and responsibilities create need for capacity building and necessity for certain changes in the work of LSGs, where Association may have an important role in providing appropriate technical support that would allow LSGs to successfully take on new challenges.

Association may initiate and coordinate cooperation of relevant actors while promoting examples of good practices and providing, in cooperation with relevant BiH and neighboring organizations, technical support for LSGs in the areas of local communities, cooperation with NGOs, participatory planning, public and private partnerships and other relevant fields.

Association may impact further harmonization of strategic documentation between LSGs and higher levels of government, which will contribute to more appropriate usage of resources and balanced development of all areas in FBiH.

5.1.1. Realization of the First Strategic Objective

The First Strategic Objective will be achieved if following goals are reached in a timely manner:

- Mechanisms for articulating and lobbying for local self government in front of higher levels of government are developed
- Functional cooperation among local, cantonal and federal authorities ensured
- Successfully transferred competencies and resources to LSGs in accordance with the Law on Principles of Local Self Government in FBiH
- LSG's own revenues are significantly increased

5.1.2. Key Activities for Realization of the First Strategic Objective

Goal	Activities:	Key Partners:	Implementation timeline:
Mechanisms for articulating and lobbying for local self government in front of higher levels of government are developed	<ul style="list-style-type: none"> Developing procedures for articulating LSGs' interests 	CDMA Project	2011
	<ul style="list-style-type: none"> Developing lobbying procedures 	CDMA Project	2011
	<ul style="list-style-type: none"> Organizing educational workshops for successful implementation of new mechanisms (lobbying) 	CDMA Project	2011
	<ul style="list-style-type: none"> Establishing system of information and communication exchange with relevant actors 	CDMA Project	2011
Functional cooperation among local, cantonal and federal authorities ensured	<ul style="list-style-type: none"> Agreement-codex-memorandum of cooperation between Association and Federation of BiH 	Government, relevant Federal Ministries, GAP Project	2012-2013
	<ul style="list-style-type: none"> Enhancing cooperation with all levels of government (refined criteria) 	Relevant Federal and Cantonal Ministries, GAP Project	2012-2014
Successfully transferred competencies and resources to LSGs in accordance with the Law on Principles of Local Self Government in FBiH	<ul style="list-style-type: none"> Completing analysis of legislative solutions in regards to practice of competences and resources' transfer to LSGs 	Relevant Federal and Cantonal Ministries, CDMA Project	Continuous activity
	<ul style="list-style-type: none"> Establishing legal framework and mechanisms for transfer of competences and resources to LSGs 	Parliament and relevant Federal and Cantonal Ministries, CDMA Project	2011-2014
	<ul style="list-style-type: none"> Implementation of the legal framework 	Relevant Federal and Cantonal Ministries, CDMA Project	2011-2015
LSG's own revenues significantly increased	<ul style="list-style-type: none"> Completing analysis of the public revenue allocation 	Federal Ministry of Finance, relevant Cantonal Ministries, CDMA Project, GAP Project	2011-2012
	<ul style="list-style-type: none"> Preparation of a legislative model for change of the legislative framework that regulates LSGs' financing 	Federal Ministry of Finance, relevant Cantonal Ministries, CDMA Project, GAP Project	2011-2012
	<ul style="list-style-type: none"> New legal framework implementation 	Parliament and relevant Federal and Cantonal Ministries,	2012-2014

		CDMA Project	
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5.1.3. Impact Indicators for the First Strategic Objective

- ✓ Association's capacities established, procedures for defining interest of LSGs prepared and lobbying, information and communication tasks allocated by the end of 2011.
- ✓ Written agreements defining principles of cooperation with Federal and Cantonal governments adopted by the end of 2013.
- ✓ By the end of 2014, resources needed for the implementation of the new competences defined by the relevant legislative solutions and available to LSGs.
- ✓ LSGs' public revenue allocation in accordance with the new legislative solutions has grown by the end of 2014.

5.2. Second Strategic Objective: Association as a Central Point of Cooperation between Members, International Cooperation and European Integrations

Natural role of the Association is to be a point of cooperation between members, as well as between member and other actors, which gives the Association an important role in the process of European Integrations process.

Cooperation between members makes exchange of good practices in solving concrete problems in LSGs easier. Solutions that one LSG authority has used can be, with some adjustments, used in other LSGs. However, certain initiatives because of their financial constraints and technical complexity require coordinated action of a larger number of LSGs, because a single unit of LSG may not be able to find appropriate solution for the problem.

Cooperation with partners in the neighboring countries allows preparation and implementation of joint projects and exchange of good practices, but now in international setting. Association can offer to its members necessary information and technical assistance in the process of BiH accession to EU, in the with a role to offer support in preparation and implementation of measures in the process of adjusting to EU requests, using EU funds, more specifically in preparation and implementation of projects financed by the EU, as well as by establishing cooperation with the relevant institution in the area.

Having in mind significant presence of international institutions and organizations in BiH, Association could contribute to better cooperation between LGAs and international partners, while representing interests of LSGs when cooperating with international organizations and offering advisory services to LSGs. Association could help LSGs to obtain needed technical and financial support, especially in introducing new practices, in implementation of new solutions and in reaching a higher level usage of new technologies in work and communication.

5.2.1. Realization of the Second Strategic Objective

The Second Strategic Objective will be achieved if following goals are reached in a timely manner:

- Established procedures/mechanisms for realization of cooperation for LSGs

- Established functions for informational and technical support to members in realization of international cooperation and in the process of accession of BiH to EU
- Partnerships established and secured important role of the Association in preparation and project implementation concerning EU Integrations.

5.2.2. Key Activities for Realization of the Second Strategic Objective

Goal	Activities:	Key Partners:	Implementation timeline:
Established procedures/mechanisms for realization of cooperation for LSGs	<ul style="list-style-type: none"> • Introducing institutional mechanisms – function within SOGFBiH and LSGs for cooperation development between members/LSG and cooperation LSGs with SOGFBiH 	CDMA Project, UNDP	2011-2012
	<ul style="list-style-type: none"> • Establishing cooperation procedures 	CDMA Project, UNDP	2011-2012
	<ul style="list-style-type: none"> • Creation of a data base regarding establishment of cooperation between LSGs 	CDMA Project, GAP, UNDP, OSCE, relevant Ministries	2011-2012
Established functions for informational and technical support to members in realization of international cooperation and in the process of accession of BiH to EU	<ul style="list-style-type: none"> • Identification of needs for support 	CDMA Project	2011-2012
	<ul style="list-style-type: none"> • Capacity building for offering support according to identified needs 	Donor Project	2012-2013
	<ul style="list-style-type: none"> • Establishing function within SOGFBiH 	CDMA Project	2012-2013
Partnerships established and secured important role of Association in creation and projects implementation concerning EU integrations.	<ul style="list-style-type: none"> • Preparation of a database as a base for establishment of cooperation in coordination with relevant actors (DEI-ZTS for cross border programs, etc.) 	CDMA Project, DEI, relevant Ministries and organizations	2012-2013
	<ul style="list-style-type: none"> • Establishing contacts and cooperation with BiH and neighboring countries relevant actors in preparation and implementation of EU funded projects 	CDMA Project, DEI, relevant Ministries and organizations	2012-2015

5.2.3. Impact Indicators for the Second Strategic Objective

- ✓ Defined procedures, established and allocated responsibilities and capacities built for cooperation between member LSGs by the end of 2012.
- ✓ At least 4 projects of inter-municipal cooperation with participation of at least 10 members of the Association prepared and at least 2 projects realized by the end of 2014.
- ✓ Established function within the Association with necessary capacities for informational and technical support to members in realization of international cooperation in the accession process of BIH to EU according to the identified needs by the end of 2013.
- ✓ At least 3 projects of international cooperation with participation of at least 10 members of the Association prepared and at least 2 realized by the end of the 2014.
- ✓ Members of the Association involved in at least 4 projects /processes regarding EU integration by the end of 2013.
- ✓ At least 4 projects financed by EU funds prepared and at least 2 implemented in LSGs, members of Association by the end of 2014.
- ✓ Developed a functional data base of member LSGs by the end of 2013.

5.3. Third Strategic Objective: Competent, effective and efficient administration as a center for dissemination of ideas, good practices and information, as well as Association's initiator of activities

Competent effective and efficient administration of the Association is precondition for realization of other strategic objectives. Association must position itself as a partner with the relevant actors that are able to ensure concrete solutions for concrete issues of LSG. Given the fact that issues that LSGs face are complex and diverse, and that reform processes and accession to EU will bring forth new challenges, the Association has an obligation to continuously work on strengthening its own structure and capacities, as well as establishing partnerships in order to be able to offer appropriate support to its members. It is important to have in mind that the Association does not need to have within its own capacities all services that LSGs need and that it would be too overbearing to finance and support all services, but rather to have information, contacts and partnerships with different actors that may offer those services. The Association will be able to help their members in problem solving by contacting with relevant partners, donors, higher levels of government, international organizations and institutions and competent professionals that can offer services LSGs need, and by rationally using its own resources.

5.3.1. Realization of the Third Strategic Objective

The Third Strategic Objective will be achieved if following goals are reached in a timely manner:

- Established quality management system within the Association's Secretariat
- Ensured continuous development of diverse services and quality of services by the Association (internal and external)
- Developed network of associates and consultants
- Developed network for exchange of knowledge and experiences and cooperation with LSG's

practitioners in relevant fields

5.3.2. Key Activities for realization of the third strategic objective

Goal	Activities:	Key Partners:	Implementation timeline:
Established quality management system within the Association's Secretariat	<ul style="list-style-type: none"> • Selection of consultants 	CDMA Project	2013
	<ul style="list-style-type: none"> • Fulfilling requirements 	Specialized consultancy house, international donors	2014
	<ul style="list-style-type: none"> • Certification process 	Certification house, international donors	2015
Ensured continuous development of diverse services and quality of services by the Association (internal and external)	<ul style="list-style-type: none"> • Widening the specter of services within the Association 	CDMA Project	2011-2013
	<ul style="list-style-type: none"> • Capacity building 	CDMA Project	2011-2013
	<ul style="list-style-type: none"> • Establishing mechanisms for joint benefits by using available LSGs' resources 	CDMA Project, SIDA, UNDP, OSCE	2011-2013
Developed network of associates and consultants	<ul style="list-style-type: none"> • Development of the data base (supply and demand) 	CDMA Project, UNDP, GAP	2011-2013
	<ul style="list-style-type: none"> • Establishing mechanisms for securing information to LSGs about those who offer services, and quality service assessment 	CDMA Project, UNDP	2011-2013
Developed network for exchange of knowledge and experiences and cooperation with LSG practitioners in relevant fields	<ul style="list-style-type: none"> • Defining work rules of the network • Promotion and adoption of the established model in all LSGs 	GAP, UNDP, OSCE	2011-2013

5.3.3. Impact Indicators for the Third Strategic Objective

- ✓ Secretariat of the Association gained ISO Standard Quality Certificate by the end of 2015.
- ✓ Increased number of Association's services by at least 10% by the end of 2013.
- ✓ Increased number of Association's services users by at least 10% by the end of 2013.
- ✓ Established system for exchange of knowledge and experience and cooperation with LSG practitioners in the relevant fields by the end of 2013.

5.4. Fourth Strategic Objective: Transparency and Financial Sustainability of the Association

Economic crisis, whose consequences will be present during the realization of the strategy, could have negative impact on the financial sustainability of the Association. Difficulties in realization of the LSGs' budgets could cause problems in membership fee collection. Inability to finance Association's activities, caused by unstable and insufficient financial means, could bring in question realization of all strategic objectives, as well as weaken Association's capacities. Weakened capacities would result in inadequate support that members expect which would have negative impact on the image of the Association and eventually cause further difficulties in cooperation with members, and with that, Association would become less interesting partner for international organizations and higher levels of government. It is imperative to secure regular collection of membership fee in full so that day to day activities could be financed. Lessening of donor support would bring in question implementation of added activities of the Association. Therefore, it is important to establish new mechanisms and instruments for membership fee collection, based on approval of all members of the Association. External transparency and full financial transparency of the Association would raise credibility of the Association and would contribute to the positive effect on membership fee collection. Transparency in work of the Association would contribute to financial sustainability of the Association.

This strategic objective could be seen as a result of realization of other strategic objectives, but also as a precondition for their realization. On one side, Association that has capacities to offer needed support to its members, is a useful partner to LSGs, and LSGs have a good reason for timely membership fee payment. On the other hand, Association that has a problem in financing its activities cannot fulfill its members' requests. Therefore, it is important to pay attention to harmonization, timely and content wise, of activities that will be taken for realization of the strategic objectives.

5.4.1. Realization of the Fourth Strategic Objective

The Fourth Strategic Objective will be achieved if following goals are reached in a timely manner:

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| <ul style="list-style-type: none"> ➤ New financing model of the Association implemented ➤ Developed mechanisms for continuous financial controls and reporting |
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5.4.2. Key activities for realization of the fourth strategic objective

Goal	Activities:	Key partners:	Realization timeline:
New financing model of the Association implemented	<ul style="list-style-type: none"> • Adopted new financing model of the Association 	CDMA Project	2011-2012
	<ul style="list-style-type: none"> • New financial planning established in accordance with the new financial model 	CDMA Project	2012
	<ul style="list-style-type: none"> • New model and planning system implemented 	CDMA Project	2012-2013
Developed mechanisms for continuous financial	<ul style="list-style-type: none"> • Drafting of financial reports on regular basis 	CDMA Project	2011

controls and reporting	<ul style="list-style-type: none"> • Informing members and governing bodies of the Association, and adoption of reports on regular basis 	CDMA Project	2012
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5.4.3. Impact Indicators for the Fourth Strategic Objective

- ✓ New financing model of the Association adopted and implemented by the end of 2012.
- ✓ Association's revenues from membership fees and services increased
- ✓ System of informing members and governing bodies of the Association implemented, and adoption of reports on regular basis established by the end of 2012
- ✓ Established financial sustainability of the Association by the end of 2015

6. Monitoring and Evaluation Plan of Implementation of the Development Strategy of the SOGFBiH

Monitoring and evaluation of the implementation of the Development Strategy of the Association will be guided by the activities and indicators that are defined for all strategic objectives.

Monitoring will focus on following implementation of the defined activities and realization of set goals. Monitoring – Secretariat of the Association will, based on the reports of implementation of activities, and collected reports from the relevant actors on implemented activities, at least once per year inform Presidency on accomplishments in activity realization stated in the Development Strategy of the Association of Municipalities and Cities of the FBiH. Comparative analysis of implementation information with elements defined in the Strategic document will outline the level of success and accomplishment of defined goals, and based on need will warrant corrective action, taking into account changes in current issues and surroundings.

Evaluation will focus on measuring levels of success and accomplishments of defined indicators, which will create a base for evaluation of realization of the strategic objectives. Evaluation will be conducted by the Presidency, at the end of the strategic period. Evaluation should take into account relevance, efficiency, effectiveness, impact, and sustainability of achieved results. It may include interviews with key actors and collection of secondary data (i.e. reports from relevant institutions and organizations) needed for measuring success in achieving defined objectives. The evaluation should include *lessons learned* important for the future Association's initiatives (i.e. good practice models of cooperation between key actors).

7. Financing implementation of the Strategy of Development of the SOGFBiH

Activities for the First Strategic Objective	
Activity	Financing sources
<ul style="list-style-type: none"> • Develop procedure for articulating LSG interests • Develop lobbying procedure • Organize educational workshops for successful usage of new mechanisms (lobbying) • Established system of information and communication exchange with relevant actors 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Agreement-Codex-Memorandum of cooperation between Association and Federation BiH • Enhanced (refined criteria) cooperation with all levels of government 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Analysis of legislative solutions regarding practice of transfer of competencies and resources to LSG 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Establishment of legal framework for transfer of competencies and resources to LSG 	Parliament and relevant Ministries on Federal and Cantonal level
<ul style="list-style-type: none"> • Implementation of the legal framework 	Relevant institutions according to the legal framework
<ul style="list-style-type: none"> • Analysis of public revenue allocation • Preparation of a model for change in legislative framework that regulates financing of LSGs 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Implementation of the new legal framework 	Relevant institutions according to the legal framework

Activities for the Second Strategic Objective	
Activity	Financing source
<ul style="list-style-type: none"> • Introduction of the institutional mechanism – function for cooperation with other LSG 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Establishing cooperation procedures 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Creation of data base regarding establishment of cooperation between LSGs with similar problems/ interests and development of the cooperation network 	UNDP MTS Project, OSCE Inter-municipal learning, relevant Ministries, SOGFBiH
<ul style="list-style-type: none"> • Introduction of the institutional mechanism – function within SOGFBiH for cooperation development of members/LSG 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Identification of needs for support • Capacity building for offering support according to identified needs • Establishing function within SOGFBiH 	SOGFBiH with support of international donors and organizations
<ul style="list-style-type: none"> • Preparation of database as a base for establishment of cooperation in coordination with relevant actors (DEI-ZTS for cross border 	DEI, relevant Ministries and organizations,

<p>programs, etc.)</p> <ul style="list-style-type: none"> • Establishing contacts and cooperation with BiH and neighboring countries relevant actors in preparation and implementation of EU funded projects 	<p>SOGFBiH with support of international donors and organizations</p>
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Activities for the Third Strategic Objective	
Activity	Financing source
<ul style="list-style-type: none"> • System of quality management within the Secretariat of the Association <ul style="list-style-type: none"> ○ Selection of consultants ○ Fulfilling requirements ○ Certification 	<p>SOGFBiH with support of international donors and organizations</p>
<ul style="list-style-type: none"> • Widening the specter of services within the Association • Capacity building • Establishment of mechanisms for joint usage of LSG resources 	<p>SOGFBiH with support of international donors and organizations</p>
<ul style="list-style-type: none"> • Development of data base (supply and demand) • Establishing mechanisms for securing information to LSGs regarding PRUŽAOCIMA of services and quality service assessment 	<p>SOGFBiH with support of international donors and organizations, UNDP MTS</p>

Activities for the Fourth Strategic Objective	
Activity	Financing source
<ul style="list-style-type: none"> • Adopted new financing model of the Association • New financial planning established according to the new financial model • New model and planning system implemented 	<p>SOGFBiH with support of international donors and organizations</p>
<ul style="list-style-type: none"> • Drafting of financial reports on regular basis • Informing members and bodies of the Association, and adoption of reports on regular basis 	<p>SOGFBiH with support of international donors and organizations</p>