

REVISED STANDARD JOINT PROGRAMME DOCUMENT

Cover Page

Country: Bosnia and Herzegovina

Programme Title: Economic Governance – Securing Access to Water through Institutional Development and Infrastructure

Joint Programme Outcome(s):

Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of Water access;

Outcome 2: improved economic governance in water utility companies for better services to citizens in targeted municipalities;

Outcome 3: Strengthened capacity of government for evidence-based policy making and resource planning for equitable water related service provision.

<p>Programme Duration: 3 years</p> <p>Anticipated start/end dates: May 2009 – May 2011</p> <p>Fund Management Option(s): Pass-through</p> <p>Managing or Administrative Agent: UNDP BiH (if/as applicable)</p>	<p>Total estimated budget*:</p> <p>Out of which:</p> <p>1. Funded Budget: USD 4,450,000</p> <p>2. Unfunded budget:</p> <p>* Total estimated budget includes both programme costs and indirect support costs</p>
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Names and signatures of (sub) national counterparts and participating UN organizations

UN organizations	National Coordinating Authorities
<p>Ms. Christine McNab, United Nations Resident Coordinator</p> <p style="text-align: center;"></p> <p>Office of the UN Resident Coordinator</p> <p>Date & Seal</p>	<p>Mr. Mladen Zirojevic Minister</p> <p style="text-align: center;"></p> <p>Ministry of Foreign Trade and Economic Relations, Council of Ministers BiH</p> <p>Date & Seal</p>
<p>Mr. Peter van Ruyseveldt Deputy Resident Representative</p> <p style="text-align: center;"></p> <p>United Nations Development Programme 22-10-2009</p> <p>Date & Seal</p>	
<p>Ms. Florence Bauer Representative</p> <p style="text-align: center;"></p> <p>United Nations Children's Fund</p> <p>Date & Seal</p>	

Acronyms

AA	- Administrative Agent
ALD	- Appointment of Limited Duration
BCC	- Behaviour Change Communication
BiH	- Bosnia and Herzegovina
CfS	- Child-friendly Schools
CO	- Country Office
CPAP	- Country Programme Action Plan
CSO	- Civil Society Organisations
CTA	- Chief Technical Advisor
DEX	- Direct Execution/implementation
EC	- European Commission
EFA	- Education for All
EU	- European Union
FBiH	- Federation of Bosnia and Herzegovina
IPA	- Instrument for Pre-accession Assistance
JI	- Joint Implementation
JICA	- Japan International Cooperation Agency
JP	- Joint Programme
JPD	- Joint Programming Document
MDG	- Millennium Development Goals
MDTF	- Multi-donor Trust Fund
MoCA	- Ministry of Civil Affairs
MoFTER	- Ministry of Foreign Trade and Economic Relations
MoU	- Memorandum of Understanding
MTDS	- Medium-Term Development Strategy
NEX	- National Execution/implementation
NGO	- Non Governmental Organisation
NHDR	- National Human Development Report
NSC	- National Steering Committee
ODA	- Official Development Assistance
PMC	- Programme Management Committee
PRSP	- Poverty Reduction Strategy Programme
RMAP	- Rights-based Municipal Assessment and Planning
RS	- Republic of Srpska
SBAA	- Standard Basic Assistance Agreement
UN	- United Nations

UNCT	- United Nations Country Team
UNDAF	- United Nations Development Assistance Framework
UNDP	- United Nations Development Programme
UNECE	- United Nations Economic Commission for Europe
UNESCO	- United Nations Education Science and Culture Organisation
UNICEF	- United Nations Children's Fund
UNRC	- United Nations Resident Coordinator
UNV	- United Nations Volunteers

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1. Executive Summary

Weak economic governance and poor infrastructure in Bosnia and Herzegovina's Water Sector are precluding duty-bearers and service providers from delivering water services to rights holders in a satisfactory manner. This constitutes a barrier to achieving several Millennium Development Goals¹ and represents an area in which the BiH Government is experiencing challenges in meeting its commitments under international conventions. This joint programme will make a direct contribution to the first two UNDAF Outcomes: (1) Strengthened accountability and responsiveness to pro-active citizens and (2) Improved access to and quality of basic education, health and social protection services.

Institutional deficiencies, complicated political dynamics, and a lack of citizens' engagement are the root causes of the sector's problems.

Water utility companies typically operate at the municipal level and do not have sufficient capacities for financial management, analysis, or strategic planning, and have persistent difficulties with increasing revenue generation. The result has been financial unsustainability of the water utilities, manifested in regular financial losses and little or no investment in annual maintenance capital expenditures, which places the sustainability of the entire water supply system in jeopardy.

Responsibility for this state of affairs lies not only with the water utilities; municipalities have a duty not only to provide acceptable water services to the citizenry through their water utility agents (the service providers), but also to support these utility companies both financially and through the policy framework. Unfortunately, the municipalities have neither the capacity nor sufficient information to deliver the requisite support. Furthermore, the municipalities themselves do not receive the necessary support from higher level government in the form of relevant, evidence-based policy support, because the higher levels also suffer from capacity deficiencies and a lack of informational inputs.

Clearly, institutional deficiencies, along with complex political dynamics between levels of government are allowing problems in the Water Sector to persist. While this programme will address these issues by supporting the water utilities, municipalities, and higher level government, another major and innovative component of the programme's design is a set of activities to ensure quality participation of citizens in the decision-making process for Water Sector issues affecting their communities. This modality will serve three main purposes: 1) to give citizens a forum through which they can directly influence decisions that affect their communities and their lives, 2) to provide valuable information to duty-bearers and service providers regarding the needs and priorities of the rights-holders, and thereby enable the increased efficiency and efficacy of Water Sector interventions, and 3) to provide a forum through which duty-bearers and service providers can deliver important information to citizens. An example of the importance of engaging citizens in the decision-making process is as follows: one of the key requirements for the achievement of the financial sustainability of the water utility companies is to implement economically-based tariffs, i.e. higher water prices. However, in recognition that such measures place a disproportionately greater burden on

¹ Specifically, MDGs 1,4,5,6 and 7

vulnerable groups, offsetting social mitigation measures (subsidies) will be required. The input received from the engagement of citizens' groups in the proposed participatory processes will improve municipalities' ability to target these vulnerable groups, and thereby improve the effectiveness of the social mitigation measures while reducing costs. Furthermore, including citizens' representatives in the process offers an opportunity to educate the citizenry about the importance of the proposed tariff restructuring, thereby increasing support for such measures at the grassroots level and improving the likelihood of acceptance.

Implementing partners for the joint programme include the BiH Ministry of Civil Affairs, the BiH Ministry of Foreign Trade and Economic Relations, the FBiH and RS Ministries of Agriculture, Forestry, and Water Management, the participating municipalities and their associated water utility companies, and civil society organisations. Donors that are active in the Water Sector in BiH that have been consulted include the Swiss Agency for Cooperation and Development, the European Commission, the European Bank for Reconstruction and Development, the Netherlands Development Organisation, KfW Bankengruppe, and the Spanish Government. In addition, The World Bank has made a strong preliminary expression of interest in exploring a possible collaboration between this MDG-F Economic Governance joint programme and their forthcoming BiH Municipal Development Project, and efforts to harmonise the two project cycles are being made (please see Annex F).

2. Situation Analysis

According to the 2006 UNDP Human Development Report, lack of access to safe drinking water and sanitation constitutes a barrier to achieving several Millennium Development Goals. Sustained economic growth, human development, and environmental integrity depend on the existence of a water system that delivers water services: (1) reliably over the long-term, (2) efficiently, (3) safely (i.e. with proper testing for contamination), and (4) to all citizens. BiH's water system satisfies none of these criteria. The water supply and sewerage system in Bosnia and Herzegovina is unsustainable over the long-term, it is characterized by gross inefficiencies, does not have the requisite controls in place to ensure that the water is uncontaminated, and does not reach the entire population.

The key factors that have caused this situation and have allowed it to persist can be divided into two closely related categories: weak economic governance and poor physical infrastructure. Analysis on a deeper level shows that the root causes of these closely connected issues are institutional deficiencies, complicated and inefficient vertical political dynamics, and a lack of engagement at the citizen/community level. Addressing these issues through a combination of capacity development, infrastructure investment, and the development of participatory mechanisms that are consistent with EU standards will make a contribution to BiH's EU accession aspirations, the reduction of social exclusion, and the achievement of the Millennium Development Goals. Specific welfare objectives will include a reduction of the child mortality rate, improved maternal health, a reduction in the prevalence of infectious diseases, and the securing of a healthy environment.

2.1 Economic Governance

The key economic governance challenge in Bosnia and Herzegovina's Water Sector is the lack of financial sustainability of the water utility companies. The most significant long-term economic sustainability problem for the water utilities is a lack of capacity to manage finances appropriately. Accounting and budgeting practices comply with neither national legislation requirements nor international professional standards. Financial analysis capabilities and the associated ability to undertake strategic financial planning are also inadequate. If these institutional weaknesses are not addressed, not only will the current problems with water delivery and quality control persist, but efforts to improve them will not be sustainable.

A manifestation of the set of economic challenges being faced by the water utilities is that they continue to post financial losses (approximately two-thirds of water utilities) due to inadequate revenue generation coupled with large depreciation costs. While the water utilities generally operate on a cash neutral basis, this is only possible through unsustainable measures such as foregone maintenance capital expenditures and deferred wage payments to employees, in part due to legislative issues that preclude them from borrowing to address immediate cash needs. Causes of the low level of revenue generation include enormous quantities of non-revenue water (i.e. treated water that cannot be traced and charged due to leakage, illegal household connections, defective meters etc.), an inability to satisfy total demand due to incomplete coverage, uneconomic tariff rates, limited enforcement options for dealing with free riders, and flawed billing systems. Furthermore, fee collection levels are low due to significant evasion. A small survey of water utility companies found that in their opinion, the main causes of non-payment are pervasive feelings that free access to water is a right, and therefore that it should be provided by the government, and secondly, low household incomes. The lack of revenues for the water utilities leads to insufficient annual maintenance capital expenditures, which leads to deterioration of the capital

infrastructure, further non-revenue water loss, and revenue declines from reduced water delivery volumes.

<u>Data Box 1 - Sample collection rates, meter coverage, and tariff structures</u>				
	Sarajevo	Zenica	Bratunac	Srebrenica
Collection Rate	86%	90%	60 %	60 %
Tariff Structure by consumer category (per m ³)	Households: 1 KM Businesses: 2.6 KM Public consumers: 1 KM	Households: 0.4 KM Businesses: 1 KM Public consumers: 0.8 KM Religious institutions: 0.4 KM	Households: 1 KM Businesses: 3.3 KM Public consumers: 2.6 KM	Households: 0.65 KM Businesses: 2.5 KM Public consumers: 1.2 KM
Water meter coverage	90% of consumers have functioning water meters	100% of consumers have functioning water meters	50% in the town, apartment buildings have no water meters	70% households, apartment buildings have no water meters

The Political Context

BiH's Constitution defines the responsibilities and relations between the country's two constituent entities: the Federation of BiH and the Republika Srpska, as well as Brčko District. While the Water Sector is not explicitly mentioned in the Constitution, Article III.3c notes that, "functions and powers not expressly assigned to the institutions of BiH shall be those of the entities", thus, the entities and Brčko District are responsible for water sector management within their administrative borders.

However, there are certain state-level institutions that are engaged in water issues. The Ministry of Foreign Trade and Economic Relations is, among other things, responsible for defining basic principles, developing policy, coordinating activities, and harmonizing plans of the entity authorities and institutions in the agriculture, energy, environmental protection and natural resource, and tourism sectors. The Ministry of Foreign Affairs signs international multilateral and bilateral agreements and contracts, and carries out procedures for their ratifications.

Data Box 2 – Relevant legislation in the BiH Water Sector

Jurisdiction	Law	Notes
Federation of BiH	Water Law	Adopted 2006
Republika Srpska	Water Law	Adopted 2006
Federation of BiH	Law on Public Enterprises	This law places water supply and sewerage under the same legislative framework as most other public services (e.g. electricity, telecommunication, etc.). In the FBiH, this law regulates the management and operations of public enterprises. Public enterprises are defined as those with “at least 50 workers” and carry on activities of public interest, and in which the FBiH, a municipality, a city, or a canton owns at least a simple majority of shares.
Republika Srpska	Law on Public Enterprises	This law places water supply and sewerage under the same legislative framework as most other public services (e.g. electricity, telecommunication, etc.). In the Republika Srpska, this law regulates the management and operations of public enterprises. Public enterprises are defined as those that are majority owned by either the RS or a local self governance unit (city/municipality), have at least 50 employees, and are responsible for carrying on activities that are in the public interest.

At the entity level, the FBiH Ministry of Agriculture, Water-Management and Forestry executes the administrative and professional tasks set out by the Federation’s laws in the field of agriculture, water management, forestry and veterinary issues. The Federal Ministry of Health is responsible for ensuring the quality of drinking water. The Federation also has water agencies for the Sava River Basin and the Adriatic Sea Basin, with jurisdiction over preparation of strategic planning and decisions for their respective districts.

The Federation’s 10 cantons self-govern through their own legislatures, executive bodies, and judiciaries. The main functions and tasks related to water and assigned to the cantons include licensing and allocation of water resources under their competence (drainage, irrigation, water supply, waterways for navigation, hydropower, and water protection). Within the cantons, municipal authorities are responsible for the establishment and managing of water utility companies, with two exceptions. The Sarajevo Water Utility is under the jurisdiction of Sarajevo Canton and the Mostar Water Utility is under the administration of Mostar City.

In the Republika Srpska, the Ministry of Agriculture, Water Management and Forestry is in charge of water issues, and conducts administrative and other professional work according to the RS Water Law (2006) with the assistance of its Directorate for Water. While the RS has also established water agencies for the Sava River Basin district and Adriatic Sea Basin district, they are not yet operational. The municipal authorities in the

RS are responsible for establishing and managing water utilities, with the exception of the Banja Luka Water Utility, which is under the control of the administration of Banja Luka.

While the utility companies are responsible for delivering water services, they act at the behest of their associated municipalities, who, along with government at higher-levels, are the duty-bearers. In the FBiH, the owners of the physical assets are the cantons and/or the Entity; in the RS, the ownership structure is varied, with various stakes of the utilities held by the municipalities, the Entity, and other investors such as private stakeholders and pension funds. Although the water utility companies are subsidized by the municipalities, these subsidies are insufficient to cover losses and minimum maintenance capital expenditure requirements. The relationships between these two stakeholders are often strained, with the municipalities unsatisfied with the level of service delivery from the utilities, while the utilities feel that they do not receive the requisite support (financial and otherwise) from the municipalities. For example, in most cases, tariff-setting is the jurisdiction of the municipality, thus there is a vested political interest in keeping rates low, which precludes the water utilities from charging an economically viable rate. In fact, there are financial management and administrative capacity deficiencies at both levels. Municipalities often lack the capacity to: (i) properly review water pricing proposals submitted by the utility companies; (ii) adequately target subsidies for water supply services, especially for vulnerable groups; and (iii) apply for financial support from higher level governments and donors for the reconstruction of the infrastructure.

The municipalities are also not receiving the support they require from higher-level governments, including cantons, entities, and the state. It is at these levels that clearly articulated and relevant policies must be formulated. However, it is difficult for the higher-level officials to generate evidence-based policy due to their own capacity deficiencies and a lack of information/data being fed to them from the municipalities.

The Institutional Context

There are more than 130 water utilities in Bosnia and Herzegovina. In medium and larger-sized municipalities, their responsibilities are often limited to water supply and sewerage service provision. In smaller municipalities, these companies are often responsible for a wide range of municipal services, including: solid waste management, water and sewerage, and other public services not necessarily related to the Water Sector.

Despite a few cases where BiH water utilities have undergone partial privatisation, most are organized as public companies owned by municipalities, Cantons (e.g. Sarajevo Water Utility – Federation of BiH) or Cities (e.g. Mostar and Banja Luka). The water utilities manage the physical assets on an agency basis on behalf of the owners and report to a management board appointed by the owners.

<u>Data Box 3 – General water utility information</u>				
	Sarajevo	Zenica	Bratunac	Srebrenica
Ownership structure	Canton	Municipality	RS Entity (65%); private stakeholders (20%); RS Pension Fund (10%); Restitution Fund (5%)	Municipality
Number of employees	1,050	160	21	28
Water sources	One main water source – Bačevo Wells / Bosnia River intake (95%); smaller sources	Two main water sources - Kruščica source (72.9 %) and Babina River intake (22.9%) (Water source protection zones and measures established)	One main water source – three wells near Drina River	Main water supply system of Srebrenica town: one main water source – river intake, raw water treatment plant often clogged Suburb water supply system - town of Skelani
Funds for operations and maintenance	Insufficient	Sufficient	Insufficient, only urgent interventions performed	Insufficient, only urgent interventions performed

In general, medium and larger-sized water utilities such as Sarajevo and Zenica have adequate levels of skilled employees and at least basic training and operational equipment, but smaller-sized water utilities are often faced with the following problems:

- Weak organizational structure
- Lack of professionals (employees) - technical and financial
- Low capacities of staff in usage of computers
- Lack of basic equipment (computers) for network mapping, accounting e.t.c.
- Lack of basic equipment for water systems (water meters at sources, water meters at end users, section valves, pumping stations, leak detection equipment)

The Socio-political Context

During the post-conflict recovery phase that began in 1996, significant funds were allocated from the donor community for major infrastructure reconstruction projects. However, it is only recently that development organizations have begun complementing these infrastructure projects with activities to ensure the financial and operational sustainability of the country's water systems. While this is certainly a positive development, an important element of sustainable economic governance of the water sector that is not yet being adequately addressed is the systematic inclusion of citizens in the decision-making process.

There are a few key dynamics to this development challenge. First, in the context of the dual transitions from a mixed planned/market economy to a fully market-based system and from single-party political rule to a multi-party democracy, citizens have not yet fully changed their attitudes and have not yet fully embraced their new responsibilities. Although efforts have been made towards improving participatory governance, and most municipalities have established participatory mechanisms, citizens have generally shown very little interest in participating in decision making processes. The situation is more

challenging and complex for members of poor and marginalized populations, within which participation rates in such processes are particularly low because of educational barriers, greater physical distances from the municipal centres, lack of information, and an overall perception that they are neglected and have no influence on decision making processes. Furthermore, citizens' participation in municipal economic governance decisions in general, and those related to the Water Sector in particular, has not yet been adequately systematized.

The Environmental Context

As a result of the BiH Water Sector challenges listed above, water testing is not always up to proper safety standards. This poses a threat to human security. A typical municipality in BiH is an administrative unit that includes cities, suburbs, and several surrounding settlements and villages. The usual service areas of their associated water utilities include the central part of the municipality and parts of one or more of the surrounding populated areas, which may be several kilometers away from the municipal center. In some cases settlements and villages are served by a single, separate water supply system, also managed by the central water utility. If not managed by the water utility, these areas often have their own local wells and water supply networks. The unregulated nature of these systems often leads to operational challenges and a lack of water quality control.² An additional aspect of water quality control deals with protecting water sources. While most water utilities have established water source protection zones, only a few have plans and comprehensive protection measures in these zones.

2.2. Physical Infrastructure

Aside from the infrastructure reconstructed after the recent war, most of the water supply networks in BiH were built during the Yugoslav period and date back more than 40 years. The deterioration of these aging systems and an inadequate supply of spare parts represent a major burden on operators trying to deliver continuously reliable services with proper quality control.

As noted above, the weak financial situation of most water utilities, especially those in smaller municipalities, prevents them from paying for maintenance capital expenditures, the minimum required to prevent long-term infrastructure deterioration. Furthermore, regular expenditures on measures to maintain system efficiency such as leakage repairs and meter installations/replacements/repairs are also not being made. Currently, capital expenditures are often undertaken solely on an *ad hoc* basis, in response to infrastructure crises.

² Community groups ("MZ's") often take responsibility for quality control activities, but they are often understaffed and under-skilled.

Data Box 4 – Water supply network characteristics

	Sarajevo	Zenica	Bratunac	Srebrenica
Condition of piping infrastructure	Significant deterioration due to age of network – repair and replacement required	Significant deterioration due to age of network – repair and replacement required	Significant deterioration due to age of network – repair, replacement, and network expansion required;	Significant deterioration due to age of network – repair and replacement required
Network water losses	45%	37%	~55-60%	~55-60%
Total unaccounted for water*	68%	47%	60%	70%
Water meters at source	Functioning	Functioning	Two functioning, one not functioning Water meter at town reservoir outlet is not functioning	Not functioning Water meter at town reservoir outlet is not functioning
Water supply network mapped	Yes – Geographic information system (GIS) mapping	Yes – mostly on paper; GIS being introduced	Insufficient: mapping undertaken only when urgent interventions required	Insufficient: mapping undertaken only when urgent interventions required

* Network water losses plus administrative losses such as: underestimation of consumption charging volumes; lack of metering; inaccurate metering; non-billing of other public enterprises; and illegal connections.

The identification of infrastructure priorities and developing plans for reconstruction, repair, and expansion of networks are significant issues for water utility companies. Additionally, water utilities do not currently have the capacity to properly monitor water supply system networks, and thus proactively deal with possible infrastructure breakdowns.

Data Box 5 – Capital expenditures and plans

	Sarajevo	Zenica	Bratunac	Srebrenica
Annual non-emergency maintenance capital expenditures	Dependent upon transfers from Sarajevo Canton budget	Dependent upon transfers from Zenica Municipality	Zero Estimated requirement per year to avoid network deterioration: (200,000 KM)	Zero Estimated requirement per year to avoid network deterioration: (100,000 KM)
Recent capital expenditures actually made and source of funding	Various infrastructure expenditures made with funds provided from Sarajevo Canton budget	Expenditures on materials and works made with 1,700,000 KM provided by Zenica Municipality	Three well pumps purchased with UNDP grant; 1,850 water meters purchased with loan financing from Government of Belgium (1,000 not yet installed)	Water meters and a vehicle purchased with grant from The Netherlands
Investments plans	Long-term Water Supply Plan of Sarajevo	Preparatory activities completed for construction of regional water supply system for Zenica, Vitez, Travnik (water source Plava Voda-Travnik); Loan from EBRD and CoE DB.	Master plan of water supply Milici.	Plans for water intake reconstruction works and water source protection zones.

2.3. Social Inclusion

According to the latest available data³ from 2004, 17.8% of population lives below the general poverty line (21% in Republika Srpska and 15% in Federation of BiH) representing 680,000 people. This metric set the poverty line at 185KM per person per month. A second perspective on poverty in BiH can be found in the UNDP's NHDR 2007, in which certain Laeken Indicators tailored to the unique BiH case were calculated. Indicator #11, "Dispersion around at-risk-of-poverty threshold", which was generated using data from the BiH Household Budget Survey (2004), shows that 23.7% of the population is at or below the poverty line (defined as earning 60% of the national medial income of 237KM/month, i.e. 142KM/month). Additionally, this indicator illustrates that a further 6.2% of the population are at-risk-of-poverty, with income just above the poverty line (65-74% of national medial income). Finally, the most recent Human Poverty Index (HPI) calculation for BiH shows that 13.88% of the BiH population was poor in 2004, relatively unchanged from the previous year. Poverty is most pronounced among families with children; 66% of families with three or more children are poor, and 32% of families with two children.⁴ It has been estimated that an additional 30% of population is at risk of falling below the general poverty line.⁵ Furthermore, according to the preliminary data acquired through the Household Budget Survey 2007, there has not been a reduction of poverty in BiH. Gender dynamics of poverty and social exclusion in

³ BHAS, FZS, RZSRS "Living in BiH, Panel study final report: Wave 4," Banja Luka, Sarajevo, 2005

⁴ EPPU-PIMO "Preliminary report on the state of poverty in BiH for the period 2001-2004," Sarajevo, 2005

⁵ BHAS, FZS, RZSRS, Ibid.

BiH are especially pronounced. Research on the potential coping strategies of households in the context of increased prices for utilities (which, as noted above, are a prerequisite for the achievement of financial sustainability of the water utilities) has indicated that women and girls suffer more due to increased burdens of household chores and duties. At the same time, boys are more likely to receive preferential treatment by maintaining their educational and leisure activities at the expense of girls as living costs rise. (CRIA, UNICEF) It can be expected that such results are amplified as household poverty increases. Finally, differences in the employment levels and incomes among women and men show that women represent a vulnerable group in a general sense.

<u>Data Box 6 – Service delivery results</u>				
	Sarajevo	Zenica	Bratunac	Srebrenica
Estimated percentage of households connected to central water supply network	~85%	~85%	~40 – 60%	~40 – 60%
Water supply reductions	No	No	No	Yes, summer 2008
Connections (legal)	Total: 75,380 Houses: 78%; Apartment buildings: 8%; Public/industrial consumers: 14%	Total: 26,880 Houses and apartments: 93%; Public/industrial consumers: 7%	Total: 2,850 Houses and apartments: 88%; Public/industrial consumers: 12%	Total: 1,725 Houses and apartments: 93%; Public/industrial consumers: 7%
Connections (illegal)	Semi - Illegal connections: approx: 2000 (located in several settlements, isolated zones, Water Utility provides them with water and charge them)	Smaller number of illegal connectons	Illegal connections - not estimated number	Illegal connections: 30-40%
Water quality control	Daily in Sarajevo Water Utility laboratory; monthly by Cantonal Institute for Health	Daily in Zenica Water Utility laboratory; monthly by Cantonal Institute for Health	Monthly by Regional Institute Zvornik	Monthly by Regional Institute Zvornik

Social inclusion as a concept recognizes the multidimensional nature of poverty. A two-sided, cause and effect relationship exists between exclusion and poverty. Within the human rights based approach, social exclusion represents a form of denial of human rights. In the context of this joint programme, the rights-holders are citizens, who all have a right to access quality-checked water on a continuous basis. However, in BiH, some citizens are being denied this right. In 2003, only 58% of the population had access to the water supply and only 36% had sewage services.⁶ Furthermore, they do not have a voice in the decision-making processes that could improve their lot.

2.4. EU Accession

⁶ See UNDP "Millennium Development Goals, 2015," NHDR 2003

BiH has signed the Stabilisation and Association Agreement with the European Union and has entered the first phase of accession-related activities. Harmonising social development with EU standards (legislation, policies and practices) has thus become a main priority of BiH policies. The Country Development Strategy and Social Inclusion Strategy (2008 – 2013), which are currently being prepared, have great significance and relevance. In the existing strategic documents of BiH, FBiH, RS, BD and a segment of municipalities (over 81 have been analysed), priorities relevant for this project and complementary with EU practice have already been defined and are related to inclusion and protection of families with children. In short, they are: developing mechanisms for better targeting of families with children in need of social protection; improving the inclusion of children; securing social protection and the inclusion of families that belong to vulnerable groups (ethnic minorities, persons with disabilities, etc.); reducing the poverty of families with children. Existing strategic documents and especially the Social Inclusion Strategy 2008-2013 represent a framework, which will be, in our estimation, a good basis for planned activities in the joint programme.

2.5. Conclusions

In order to address the many development challenges in the BiH Water Sector, a comprehensive set of interventions is required. The capacities of water utilities for financial management, including accounting and budgeting, analysis, and strategic planning must be strengthened. Water utilities must be empowered to increase revenues, both through increased billing volumes and prices. To this end, a tripartite effort including the utilities, municipalities, and citizens' groups must be facilitated. The municipalities have the right to adjust (raise) tariffs while input from the citizens' groups is required to inform targeting of vulnerable groups for social mitigation measures to offset the anticipated higher water prices. Capacity development initiatives must be provided to the municipalities to enable them to offer the water utilities the requisite support. Furthermore, assistance must be provided to higher-level government to improve its capacity for evidence-based policy and enable it to fulfill its support obligations to the municipalities and water utilities. Citizens' participation in the economic governance of their own water service delivery needs to be institutionalized through a systematic, sustainable mechanism. The voice of the people must be heard on a regular basis as an input into decision-making processes for important issues such as, *inter alia*, infrastructure investment priorities.

The set of interventions proposed in this joint programme document will address the lack of strategic financial plans in participating water utilities / municipalities and will enable them to apply for funds to finance them. It will also address the dearth of analysis of fee collection structures, technical/infrastructure needs, and financial performance. It calls for the building of sustainable mechanisms to ensure citizens' participation in decision-making processes and will improve higher-level government's ability to support municipal authorities through an improved policy framework.

3. Strategies, including lessons learned and the proposed joint programme

Background/context

BiH's Medium-term Development Strategy (MTDS; revised May, 2006) calls for the "establishment of a sustainable system of financing in the sector of water", the "provision of sufficient amounts of potable water for water supply", and "improved protection of water quality", all of which will be addressed by the joint programme. Furthermore, one of the main aims of the MTDS is to "create conditions for sustainable and balanced economic development". Since the Infrastructure Sector forms the backbone of any economy, the programme's activities aimed at achieving a sustainable and properly functioning Water Sector will make a contribution to this goal. The MTDS also explicitly calls for improved social protection for vulnerable groups and increased operational efficiency of the system. The programme will address both of these national priorities by improving the capacities of Government authorities to target vulnerable groups, strengthening the voice of civil society in decision-making.

Clearly, the joint programme is aligned with BiH's national strategic priorities. It has also been designed for consistency with the overarching strategic development partnership between the UN BiH and the BiH Government, as articulated in the United Nations Development Assistance Framework (UNDAF). The joint programme will make a direct contribution to the first two UNDAF Outcomes: (1) Strengthened accountability and responsiveness to pro-active citizens and (2) Improved access to and quality of basic education, health and social protection services. The former will be addressed through the development of sustainable municipal-level participatory mechanisms to ensure citizens' input into the decision-making process in the Water Sector while the latter will be addressed by capacity development initiatives for Municipal Management Boards to improve their ability to target vulnerable groups and thus devise and implement action plans for social welfare mitigation measures to offset expected water price increases.

The activities in the joint programme will also address some of the most recent concluding observations and recommendations of UN Treaty Body Committees.

When considering Bosnia and Herzegovina's progress toward fulfilling its obligations under the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Committee on the Elimination of Discrimination against Women concluded in June 2006 that "there are concerns about the persistence of deep-rooted, traditional patriarchal stereotypes...which are...reflected in [women's] low level of participation in political and public life". The joint programme will tackle this issue by specifically targeting women for participation in the Participatory Action Groups (PAGs), who will, among other activities, influence social protection measures taken to offset the impact of anticipated rises in water tariffs on vulnerable groups, and infrastructure investment decisions in the Water Sector for their communities.

When considering Bosnia and Herzegovina's progress toward fulfilling its obligations under the UN International Covenant on Economic, Social, and Cultural Rights (ICESCR), the Committee on Economic, Social, and Cultural Rights concluded in November, 2005 that there are concerns about, "the lack of access to adequate drinking water in some parts of the Republika Srpska, the poor quality of water affecting many households, and the insufficient monitoring of water quality". The Committee also noted BiH's "obligation to ensure access to safe drinking water within, or in the immediate vicinity, of each household....and to identify disaggregated indicators...in relation to the right to water".

The UN Committee on the Rights of the Child in its 2005 report on BiH implementation of the Convention of the Rights of the Child (CRC) noted that one of the worrying facts is that the level of understanding of children's rights and the importance being placed on the recommendations of the Committee is extremely low, leading to implementation concerns. The Committee took into consideration the overall situation in the country but expressed its concerns over a number of issues related to children. These included generally low allocations of funds for children from the country's budget, thus immediately and negatively affecting several of their rights including development, equal access to health services and education. Concerns were further expressed over the differences in legal frameworks of the entities that have led to unequal implementation of children's rights throughout the country.

The key government ministries at state and entity levels have been consulted and are, to varying degrees, participants in the joint programme. Discussions regarding possible collaborations have been held with various members of the donor community, including the Swiss Agency for Development and Cooperation, the European Bank for Reconstruction and Development, the World Bank, the European Commission, KfW Bankengruppe, and the Spanish Government. Although some clear expressions of support and interest have been received, most notably from the World Bank (see Annex F), at this stage no firm commitments for partnering have been made. The World Bank is currently designing its BiH Municipal Development Project, which would make major loan financing available for infrastructure projects throughout the country. The Water Sector has been identified as a priority area, and the World Bank has stated that the measures proposed in this MDG-F joint programme could nicely complement their loans by improving the quality of water management in general (including through the engagement of citizens in decision-making processes) and by ensuring the financial sustainability of the water utility companies in particular. As a demonstration of the Bank's interest in a possible collaboration, they have invited a member of the UNCT to participate in their project design phase in order to maximize the opportunities for achieving complementarities between the projects, and to increase the possibility of coordinating the project cycles.

Lessons Learned

Prior to the 1992-1995 war, water and wastewater services were provided in accordance with the laws and practices of ex-Yugoslavia, in a highly centralized manner. The war caused significant destruction and deterioration of sector infrastructural facilities, and major long-term disruption in operational and maintenance capacity of sector systems, from both neglect and from a skills and capacity shortage due to extensive dislocation of population, including sector-operating employees.

During the early stages of reconstruction of the newly independent country, the international donors gave rehabilitation of the water and wastewater sector a high priority. The international donor community prepared and supported an Emergency Water Construction Program, and the implementation of projects began in 1996. Donors formed an International Management Group (IMG) to coordinate the provision of assistance. The IMG then established a Water Supply, Wastewater, Solid Waste and Flood Protection Task Force, to which it assigned responsibility for coordination among donors providing assistance to the sector.

An early lesson that from this initial assistance was that fundamental reform of the water sector was required: both at the national and local levels; but that this would take considerable time to achieve. The European Commission funded programs for water sector reform at the national level in both entities of BiH, and other international organizations (notably EBRD and the World Bank) were also very active in the strengthening of water utilities efficiencies. USAID funded programs for strengthening the water and wastewater utilities at the local, municipal level, and also supported a

series capacity building programs for municipal and water utilities officials from the entire BiH, to introduce them to key management and operational roles for water utilities. These programs succeeded in significantly improving efficiency and managerial capabilities of some of the water utilities involved in their programs (but not all), indicating that with appropriate support, progress with reform and professionalism was possible. This provided an additional lesson: capacity building can be effective, but only where water utility staffs are able to receive, apply and transfer new skills. The water utilities that were strengthened were able to motivate and organize staff for capacity building, and generate an interest of both municipal and water utility staff to undertake reforms.

National reforms that are aimed at alignment with European principals of water management are on-going, and have succeeded in introducing water resource management at the river basin level. However, national reforms have not addressed legal and institutional aspects of water utilities, which are problematic at the local level. The main pieces of legislation relevant to water utilities are the Laws on Public Enterprises / Utility Services. These laws do not distinguish between utilities, and do not consider the specific case of water provision, nor adequately define the role, position, structure and degree of autonomy of water utilities in relation to municipalities. This has led to a "complex" relationship between water utility companies and municipalities, constraining the efficient work of water utilities. Water utilities are often in a situation of managing and operating water supply and sewerage systems without the full support of the municipality. Additionally municipalities usually decide on water tariff rates, and perform other key management decisions. This may lead to a situation where water utilities find themselves continuously in a loss making financial position, and also where staffs are seriously de-motivated. An important lesson is apparent here: municipalities must be fully involved, engaged and supported, and through them utility companies must become more responsive.

Increased accountability to citizens that encourages their participation and systematically uses their input, improved economic governance (including appropriate pricing and capacity building for financial management), and effective policy-making are all required to address and change this situation.

The proposed joint programme:

A joint programme between UNDP and UNICEF was chosen as the best format to address the major challenges in the BiH Water Sector to maximise the impact of the intended set of activities. UNDP's and UNICEF's respective comparative advantages complement each other well. UNDP has a demonstrated ability to successfully undertake capacity development activities at the local level, a proven track record of delivering results through major projects focusing on local economic development initiatives, substantial administrative and operational support capacity, and a solid network of local level partners that have been developed through its various local level project/programme activities. In pursuit of its mandate to ensure children's rights are realised, UNICEF has developed experience in and has demonstrated success with setting up sustainable participatory citizens' groups at the local level. UNICEF also has a proven track record of supporting evidence-based policy making processes through capacity building, especially with respect to improving the data collection and analysis abilities of higher-level government officials.

UNICEF and UNDP will work in close cooperation with Government counterparts to determine the selection criteria of the 10 municipalities for this programme. Synergies will be sought with ongoing or planned projects under the UNDP local governance

portfolio and the benefits of working with previous and current UNDP and UNICEF partner municipalities will be considered. While the criteria will be fully articulated during the inception phase of the programme (1 - 3 months), the minimum requirements are expected to be: previous involvement in other UNDP and/or UNICEF projects; demonstrated receptiveness to changes during previous projects; functioning participatory decision making mechanisms; and a clearly defined need for support.

The strategies that will be used to achieve the joint programme's three outcomes have been designed to make an impact long after the three-year programme is concluded. Please refer to Annex E – Outcome Linkages for an illustrated perspective on how the joint programme's three outcomes are inter-related.

Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access

Outcome 1 has a human-rights based approach focusing on the access of the excluded and vulnerable to improved social and utility services. Participation and influence in decision-making processes within local governance systems by the population in general, and vulnerable and excluded groups in particular, will be improved. The application of participatory methods that have proven to be successful in other contexts will now be applied to a new context (the Water Sector), an innovative aspect of the programme. A three-tiered approach is envisioned to this end.

1. Citizens' capacities and skills to influence decision-making processes as they relate to water supply regulation and corresponding mitigation measures will be strengthened. The existing participatory mechanisms will be mapped and assessed for their efficiency and capacity gaps. Vulnerable communities and groups will be organized into permanent participatory action groups to undertake water supply and social protection needs mapping and to deliver input into the process of formulating community action plans to address quality and access to water supply, social protection, and the monitoring of implementation. Networking of the community participatory action groups in different municipalities will be ensured via exchange of information and feedback presentations on community action plans and impact assessment research.

2. To address weaknesses within the existing participatory mechanisms, the skills and capacities of the municipal administrations to support participation of citizens, particularly the vulnerable and excluded, will be increased through training on a human-rights based approach to policy and programme development. In order to influence attitudinal change and build the trust and efficient interaction of municipal governance and vulnerable populations, support will be provided to the organisation of forums and interactive events, during which municipalities, water utilities, and community action groups will be able to exchange views and provide feedback on policies, measures and action plans developed by respective groups. This is ultimately to result in changing attitudes of municipal governance and citizens in relation to development and implementation of municipal programmes in the public interest, and in creation of standards and the formalisation of communication channels among municipalities, water utilities and citizens, including CSO representatives.

3. Additional opportunities to ensure participation of larger numbers of vulnerable and excluded groups in planning of water regulation and social protection will be ensured through action-research methodology applied within the Child Rights/Social Impact Assessment qualitative and quantitative methodologies that will solicit continued flow of information on coping mechanisms, impact of policy decisions and potential solutions, with special focus on inclusion of children and the social protection institutions servicing vulnerable populations. The results of Outcome 1 are closely interlinked with the achievement of results within Outcomes 2 and 3, as indicated in the project logframe.

Outcome 2: Improved economic governance in water utility companies for better services to citizens in targeted municipalities

This outcome intends to improve the financial management capacities of water utilities to achieve financial sustainability, identify infrastructure investment priorities through participatory processes, develop and implement infrastructure investment plans, and improve capacities at the local level for stronger service delivery quality control.

Through this programme, assistance will be provided to water utilities for improving financial management practices. This will include support for improving their accounting, budgeting, financial analysis, and strategic planning capacities. A comparative financial analysis of the 10 participating water utilities will be undertaken to clearly identify their major financial problems, and to serve as a demonstration piece for evidence-based policy-making. Fee collection capacities will also be improved. This will include the development of a modern billing system based on consumption and an improved control system to identify and measure leakages in the network. To the extent possible, capacity development for the water utilities will be aligned with UNDP Integrated Local Development Project's (ILDP) Municipal Asset Management Methodology.

Attention will also be placed on changing the attitude of citizens with regard to payment of water bills, in recognition of the fact that one of the reasons for non-payment is a dated view that the government should be paying for all water services. Public campaigns will be organised to inform citizens about the challenges faced by their water utility companies, the need to introduce new water pricing, the importance of fee collection and the potential measures that the municipal and entity authorities can introduce to support low income and vulnerable families. These public campaigns will run in parallel with the activities under Outcome 1 on the inclusion of marginalised groups in participatory processes and mechanisms to ensure citizens' input is included in the decision-making process by water utilities and municipalities will be developed. Post-war donor activities in the Water Sector initially focused mainly on desperately needed infrastructure reconstruction. More recently, the importance of capacity development for better economic governance and sustainability has been highlighted. However, engaging citizens in decision-making processes in the Water Sector is a modality that has only been prioritised to a relatively small extent. Focusing on this dynamic is another way in which this joint programme intends to address Water Sector challenges in an innovative manner.

To encourage participation in the capacity building activities noted above, the programme will set up a fund to finance capital expenditures in network reconstruction for participating municipalities/utility companies. (Please see Annex C – Output 2.2. for

details.) Training sessions will be held to educate water utility and municipality representatives on the application procedures for this and other funds.

Many households that are not connected to the main water supply systems are supplied through small village water supply systems or individual wells/springs that do not use proper quality control mechanisms. In the interest of reducing this contamination/health risk, Output 2.3 of the programme will address this issue by educating residents of isolated communities about the importance of water quality testing and by expanding water testing service provision to cover such areas. To this end, local community councils,⁷ which take on such responsibilities in some communities, will be identified and supported with capacity development initiatives. To replicate the reforms in other municipalities, the programme will engage the existing Bosnian Association of Water Utilities and the existing Associations of Municipalities. Furthermore, the lessons learnt from the capacity development initiatives in this joint programme will be used as an input into UNDP's Municipal Training System project.

Some municipalities have developed Local Environmental Action Plans (LEAPs).⁸ To the extent possible, the activities in Outcome 2 will be designed to work within the LEAP framework. However, "the quality of the LEAPs varies significantly, and in most cases the direct link to municipal budgetary and investment planning is missing",⁹ therefore, the activities in Outcome 2 will make a contribution to strengthening the LEAPs, and be implemented to complement the efforts and activities in the MDG-F Environment joint programme.

Outcome 3: Strengthened capacity of governments for evidence-based policy making and resource planning for equitable water related service provision

This outcome will contribute to the increased capacities of policy and decision-makers at the municipal, cantonal, entity and state levels to develop evidence-based policies and resource plans for the development and regulation of the water supply. This capacity building will enable the relevant government officials at different levels to select appropriate social protection and mitigation measures to respond to rights and needs of vulnerable populations, particularly in the context of anticipated increases in water tariffs. Outcome 3 results will be achieved through a three-pronged approach.

1. The capacities of municipal authorities to apply human rights and evidence-based approaches to social protection and water supply regulation will be increased and will benefit from the participation mechanisms established at municipal level. The municipalities will be enabled to undertake research and needs assessments in order to take a systematic approach to long-term planning, budgeting and monitoring of water regulation and social protection measures. This will also improve their ability to solicit support and funding from the accountable policy and budget institutions at higher levels.

2. The members of the municipal mechanisms to be created will be able to share lessons learned and know-how with peer municipalities, utility associations, social protection authorities, and advisory bodies in order to ensure a more unified system of water utility

⁷ "MZ's" in the local language.

⁸ The existence of a LEAP will not be a criterion for municipal selection.

⁹ MDG-F Environment BiH Programme Document

management and social protection targeting. Thus, they will strengthen their partnerships with upper-level authorities.

3. Capacities of the entity and state-level policy makers to develop evidence-based policies will be increased by availability of analysis, qualitative and quantitative data on water utilities and social protection obtained through municipal mapping and the Child Rights/Social Impact Assessments and creation of a national database that will begin the process of mapping available data on social and economic development indicators. Outcome 3 will directly contribute to the evaluation of the current BiH MTDS measures and will provide evidence in support of development and monitoring of the National Development and Social Inclusion Strategies.

Cross cutting issues – Gender

As noted in the Situation Analysis, the gender dynamics of poverty and social exclusion are significant in BiH and must be addressed. In fact, Millennium Development Goal #3, which focuses on gender equality, has been earmarked as one of the three key MDG challenges for BiH (along with MDG #1 and #8). One of the repercussions of the disadvantaged position of women, and indeed a root cause of the persistence of inequity at the same time, is a lack of engagement by women in political processes. To address this key development challenge, women's representation in each community's participatory mechanisms will be mandatory. Furthermore, the research on the impact of the regulation of water utilities on households will focus, among other variables, on the gender dimension of the economic burden on households, including the variations in coping strategies and their impact on both men and women so as to ensure that sufficient evidence is gathered to adequately plan programmes at the community and policy levels.

This aspect of the joint programme's design will achieve three objectives: 1) making a contribution to the empowerment of women, and therefore making progress toward the achievement of MDG #3, 2) developing women's understanding of how, and capacity to, impact political processes in general, and thus improve their lot and that of their families regarding other multi-dimensional poverty issues beyond the Water Sector, and 3) increasing the ability of water utility companies and their associated municipalities to provide improved water services to the rights-holders and, for the latter, to design social protection and mitigation measures that can ensure the equal status of women and girls in households. Women are generally the largest consumers of water in the average Bosnian and Herzegovinian household, and are the ones most keenly aware of the importance of securing reliable access to quality-controlled water. Therefore, the second objective mentioned above will be achieved as the service providers' and duty-bearers' ability to make more informed decisions will be improved given the higher quality informational inputs.

Cross cutting issues – Youth

Another vulnerable group in BiH that has been identified as suffering from social exclusion is young people. This joint programme will address the plight of young Bosnian and Herzegovinians in both direct and indirect ways. Community youth group representatives will be included on the municipal management boards, thereby directly engaging them and giving them a voice in Water Sector decision-making processes. The situation of young people will be indirectly addressed through the social protection component of the programme. As noted in the situation analysis, households with greater numbers of children are at greater risk of poverty, and will thus be specifically targeted for social mitigation measures to offset anticipated rises in water tariffs.

Sustainability of results

Sustainability will be ensured by having municipal action plans in place, restored infrastructure, adequate water pricing and social protection policies developed as products of the programme's implementation. Additionally, the focus on capacity building will leave a legacy of more able practitioners to continue to better serve citizens in the future. The municipal action plans will be multi-year plans for the improvement of access to quality water supply. The plans will be presented for approval to the municipal assemblies. The reconstruction investments in the water network will enable the utility company to decrease its losses while adequate pricing will decrease the burden of social policies from them. These measures will allow the utility companies to be financially sustainable. With social protection policies related to access to water in place, vulnerable families should be able to enjoy better services as the financial support given by the national, entity and local authorities will target them directly instead of being spread through the whole population as it is currently with social water pricing.

Possible collaboration with other donor projects offers the potential for adding to the sustainability of the overall intervention by increasing the funds available for infrastructure investments, and thereby increasing the incentive for the joint programme's beneficiaries to participate in less tangible activities.

Furthermore, sustainability will be enhanced by establishing coherence and synergies with the approach and policy processes of UNDP's multi-year local governance projects in the area of promoting inclusive and integrated local development planning, systematic municipal capacity building, and strengthening of civil society-municipal administration interaction at the local level. Namely, the Municipal Training System Project (MTS), the Strengthening of Local Democracy Project (LOD), and especially – the Integrated Local Development Project (ILDLP). Additionally, collaboration with the MDG-F Environment joint programme will ensure that alignment and contributions to the LEAP's are maximized.

The joint programme has been designed to complement the expected strengthening of CSOs by the new project 'Reinforcement of Local Democracy' financed from the IPA 2007 and implemented by the UNDP. The project aims at improving municipal cooperation with the civil society sector through setting standards of transparency and accountability, and through the development of participatory approaches to assist with the prioritization of local needs.

Participatory process designs will also be informed by the Local Action Group (LAG) model, which represents formal partnerships of the government, non-government, and the business sector on the local level. LAGs are designed in accordance with the standards and procedures of the EU and the LEADER Initiative. Through a cooperative effort between UNDP, the European Commission, and the BiH Ministry of Human Rights and Refugees, the first three such groups in BiH were officially registered in September, 2008.

Finally, the expressions of support from Government counterparts at the state and entity levels will improve the chances for the achievement of successful implementation. In particular, the expressions of support and possible co-financing from the Ministries of

Agriculture, Forestry, and Water Management in both FBiH and the RS are important, and given the significant ownership stakes in many of the entity's water utilities, the written support received from the RS Ministry is of particular relevance.

4. Results Framework

In support of the overall programme objective of “securing access to safe water for all citizens in Bosnia and Herzegovina”, this joint programme comprises three inter-related outcomes. The programme is designed to achieve conceptual and operational synergy between its three components, which strengthen each other given that they are simultaneously means and ends to each other (Please refer to the flowchart in Annex E to see the relationships). Through the achievement of the first outcome, the programme intends to foster inclusive participation in decisions relating to public utilities, empowering the poor, women, youth and the marginalized. The second outcome intends to improve the efficiency, access, affordability, and quality of services provided by water utilities at the municipal level. The third outcome will promote the core democratic governance principles of accountability and transparency at the national, sub-national and local levels by strengthening capacities for evidence-based policy making and resource planning.

The implementing partners and the participating UN organizations will jointly conduct scheduled/annual planning and review meetings for all activities covered in the results framework, monitoring and evaluation plan, and work plans covered by this joint programme. This will include an assessment of the risks and assumptions to determine whether they are still holding. A new work plan and budget will be produced with the necessary adjustments made based on the lessons learned from a review of the risks and assumptions and implementation progress achieved. The new work plan will be approved in writing by the National Steering Committee.

The results framework is shown on the following pages. Please also see Annex A, which contains the detailed first year work plan and planned budget¹⁰ and Annex C, which provides full details of the activities to be undertaken.

¹⁰ The detailed budget outlined in Annex A is indicative and will be subject to revision during the inception phase of the programme.

Table 1: Results Framework

Table 1: Summary of Results Framework - MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)								
UNDAF Outcome 1: Strengthened accountability and responsiveness of government to pro-active citizens.								
Outcome 2: Improved access to and quality of education, health and social protection services.								
Securing Access to Water through Institutional Development and Infrastructure								4,449,145
JP Outputs	SMART Outputs by UN Agency	Reference to Agency priority or Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.								662,289
1.1 Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues effecting access to water.	Municipal management structures established and actively supported citizen participation in their communities' Water Sector decision-making processes.	UNICEF	CSOs	1.1.1 Support the establishment of the municipal management boards in 10 municipalities.	37,024	38,856	25,595	101,475
	Members of municipal management boards able to assess, plan and implement actions to ensure protection of vulnerable groups, especially in the context of anticipated increases in water tariffs.	UNICEF	CSOs	1.1.2 Capacity building of Municipal Management Boards.	59,030	41,409	36,641	137,081
	Baseline data on existing participation mechanisms and social protection systems in 10 municipalities available and used to address gaps.	UNICEF	CSOs	1.1.3 Support Human Rights Based analysis of the social protection system by MMBs.	27,850	-	-	27,850
	Ten (10) bi-annual Action Plans developed and adopted by the Municipal Councils.	UNICEF	CSOs	1.1.4 Development of human-rights based Action Plans to address the gaps in social protection system by MMBs.	39,254	18,642	-	57,896
	MMBs steer and monitor implementation of Action Plans in Year II and III.	UNICEF	CSOs/ MMBs	1.1.5 Support to implementation of priority actions as outlined in Action Plans.	129,837	64,919	-	194,756
	Information exchange and application of cooperation standards fully operational by Year I.	UNICEF	CSOs	1.1.6 Support to MMBs, Water Companies and representatives of PAGs for development of cooperation mechanisms.	21,034	9,500	9,500	40,033

Table 1: Summary of Results Framework - MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)								
JP Outputs	SMART Outputs by UN Agency	Reference to Agency priority or Country or Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
1.2 Increased capacities of vulnerable groups to influence municipal decision making on water access issues.	Participatory action groups of vulnerable citizens established by MMBs in 10 municipalities by Year II.	UNICEF	CSOs	1.2.1 Establishment of Participatory Action Groups (PAGs) of vulnerable citizens in 10 municipalities.	16,197	11,783	-	27,980
	Mechanisms of cooperation of PA groups, municipalities and water companies established by Year II.	UNICEF	CSOs	1.2.2 Capacity development for PAGs to assess access to water and social vulnerability issues (linked with 2.1.4), with UNDP supplying input on investment issues and others.	10,387	10,387	-	20,774
	Municipal action plans to address and monitor social mitigation and water regulation measures developed and guide actions of vulnerable communities.	UNICEF	CSOs	1.2.3 Facilitation of PAG meetings: participatory action assessment of social protection for vulnerable groups.	-	10,322	10,322	20,644
	Representatives of vulnerable groups directly influence planning of social protection responses at municipal level.	UNICEF	CSOs	1.2.4 Participatory action planning by PAGs.	5,951	15,818	12,032	33,801
Outcome 2: Improved economic governance in water utility companies for better services to citizens in targeted municipalities.								2,855,521
2.1 Improved capacities of utilities for financial sustainability.	Financial management capacities of municipalities and water utilities improved.	UNDP	Municipalities & Water Utilities	2.1.1 Capacity development for municipality and water utility company staff members in financial management.	192,359	64,075	14,092	270,526
	Implemented action plan addressing fee structure and collection.	UNDP	Municipalities & Water Utilities	2.1.2 Assessment of fee structure and collection, recommendations for improvement, and definition of action plan with active participation of citizens.	65,130	307,747	15,958	388,836

Table 1: Summary of Results Framework - MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)								
JP Outputs	SMART Outputs by UN Agency	Reference to Agency priority or Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
	Institutionalized mechanisms ensuring informed participation of citizens regarding water utilities' economic governance.	UNDP	Municipalities & Water Utilities	2.1.3 Developing a systematic mainstreaming mechanism to ensure action on citizens' informational inputs from JP Outputs 1.1 and 1.2.	63,644	58,781	58,781	181,206
	Increased capacity of water utilities and municipalities to secure financing for infrastructure priorities.	UNDP	Municipalities & Water Utilities	2.1.4 Capacity building for and support to water utilities and municipalities with regard to writing proposals for loans and grants (including those available under JP Output 2.2.) needed to finance the infrastructure investment plans developed in JP Output 2.2.	15,124	54,138	15,124	84,386
	Analysis presented to Government as a demonstration piece of an analytical input for evidence-based policy making, and thus making a contribution to the achievement of JP Output 3.2.	UNDP	Water Utilities	2.1.5 Comparative analysis of water utility company financial performance for participating municipalities.	-	-	16,962	16,962
2.2 Improved infrastructure capacities for water supply services in underdeveloped municipalities.	Technical water supply needs assessed in participating municipalities.	UNDP	Expert Institutions & Municipalities	2.2.1 Technical assessment on water supplying infrastructure conditions and needs in 10 selected municipalities.	556,697	31,128	-	587,825
	Dissemination of assessment results to municipalities, water utilities, and citizens for the purpose of building consensus regarding priorities through multi-stakeholder discussions.	UNDP	Municipalities, Water Utilities & Citizens	2.2.2 Presentation of the assessment results and recommendations to municipalities, water utilities, and citizens for discussion.	30,395	48,669	26,747	105,811

Table 1: Summary of Results Framework - MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)								
JP Outputs	SMART Outputs by UN Agency	Reference to Agency priority or Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
	Strategic plans for infrastructure interventions clearly articulated.	UNDP	Municipalities & Water Utilities	2.2.3 Strategic planning of infrastructure interventions for water supply systems.	15,119	9,618	9,618	34,355
	Water services improved through delivering priority in infrastructure improvements.	UNDP	Municipalities & Water Utilities	2.2.4 Implementation of Joint Intervention Strategies.	-	971,602	-	971,602
	Monitoring capabilities at municipal and water utility levels improved.	UNDP	Municipalities & Water Utilities	2.2.5 Developing monitoring mechanisms and strengthening municipal capacities for implementation.	10,477	10,477	10,477	31,431
2.3 Improved capacities at municipal level for service delivery control.	Legal and technical requirements defined.	UNDP	Expert Institutions & Municipalities	2.3.1 Technical assistance to municipalities and water utility companies on water safety and quality control for safe water for citizens.	51,019	71,667	55,948	178,634
	Water quality improved through setting protection measures at water sources and enforcement of water quality control.	UNDP	Expert Institutions, Municipalities & Water Utilities	2.3.2 Support the establishment of efficient and responsible system of water quality control at municipal level in order to fully comply with national regulation for potable water.	-	1,972	1,972	3,945

Table 1: Summary of Results Framework - MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)								
JP Outputs	SMART Outputs by UN Agency	Reference to Agency priority or Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
Outcome 3: Strengthened capacity of governments for evidence-based policy making and resource planning for equitable water related service provision.							726,514	
3.1 Improved capacity of municipal decision makers to assess and analyse the status of vulnerable groups and plan social mitigation measures/ policies.	Representatives from 10 municipalities, relevant cantons and entities developed evidence-based policy recommendations to address the gaps in social protection system.	UNICEF	CSOs	3.1.1 Support to Gvt to develop social mitigation measures in response to anticipated increases in water prices.	5,150	-	5,150	10,300
	Municipal databases to monitor implementation of the long-term social protection policies established.	UNICEF	CSOs	3.1.2 Establishment or upgrading of municipal level data bases on social and economic indicators using DevInfo. <i>Training of municipal staff and CSOs on the application of the impact assessment methodology and data collection methods.</i> <i>Procurement of IT equipment and softwares for 10 municipalities.</i>	89,642	11,902	10,820	112,363
3.2 Improved capacity of national and sub-national policy makers to collect and analyse data to ensure socially equitable water service Protection policies.	Representatives of the state, entity and cantonal institutions accountable for social protection possess skills to plan and support implementation human-rights based assessments.	UNICEF	CSOs	3.2.1 Training on M&E, CRIA and on the HRBA approach to social protection assessment and planning for state-level and sub-national policy makers.	29,213	15,689	-	44,902
	National baseline data on the impact of economic factors (including water regulation) on households produced.	UNICEF	DEP BiH	3.2.2 Implementation of two rounds of the Child Rights/ Social Impact Assessment including 1,000 households per assessment (with UNDP).	175,280	64,919	158,509	398,708

Table 1: Summary of Results Framework - MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)								
JP Outputs	SMART Outputs by UN Agency	Reference to Agency priority or Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
	Ten (10) public discussions on impact assessment and municipal social mapping and analysis held in 10 municipalities by Year III.	UNICEF	Municipal Management Boards	3.2.3 Presentations of the Impact Assessment and community research findings to communities and to the municipal governance system.	45,984	-	5,951	51,935
	Two (2) workshops for association of municipalities and water companies held by Year III	UNICEF	Associations of Municipalities	3.2.4 Organisation of know-how workshops for BiH Association of Municipalities and BiH Association of Water Companies (with UNICEF for social mitigation dimension).	-	3,408	3,408	6,816
	Two(2) dissemination conferences on project results held by end of Year III	UNICEF	CSOs	3.2.5 Presentation of the project results and methodologies to the entity, state and cantonal social and economic policy decision-makers.	-	4,490	4,490	8,980
	Three (3) technical meetings held by end of Year III	UNICEF	DEP BiH	3.2.6 Presentation of the Project's lessons learned, research and assessment to support National Development and Social Inclusion Strategy development and evaluation (with UNDP).	3,408	-	3,408	6,816
	Publications on municipal social mapping and impact assessment developed.	UNICEF		3.2.7 Support to development of documentation and reports on assessments, mapping and analysis developed in the Project.	5,680	-	5,680	11,361
	Copies of training materials developed and distributed.	UNICEF		3.2.8 Development and dissemination of training materials.	-	-	7,033	7,033
	Public DevInfo data base developed and contains data on economic and social indicators relevant for the project.	UNICEF	DEP BiH	3.2.9 Presentation of research data in the public DevInfo data base.	36,138	15,580	15,580	67,299
Monitoring & Evaluation								204,821
Strengthened accountability of the joint programme.	Consolidated accountability framework for results.	UNRC		Monitoring and Evaluation	68,124	49,436	87,261	204,821
Total					1,805,149	2,016,935	627,061	4,449,145

5. Management and Coordination Arrangements

The management and coordination arrangements will follow the guidelines in the Operational Guidance Note for the Participating UN Organizations, January 2008.¹¹

The roles and responsibilities for the implementation of the programme will be in line with the UN Joint Programming methodology and its pass-through modality, which is based on principles of complementarity, coherence, comparative advantages of every participant, and clearly prescribed minimum requirements for ensuring proper accountability for programmed activities and use of resources. In line with these principles, the UNDP Programme Manager (UNDP PM) will also be the National Programme Manager & Inter-Agency Coordinator (NNPMC).

Oversight and strategic guidance will be provided through the National Steering Committee (NSC) of the MDG-F UN Joint Programme, consisting of non-implementing parties (representatives of the Government of BiH (State and Entity), a representative from Government of Spain, and the UNRC). Representatives and observers will be invited to attend by the co-chairs as appropriate. The NSC will normally meet semi-annually. Terms of Reference for the NSC are in Annex B.

The Programme Management Committee (PMC), chaired by the UNRC and normally meeting quarterly, will provide operational coordination, ensuring the coordinated achievement of joint programme results, and that other donors and key stakeholders (particularly EBRD, SDC, EC, KfW and the World Bank) are closely involved with the Programme and have opportunities to harmonise approaches with Government and other Programmes. In particular, synergies with other MDG-F projects will be sought. As well as representatives of implementing Participating UN Organizations, there will be Government representatives from the BiH Ministry of Foreign Trade and Economic Relations, the BiH Ministry of Civil Affairs, the RS Ministry of Agriculture, Forestry and Water Management, the FBiH Ministry of Agriculture, Forestry and Water Management, the Federal Ministry of Labour and Social Policy, the RS Ministry of Health and Social Welfare, and representatives from Civil Society. The PMC will be directly responsible for making all major operational decisions for the programme, and will be consulted when the NNPMC requires guidance. The PMC will establish reporting mechanisms and provide leadership regarding the development and implementation of annual work plans. It will also review on a semi-annual basis the programme's progress (for additional detail, please refer to the monitoring and evaluation section). The delivery of programme activities to achieve results rests with the responsible participating UN organizations and implementation partners. The PMC will be supported by the UNRC office's coordination analyst and a MDG-F Monitoring and Evaluation officer (50% shared with the MDG-F Youth, Employment, and Migration joint programme).

Each of the participating UN agencies is substantively and financially accountable for the activities designated to it in this joint programme. The participating agencies will be individually responsible for: ensuring and quality controlling the professional and timely implementation of the activities and delivery of the reports and other outputs identified in this project document; contracting and supervising qualified local and international experts; financial administration, monitoring, reporting and procurement for the activities they are responsible for; and carrying out all the necessary tasks and responsibilities to assist the PMC and UN Resident Coordinator.

A NNPMC will be appointed by UNDP, in consultation with UNICEF, and will have two key functions: primarily, the NNPMC will directly manage and implement UNDP programme activities; secondly, reporting to the PMC, the NNPMC will be responsible for the regular coordination of the implementation of the joint programme and for ensuring that the activities of the two agencies are complementary and mutually supportive. In carrying

¹¹ MDG-F, 31st January 2008, *Operational Guidance Note for the Participating UN Organizations*, MDTF Office

out this second function, the NNPMC will be supported through regular inter-agency meetings. The NNPMC will lead the Project Management Unit, which will be based in the MDG-F Project Office in Sarajevo. The BiH Government does not currently have the capacity to host the project, nor to manage a large, complicated joint programme with multiple government partners at the state, entity, and local levels. This is consistent with the Direct Execution Modality still being used by a number of organisations, including the European Commission and UNDP for delivery of complex projects. A possible shift to the National Execution modality for some project components will be considered by the National Steering Committee on an annual basis.

In Bosnia and Herzegovina, it is expected that a minimum of four MDG-F Joint Programmes will be launched in 2009. They are, with the participating agencies in parentheses:

1. Culture and Development (UNDP, UNESCO, UNICEF)
2. Environment and Climate Change (UNDP/UNV, UNEP, UNESCO, FAO)
3. Economic Governance (UNDP, UNICEF)
4. Youth, Employment and Migration (UNDP/UNV, UNFPA, UNICEF, IOM)

Two other concept note applications are pending in the areas of Children and Nutrition, and Private Sector Development.

Due to the competitive nature of the application process, the earlier projects were written as single, stand alone projects, but as we now have a group of projects, synergies are being found between them.

Synergies and economies of scale with other MDG-F Programmes

The following synergies are planned:

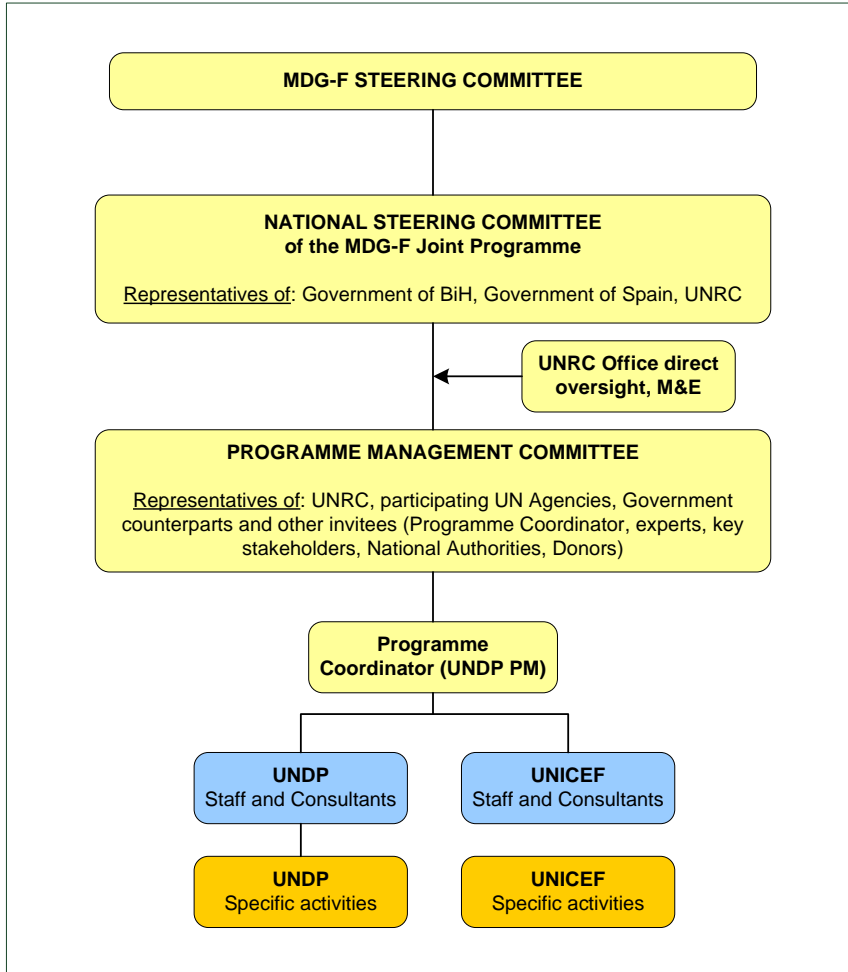
- A joint M&E office supporting the Joint Programme Coordinators and Managers (see below) of the group of MDG-F projects. Strengthened RC Office support will be provided across MDG-F projects through additional staff provided by Spanish Government.
- The Project Manager of the largest agency participating in each Joint Programme has /will have a Terms of Reference including overall coordination of the Joint Programme. The Project Manager/Joint Programme Coordinator has been /will be recruited by an inter-agency selection panel and will report to the RC and the Programme Management Committee. He/she will also be in close contact with the other MDG-F Joint Programme Coordinators. This arrangement reflects earlier messages from the MDG-F Secretariat to reduce Joint Programme personnel costs as much as possible, and supports a coherent approach to Joint Programme Management.
- All MDG-F projects will be housed in one Project Office (there is no space available in Government Offices, with many Government staff working in commercially rented premises) which will enhance synergy and shared knowledge development.
- Shared transport, including drawing on participating agencies' already established car pools.
- Sharing drivers between projects.
- Using UN agency field offices in Banja Luka, Srebrenica, Foca, and Mostar for logistics support for field missions.
- Shared web site presentation and communication.

The UNRC will take appropriate measures to publicize the joint programme, giving due credit to all participating UN organizations. Relevant staff in the office of the RC will also undertake the documentation of the programme. Information given to the press, to the

beneficiaries of the joint programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the host government, the donors, the participating UN organizations, the MDG-F joint programme and all other relevant parties.

The overall coordination and management structure is outlined in the organizational chart below.

Figure 1: Coordination and Management Structure



6. Fund Management Arrangements

The programme will be implemented in joint programming fund management option C: pass-through management.

UNDP will act as the Administrative Agent (AA), in accordance with existing policy.¹² Accountability for UNDP’s AA function rests with the MDTF Office Executive Coordinator in New York. Within BiH, performance of AA local tasks will be under the delegated

¹² Accountability when UNDP is acting as Administrative Agent in UNDP Multi-Donor Trust Funds and/or UN Joint Programmes - <http://www.undp.org/mdtf/docs/UNDP-AA-guidelines.pdf>

authority of the UNDP RR, and will be directly accountable to the Executive Coordinator of MDTF office. Funds will be transferred to Participating UN Organizations' HQs through the MDTF Office upon a request issued by the Resident Coordinator. These funds will in turn be transferred to the specific agencies in BiH.

The MDTF Office in UNDP Headquarters as AA will be responsible for:

- Disbursing approved resources to the Participating UN Organizations;
- Consolidating the joint programme narrative report with financial reports from Participating UN Organizations; including analysis of financial and narrative data; for forwarding to the NSCs;
- Providing the Consolidated Joint Programme Progress Reports, and other reports as appropriate to the donor, i.e. the Fund Steering Committee through the Secretariat;
- Streamlining the reporting systems and harmonizing reporting formats based on joint programming best practices;
- Facilitating the work of the Participating UN Organizations to ensure adherence to a results-based reporting structure around outcomes and outputs;
- Ensuring that fiduciary fund management requirements are adhered to.

In consultation with the Executive Coordinator of the MDTF, the UNRC will prepare a request for delegation of authority to the UNDP RR for the consolidation of a joint programme narrative report with the financial reports of the Participating UN Organizations, in accordance with the MDG-F Operational Guidance Note,¹³ if it is decided that this is the best way to ensure effective programme monitoring.

Each Participating UN Organization (PO) assumes complete programmatic and financial responsibility for the funds disbursed to it by the AA and can decide on the execution process with its partners and counterparts following the organization's own applicable regulations.

Each PO establishes a separate ledger account for the receipt and administration of the funds disbursed to it by the AA. POs are requested to provide certified financial reporting according to the budget template provided in the MDG-F Operational Guidance Note issued by the MDTF Office and are entitled to deduct their indirect costs on contributions received not exceeding 7 per cent of the Joint Programme budget in accordance with the provisions of the MDG-F MOU signed between the AA and the POs.

Subsequent instalments will be released in accordance with Annual Work Plans approved by the NSC. The release of funds is subject to meeting a minimum commitment threshold (legally binding contracts signed, including multi-year commitments which may be disbursed in the future years)¹⁴ of 70% of the previous fund release to the POs combined. If the 70% threshold is not met for the programme as a whole, funds cannot be released to any organization, regardless of the individual organization's performance.

On the other hand, the following year's advance can be requested at any point after the combined commitment against the current advance has exceeded 70% and the work plan requirements have been met. If the overall commitment of the programme reaches 70% before the end of the twelve-month period, the POs may after endorsement by the NSC request the MDTF Office, through the RC to release the next instalment ahead of schedule.

¹³ MDG-F, 31st January 2008, *Operational Guidance Note for the Participating UN Organizations*, MDTF Office, and UNDP-Spain Millennium Development Goals Achievement Fund (MDG-F) Frequently Asked Questions

¹⁴ Please note that in earlier version of the MDG-F Operational Guidance Note issued by the MDTF Office reference was made to expenditure. For administrative purpose this was changed to a minimum commitment threshold.

7. Monitoring, Evaluation and Reporting

The project will follow the standard UNDP procedures for reporting, monitoring and evaluation. It includes following up on management actions, keeping track of progress benchmarks, visiting project sites to contact beneficiaries and contractors, interpreting progress and technical reports, and processing budget revisions.

Monitoring and Evaluation

In-house monitoring and evaluation (M&E) of implementation progress will be coordinated through the Resident Coordinator's Office, and performed on the basis of the project document, which specifies the Joint Programme implementation milestones. Although each implementing agency will have primary responsibility for the quality and timeliness of their outputs, a Monitoring and Evaluation Team has been established in the office of the Resident Coordinator, with three members (two national staff and one IUNV) cost shared across the projects. The primary task of the team is to support the Joint Programme Coordinator and Agency Project Staff of each MDG-F Joint Programme to establish the base line data sets, advise on best practice monitoring, carry out field trips across the Joint Programme areas, and advise the RC, the Joint Programme Coordinators and agency staff on the outcomes of the monitoring. The M&E team will also support the regular reporting process to the RC, the Programme Management Committee, the National Steering Committee and the MDG-Secretariat. The M&E team is an integral support function for the set of MDG-F projects, with the primary responsibility to ensure a consistent flow of high-quality data to the project managers and programme and steering committees. The team will also coordinate their work with the Ministry of Finance and Treasury Sector for Aid Coordination as well as with the Department of Economic Planning regarding the indicators used and the results achieved.

In addition to professional synergies, this system will allow cost-saving through joint logistics including office space and transport.

External Monitoring and Evaluation Missions (Mid-term and at the end of the Project cycle): The Resident Coordinator's Office will organize two external M&E missions, consisting of an M&E expert and development economists specialized in pro-poor and area based development. The mission team will make field visits as well as conduct comprehensive stakeholder interviews to assess results. In addition to evaluation reports, the M&E missions will produce documents describing best practices and lessons-learned. Copies of the evaluation reports will be distributed to the donors and government.

The Programme Monitoring Framework (Table 2) provides a summary of outcomes, outputs, activities, indicators, and means of verification to be performed by the project. These form the basis of the programme monitoring and evaluation system, which will be further refined during the inception phase of the Joint Programme. The PMC will be responsible for monitoring the progress of the activities in the logframe and of overseeing the collection of information against indicators. These will be reported annually to the National Steering Committee.

Based on the Annual Workplan and Budget of each output, the Resident Coordinator's Office, with UNDP and UNICEF, will monitor the project's progress. The annual review of a joint programme will be implemented collectively by national partners and participating

UN organizations. Annual review results will be in a single report, thus reducing transaction costs. A common format for reporting based on results-based annual programme level reporting will be used as far as possible. Both monitoring and evaluation will be under the UNRC office, and an M&E officer will conduct this role. The monitoring framework for the programme is shown overleaf. Media monitoring will be undertaken for media related activities. Mission reports, project publications and the joint programme website will be effective tools for sharing information. Indicators measuring both qualitative and quantitative processes, outputs, and outcomes have been included in the Programme Monitoring Framework.

Table 2: Monitoring Framework

Table 2: Joint Programme Monitoring Framework (JPMF): Securing Access to Water Through Institutional Development and Infrastructure					
Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibility	Risks & assumptions
Joint Programme Outcome 1: Strengthened Inclusion of Citizens in the Participative Municipal Governance of Water Access					
Outcome 1 indicator	Indicator: Ten systems for including citizens in ten municipal level Water Sector decision-making processes developed Baseline: 0	Final project report	Analysis of project reports	UNICEF	Joint programme implemented properly
1.1.Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues affecting access to water	Indicator: Municipal Management Boards established in 10 municipalities, and functioning effectively. Members of MMBs represent required sectors and include representatives of vulnerable groups. Baseline: 0	Project quarterly reports; minutes of MMB's	MMB Minutes – 3-monthly Field visits to MMBs – 3 monthly Annual reports (I, II, III)	UNICEF	MMBs will become permanent municipal commissions for issues affecting vulnerable groups. Municipalities do not see MMBs as a priority MMBs ineffective
	Indicator: Capacity for human-rights based assessment, planning, implementation and M&E developed. Baseline: 0	Training held. Assessment tools and Action Plans.	Submission of Action Plans (end year I) Annual reports (year I, II, III)	UNICEF	MMBs able to apply HRBA methodology.
	Indicator: MMBs collect baseline data on existing participation mechanisms and social protection systems. Baseline: 0	HRBA assessment methodology tools	Submission of assessment documents (year I, once) Annual report (year I)	UNICEF	Reliable data unavailability due to poor official data recording system
	Indicator: No. of human-rights based Action Plans developed and adopted by Municipal Councils. Baseline: 0	Action Plans Official Gazettes	Submission of Action Plans (end of year I) Annual report (year I)	UNICEF	Municipal Councils adopt Action Plans and prioritize its implementation. Lack of long-term motivation and interest.
	Indicator: Number of Small Scale Projects that support realization of priorities from Action plans focusing on system capacity gaps implemented. Baseline:0	Action Plans Small-scale project documents.	MMBs' monitoring reports (end year II and III) Project implementation reports (quarterly) Field visits to small-scale projects (quarterly)	UNICEF	MMB able to identify the priority actions for vulnerable groups. Small-scale projects not sustainable.
	Indicator: No. of joint meetings held. Baseline: 0	Minutes from the meetings. Policy recommendation s document.	Observing participation in meetings. Project reports (quarterly).	UNICEF	Cooperative participation of all three stakeholder groups. Stakeholders not able to fully engage in addressing issues of access to water and other concerns affecting vulnerable groups

Table 2: Joint Programme Monitoring Framework (JPMF): Securing Access to Water Through Institutional Development and Infrastructure					
Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibility	Risks & assumptions
1.2. Increased capacities of vulnerable groups to influence municipal decision making on water access issues	Indicator: No. of PAGs of vulnerable citizens established in 10 municipalities. Baseline: 0	Project quarterly reports Minutes of PAG meetings	PAG Minutes (3-monthly) Field visits (3 monthly) Annual reports (year I, II, III)	UNICEF	Vulnerable groups and local community officials are interested to work on participation improvement
	Indicator: No. of women participating in PAGs Baseline: 0	Project quarterly reports Minutes of PAG meetings	PAG Minutes (3-monthly) Field visits (3 monthly) Annual reports (year I, II, III)	UNICEF	
	Indicator: Number of assessments completed by PAGs in 10 municipalities Baseline: 0	Project quarterly reports Assessment documents.	Submission of assessment documents (year II, once) Annual reports (year I, II, III)	UNICEF	PAGs have capacities to assess access to water and social vulnerability issues
	Indicator: Number of PAG meetings held and action plans developed Baseline: 0	Minutes from the meetings. Action Plans	Project implementation reports (quarterly) Field visits (quarterly) Observing participation in meetings. Annual reports (year II, III)	UNICEF	
	Indicator: Number of action plans developed by PAGs. Number of measures from action plans included in municipal action plans Baseline: 0	Municipal Action Plans	Municipal Action Plans (end year I) Annual reports (year I, II, III)	UNICEF	
Joint Programme outcome 2: Improved Economic Governance in Water Utility Companies for Better Services to Citizens in Targeted Municipalities					
Outcome 2 indicator	Indicator: Sustainable service delivery of 10 water utility companies to citizens improved Baseline: 0	Final project report	Analysis of project reports	UNDP	Joint programme implemented properly
2.1. Improved capacities of utilities for financial sustainability	Indicator: No. of analytical pieces on current financial practices, procedures, and capacities of water utilities Baseline: 0	Analytical documents	Submission of analytical pieces by Economics Advisor to Project Management Committee (Year 1; frequency: once)	UNDP	Active cooperation of participating water utilities and municipalities
	Indicator: No. of action plans developed to build financial management capacities of water utilities Baseline: 0	Action plans	Submission by participating water utilities to Project Management Committee. (Year 1; frequency: once)	UNDP	Active participation of water utilities.

Table 2: Joint Programme Monitoring Framework (JPMF): Securing Access to Water Through Institutional Development and Infrastructure					
Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibility	Risks & assumptions
	Indicator: No. of capacity building programmes undertaken Baseline: 0	Workshops held	Observing participation in workshops (Year 1; frequency: once)	UNDP	Active participation of water utilities.
	Indicator: No. of strategic financial plans developed to complement infrastructure investment action plans from (Output 2.2.) Baseline: 0	Strategic plans	Submission by participating water utilities to Project Management Committee (Year 1; frequency: once)	UNDP	Active participation of water utilities and conclusion of the infrastructure intervention prioritisation process in JP Output 2.2.
	Indicator: Comprehensive analyses of fee collection process and tariff structure presented to water utilities and associated municipalities Baseline: 0	Analytical documents	Submission of analytical pieces by Economics Advisor to Project Management Committee (Year 1; frequency: once)	UNDP	Active cooperation of participating water utilities
	Indicator: Consensus building discussions with citizens, water utilities, and municipalities held to determine priorities regarding fee collection/tariff structure recommendations from activity 2.1.2. Baseline: 0	Consensus building discussions held	Report on participation in discussions by the three stakeholder groups submitted by Economics Advisor to Project Management Committee (Year 1; frequency: once)	UNDP/UNICEF	Cooperative participation by all three stakeholder groups
	Indicator: No. of women participating in consensus building exercises. Baseline: 0	Project reports	Report on participation in discussions by the three stakeholder groups submitted by Economics Advisor to Project Management Committee (Year 1; frequency: once)	UNDP/UNICEF	Cooperative participation by all three stakeholder groups
	Indicator: Technical assistance provided for development of action plans regarding fee collection/tariff structure activities from activity 2.1.2. Baseline: 0	Action plans	Submission of Action Plans by participating water utilities to Project Management Committee (Year 1; frequency: once)	UNDP	Active participation by water utilities and municipalities Political resistance to implementing economically-based water tariffs (please see risk mitigation section below)
	Indicator: Mainstreaming mechanisms developed Baseline: 0	Institutionalised mechanisms developed	Reports detailing assistance submitted by the Economics Advisor to the Project Management Committee (Year 1; frequency: once)	UNDP	Active participation by citizens' groups, water utilities and municipalities
	Indicator: No. of municipalities capable of applying for loan and grant funds Baseline: 0	Completion of capacity building activities	Reports detailing participation of municipalities in workshops submitted by the Economics Advisor to the Project Management Committee (Year 1; frequency: once)	UNDP	Active participation by municipalities

Table 2: Joint Programme Monitoring Framework (JPMF): Securing Access to Water Through Institutional Development and Infrastructure					
Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibility	Risks & assumptions
	Indicator: No. of comparative financial analyses completed Baseline: 0	Comparative financial analysis completed	Submission of analytical piece by the Economics Advisor to the Project Management Committee (Year 1; frequency: once)	UNDP	Active participation by water utilities
2.2. Improved infrastructure capacities for water supply services in underdeveloped municipalities	Indicator: No. of technical assessments completed Baseline: 0	Technical assessments	Submission of technical assessments by Technical Water Expert to Project Management Committee. (Year 1; frequency: once)	UNDP	Active participation of water utilities.
	Indicator: Input received from key stakeholders on technical assessments Baseline: 0	Documented input	Submission of documented input submitted by Technical Water Expert to Project Management Committee. (Year 1; frequency: once)	UNDP	Active participation by citizens' groups, water utilities and municipalities
	Indicator: Joint infrastructure intervention strategies developed Baseline: 0	Strategic documents	Submission of strategic documents submitted by Technical Water Expert to Project Management Committee. (Year 1; frequency: once)	UNDP	Active participation by water utilities and municipalities
	Indicator: Technical assistance provided for implementation of Joint Infrastructure Intervention Strategies Baseline: 0	Technical assistance provided	Report on TA provided submitted by Technical Water Expert to Project Management Committee. (Year 2/3; frequency: once)	UNDP	Active participation by water utilities
	Indicator: Capacity for monitoring reporting developed Baseline: 0	Capacity development activities provided	Report on capacity development activities submitted by Technical Water Expert to Project Management Committee. (Year 1/2; frequency: once)	UNDP	Active participation by water utilities and municipalities
2.3. Improved capacities at municipal level for service delivery control	Indicator: No. of analyses performed on water protection and control practices Baseline: 0	Analytical documents	Analytical documents submitted by Technical Water Expert to Project Management Committee. (Year 1; frequency: once)	UNDP	Active participation of water utilities.
	Indicator: No. of capacity development initiatives undertaken for improving water utilities' and municipalities' ability to ensure safe water quality Baseline: 0	Workshops held	Participation in workshops (Year 1; frequency: once)	UNDP	Active participation of water utilities and municipalities.
	Indicator: No. of municipalities and associated water utilities made aware of actions required for compliance with national regulations for potable water Baseline: 0	Documents with recommended actions	Documents submitted by Technical Water Expert to Project Management Committee. (Year 1; frequency: once)	UNDP	Active participation of water utilities and municipalities.

Table 2: Joint Programme Monitoring Framework (JPMF): Securing Access to Water Through Institutional Development and Infrastructure					
Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibility	Risks & assumptions
Joint Programme Outcome 3: Strengthened Capacity of Governments for Evidence-Based Policy Making and Resource Planning for Equitable Water Related Service Provision.					
Outcome 3 indicator	Indicator: Government capacity for evidence-based policy making improved Baseline: 0	Final project report	Analysis of project reports	UNICEF	Joint programme implemented properly
3.1. Improved capacity of municipal decision makers to assess and analyse the status of vulnerable groups and plan social mitigation measures/ policies	Indicator: No. of social mitigation policy measures proposed to improve targeting of social assistance, especially focusing on addressing gender equality Baseline: 0	Policy discussion reports Policy decision documents	Conference and meeting reports by national social welfare stakeholders Year 3 Frequency: 2 technical conferences	UNICEF	Adequate level of interest of decision makers in social mitigation measured derived from project implementation
	No. of municipal officials successfully trained and using Devinfo Baseline: 20	Training reports	Implementing reports and data reports by implementing CSO Year 1-3 Frequency: once per year	UNICEF	
	Indicator: No. of municipalities that have successfully established Devinfo database Baseline: 10 municipalities	Municipal Devinfo data bases	Consolidated municipal databases by municipalities Year 1-3 Frequency: once per year	UNICEF	Political will of municipal governance system to support DevInfo Municipalities have adequate IT and staffing capacities
3.2 Improved capacity of national and sub-national policy makers to collect and analyse data to ensure socially equitable water service Protection policies	No. of national and sub-national decision makers with increased M&E skills Baseline: 0	Training reports	Training reports upon each training session and annual supervision reports by implementing CSO Year 1 -2 Frequency: once per training session	UNICEF	Interest in the M&E and evidence base policy making exists
	Indicator: Existence of two sets of national baseline data on economic impact of macroeconomic measures on household wellbeing, disaggregated by gender Baseline:1	Impact Assessment reports	Reports produced by municipalities Year: 1 and 3 Frequency: once per year	UNICEF	CRIA adjusted to include broader scope of vulnerable groups Interest in impact assessment recommendations increased

Table 2: Joint Programme Monitoring Framework (JPMF): Securing Access to Water Through Institutional Development and Infrastructure					
Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibility	Risks & assumptions
	Indicator: Increased interest in social impact of water utility management in 10 municipalities Baseline: 0	Round table reports	Reports prepared by implementing CSO Year: 1 and 3 Frequency: 20	UNICEF	The understanding of the correlations of the economic and social aspects of social vulnerability will increase
	Indicator: Increased interest of Municipality Association and Water Companies in social and economic planning Baseline: 0	2 workshop reports	Upon workshop completion by implementing CSO Year: 3 Frequency : 2	UNDP	Level of interest of municipalities and water companies to participate in information sharing
	Indicator: Recommendations on adjustment and replication of the project approaches available to future planning Baseline:0	2 conference reports	Reports prepared by implementing CSO Year 2 and 3 Frequency: once per conference	UNICEF	Political will to support the replication and endorse recommendations and lessons learned by key policy decision makers
	Indicator: No. of Project lessons learned and mitigation measures included in the NDS/SIS Baseline: 0	NDS and SIS	Annual reviews of NDS/SIS action plan implementation by DEP Year: 1-3 Frequency: once per year	UNICEF	The project research and assessment results found relevant by the working groups developing and monitoring implementation of NDS and SIS action plans.
	Indicator: No. of publications developed Baseline:0	Publications	Publications produced by CSOs and national policy makers Year: 1 and 3 Frequency: once per research	UNICEF	Publication development supported by adequate dissemination/advocacy plan
	Indicator: No. of training manuals Baseline: 0	Training manuals	Training manuals produced by implementing CSO and national stakeholders Year III Frequency:once	UNICEF	Manual dissemination accompanied by advocacy and replication plan.
	National DevInfo database exists and operational Baseline:0	WEB-base data base	Data collected and presented annually by DEP BiH Year: 1 -3 Frequency: annually	UNICEF	Sufficient technical capacity and political will to sustain the national database
Impact indicator 1	Indicator: Government more responsive to citizens' demands	Final project report	Analysis of project reports	UNDP, UNICEF	Joint programme implemented properly

Impact indicator 2	Indicator: Citizens' access to basic public services improved	Final project report	Analysis of project reports	UNDP, UNICEF	Joint programme implemented properly
MDG indicators	Proportion of population with sustainable access to an improved water sources, urban and rural Proportion of population with access to improved sanitation, urban and rural	Final project report	Analysis of project reports	UNDP, UNICEF	Joint programme implemented properly

Risk Management

As outlined in Table 2, there are certain risks associated with the implementation of the joint programme. These will be mitigated in different ways, and will be revisited on a regular basis during implementation to ensure that risks are being managed properly.

The risk of the Municipal Management Boards (MMBs) not being seen as a priority by the municipalities will be addressed in the municipality selection criteria, which will be fully articulated during the joint programme's initiation phase. The efficacy of the MMBs and the Participatory Action Groups (PAGs) will be ensured by drawing on the lessons learned from UNICEF's and UNDP's previous local level governance support activities and capacity development activities. The active participation of both municipality and water utility officials will also be assured through the selection criteria, which will, at a minimum, require a demonstrated commitment to the activities listed in Outcome 2 of the joint programme. In particular, the key issue of setting economically sustainable water tariffs will be explicitly noted in the selection criteria, and a commitment to this key reform will be required. Furthermore, with regard to the social mitigation measures referred to in Outcome 3, local level decision-makers will need to demonstrate a willingness to implement such activities, and will be offered capacity development to do so. Buy-in from the relevant higher-level decision-makers will also be ensured through a set of capacity development activities to support evidence-based policy making.

Reporting

Reporting will occur in accordance with Section 4 of the ToRs for the NSC and with Section 6 of the MDG-F Operational guidelines. Each project component will develop workplans and progress reports. These will form the basis for the programme officer's Quarterly Report. An Annual Project Report to the PMC and then, modified if necessary, to the NSC, will provide critical information and lessons learnt regarding the effectiveness of the implementation strategy and the delivery of outputs. This will include both technical and financial review and will provide the opportunity to review progress, achievements as well as challenges which will feed into the detailed work plan of the next year. Key results and findings will be shared with the members of the JP Steering Committee, donors and interested institutions to ensure transparency and to seek feedback.

8. Legal Context or Basis of Relationship

The United Nations Development Assistance Framework in BiH (UNDAF) for the period 2005-2008 (extended to 2009), signed by the Government of Bosnia and Herzegovina and the UN Country Team in BiH in June 2005, represents the basis for the activities of all the UN development agencies in BiH. This Joint Programme will contribute significantly to achievement of the UNDAF Outcome 1 "Strengthened accountability and responsiveness of government to pro-active citizens" and Outcome 2 "Improved access to and quality of basic education, health and social protection services". In addition, the UNCT in BiH is currently preparing the next UNDAF (2010-2014) in consultation and cooperation with the key state and entity counterparts. The analysis presented in the 2008 CCA, and the discussions at the 2008 UNDAF Strategic Planning Retreat Workshop confirmed three UNDAF outcome areas of particular relevance for the joint UNCT-Government work whose achievement will be contributed through this Joint Programme as well: environment, good governance capacities and social inclusion.

As far as individual agencies are concerned, their individual cooperation and/or assistance agreements with the Government of Bosnia and Herzegovina, which are the legal basis for their relationships with the Government, will apply for each of the UN

Organizations participating in this Joint Programme. Each agency's activities under this Joint Programme will be governed by the respective applicable basic and other agreements of the agency.

Specifically, all of the activities of UNDP in Bosnia and Herzegovina are legally grounded in the Standard Basic Assistance Agreement (SBAA) between the Government of Bosnia and Herzegovina and UNDP, signed on 7th December 1995 and the current Country Programme Action Plan (CPAP) for period 2005-2009, as agreed and signed by the Government and UNDP on 3rd June 2005.

UNICEF has been working in close collaboration with the Government of Bosnia and Herzegovina for the last 15 years. The Standard Basic Cooperation Agreement signed on 13th October 1993 launched the first legal document of collaboration between UNICEF and the Government. Since then, cooperation has been formally extended for the periods 1996-1998, 1999-2001 and 2002-2004. The most recent Country Programme 2005-2008 was signed on 3rd June 2005 and will be extended by one year to 2009. The UNICEF Executive Board approved the establishment of Regular Resources and Other Recourses in order to support all components of the current Country Programmes – i.e. policy support, inclusive basic and child protection services, and participation for good governance – that contribute to the achievement of the UNDAF Outcomes.

The Implementing Partners have agreed to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).¹⁵ This provision will be included in all sub-contracts or sub-agreements entered into under this programme document.

¹⁵ The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>

Annex A: Annual Work Plan with Planned Budget

Work Plan for: Securing Access to Water through Institutional Development and Infrastructure (Year 1)

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina								USD	1,805,149	
UNDAF Outcome 1:		Strengthened accountability and responsiveness of government to pro-active citizens.								
UNDAF Outcome 2:		Improved access to and quality of education, health and social protection services.								
JP Outcome 1:		Strengthened inclusion of citizens in the participative municipal governance of water access.							346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget		
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount
1.1 Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues effecting access to water.										
Municipal management structures established and actively supported citizen participation in their communities' Water Sector decision-making processes.	1.1.1 Support the establishment of the municipal management boards in 10 municipalities.					UNICEF	CSOs	MDG-F	711020 Nat. consultancy 734050 Communication 737020 Bank Charges 737090 Miscellaneous claims and services 752040 Programme supplies 764130 Meetings and conferences - Gvt. 764220 Daily Subsistence Allow-Local 764220 Travel of NGOs/CSOs 989999 General Management Services 999999 Administrative Agent	14,735 3,900 40 300 320 2,280 9,492 3,192 2,398 367
Members of municipal management boards able to assess, plan and implement actions to ensure protection of vulnerable groups, especially in the context of anticipated increases in water tariffs.	1.1.2 Capacity building of Municipal Management Boards.					UNICEF	CSOs	MDG-F	711020 Nat. consultancy 711030 Service Contracts-Individuals 734050 Communication 737020 Bank Charges 764120 Travel of Gvt staff 764130 Meetings and conf. - Gvt 764220 Daily Subsistence Allow-Local 764220 Travel of NGOs/CSOs 989999 General Management Services 999999 Administrative Agent	20,040 2,100 900 64 2,660 600 27,346 912 3,824 584

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina										USD	1,805,149
JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
1.1 Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues effecting access to water.											
Baseline data on existing participation mechanisms and social protection systems in 10 municipalities available and used to address gaps.	1.1.3 Support Human Rights Based analysis of the social protection system by MMBs.					UNICEF	CSOs	MDG-F	711020	Nat. consultancy	9,600
									734050	Communication	3,600
									737020	Bank Charges	30
									737090	Miscellaneous claims and services	300
									764130	Meetings and conf. - Gvt	7,700
									764220	Daily Subsistence Allow-Local	3,020
									764220	Travel of NGOs/CSOs	1,520
									989999	General Management Services	1,804
									999999	Administrative Agent	276
Ten (10) bi-annual Action Plans developed and adopted by the Municipal Councils.	1.1.4 Development of human-rights based Action Plans to address the gaps in social protection system by MMBs.					UNICEF	CSOs	MDG-F	711020	Nat. consultancy	25,260
									731010	Contractual translations	-
									737020	Bank Charges	43
									737090	Miscellaneous claims and services	300
									764130	Meetings and conf. - Gvt	7,700
									764220	Daily Subsistence Allow-Local	2,260
									764220	Travel of NGOs/CSOs	760
									989999	General Management Services	2,543
									999999	Administrative Agent	389
MMBs steer and monitor implementation of Action Plans in Year II and III.	1.1.5 Support to implementation of priority actions as outlined in Action Plans.					UNICEF	CSOs/ MMBs	MDG-F	737020	Bank Charges	142
									764140	Other Cash transfer to Impl.part.Gvt.	120,000
									989999	General Management Services	8,410
									999999	Administrative Agent	1,286

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JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
1.1 Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues effecting access to water.											
Information exchange and application of cooperation standards fully operational by Year I.	1.1.6 Support to MMBs, Water Companies and representatives of PAGs for development of cooperation mechanisms.					UNICEF	CSOs	MDG-F	711020 Nat. consultancy 734050 Communication 737020 Bank Charges 752040 Programme supplies 764220 Daily Subsistence Allow-Local 764220 Travel of NGOs/CSOs 764220 General Management Services 999999 Administrative Agent	9,600 3,900 23 270 4,150 1,520 1,362 208	
1.2 Increased capacities of vulnerable groups to influence municipal decision making on water access issues.											
Participatory action groups of vulnerable citizens established by MMBs in 10 municipalities by Year II.	1.2.1 Establishment of Participatory Action Groups (PAGs) of vulnerable citizens in 10 municipalities.					UNICEF	CSOs	MDG-F	711020 Nat. consultancy 734050 Communication 737020 Bank Charges 752040 Programme supplies 764220 Daily Subsistence Allow-Local 764220 Travel of NGOs/CSOs 764220 General Management Services 999999 Administrative Agent	7,200 300 18 270 4,540 2,660 1,049 160	
Mechanisms of cooperation of PA groups, municipalities and water companies established by Year II.	1.2.2 Capacity development for PAGs to assess access to water and social vulnerability issues (linked					UNICEF	CSOs	MDG-F	711020 Nat. consultancy 737020 Bank Charges 989999 General Management Services 999999 Administrative Agent	9,600 11 673 103	
Representatives of vulnerable groups directly influence planning of social protection responses at municipal level.	1.2.4 Participatory action planning by PAGs.					UNICEF	CSOs	MDG-F	737020 Bank Charges 764130 Meetings and conf. - Gvt 989999 General Management Services 999999 Administrative Agent	6 5,500 385 59	

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina										USD	1,805,149
JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
2.1 Improved capacities of utilities for financial sustainability.											
Financial management capacities of municipalities and water utilities improved.	2.1.1 Capacity development for municipality and water utility company staff members in financial management.					UNDP	Municipalities & Water Utilities	MDG-F	71100	ALD Employee Costs	125,000
									72100	Contractual Services-Companies	30,000
									72200	Equipment and Furniture	850
									72500	Supplies	5,400
									72800	Information Technology Equipmt	8,500
									73100	Rental & Maintenance-Premises	4,440
									74200	Audio Visual&Print Prod Costs	3,500
									74500	Miscellaneous Expenses	305
									75100	Facilities & Administration 7%	12,460
									99999	Administrative Agent Fee 1%	1,905
Implemented action plan addressing fee structure and collection.	2.1.2 Assessment of fee structure and collection, recommendations for improvement, and definition of action plan with active participation of citizens.					UNDP	Municipalities & Water Utilities	MDG-F	71300	Local Consultants	15,000
									73400	Rental & Maint of Other Equip	37,600
									74200	Audio Visual&Print Prod Costs	7,500
									74500	Miscellaneous Expenses	167
									75100	Facilities & Administration 7%	4,219
									99999	Administrative Agent Fee 1%	645
Institutionalized mechanisms ensuring informed participation of citizens regarding water utilities' economic governance.	2.1.3 Developing a systematic mainstreaming mechanism to ensure action on citizens' informational inputs from JP Outputs 1.1 and 1.2.					UNDP	Municipalities & Water Utilities	MDG-F	71400	Contractual Services - Individ	44,617
									71600	Travel	7,575
									72200	Equipment and Furniture	1,700
									72800	Information Technology Equipmt	5,000
									75100	Facilities & Administration 7%	4,122
									99999	Administrative Agent Fee 1%	630
Increased capacity of water utilities and municipalities to secure financing for infrastructure priorities.	2.1.4 Capacity building for and support to water utilities and municipalities with regard to writing proposals for loans					UNDP	Municipalities & Water Utilities	MDG-F	61100	Salary Costs - NP Staff	8,415
									61200	Salaries Costs - GS Staff	5,580
									75100	Facilities & Administration 7%	980
									99999	Administrative Agent Fee 1%	150

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina										USD	1,805,149
JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
2.2 Improved infrastructure capacities for water supply services in underdeveloped municipalities.											
Technical water supply needs assessed in participating municipalities.	2.2.1 Technical assessment on water supplying infrastructure conditions and needs in 10 selected municipalities.					UNDP	Expert Institutions & Municipalities	MDG-F	71300	Local Consultants	10,000
									71600	Travel	4,377
									72100	Contractual Services-Companies	500,000
									74500	Miscellaneous Expenses	750
									75100	Facilities & Administration 7%	36,059
									99999	Administrative Agent Fee 1%	5,512
Dissemination of assessment results to municipalities, water utilities, and citizens for the purpose of building consensus regarding priorities through multi-stakeholder discussions.	2.2.2 Presentation of the assessment results and recommendations to municipalities, water utilities, and citizens for discussion.					UNDP	Municipalities, Water Utilities & Citizens	MDG-F	71400	Contractual Services - Individ	19,250
									71600	Travel	1,010
									72200	Equipment and Furniture	850
									72800	Information Technology Equipmt	2,500
									73100	Rental & Maintenance-Premises	4,440
									74500	Miscellaneous Expenses	75
									75100	Facilities & Administration 7%	1,969
									99999	Administrative Agent Fee 1%	301
Strategic plans for infrastructure interventions clearly articulated.	2.2.3 Strategic planning of infrastructure interventions for water supply systems.					UNDP	Municipalities & Water Utilities	MDG-F	71600	Travel	5,050
									73100	Rental & Maintenance-Premises	8,880
									74500	Miscellaneous Expenses	60
									75100	Facilities & Administration 7%	979
									99999	Administrative Agent Fee 1%	150
Monitoring capabilities at municipal and water utility levels improved.	2.2.5 Developing monitoring mechanisms and strengthening municipal capacities for implementation.					UNDP	Municipalities & Water Utilities	MDG-F	71300	Local Consultants	3,610
									71600	Travel	6,060
									74500	Miscellaneous Expenses	25
									75100	Facilities & Administration 7%	679
									99999	Administrative Agent Fee 1%	104

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina										USD	1,805,149
JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
2.3 Improved capacities at municipal level for service delivery control.											
Legal and technical requirements defined.	2.3.1 Technical assistance to municipalities and water utility companies on water safety and quality control for safe water for citizens.					UNDP	Expert Institutions & Municipalities	MDG-F	71400	Contractual Services - Individ	37,059
									72200	Equipment and Furniture	850
									72400	Communic & Audio Visual Equip	1,200
									72800	Information Technology Equipmt	2,000
									73100	Rental & Maintenance-Premises	6,000
									74500	Miscellaneous Expenses	100
									75100	Facilities & Administration 7%	3,305
									99999	Administrative Agent Fee 1%	505
JP Outcome 3: Strengthened capacity of governments for evidence-based policy making and resource planning for equitable water related service provision.										390,496	
Annual Targets (List of Output Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
3.1 Improved capacity of municipal decision makers to assess and analyse the status of vulnerable groups and plan social mitigation measures/ policies.											
Representatives from 10 municipalities, relevant cantons and entities developed evidence-based policy recommendations to address the gaps in social protection system.	3.1.1 Support to Govt to develop social mitigation measures in response to anticipated increases in water prices.					UNICEF	CSOs	MDG-F	711020	Nat. technical assistance /service contract	1,200
									721010	Travel - national	1,200
									721015	Travel - DSA	2,000
									737020	Bank Charges	6
									752040	Mics- office and training materials	210
									752045	Mics- refreshment	150
									989999	General Management Services	334
									999999	Administrative Agent	51
Municipal databases to monitor implementation of the long-term social protection policies established.	3.1.2 Establishment or upgrading of municipal level data bases on social and economic indicators using DevInfo.					UNICEF	CSOs	MDG-F	711020	Nat. technical assistance	4,600
									721010	Local Travel	2,250
									737020	Bank Charges	98
									752040	Programme Supplies	15,000
									762000	Workshops and Conferences	1,000
									764240	Other Cash Trans. to Impl Partner NGOs/	60,000
									989999	General Management Services	5,806
									999999	Administrative Agent	888

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina										USD	1,805,149
JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564	
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount	
3.2 Improved capacity of national and sub-national policy makers to collect and analyse data to ensure socially equitable water service Protection policies.											
Representatives of the state, entity and cantonal institutions accountable for social protection possess skills to plan and support implementation human-rights based assessments.	3.2.1 Training on M&E, CRIA and on the HRBA approach to social protection assessment and planning for state-level and sub-national policy makers.					UNICEF	CSOs	MDG-F	714050	Service Contracts-Individuals	4,000
									737020	Bank Charges	32
									752040	Programme Supplies	3,000
										Other Cash Trans. to Impl Partner	
									764240	NGOs/CSOs	20,000
									989999	General Management Services	1,892
									999999	Administrative Agent	289
National baseline data on the impact of economic factors (including water regulation) on households produced.	3.2.2 Implementation of two rounds of the Child Rights/ Social Impact Assessment including 1,000 households per assessment (with UNDP).					UNICEF	DEP BIH	MDG-F	681010	Short-term Professional	36,000
									681020	Short-term Clerical	24,000
									711010	International Consultants	20,000
									711020	National Consultants	4,000
									711030	Corporate/ ints. Consultancy Contracts	70,000
									721010	Workshops and Conferences	1,500
									721015	Local Travel/DSA	1,500
									721025	International Travel	3,000
									737020	Bank Charges, Commissions and Guarant	191
									752040	Programme Supplies	2,000
									989999	General Management Services	11,353
									999999	Administrative Agent	1,735
		Ten (10) public discussions on impact assessment and municipal social mapping and analysis held in 10 municipalities by Year III.	3.2.3 Presentations of the Impact Assessment and community research findings to communities and to the municipal governance system.								UNICEF
						721010	Workshops and Conferences	4,000			
						721015	Travel-local/DSA	1,500			
						737020	Bank Charges	50			
						989999	General Management Services	2,979			
						999999	Administrative Agent	455			

Annex A: Work Plan (Year I) - MDG Spain Economic Governance - Bosnia and Herzegovina										USD	1,805,149					
JP Outcome 1: Strengthened inclusion of citizens in the participative municipal governance of water access.										346,564						
Annual Targets (List of Output & Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget								
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount						
3.2 Improved capacity of national and sub-national policy makers to collect and analyse data to ensure socially equitable water service Protection policies.																
Three (3) technical meetings held by end of Year III	3.2.6 Presentation of the Project's lessons learned, research and assessment to support National Development and Social Inclusion Strategy					UNICEF	DEP BIH	MDG-F	721010	Workshops and Conferences	3,000					
									721015	Travel -local/DSA	150					
									737020	Bank Charges	4					
									989999	General Management Services	221					
									999999	Administrative Agent	34					
Publications on municipal social mapping and impact assessment developed.	3.2.7 Support to development of documentation and reports on assessments, mapping and analysis developed in the Project.					UNICEF		MDG-F	711020	National Consultants	1,000					
									731020	Contractual Editing	1,000					
									731030	Printing and Binding	3,250					
									737020	Bank Charges	6					
									989999	General Management Services	368					
				999999	Administrative Agent	56										
Public DevInfo data base developed and contains data on economic and social indicators relevant for the project.	3.2.9 Presentation of research data in the public DevInfo data base.					UNICEF	DEP BIH	MDG-F	711020	National Consultants	18,400					
									737020	Bank Charges	39					
									752040	Programme Supplies	15,000					
									989999	General Management Services	2,341					
									999999	Administrative Agent	358					
JP Monitoring and Evaluation UN RC										68,124						
Annual Targets (List of Output Annual Targets)	Activities	Time Frame (Year I)				UN Agency	Responsible Party	Planned Budget								
		Q1	Q2	Q3	Q4			Source of Funds	Budget Description (Expenditure Account)	Total Amount						
Consolidated accountability framework for results.	Monitoring & Evaluation					UN RC	Agencies	MDG F	71400	Contractual Services - Individ	15,140					
									71400	Contractual Services - Individ	9,265					
									71600	Travel	5,882					
									72200	Equipment and Furniture	850					
									72500	Supplies	333					
									73100	Rental & Maintenance-Premises	4,400					
									73400	Rental & Maint of Other Equip	25,000					
									74200	Audio Visual&Print Prod Costs	1,500					
									74500	Miscellaneous Expenses	667					
									75100	Facilities & Administration 7%	4,413					
									99999	Administrative Agent Fee 1%	674					
		Total										1,805,149				

Agency Allocation (Year I)- MDG Spain Economic Governance - Bosnia and Herzegovina (BiH)				
Securing Access to Water through Institutional Development and Infrastructure				
Year I	Agency			
MDG Expenditure Category	MDG-F	UNDP	UNICEF	Grand Total
1.1 Supplies, commodities, equipment and transport		119,593	72,860	192,453
1.2 Personnel (staff, consultants, travel and training)		322,889	233,538	556,427
1.3 Training of counterparts		2,148	230,824	232,972
1.4 Contracts		530,000	131,395	661,395
1.5 Other direct costs		13,700	13,404	27,104
2.0 Indirect support costs		69,183	47,741	116,925
Administrative Agent Fee 1%	17,873			17,873
Grand Total	17,873	1,057,514	729,762	1,805,149

Signatures for budget:

UN organizations	National Coordinating Authorities
Ms. Christine McNab, United Nations Resident Coordinator Office of the UN Resident Coordinator	Mr. Mladen Zirojevic Minister of Foreign Trade and Economic Relations Council of Ministers BiH
Mr. Peter van Ruysseveldt Deputy Resident Representative United Nations Development Programme	
Ms. Anne-Claire Duffay Representative, a.i. United Nations Children's Fund	

Annex B: Terms of Reference and Rules of Procedure

Terms of Reference and Rules of Procedure for MDG-F National Steering Committee (NSC)
in Bosnia and Herzegovina for programmes funded by
UNDP-Spain Millennium Development Goals Achievement Fund

Part I: Terms of Reference

1. Introduction

The National Steering Committee in Bosnia and Herzegovina (the "NSC") is established to oversee and coordinate the operations of the Millennium Development Goals Achievement Fund (MDG-F) Programmes in Bosnia and Herzegovina (the "Programmes") in accordance with the Terms of Reference of the Fund, dated October 15, 2007.

2. Role of the NSC

The NSC will have overall responsibility for Programme activities. It will provide strategic guidance and oversight and approve the Programme Document including subsequent revisions and Annual Work Plans and Budgets. The NSC will be co-chaired by the UN Resident Representative and a Government Representative. To the extent possible, the NSC will use existing coordination mechanisms in Bosnia and Herzegovina to undertake the process of planning and stakeholder consultation that the programme operations will require.

3. Structure and Composition

- ✓ **Membership:** The members of the NSC will include:
 - Representatives of the Council of Ministers BiH and two Entity Governments in Bosnia and Herzegovina, one of them serving as co-chair:
 1. Assistant Minister, Ministry of Finance and Treasury BiH: Mr. Vlatko Dugandzic
 2. Advisor to the RS Prime Minister, Government of RS: Mr. Milan Bastinac
 3. Assistant Minister, Ministry of Culture and Sports FBiH: Ms. Angela Petrovic
 - The United Nations Resident Coordinator (RC), as Co-chairperson: Ms. Christine McNab.
 - A local representative from Government of Spain: Ms. Cristina Gutierrez Hernandez, General Coordinator of the Spanish Cooperation with the Balkans, the Embassy of Spain.

- ✓ **Frequency of meetings:** The NSC will normally meet semi-annually. Additional meetings based on the requirements of the Programme may be convened exceptionally. The meetings will be convened by the Chairperson. For ad hoc issues requiring urgent attention the NSC may conduct its business electronically.

- ✓ **Agenda:** The agenda and supporting documentation will be prepared and disseminated by the Resident Coordinator's office. NSC members may make requests for items to be included on the agenda.

- ✓ **Quorum:** A quorum of the NSC will consist of all the committee members or their officially delegated representatives.

- ✓ **Observers:** Non-governmental, civil society and other organisations may be invited to participate in NSC meetings as observers, based on the following two primary criteria: (a) Involvement of the organisation in projects financed or to be financed from the Programme; and (b) Impact of projects financed from the Programme on the activities of the organisation. Decisions to invite observers or representatives of the relevant Participating UN Organisation will be made by the Co-chairs.

4. Responsibilities of the NSC

The primary responsibilities of the NSC will be to:

- Review and approve these Terms of Reference (TOR) and Rules of Procedure, based on the generic TOR, and amend them, as necessary, in consultation with the AA.
- Review and endorse the Programme Document and Annual Work Plan and Budget submitted by Participating UN Organisations; ensure their conformity with the requirements of the Fund and in particular decisions of the MDG-F Steering Committee; ensure the quality of programme documents to receive funding from the Fund.
- Discuss the Programme requirements and priorities concerning, *inter alia*:
 - programme management, including consistent and common approaches to project costing, cost recovery, implementation modalities, results-based reporting and impact assessment,
 - information management, including appropriate Fund and donor visibility.
- Ensure that appropriate consultative processes take place with key stakeholders at the country level in order to avoid duplication or overlap between the Fund and other funding mechanisms.
- Approve the reporting mechanism for the programme.
- Review findings of the summary audit reports consolidated by the Administrative Agent; highlight lessons learned and periodically discuss follow-up by Participating UN Organisations on recommended actions with Programme -wide impact.

5. Decisions

The NSC should make decisions by consensus. The decisions of the NSC will be duly recorded.

Prior to presenting a position on an issue to the NSC, the Participating UN Organisation will ensure that this is in line with their regulatory requirements. Any decision by the NSC which deviates from a previously endorsed position has to be referred back to the Participating UN Organisation for endorsement in order to be binding.

Decisions on programme documents, including revisions and Annual Workplans and Budgets will only be taken upon completion of a review by the Programme Management Committees (PMC).

6. Support to the NSC

The NSC will establish a support function, which reports to the Chairpersons of the NSC. The support function will facilitate the work of the NSC. The RC's office will provide the primary support to the NSC.

Under the direct supervision of the Chairpersons of the NSC, the NSC Support Office will be responsible for, *inter alia*:

- Periodically reviewing the Rules of Procedure of the NSC, and in consultation with the Co-chairs, recommend changes or revisions to the NSC.
- Liaising with the PMC on programme review and analysis.

- Calling and organising meetings of the NSC.
- Developing and circulating meeting agendas and minutes.
- Documenting, communicating and ensuring follow-up of the NSC's decisions particularly ensuring the submission – no later than one business week after the NSC meeting – of appropriately signed and complete documentation on approved programme related documents to the Administrative Agent (the UNDP Multi-Donor Trust Fund Office in New York).

8. Programme Management Committee

The NSC shall ensure that Programme Management Committee (PMC) is established to assume responsibility for the operational coordination of the Joint Programme. The PMC's membership will consist of relevant implementing parties such as Participating UN organizations, Government representatives and civil society representatives as appropriate. The NSC will oversee that the PMC:

- Appoints a Programme Manager or equivalent thereof;
- Manages programme resources to achieve the outcomes and output defined in the programme;
- Aligns MDG-F funded activities with the UN Strategic Framework or UNDAF approved strategic priorities;
- Establishes programme baselines to enable sound monitoring and evaluation;
- Establishes adequate reporting mechanisms in the programme;
- Integrates work plans, budgets, reports and other programme related documents; and ensures that budget overlaps or gaps are addressed;
- Provides technical and substantive leadership regarding the activities envisaged in the Annual Work Plan and provides technical advice to the NSC;
- Establishes a communication and public information plans;
- Makes recommendation on re-allocations and budget revisions to the NSC;
- Addresses emerging management and implementation problems; and
- Identifies emerging lessons learned.

The RC or his/her representative will chair. Experts can be invited as observers to the PMC meetings when needed. The PMC will normally meet quarterly.

9. Public Disclosure

The NSC will ensure that decisions regarding programme approvals, periodic reports on the progress of implementation of the programme and associated external evaluations are made available for public information. Such reports and documents may include: records of decisions, summary sheets of approved Joint Programmes, annual financial and progress reports, summary of internal and external programmatic evaluation reports.

The NSC will take all reasonable steps to ensure the accuracy of such documents and that confidential materials are not disclosed.

The Participating UN Organisations will also take reasonable steps to ensure the accuracy of their postings on their respective websites regarding their Programme operations and activities, in consultation with the NSC.

Part II: Rules of Procedure

1. Review of Strategy

The NSC will review the progress of the Programme(s) to ensure coherence and collaboration with Programme and other national programmes, maintaining close collaboration with national authorities to ensure flexible adaptation of MDG-F funded activities.

2. Funding release

- Based on the approval of the NSC and the receipt of duly signed Submission Form and relevant Project Document, the Administrative Agent will transfer approved funds to the particular Participating UN Organisation(s), after ensuring consistency with programme document signed by the Participating UN organizations.
- The first instalment of funds will be transferred within three to four business days from receipt of documentation from the NSC. Instalments are annual and the first release will be made in accordance with the budget of year one.
- Subsequent instalments will be in accordance with Annual Work Plans approved by the NSC. The release of funds is subject to meeting a minimum expenditure threshold of 70% of the previous fund release to the Participating UN Agencies combined.
- If the 70% expenditure threshold is not met funds will not be released to any agency, regardless of the threshold being met by an individual Participating UN Organization.
- If the overall expenditure of the programme reaches 70% before the end of the twelve-month period, the participating agencies may upon endorsement by the NSC request the MDTF Office to release the next instalment ahead of schedule.

4. Reporting

- In line with the Memorandum of Understanding (MOU) between the Administrative Agent and Participating UN Organisations, the latter will submit, on an annual basis, financial and progress reports to the Administrative Agent. The Administrative Agent is responsible for consolidated reporting to the NSC at the country and the Fund Steering Committee at the global level, respectively.
- The PMC will sign off on the Narrative Joint Programme Progress Report before it is submitted to the Administrative Agent.
- The Office of the Resident Coordinator will ensure that the AA's Consolidated Joint Programme Progress Reports are distributed to NSC members and other relevant parties.
- Decisions and comments by the NSC will be shared with all stakeholders in order to ensure the full coordination and coherence of MDG-F efforts.
- The MDTF Office will issue an annual AA Management Brief for each programme, which contains analysis of fiduciary requirements and key management achievements and challenges as well as recommendations for improvements or corrective action as required. The assessment, takes into account latest policy direction from the Secretariat and Steering Committee; best practices observed throughout Fund activities; audit recommendations; MTR observations; and adherence to Rules and regulations. The AA Management Briefs will be written in English.
- At the Fund-wide level, the MDTF Office designs reporting systems and mechanisms to facilitate that fiduciary requirement can be met by the Participating UN Agencies. The MDTF office will provide the Consolidated Joint Programme Progress Report for

each programme and other reports as appropriate to the Fund Steering Committee through the Secretariat.

- Participating UN Organizations will be encouraged to provide Quarterly Updates. The Quarterly Updates would be provided at the outcome level. The Quarterly Update is designed to satisfy basic information requirements to serve as a high level management tool for the Fund, while still being easy for the Country Teams to comply with. The MDTF Office will design and role out an online system to capture the Quarterly Updates.
- Consolidated annual reports should include a section on the activity of the NSC.
- Timeline for submission of reports is shown in the chart below.

Report Name	Coordinating Author /Consolidator	Approving Authority	Dead-Line (reporting period: 1 Jan - 31 Dec)	Required Language
Consolidated Joint Programme Progress Report (including AA Management Brief, JP Narrative Report and Financial Reports)	MDTF Office	MDTF Executive Coordinator	31 May	AA Management Brief in English
Narrative Joint Programme Report	Participating UN Organizations jointly at Country Level	PMC	28 February	Working Language of CO
Financial Progress Reports	Participating UN Organizations HQ Level	Financial Officer/ Comptroller	31 March	English

Annex C: Activities & Sub-activities

OUTCOME 1: STRENGTHENED INCLUSION OF CITIZENS IN THE PARTICIPATIVE MUNICIPAL GOVERNANCE OF WATER ACCESS

UNICEF Output 1.1. Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues affecting access to water

1.1.1 Support the establishment of the municipal management boards in 10 municipalities
Municipal Management Boards (MMBs) will be established by the Mayors in all selected municipalities at the beginning of the project. It is important that the members of the MMBs represent all key sectors that are relevant to project implementation: municipal department for social welfare, health, social services, local NGOs, water utilities, and representatives from vulnerable groups. MMBs' Terms of Reference will be presented and agreed upon both with all the members and the Mayor.

Technical assistance will be provided to the MMBs throughout the project period in order to enable them to carry out their tasks. While the MMB mechanism will be initiated and piloted as part of this joint programme focusing on the Water Sector, it is expected that these bodies will become permanent municipal commissions¹⁶ for issues related to protection of vulnerable groups after the official end of the project cycle.

1.1.2 Capacity building of Municipal Management Boards

This will enable members of MMBs to assess, plan and implement actions that ensure the protection of vulnerable groups. Specifically, it is anticipated that a result of JP Activity 2.1.2. will be a recommendation to increase water tariffs, and municipalities must be prepared to undertake offsetting social protection measures for vulnerable groups. This will require, among other things, an increased ability to target these groups. Capacity building activities will include training for 70 municipal representatives on human rights based approach to social protection assessment (as a basis for 1.1.3), action planning (1.1.4), implementation and M&E (1.1.5).

Technical assistance will be provided to municipal management boards to develop and budget long-term social protection policies for priority vulnerable communities and households, and solicit budgetary support from the accountable cantonal and entity-level institutions.

1.1.3 Support Human Rights Based analysis of the social protection system by MMBs

Baseline data on existing participation and social protection mechanisms in use in 10 municipalities will be developed. This will involve an analysis of the situation of socially vulnerable groups and their protection, and identifying gaps in existing provision of services.

Human-rights based analysis of the social protection system in relation to access and quality of social protection for vulnerable groups will be conducted by MMBs.

¹⁶ Importance of such local structures has already been recognized by the BiH Government. Republika Srpska is currently drafting a new Law on Social Protection which foresees that every Municipality will establish Municipal Commission for Social Protection. Federation of BiH is supportive of this approach as well, however, due to a complexity of the FBIH Government and shared responsibilities for Social Protection between the Entity and Cantons, its official endorsement will be slow.

1.1.4 Development of human-rights based Action Plans to address the gaps in social protection system by MMBs

The results of the gap analysis conducted under 1.1.3 will be used to develop action plans addressing these gaps in a systematic manner (also closely linked with output 2.1). Support will be provided to joint municipal/cantonal/entity forums for development of evidence-based policies. Government Policy groups will develop recommendations to address the gaps in the social protection system. Information generated by PAGs under 1.2.3 will feed into and support this process.

1.1.5 Support to implementation of priority actions as outlined in Action Plans

The implementation of the municipal Action Plans will start in a year II, once they are adopted by the Municipal Councils (the APs are usually adopted by end of year I). There will be a grant for every Municipality to kick off the process of implementation, aimed at the priority actions as identified by MMB.

MMBs steer and monitor the implementation of the Action Plans. Their role is also to advocate and mobilize the Municipal Councils for increase of municipal budgets to cover the full range of social protection services for vulnerable citizens.

1.1.6 Support to MMBs, Water Companies and representatives of PAGs for development of cooperation mechanisms

Support will be provided to 30 meetings of the MMBs, Water Companies and representatives of vulnerable groups, providing a mechanism for information exchange and application of cooperation standards (fully operational by year 3). These discussions will inform the development of human-rights based Action Plans under 1.1.4 and lessons learned will be documented and fed into the Policy Recommendations (3.1.1).

UNICEF Output 1.2. Increased capacities of vulnerable groups to influence municipal decision making on water access issues

1.2.1 Establishment of participatory action groups of vulnerable citizens in 10 municipalities

The Participatory Action Groups are a component of the communication for social change methodological approach and are established at community levels to ensure that the views, analysis and solutions of the population affected by a problem or benefiting from proposed development programmes are part of the problem solving or intervention design. The PAGs are created of the relevant rights holders in the communities who actively participate in the definition of an issue, mapping and analysis of its manifestations and scope as well as in problem solving, design of the interventions, their implementation, monitoring and evaluation. PAGs will be established in 10 municipalities by year two of the project and will include participation of key rights-holders identified during the initial assessment of the social status of the municipality.

1.2.2 Capacity development for PAGs to assess access to water and social vulnerability issues (linked with 2.1.4) , with UNDP supplying input on investment issues etc.

PAG methodological approach allows for participation of maximum 20 representatives of a community per PAG who are supported by relevant duty-bearers proposed and selected by communities. The PAGs will work based on the already developed methodology of facilitation. PAG members will be included into a structured series of activities through workshops and field work if necessary beginning with the provision of information, knowledge and skills necessary to implement the situation analysis exercises, visioning, discussions on community-based solutions and available solutions by duty-bearers (in this case municipal governance system and water

companies), action planning, participation in implementation where applicable and monitoring of the implementation. Capacity development of PAGs will be broadened by inclusion of information on the water situation, water management as well as information of ecological dimension of the water supply issues and community-based approaches to care of natural water sources.

1.2.3 Facilitation of PAG meetings: participatory action assessment of social protection for vulnerable groups

Representatives of vulnerable groups will, through assessment of social protection system in their municipalities, identify key issues. The planning cycle will PAGs's work will be structured in such a manner that the assessment of social status of vulnerable groups is assessed by the community, monitored for better targeting of social welfare/mitigation measures and active support of communities in implementation of both social mitigation measures and monitoring and implementation of the water management component of the project.

In addition, mechanisms of cooperation of PAGs, municipalities and water companies will be designed in cooperation of PAGs, municipalities and water companies and established by the end of year two. Support will be provided to 10 joint sessions of MMBs, PAGs and water companies representatives to define modalities of cooperation. This will include the development of standards/mechanisms of cooperation and information-sharing, working towards the inclusion of standards into workplans of MMBs and Water Companies. The PAG meetings will be in support of the implementation of methodology as defined in activity 1.2.2

1.2.4 Participatory action planning by PAGs

Based on activities 1.2.2. and 1.2.3, PAGs will create the community action plans with proposed water management and social mitigation measures whose implementation will be supported through project. The action plans by PAGs will be cross-referenced with the action plans of municipalities and water companies so that the areas of common interest and actions are identified and all three interest groups (municipality, water companies and communities) are mobilised to cooperation on resolving common priorities. In this mannes, PAGs, as representatives of vulnerable groups, will have a critical role in influencing and assisting with developing the planning response for inclusive social protection at the municipal level. This will directly feed into and support the development of action plans under 1.1.4.

OUTCOME 2: IMPROVED ECONOMIC GOVERNANCE IN WATER UTILITY COMPANIES FOR BETTER SERVICES TO CITIZENS IN TARGETED MUNICIPALITIES

Output 2.1. Improved capacities of water utilities for financial sustainability

2.1.1. Capacity development for municipality and water utility company staff members in financial management

2.1.1.i. Accounting and Budgeting

a) Conduct analysis of current accounting procedures in water utilities. Interview water utility staff and review bookkeeping activities and the process of generating financial statements.

b) Conduct analysis of current budgeting practices and budget reporting procedures in water utilities. Interview water utility staff and review budgeting reports.

c) Conduct analysis of staffing numbers, knowledge, and skills of water utilities, specifically with regard to their capacity for executing activities aimed at improving accounting and budgeting procedures.

d) Conduct survey on office equipment available in water utilities (computers and accounting software).

e) Elaboration of reports based on the above analysis which will include: description of current accounting and budgeting procedures and their compliance with national legislation and international standards, recommendations for changes in current accounting and budgeting procedures (if necessary).

The reports will be presented and reviewed by municipal authorities and water utilities staff, in order to obtain approval to implement the recommendations.

f) Based on the report findings, action plans for each recommended and approved activity (development of budgeting process for operating costs and capital investments based on departments as cost centers, budget reports, modified chart of accounts etc.) will be elaborated, as well as relevant capacity building activities and equipment needed.

g) Conduct capacity building program – tailored on the basis of water utility staff’s knowledge on application of accounting and budgeting procedures that could include trainings on MS Excel, accounting software or other applications.

2.1.1.ii. Corporate financial analysis and strategic financial planning

a) Training in corporate financial analysis will be provided, including the development of financial models and target financial structures, stress testing for the analysis of various financing scenarios, generating projections to support strategic planning, teaching water utility companies to more effectively track cash flows (cash flow statements not currently generated in smaller municipalities), and ratio and trend analysis.

b) The capacities of the water utilities to develop strategic financial plans will be developed through training sessions. A specific focus will be on the development of financing plans to address the issue of inadequate maintenance capital expenditures, a major source of operational and financial unsustainability. This activity will complement JP Output 2.2., which is designed to identify capital expenditure priorities. Representatives from the associated municipalities will be kept informed of all capacity development activities for water utilities, in recognition that the municipal authorities are the duty bearers and the would-be guarantors of any debts taken on by the water utilities.

2.1.2 Assessment of fee structure and collection, recommendations for improvement and definition of action plan with active participation of citizens

a) Conduct in-depth analysis of status of collection fees including current water tariffs per category, rate of revenue collection per category, water tariffs structure, billing procedures, relations with consumers, modalities of calculation of water tariffs and compliance with realistic tariff rates, as well as practices of putting water tariffs into effect.

b) Analytical results, including a set of recommended actions will be presented to water utilities and municipalities, as they will be relevant for both of these stakeholders. For the water utilities, recommendations may include: public awareness campaigns to increase the user charge payment rate and to educate citizens about the importance of increasing tariffs; more frequent billing; facilitation of billing payment procedures; modalities of direct contacts with consumers; water use reduction campaign for apartment buildings; writing off past debts as an incentive for customers to start making payments; cutting services etc. For the municipalities, these may include the establishment of an independent advisory tariff review body; encouraging greater citizens’ engagement to improve social protection targeting; the introduction of multi-tiered pricing policy to accommodate social categories, etc.

c) Facilitate discussion and consensus-building exercise between water utilities, municipalities, and citizens regarding top priorities from the recommendations.

d) Using the input from the consensus-building exercise, assist water utilities and municipalities with the development of action plans and assist with implementation.

2.1.3. Developing a systematic mainstreaming mechanism to ensure action on citizens' informational inputs from JP Output 1.2

a) Municipalities and water utilities will be supported with the designing and implementing of systems to ensure that citizens' input is included planning processes.

2.1.4. Capacity building for and support to water utilities and municipalities with regard to writing proposals for loans and grants (including those available under JP Output 2.2.) needed to finance the infrastructure investment plans developed in JP Output 2.2..

a) Workshops will be held to provide instruction and assistance with application procedures.

2.1.5. Comparative analysis of water utility company financial performance for participating municipalities

a) Data will be collected from water utilities and interviews held to clarify data issues in the 10 participating municipalities.

b) A database will be created and populated

c) Comparative financial analysis performed on a longitudinal (panel) dataset. Report written and results presented to water utilities and municipalities as a demonstration piece for evidence-based policy making. This report will become an input for JP Output 3.2.

Output 2.2: Improved infrastructure capacities for water supply services in underdeveloped municipalities

2.2.1. Technical assessment on water supplying infrastructure conditions and needs in 10 selected municipalities

a) Conduct a review of all existing strategic and planning technical documentation, as well as infrastructural designs in 10 selected water utilities.

b) Conduct in-depth analysis of water utilities technical state and performances on infrastructure conditions, which will include water sources intakes (raw water treatment plants, flow meters), reservoirs, water supply network (pipes, valves, water meters, chambers e.t.c.), leakage detection equipment, and office equipment (computers and software).

Analysis will be made on the basis of interviews with water utility staff and site visits.

c) Conduct analysis of number, knowledge and skills for execution of activities aimed at improvement of infrastructure.

2.2.2. Presentation of the assessment results and recommendations in order to create joint intervention strategy with municipalities and utility companies

a) Reports based on the above analyses will be written to describe the current state of infrastructure, recommendations for improvement (e.g. infrastructure small-scale designs, plans for leakage measurement and detection, network mapping program, program for metering at sources and at end users, pipes replacement plan, targeted trainings for water utility staff). Initially, the reports will be presented solely to municipal authorities and water utilities staff.

b) Multi-stakeholder participatory meetings (PAGs/MMBs) will be facilitated. Municipal authorities will lead these meetings, which will provide a forum through which they will be able to communicate key findings to citizens and solicit their input, which will be incorporated into the decision-making process in Output 2.2.3. Water utilities will also participate in these meetings

and will be responsible for providing a “reality check” regarding possible infrastructure interventions options.

2.2.3. Prioritization of infrastructure interventions on water supplying systems

a) Setting up criteria for selection of interventions to be implemented with water utilities and municipal authorities, based on report findings. Accordingly, Joint Infrastructure Intervention Strategies will be elaborated, which will include detailed action plans for each selected priority intervention, as well as relevant capacity building activities and equipment needed.

Capacity building activities will be tailored according to the water utility staff’s skills available, and may include training on MS Excel, Auto-Cad, GIS or other applications, leak detection equipment usage, measurement devices usage e.t.c.

2.2.4. Implementation of Joint Intervention Strategies

Assisting and supervising the implementation of selected priority interventions (action plans) together with the water utilities and municipalities within Joint Infrastructure Intervention Strategies. These interventions could include: network reconstruction, network mapping, leakage detection, all supported by technical assistance.

Capital expenditure fund details

A fund will be created to finance infrastructure investments. The selection of projects will be based on the capacity of municipalities and water utilities to demonstrate that they can and have applied the techniques discussed above (including the incorporation of citizens’ input) in identifying priorities for network reconstruction and applying offsetting social mitigation strategies to address the impact of water price increases on vulnerable families.

Eligibility: Municipalities and their associated water utilities will be eligible to apply jointly for funding for activities that address the priorities articulated in the action plans developed in activity 2.2.3.

Criteria: In order to be considered, projects must demonstrate that they:

- a. have been identified as priority issues through the participatory processes described above,
- b. can deliver a measurable impact with the funds available;
- c. will be sustainable;
- d. will be cost efficient.

Process: Municipalities and their associated water utilities participating in the joint programme will be encouraged to jointly submit applications for financing. (Note that activity 2.1.4. will offer training to enable them to do so.) The applications will be expected to outline the ways in which the project satisfies the funding criteria.

Scope: Approximately US\$900,000 will be allocated to fund projects of approximately US\$90,000 per participating municipality/water utility beginning in Year 2. Attempts are currently underway to partner with other donors in order to complement these grant funds with parallel loan and/or grant financing, which may substantially increase the resources available for infrastructure investment projects. In addition, municipalities will be expected to provide funding for the proposed projects calculated on the basis of the municipal revenue per capita and non-earmarked municipal budget. This approach is already working in UNDP’s area-based development programmes in BiH.

Beneficiaries: As the fund will financing infrastructure investment priorities, beneficiaries will be citizens as rights-holders, water utilities as service providers, and municipalities as duty-bearers.

2.2.5. Developing monitoring mechanisms and strengthening capacities for implementation

a) Staff training for water utilities and municipalities to measure and monitor infrastructure action plan progress will be provided. Training will be tailored to satisfy monitoring requirements of donors.

OUTPUT 2.3: Improved capacities at municipal level for service delivery control

2.3.1. Technical assistance to municipalities and water utility companies on water safety and quality control for safe water for citizens

a) Conduct analyses of quality control practices in water utilities, which will include data on sampling locations, frequency of sampling, responsible institution for control, previous quality control reports etc., and its compliance with national regulation on potable water.

b) Conduct analysis of existing water protection measures (documentation on water source protection zones, municipal decision on water source protection zones, as well as relevant state at the water sources regarding protection).

Analyses will be made on the basis of interviews with municipal authorities water utility staff and water sources visits.

c) Conduct presentations and workshops for municipal authorities, institutions certified for water quality control, and water utilities on water quality control and water sources protection, which will include the following issues:

- Legal framework for water sources protection: water laws and rules on conditions for defining water protection zones measures;
- Entities', cantons', and municipalities' responsibilities for adopting decisions on water sources protection;
- Successful examples of water sources protection;
- National regulations for quality control of potable water.

2.3.2. Support establishing efficient and responsible system of water quality control at municipal level in order to fully comply with national regulation for potable water

a) Elaboration of documentation for water protection zones and measures (if lacking).

b) Advising municipalities on adoption of decision on establishment of water source protection zones, based on elaborated documentation.

c) Assisting and supervising municipalities and water utilities in establishment of water source protection zones and protection measures at water sources.

d) Advising municipality and water utilities to enforce water quality control according to national regulation for potable water.

OUTCOME 3: STRENGTHENED CAPACITY OF GOVERNMENTS FOR EVIDENCE-BASED POLICY MAKING AND RESOURCE PLANNING FOR EQUITABLE WATER RELATED SERVICE PROVISION

Output 3.1. Improved capacity of municipal decision makers to assess and analyse the status of vulnerable groups and plan social mitigation measures/ policies

3.1.1 Support to Government to develop social mitigation measures in response to increase in utility prices

Support will be given to joint municipal/cantonal and entity level forums for the development of evidence-based policy recommendations addressing the gaps in the social protection systems. Three meetings of the mixed groups of decision makers responsible for the design and implementation of the social mitigation measures will be organised as the discussion forums. Conclusions and recommendations of the discussion forums will contribute to adjustment and the improvement of targeting of the cash benefits or other forms of social mitigation measures (including subsidies, special tariffs, etc.) to address the increased economic pressure of potential increases in utility prices on economically vulnerable populations. The forums will have an additional objective to review of the Project's lessons learned for potential further replication through the social protection bodies created at municipal level.

3.1.2 Establishment or upgrading of the municipal data bases on social and economic indicators at municipal level

Effective and reliable municipal level databases are essential for monitoring the implementation and efficacy of long-term social protection policies. This activity will address an important gap in the planning capacities of the municipal institutions and that is lack of centralised data on the social and economic indicators, particularly those relating to the vulnerable and excluded groups. The activity involves the training of municipal staff and CSOs on the application of the Devinfo software, the use of which has been already piloted in 10 municipalities in BiH. Based on commonly agreed social and economic indicators, the municipal representatives will be trained, via a four-day training on Devinfo users and five-day training for Devinfo database managers on the use of software and supported to collect data into a centralised Devinfo software allowing cross-referencing of data and mapping of the results achieved in social and economic sectors over the duration of the project. This will also require the procurement of IT equipment whereas software will be provided free of charge. Twenty municipal staff and CSO representatives will also be trained, via a one-day training complementary to Devinfo on the application of impact assessment methodology and data collection methods In order to improve their capacities for the evidence-base policy making and to ensure impact assessment and other research undertaken at community level is entered into municipal database and used for decision making.

Output 3.2. Improved capacity of national and sub-national policy makers to collect and analyse data to ensure socially equitable water service Protection policies

3.2.1 Training on M&E, CRIA and on the HRBA approach to social protection assessment and planning for state-level and sub-national policy makers.

Capacity for technical approaches to assessing, measuring and monitoring social protection measures are currently very weak, even at the state-level. 60 representatives of the state, entity and cantonal institutions accountable for social protection will be trained via a five-day training (combination of two 2.5 days training) so that they possess skills to plan, commission and support implementation of the monitoring and evaluation of the social protection policies at relevant administrative levels. The training will include general information on M&E techniques and will further focus on the application of the qualitative and quantitative M&E techniques and analysis as defined in the HRBA approach to programming and in the impact assessment methodology.

3.2.2 Implementation of two rounds of the Child Rights/Social Impact Assessment including 1,000 households per assessment (with UNDP)

The child right/social impact assessment will be implemented based on the methodology developed and piloted on the issue of impact of potential increases of electricity prices on wellbeing of households with children. The methodology being sufficiently flexible, it will be broadened to include analysis of impact of increasing economic burdens on other vulnerable groups (e.g. elderly, displaced families, etc.) based on the initial municipal assessment of social vulnerability. According to methodology, the impact assessment will include the assessment of the water sector in BiH, review of regional and global practices and examples of water utility management and governance as well as efficient practices of mitigation of the effects of potential increases of water prices or other measures proposed at macroeconomic level with regards to management of water utilities on households (within context of the impact of the increasing inflation). The analysis will be supported by development of relevant indicators and investigation of the impact and coping strategies of household and social situations responsible of the care of vulnerable population (e.g. children institutions, health centres, etc.) with regards to potential change in water utility prices and management using qualitative and quantitative research techniques. Important dimension of the research will be to obtain recommendations from the communities on management of water resources, including protection and used of natural water resources as well as proposals on social mitigation measures that will be a part of policy recommendations resulting from CRIA.

This activity will result in national baseline data on the impact of economic factors (including water regulations) on households, and the preparation of national reports on the impact of the regulation of the water utility system on vulnerable households and will contribute to development of the BiH Social Inclusion Strategy action plans and their evaluation. The impact assessment will be implemented in the year one and in the year three of the Project in order to obtain baseline data and allow for the progressive monitoring of the economic impact of the wellbeing of households in BiH. The quantitative component of the research will include 1,000 households per research and the sample will be representative of BiH whereas including the 10 municipalities that are focus of the Project. Qualitative component of the research will include 10 municipalities included in the Project as well as additional localities to ensure that the data obtained are representative of the BiH population.

3.2.3 Presentations of the Impact Assessment and community research findings to communities and to the municipal governance system.

10 public discussions on impact assessment and municipal social mapping and analysis held in 10 municipalities by year III. Given that 10 municipalities targeted in the CRIA assessment will be a focus of qualitative research, presentations of the findings of the impact assessment will be presented, as is the part of CRIA methodology, via public presentations for general public, social institutions and municipal authorities and will serve as the forum to discuss implications of changes of water utility management and other economic factors on the general wellbeing of vulnerable populations.

3.2.4 Organisation of know-how workshops for BiH Associations of Municipalities and BiH Association of Water Companies

2 workshops for association of municipalities and water companies held by year III. The purpose of these workshops will be to present the methodologies and lessons learned from the outcomes 1 and 2 of the Project in order to solicit interest and partnerships for further replication of the project approaches.

3.2.5 Presentation of the project results and methodologies to the entity, state and cantonal social and economic policy decision- makers

2 dissemination conferences on project results held by end of year III. The purpose of the conferences will be to increase awareness on the impact of macroeconomic measures on the wellbeing of the populations in BiH, particularly those most vulnerable.

3.2.6 Presentation of the Project's lessons learned, research and assessment to support National Development and Social Inclusion Strategy development and evaluation (with UNDP).

Three technical meetings held by end of year III. This activity will be complementary to the activity 3.3.3., but is envisioned to be of a more technical nature and focusing on the working groups responsible for development of the NDS and SIS action plans and their monitoring. It is envisioned that the technical meetings will mix the members of several working groups responsible for development of action plans for particular priority areas as defined in the NDS and SIS. Each technical meeting is to last one day and will include minimum 20 stakeholders.

3.2.7 Support to development of documentation and reports on assessments, mapping and analysis developed in the Project

Four publications on municipal social mapping and impact assessment developed by year II and end of year III. Two publications will summarise the action plans and social sector analysis developed by 10 municipalities in an analytical manner and will contribute to information sharing of the project results with other municipalities in BiH. Two publications will be focused on presenting the results and policy recommendations resulting from the child rights/social impact assessment and will be used to influence national and entity policy makers in making decisions on adequate targeting of social assistance to the most vulnerable groups.

3.2.8 Development and dissemination of training materials

124 copies of training materials developed and distributed in 124 municipalities in BiH by year III. Training material will include the training on HRBA approach to municipal planning of social protection, the manual on participatory action research and a manual on the use and management of the Devinfo software adjusted to BiH context.

3.2.9 Presentation of research data in the public DevInfo data base

In order to strengthen the capacity of the DEP BiH to monitor the implementation of measures defined in the NDS and SIS, this institution will be supported in development of the relevant set of indicators focusing on the economic and on the social indicators reflecting the status of the exclusion in BiH, Existing technical capacity to manage and use Devinfo within DEP will be utilised for this purpose. DEP BiH will be further supported by increasing their capacity to collect and consolidate the existing data into the database and to continue collecting data on MDG and the national NDS and SIS frameworks throughout the implementation of the project. Activity will include procurement of the relevant IT equipment necessary to establish and maintain the national database attached to the existing DEP BiH WEB site.

Annex D: Programme Formulation and Consultation Process

The formulation of this joint programme document was undertaken in a highly participatory manner in which a broad range of stakeholders was consulted. The process was overseen by an international programme development expert, and was assisted by the JPD Working Group, comprising representatives of UNDP, UNICEF, and the UNRC. Stakeholder meetings were held in Sarajevo and Banja Luka for the purpose of soliciting feedback on the programme design and to assess needs.

I. Meetings with Water Utility Companies

Sept. 16, 2008	Zenica Vodovod	Mr. Fuad Husaković, Financial Director	Meeting to discuss needs and proposed programme design.
Sept. 17, 2008	Sarajevo Vodovod	Mr. Tarik Badnjević, Technical Director; Mr. Mirsad Avdić, Finance Director Ms. Muamera Srna, Mr. Adnan Hodžić	Meeting to discuss needs and proposed programme design.
Sept. 18, 2008	Bratunac Vodovod	Director	Meeting to discuss needs and proposed programme design.
Sept. 18, 2008	Srebrenica Vodovod	Director; Technical Director; Head of Finance Department	Meeting to discuss needs and proposed programme design.

II. Government Officials

Sept. 22, 2008	FBiH Ministry of Labour and Social Policy	Mr. Asim Zecevic; Ms. Nikolina Obradovic; Mr. Drago Vrbic	Discussion regarding the programme design.
Sept. 23, 2008	RS Ministry of Health and Social Welfare	Mr. Ljubo Lepir	Discussion regarding the programme design.
Sept. 23, 2008	BiH Directorate for Economic Planning	Ms. Azemina Vukovic	Discussion regarding the programme design.
Sept. 24, 2008	BiH Ministry of Civil Affairs	Mr. Sredoje Novic; Ms. Drazenka Malicbegovic; Mr. Damir Dizdarevic; Ms. Esma Hadzagic	Discussion regarding the programme design.
Sept. 24, 2008	Ministry of Foreign Trade and Economic Relations	Mr. Reuf Hadzibegic, Assistant Minister, Sector for Natural resources, energy and environment; Mr. Enes Seperovic, Senior	Discussion regarding the programme design.

		Advisor Department for Water resources and Tourism	
Sept. 24, 2008	FBiH Ministry of Agriculture, Water Management and Forestry	Mr. Pejo Janjic Deputy Minister	Discussion regarding the programme design.
Sept. 24, 2008	Association of Municipalities and Cities of the Federation of BiH	Ms. Vesna Travljanin Executive Director	Concept note shared
Sept. 24, 2008	Association of Municipalities and Cities of the Federation of BiH	Deputy Director	Concept note shared
Oct. 10, 2008	RS Ministry of Administration and Local Self- Management	Novka Blagojevic, Associate for local governance	Discussion regarding the programme design.
Oct. 10, 2008	RS Ministry of Agriculture, Forestry and Water Management	Mr. Radivoje Bratic, Minister; Mr. Zoran Kovacevic, Assistant Minister	Discussion regarding the programme design.

III. Prime Ministers

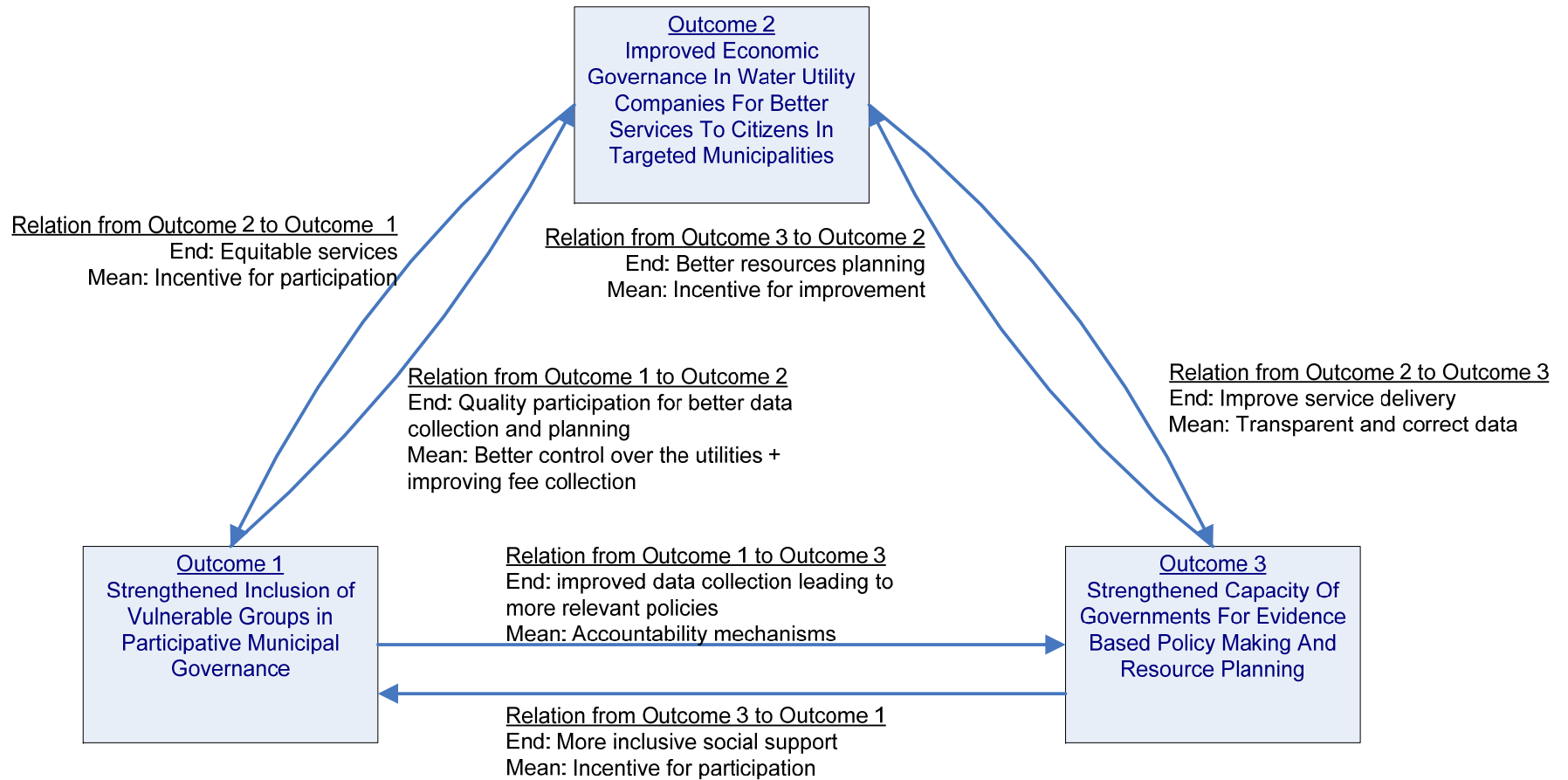
Initial contact was made with the state and entity Prime Ministers' Offices of BiH, FBiH, and the RS after the concept note approval, but follow-up technical meetings were not necessary.

IV. Meetings with Donors

Date	Organisation visited	Person / people met	Topic
Sept. 15, 2008	World Bank Country Office BiH	Ms. Vesna Francic Operations Officer	Meeting to discuss proposed programme design and possible collaboration opportunities.
Sept. 19, 2008	Swiss Agency for Development and Cooperation	Mr. Thomas Ruegg Country Director BiH	Meeting to discuss proposed programme design and possible collaboration opportunities.
Sept. 19, 2008	KfW Bankengruppe BiH Office	Mr. Gerald Kuhnemund Director; Ms. Gabriela Huskic Project Coordinator	Meeting to discuss proposed programme design and possible collaboration opportunities.
Sept. 19, 2008	Delegation of the European	Ms. Jasmina Hadžimešić	Meeting to discuss proposed

	Commission to BiH	Task Manager for Environmental Infrastructure; Ms. Jelena Miloš Task Manager for Environmental Institution Building	programme design and possible collaboration opportunities.
Sept. 19, 2008	European Bank for Reconstruction and Development	Mr. Damir Cosic Senior Analyst	Meeting to discuss proposed programme design and possible collaboration opportunities.
Sept. 24, 2008	World Bank Water Sector Mission Team to BiH	Mr. Aniruddha Dasgupta Lead Urban Planner; Ms. Yan F. Zhang Urban Economist; Mr. Bjorn Philipp Urban Specialist	Meeting to discuss proposed programme design and possible collaboration opportunities.
Sept. 24, 2008	Governance Accountability Project (sponsored by USAID, Sida, EKN)	Ms. Jasmina Djikic Fiscal Policy Advisor	Meeting to discuss proposed programme design and possible collaboration opportunities.
Sept. 25, 2008	Spanish Agency for International Cooperation – Technical Office for Cooperation with the Balkans	Ms. Christina Gutierrez Hernandez General Coordinator; Mr. Esad Dzukanovic Project Manager	Meeting to discuss proposed programme design and possible collaboration opportunities.
Oct. 3, 2008	SNV - Netherlands Development Organization	Aleksandra Ploco Water Resources Advisor	Comments submitted via email regarding programme design.

Annex E: Outcome Linkages



Annex F: Letter of Interest / Support from World Bank

To: MDG-F Technical Sub-committee – Economic Governance Thematic Window

From: The World Bank, Bosnia and Herzegovina

Re: Letter of interest / support*

Subject: UN Bosnia and Herzegovina Joint Programme: “Securing Access to Water through Institutional Development and Infrastructure”

To the Technical Sub-committee,

The World Bank Bosnia and Herzegovina (BH) would like to express its support for the proposed UN BH MDG-F joint programme “Securing Access to Water through Institutional Development and Infrastructure”. We would also like to express our interest in further exploring the possibility of complementing our forthcoming BH Municipal Development Project with the proposed activities in the MDG-F Economic Governance programme, as suggested by the BH Ministry of Foreign Trade and Economic Relations, one of our key implementing partners.

The World Bank recently completed a household survey of 20 municipalities in order to assess local governance and service delivery at the local level in BH. The results of this survey are being used as an input into the design of our new programme. We note that the proposed activities in the MDG-F joint programme document are consistent with the recommendations in our analysis.

We have invited the UN to designate a representative to participate in our project design phase, as well as in the process of building consensus regarding a reform agenda for the Water Sector. There is also a mutual interest in working together as we devise our respective criteria for the selection of municipalities. By collaborating together on these issues, we believe that we will be able to maximise the possibility of achieving synergies between the two programmes. Regardless of the final selection by the UN and the World Bank, we anticipate that our respective activities could be designed to complement each other, avoid overlap, and to successfully achieve results and develop models that could be replicated elsewhere in BH in the future.

Please note that while we believe the two programmes are compatible, there are two main issues that may reduce the potential for a cooperative effort. First, the project cycles of both programs may not necessarily match, hampering concurrent implementation. We are planning to have the board approval of our project in May 2009, with funds being operational by the fall of 2009. Secondly, we acknowledge the different implementation mechanisms applied by the World Bank and the UN. However, we do not believe this represents an insurmountable challenge and if the timing issue is not a problem, a collaborative effort may be mutually beneficial.

Mr. Marco Mantovanelli
Country Director
World Bank Bosnia and Herzegovina

* Verbal agreement received on October 27, 2008 – Signed copy forthcoming.