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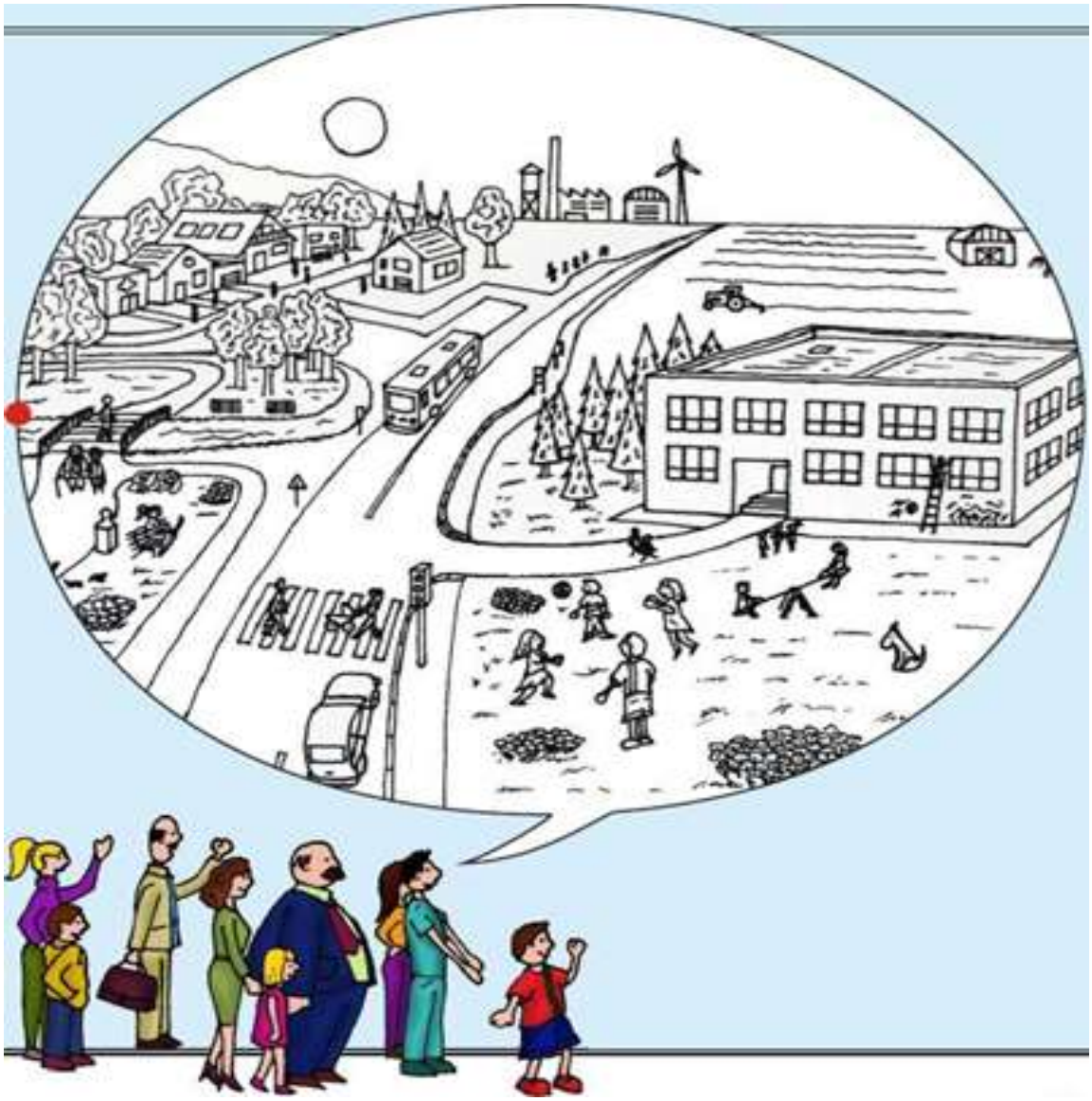
Bosnia and Herzegovina

Integrated Local Development Planning Methodology - MiPRO

- the first, theoretical part –



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STATEMENT OF MEMBERS OF THE WORKING GROUP FOR LOCAL DEVELOPMENT PLANNING METHODOLOGY IN BOSNIA AND HERZEGOVINA

Hereby the members of the Methodology Working Group acknowledge the importance and extend their support to the standardised methodology for local development planning in BiH.

Recognising the leadership of the working group, as a cross-institutional and cross-organisational body, in the preparation of a single unified approach to local development planning in BiH, within the Integrated Local Development Project;

Considering the consensus-based activities of the Working Group, resulting in the standardised methodology for local development planning for BiH;

Having in mind that the standardised methodology for local development planning reflects the agreed guiding principles of local development planning and offers a practical guidebook for systemic and effective local development processes;

Therefore, affirming the belief that the standardised local development planning methodology will assist the local self-governance in BiH on its path towards European integration, the Working Group shall undertake the duty to promote the practical application of the standardised methodology for local development planning in BiH.

Members of the Working Group on behalf of the following institutions and organisations:

ALDI (Agency for Local Development Initiatives)

BiH Directorate for Economic Planning

BiH Ministry for Human Rights and Refugees

FBiH Association of Cities and Municipalities

Federal Institute for Development Planning

Federal Ministry of Justice

Governance Accountability Project (GAP)

Governance Project in Municipal Water and Environmental Development (GOV-WADE)

Municipal Development Project in BiH (MDP)

Network of Regional Development Agencies

Organisation for Security and Cooperation in Europe (OSCE)

RS Association of Cities and Municipalities

RS Chamber of Commerce

RS Ministry of Finance

RS Ministry for Administration and Local Self-governance

Swiss Agency for Development and Cooperation (SDC)

United Nations Development Programme (UNDP)

Sarajevo, 14 July 2009

The following is the first, conceptual part of the standardised methodology for integrated local development planning in Bosnia and Herzegovina, elaborated within the Integrated Local Development Project (ILDP). The ILDP is a joint initiative of the United Nations Development Programme and the Swiss Agency for Development and Cooperation (SDC), implemented in cooperation with the BiH Ministry for Human Rights and Refugees, the FBIH Ministry of Justice, the Ministry for Administration and Local Self-governance of Republika Srpska and respective associations of municipalities and cities in both entities.

The coming sections outline the core principles of the methodology and elaborate on the key concepts embedded into planning levels and respective parts of the plans. Given its nature, this conceptual part of the methodology is deemed as a standard approach to local development planning in BiH, with the aim to systemise and operationalise local development planning country-wide.

Local development planning methodology was prepared by “Eda” Development Agency, based on the recommendations and conclusions of the Methodology Working Group set up within the ILDP.

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The aim and purpose of the methodology for integrated local development planning

The methodology for integrated local development planning – **MiPRO**[1] - aims to harmonise and facilitate the planning practices and local development in Bosnia and Herzegovina. It has been fully aligned with the existing legal framework which sets development planning at the local level, where the municipal administration acts as the leader in the process of preparation and implementation of the development strategy.

MiPRO is one of the key instruments for a proactive and accountable management of local development. Local development is one of the most important competencies of local self-governance in BiH and probably one of its greatest challenges faced nowadays. Proactive development management implies a creative shaping of the future and patient and systematic strive to reach that future. Accountable management entails, above all, responsibility towards citizens, including future generations.

MiPRO is chiefly intended for the practitioners who play a major role in planning and leading local development processes, starting with the mayors of municipalities and cities, as initiators of the process and principal decision-makers, to councillors in municipal assemblies/councils who adopt strategies and plans, and reports on their implementation; from municipal experts and practitioners directly engaged in the preparation and implementation of development plans, through external experts assisting in formulating local development plans, to numerous local stakeholders from public, private and non-governmental sector.

This overtly practical application has determined the actual concept. **MiPRO** ensures that an effective balance is achieved between the quality of local development plans, which is a particular concern of experts, and their acceptability and feasibility, which is the major concern of local stakeholders. The balance is achieved through a harmonious combination of the two common approaches to local planning, the expert and participatory one, by making use of the advantages of both approaches and neutralising their weaknesses.

The chief recommendation for all groups of beneficiaries that the methodology is intended for could be summarised to 3As: **a**ccept, **a**pply, **a**djust.

- ◊ **Acceptance** relates to the first phase (learning and practicing) and implies the compliance with the demands and recommendations of the methodology to the extent possible.
- ◊ **Application** relates to the second phase when the methodology is used for the preparation of the strategy and development plans in a specific situation, and entails an adequate use of the methodology in line with the opportunities and limitations in a given specific situation. Or, in fact, it implies the application of everything that can be

[1] **MiPRO** is the abbreviated name of the methodology made up of the first letters in BSC (**M**etodologija za **i**ntegrirano **p**laniranje **r**azvoja **o**pćina / methodology for integrated municipal development planning), with a symbolic meaning that it is *US* ("mi" in BSC), who plan in a participatory manner at the local level and who are proactive in the sense that we shape our own future.

applied, provided the conditions and prerequisites, whereas alternatives are sought in cases where there are no such conditions.

◊ **Adjustment** is a sort of an advanced use and improvement of the methodology, with creative innovations. It is recommended for the third phase, once aware of its limitations and possibilities for improvement through the application of the methodology in multiple specific situations.

The recommendation is similar for all groups of municipalities as well: the methodology is the same for all at the stage of acquiring. Thereafter, every municipality will be in a position to observe the shortcomings and proceed with the necessary methodological adjustments.

Guiding principles of local development planning in BiH

Integrated local development planning rests on the guiding principles of **sustainability** and **social inclusion**.

The principle of **sustainability** is based on the idea that natural and human systems must be regenerative (renewable) and harmonised in order to last. The principle of sustainability integrates the key economic, social and environmental aspects:

- *economic demands* for a dynamic and environmentally efficient and sustainable economy, ensuring prosperity and equal opportunities, where social and environmental costs are borne by those who cause them;
- *social demands* to ensure improved social conditions, economic, social and cultural rights for all tiers and groups, including gender equality;
- *environmental demands* through ensuring that natural resources of vital importance are utilised so as meet the current needs without jeopardising the possibility for future generations to satisfy own needs .

The principle of **social inclusion** focuses on the demand for social integration and harmonisation, assuming such planning that demonstrates particular sensitivity for the needs and interest of socially vulnerable/marginalised groups. The achievement of this principle contributes to the increased equality of opportunities in development and greater social equity.

The following represents the ways for **MiPRO** to ensure that *sustainability* and *social inclusion* are the guiding principles behind local development planning in BiH:

In addition to sustainability and social inclusion as the guiding principles, local development planning in BiH is characterised by the three key features as follows: *integrated approach*, *participation* and *standardisation*.

Integrated approach stands for MiPRO underlining the three dimensions of integration, important for local development planning:

- *Sectoral integration (intersectoral instead of a sectoral approach), following the basic assumption that interdependency of natural, social and economic systems is of such nature and extent that it calls for an integrated approach;*
- *Integration of the planning horizons (long, medium and short-term);*
- *Fitting local development subsystems into higher systems in hierarchy, including the EU support system, which would be an increasingly important source of financial and expert assistance to municipalities.*

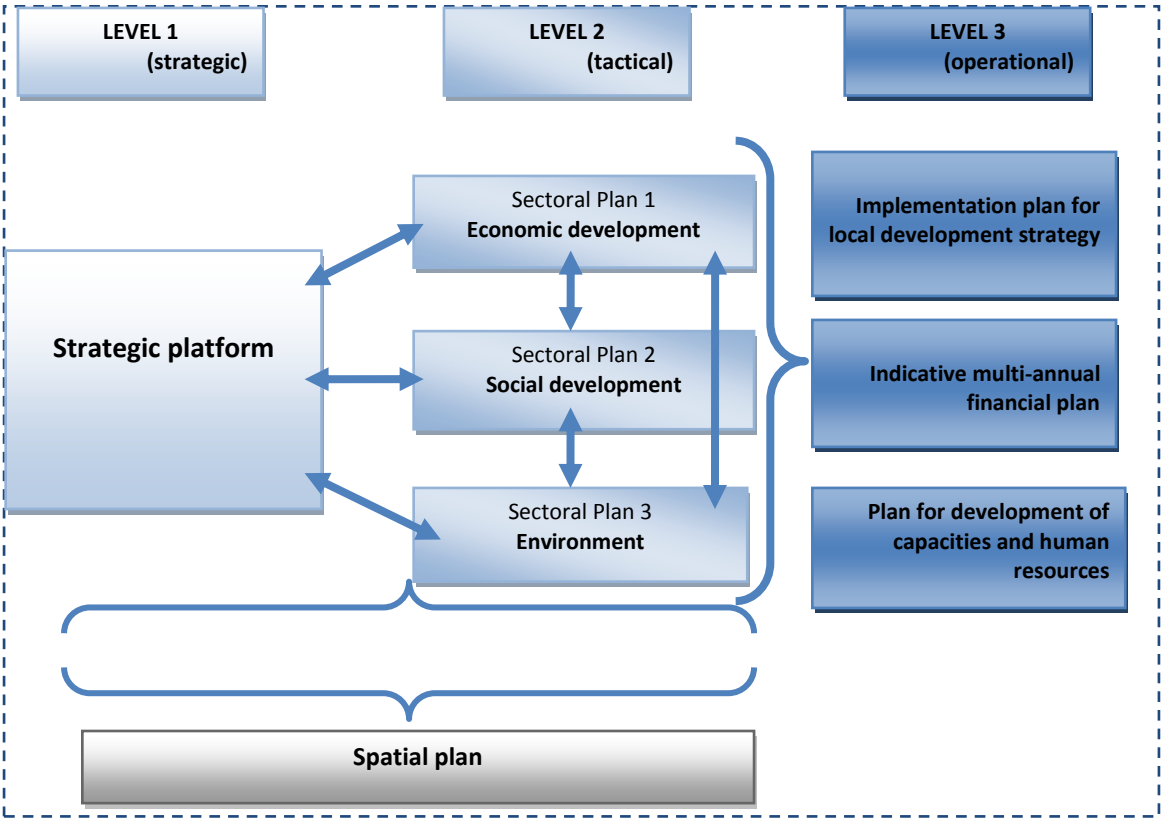
Integrated local development planning concept implies that each level and each sector would maintain their primary focuses, while achieving, through interaction, the mutual synergy effects in terms of a sustainable and equitable development and significantly improved quality of life, as shown on the following diagram.

Participation within integrated local development planning, aside the committed engagement of the public sector, also implies active involvement of citizens, civil society, private sector and socially excluded and marginalised groups in all stages of the local development process management, both in planning and implementation of plans.

Standardisation implies that all local self-governance units in BiH apply the same principles, concepts and minimum contents, as described under conceptual chapters of the standardised methodology for integrated local development planning.

Explanation of the methodological framework

The following chart shows the planning levels and plans covered by the standardised methodology for integrated local development planning in BiH.



According to the standardised integrated planning methodology, the local development strategy integrates the strategic, tactical and operational planning level, thus harmonising the long, medium and short term. Such strategy represents a unique planning document, instead of being a merely mechanical collection of plans. The strategy serves as a key tool for senior municipal officials to manage development, and assists them in balancing the mutually conflicting demands to produce short- and long-term results.

The first planning level represents a strategic platform with a vision and goals of long-term community development. Strategic platform covers a time period of ten years.

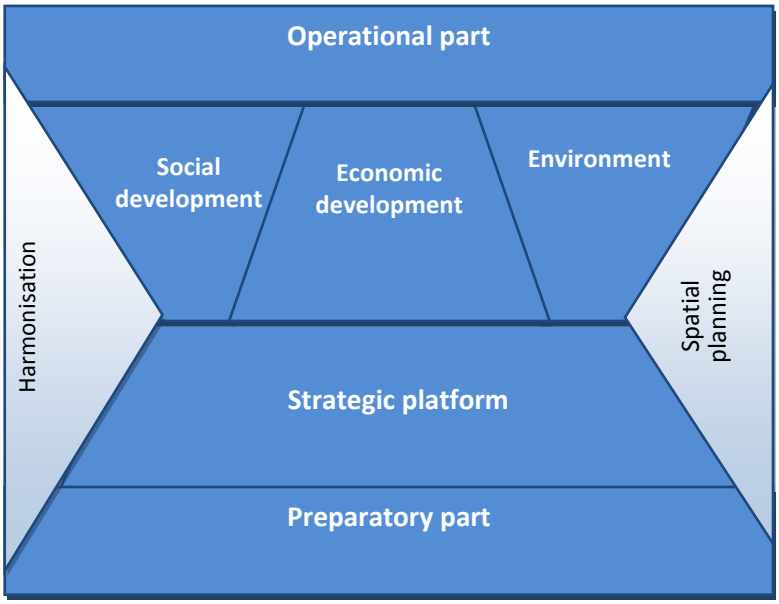
The second level is a further elaboration of the strategic platform through respective plans for economic and social development and environmental improvement, with a high degree of their mutual alignment. A timeframe for sectoral plans is five years.

The third level is an operationalisation of the strategic platform and sectoral plans, through elaboration of adequate financing modalities and implementation, including a timely preparation of organisational and human resources. An implementation plan is a baseline for the preparation of public investment programmes. A financial plan is a standard element of a local development strategy, with immediate linkages to the existing three-year budget cycle in BiH.

In addition to the organic internal interdependency, where the second level follows from the first, and the third from the second (and the first level), integrated and participatory local

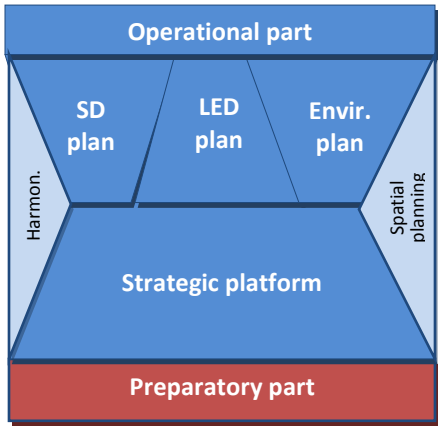
development planning is characterised by the full alignment with spatial planning on one side, and vertical alignment with strategies and plans of higher hierarchy on the other.

The following diagram is used to show the methodological framework in both conceptual and practical part as a visual tool for gradual and comprehensive understanding.



The following sections will elaborate in detail on the individual aspects of the methodology and concepts embedded in its respective parts.

Preparatory part



Preparatory part is the first stage of integrated local development planning aimed to mobilise local stakeholders and initiate the planning process.

Although the process of motivating and mobilising local stakeholders practically stretches throughout the entire planning cycle, the critical link is the first, preparatory phase, which encompasses the following steps:

⇒ initiating the planning process;

⇒ staffing and preparation of the team(s);

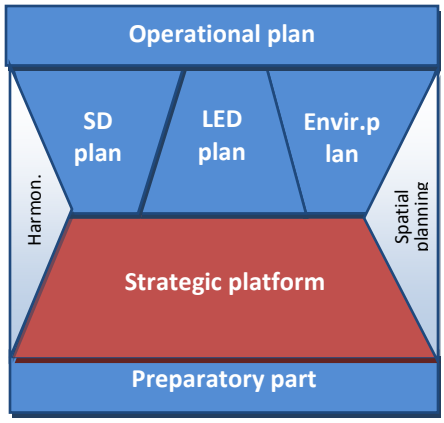
⇒ mapping interested stakeholders;

⇒ creating an initial partnership and the launch of the process.

The basic concept is a local developmental partnership founded on the following guiding ideas:

- Participatory diagnostic, planning, monitoring, evaluation and benchmarking;
- Effective participation: all interested stakeholders are able to participate and contribute, in line with own competencies and interests; a particular attention to be paid to inclusion of groups that are commonly under threat of being excluded from social and economic currents of a local and wider community, and also to gender equality in all stages of the planning process (minimum 30 % representation);
- Transparency: all interested stakeholders are in a position to be informed of the developments in sectors or events which they themselves do not take part in;
- Communication rhythm: the story of development planning and its key elements is gradually expending and fitting into other major local activities and events, by using the available local media and other communication channels, including the Internet, but also traditional events and assembly points specific for a given environment;
- Planning as learning: active participation and interactions are a learning opportunity for all interested stakeholders.

Strategic platform



Strategic platform is the first and core part of the local development strategy, which directs and facilitates the long-term development of the entire community. Hence the need to have it agreed between interested and competent stakeholders from public, private and civil sector and adopted by the municipal assembly/council.

It serves as a multi-purpose instrument:

- to coordinate municipal sectoral policies and priorities (horizontal coordination);
- to align municipal policies and priorities with policies and priorities of higher authorities (vertical coordination);
- for an effective and efficient use of own (municipal) and external (EU pre-accession funds and donor funding) financial resources.

It covers a longer time period of usually ten years. It is desirable that the time scope of an integrated local development strategy is in line with the time scope of the entity and national development strategy, as well as the planning timeframe in the European Union. Such timeline is favourable to perform structural changes in the economy and society in parts relative to the local level that suffers the greatest consequences of the lack of and/or unaligned practical policies of support to structural reforms at higher level of the society's and national organisation. This increasingly calls for the need to align the key elements of an integrated local strategy with development strategies of higher levels.

The nature of strategic platform is intersectoral. Its key principle which is an integration of the most important economic and social demands and environmental demands is *sustainability.* [2]

Integrated, strategic part of the document has the following minimum orientation structure:

⇒ an excerpt from socioeconomic analysis;

⇒ key internal and external factors[3];

⇒ strategic focusing;

⇒ long-term development vision;

⇒ strategic development goals;

⇒ linkages with planning documents of higher levels.

[2] The principle of *sustainability* in its integral sense has been elaborated in previous sections.

[3] This part is commonly deducted from a SWOT analysis (analysis of internal strengths and weaknesses and external threats and opportunities).

Socioeconomic analysis covers all important aspects of life and development of a local community. It starts from the idea of analysis not being for its own sake, but it is instead a *tool* to help us get to the real questions that the strategy should focus on and respond to, but also to sufficiently firm strongholds, on which to lean strategic levers to be shaped in the course of the strategy preparation.

The second starting idea is the balance between two types of data (quantitative and qualitative) and sources (secondary, comprising appropriate databases, documents and sources, and the primary, deriving from the experience of local practitioners/stakeholders). One of the main preconditions is that data is sex desegregated.

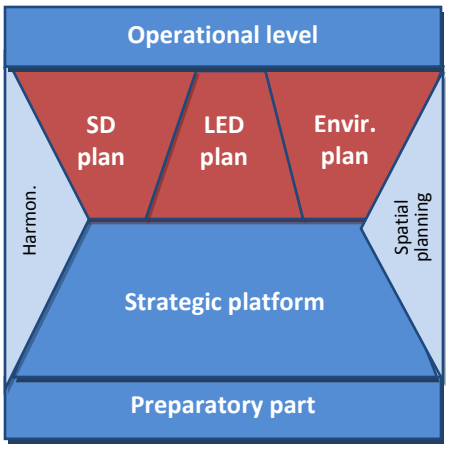
The next important concept is a systematic creation and update of gender sensitive databases for data collected in the course of socioeconomic analysis, so as to ensure its effective use to monitor and evaluate progress in implementation of the strategy and plans, on the one hand, but also the update of the strategy and plans when the time is appropriate. Therefore, data is incorporated into appropriate databases, updated annually, ensuring comparability and progress monitoring.

Strategic focusing and streamlining to (i) potentials that have the greatest prospects in terms of development and (ii) the most critical problems, is a methodological concept that ensures that ever scarce local resources are used in a most effective manner without unnecessary wastage.

Vision and strategic goals shape the intended *competitive position,* which has the embedded principle of creating and maintaining competitive advantages, and the *common prospects*, with the embedded principle of *sustainability*.

Linkages with planning documents of higher levels ensure that the focus, vision and goals of long-term development of a local community are in line with the strategic directions and priorities of a wider community.

Sectoral development plans



Sectoral development plans are an integral part of integrated local development strategies, with the aim to systematically and responsibly improve the most important areas of local life: economy, social conditions and contents, and environment as well. The corresponding element of infrastructure and public services is integrated in each of these areas.

Directions defined by the vision and strategic development objectives of a municipality / city are practically elaborated and implemented through sectoral plans. In the preparation of this part of the strategy, special attention is paid to the following:

- horizontal alignment – mutual alignment of priorities in economic development, social development, environmental protection and spatial development, and
- vertical alignment – alignment between local development priorities and solutions with priorities and support mechanisms defined by plans of economic development, social development and environmental protection, as set at higher levels in BiH, and also with the EU support priorities for BiH.

Purpose

Local economic development plan serves as an instrument to improve economic capacity and competitiveness of the municipality / city, that is, to create and maintain competitive jobs in the local economy, so as to ensure the exercise of the right to work and decent earnings. As globalization brings the growing importance of competitiveness for locations to attract professionals and companies, the importance of planning and use of key levers of local economic development is also increasing. Apart from this generally defined function, local economic development planning in BiH has a specific role, typical of a transforming country and economy: the need to streamline, facilitate and accelerate the restructuring of the local economy. In practice, this boils down to organised facilitating and accelerating the emergence and development of new sectors and branches, usually based on locally available resources, on the one hand, and the attempt to keep as many jobs through support for restructuring of traditional sectors and branches, on the other.

Social development plan serves as an instrument for building a healthy and fair local community, committed to improving the realization of economic, social and cultural rights of citizens, primarily through increasing the availability and quality of appropriate services. Social development plan at the same time is also an instrument to improve social and intellectual capital of the municipality / city as the most important levers of local social development.

Successful achievement of social development plan leads to equal opportunities in the development and increased social inclusion and integration. In BiH, more than in any other transitional country, due to war aftermath, social development planning has an underlined task of ensuring social inclusion for numerous sensitive / vulnerable groups that cannot meet their basic needs through own revenues and within standard programmes of public services.

Environmental protection and improvement plan serves as an instrument for accountable management of natural resources and environment, so as to meet the needs of present and future generations of a local community in a balanced manner. In BiH, there are two main sources behind the growing importance of these plans: (1) environmental protection is clearly defined as a local competency, and (2) usually, it is the natural resources and environment to pay the price of a community fighting for economic and social survival, typical for the harshest stages of transition.

Key concepts

The key concepts used in the preparation of the sectoral development plans are shown on the following diagram.

In addition to fair and concrete definition and application of each of these concepts, in the preparation of sectoral development plans within an integrated local development strategy, it is of particular importance that their mutual differences but also essential complementarity be taken into consideration.

The concept of *solidarity* expresses a moral dimension of a social system, translating the general attitudes of humanity, reciprocity, mutual assistance and understanding into effective social policies and specific instruments in the local community. Social development is based on social harmony, economic justice, social inclusion and gender equality, with the aim to reduce poverty and have the development effects expanded and equally distributed, that the community is characterised by internal connectedness (social cohesion) and mutual support, while development is sustainable.

The concept of *competitiveness*, which is becoming increasingly important for municipalities and cities, is translated from the field of development management of companies to the field of management of area-based development. According to this concept, municipalities / cities compete with each other to attract prosperous people and companies, in an increasingly global environment, using and developing territorial competitive advantages. Therefore, the ultimate goal of area-based development becomes the creation and maintenance of a single (unique)

advantage, which other competing sites cannot copy and implement as easily or as fast. Sustainable growth and prosperity in a given environment, according to this concept, is based mostly on the creation and maintenance / improvement of such advantage.

The concept of *sustainability* is defined *as development that meets present needs without compromising the possibility of future generations to meet their needs*. Environmental protection and improvement plan ensures the environmental requirements of a sustainable development, while social requirements are ensured through a social development plan and economic through economic development plan.

Practice in management of local development in BiH has shown that the most difficult task is to balance and achieve sustainability that is both economically acceptable and environmentally acceptable. Hence the challenge is greater as is the need for an integrated local development planning.

It is evident that the concepts which underlie the planning of economic and social development differ significantly: solidarity is based on the support to less fortunate, while strengthening of the competitiveness is based on the support to those who are stronger and leading. Pursuit of profit and fierce rivalry are the driving force of economic development, while almost opposite values - solidarity and mutual assistance - are fundamental to social protection.

Likewise, local economic development and environmental protection often have different conceptual positions: the use of natural resources is often the main leverage of entrepreneurial and economic activities in a municipality, while preserving those same resources and their renewal at the same time is the very imperative of environmental protection.

In the process of planning, it is very important to take into account the conceptual differences, whilst mindful of their complementarity. Building a competitive local economy (strengthening the competitiveness of companies and locations) in a long run also involves building of a clean, safe and attractive living environment, on the one hand, and quality service, high level of social capital and integrated community, on the other side.

Timeframe and contents

Sectoral development plans cover the medium-term period and are set-up in five-year time horizon. This time horizon approximately coincides with the time to perform control evaluation of the strategic platform (integrated, long-term development strategy).

Each of the three sectors practically covers and aligns different segments.

So a local economic development plan includes three main target groups (local small and medium enterprises, new entrepreneurs and investors), and the physical, institutional, administrative and business infrastructure for their development. On the other hand, it involves the different sectors (from agriculture, through the energy industry, to services and tourism), but also focuses on the individual branches (sub-sectors) within the sector.

Social development plan also includes very much different target groups (children under school age through students, unemployed, and minority groups, elderly and disabled, especially taking into account the groups that are excluded from social and economic developments). Or

otherwise, social development plans again includes various sectors, from education (preschool, primary, secondary, tertiary and adult education), employment[4], public services, through culture and sport, health and social welfare, to civil society. It is important to emphasize that, regardless of the target group or sector in question, it is very important to ensure participation of target groups and at the same time take into account the balanced participation of both males and females (minimum participation of 30%).

Environmental protection and improvement plan also includes the main elements of the environment that need to be protected (water, air, land, other natural resources and eco-systems, natural and historical heritage) and sources of pollution, mostly produced by human activity. Also, it places the issues of sustainable management of natural resources and energy efficiency in the foreground. In addition, it includes a whole range of critical linkages and influence, from the influence of the local economy on environment, to the influence of the environment on public health. Often, the local plan includes issues that are outside the territory of the municipality, since some of the causes affecting environment are beyond borders of a specific municipality. This is yet another reason why local communities should harmonise their planning and implementation of these plans. Another reason is cost-effectiveness: it is often that a cost-effective intervention in this sector can be achieved only at the regional level.

Orientational structure

Each of the sectoral plans has the following orientational structure:

- sectoral focusing;
- sectoral development goals;
- programmes, projects and measures;
- linkages with planning documents of higher levels;
- inter-municipal cooperation initiatives;
- estimated outputs with indicators;
- approximate financial framework.

Sectoral focusing, similar to strategic one, is commonly deducted from a SWOT analysis, this time for internal and external factors relevant for the sector.

In the process of defining sectoral development goals, one should bear in mind that these are operational objectives, unlike the strategic goals. Hence - the application of the so-called SMART[5] rule, meaning that objectives should be specific, measurable, appropriate, realistic and time-bound.

[4] In accordance with the standard classification, employment here is viewed as a part of social policies and a part of social development, while job creation, complementary to employment, is seen as a part of economic policies and a part of economic development. In any case, these are types of activities with mutual strong and multiple links. Job creation opens the door for demand at local labour market, while employment measures (e.g. through practical trainings and re-qualification) the appropriate supply of labour force is shaped.

[5] SMART (S=specific, M=measurable, A=appropriate, R=realistic, T=time-bound).

Programmes are the essential instruments for implementation of development strategies. They integrate time and content-related activities or projects and measures, lined in logical and thematic units, for the sake of a clearer view and more simple control of implementation of the strategy. Programmes may be of sectoral and inter-sectoral nature, and when defined, it is necessary to take into account the needs and balanced inclusion of men and women.

Projects[6], just as measures, are a subset within programmes. Unlike measures, they are interventions with clearly defined implementation timetable. In the preparation of local development plans, it is recommended that two types of projects are present: quick-wins project[9] and catalytic projects[10] that have the leverage effect and multiplication of effects.

Linkages with planning documents of higher levels are stated explicitly, for each section where there is such a connection (foci, objectives, programmes with projects and measures).

Inter-municipal cooperation initiatives have a special place in the programmatic-project part of each sectoral development plan, as they resolve problems that cannot be in any way resolved without cooperation of several municipalities and/or which include programmes and projects that are more economical and efficient if undertaken in cooperation with other municipalities. These also include cross-border projects and international cooperation.[11]

Monitoring and evaluation of the strategy is a system to measure progress in achieving the goals, take timely actions for the sake of possible corrections, and to assess the overall success of the implementation. Monitoring and evaluation will be conducted at the strategic and sectoral level, as well as at the level of programmes and projects.

Monitoring is a system of collecting and processing data so as to compare the results against the plan. It is conducted annually. Wherever possible, all data followed should be sex disaggregated.

Evaluation is based on the findings of monitoring and gives an overall assessment of the extent to which goals have been achieved. Evaluation at the sectoral level is carried out halfway (2nd or

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[6] Project is a logically and chronologically arranged set of activities, which when implemented, would lead to the previously defined objective according to the foreseen timeline, with the engagement of certain human, financial and material resources. Implementation of projects entails appropriate project organisation and defined responsibilities.

[9] *Quick-win projects* usually do not require major funds, resources for their implementation are available locally, visible results are achieved in only couple of months and thus build trust in the community and confidence of those in charge of the implementation of plans.

[10] *Catalytic projects*, require greater funds, commonly not all resources needed for implementation are available locally, and usually cover the period longer than one year. Similarly to leverage, these projects help to lift the local economy, or social situation, or environment, or all these together, according to the development challenges and goals. These projects are commonly directed at resolving problems that are serious impediments to local development, and cannot be resolved through market mechanisms (due to great risk, long period for return of investment or inadequate profit). These also aim to create public and common goods and benefits (usually infrastructure). Their contribution to strategic goals is far greater, but they are equally so more complex and difficult than quick-wins.

[11] Such projects are strongly supported through a separate EU fund and technical support for cross-border cooperation.

3rd year) and at the end of the period of implementation of sectoral plans. At the same time, final evaluation of sectoral goals represents the midterm evaluation of the overall strategy, and a starting point for the creation of new sectoral plans.

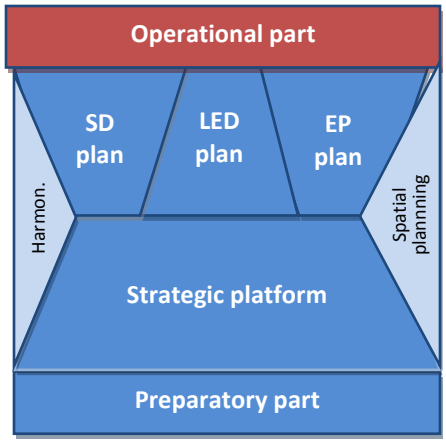
Monitoring and evaluation is achieved through objectively verifiable quantitative and qualitative indicators. Indicators, in advance, indicate the type and degree of changes that will be directly achieved with the target groups / sectors defined in the relevant programmes and sectoral development objectives (the so-called performance indicators/outcomes), and the type and degree of changes that will indirectly take place in a local community (the so-called indicators of influence, impact, which are more related to strategic goals). SMART rule is applied when defining indicators, as explained previously. It is also important to bear in mind gender-sensitive indicators and gender indicators while defining indicators, which will allow regular evaluation of the influence of policies and programmes on gender.

Linkages with the strategic platform and hierarchical relationship between sectoral development objectives, programmes, projects and measures, with their respective indicators, are shown in the following figure, which is an integral part of the strategy:

Strategic platform	**INTEGRATED LOCAL DEVELOPMENT VISION**							
	Strategic goals		**Strategic goals**		**Strategic goals**			
Sectoral objectives	Sectoral development objectives are entered here. Each objective is linked to a strategic goal or goals to which it contributes. Appropriate impact/outcome indicators are defined and serve as a base to measure the degree of realisation of strategic and sectoral goals/objectives.							
Indicators								
Programmes	Complementary projects and measures are grouped into appropriate programmes. For each programme, its contribution to a goal or goals is entered, as well as its possible links with other programmes, and links of the programme with goals of higher levels. Respective impact/outcome indicators are defined to measure the degree of realisation of programmes. Respective costs of programme implementation are calculated, by consolidating the costs of appropriate projects and measures.							
Indicators								
Costs								
s / s	Appropriate projects/measures are entered here. Appropriate impact/outcome indicators are defined for each							

	project/measure to assess the degree of their realisation.															
Indicators																
Costs																

Operational part



The purpose of the operational part is to ensure an efficient implementation of local development strategy. In this part, which covers a three-year period in conformity with the three-year cycle of indicative budget planning, the most important operational levers for the timely and quality implementation of defined strategic and sectoral priorities are developed.

Operational part covers the three main aspects:

- implementation plan;
- indicative financial plan; and
- development plan for organisational and human resources required for an efficient implementation of the strategy.

Implementation plan has two main parts:

- orientation overview of priority projects and measures for the period of 3 to 5 years, including the most important characteristics listed for projects/measures in terms of the actual implementation (approximate period of implementation, suitable modalities and implementers, target groups ...);
- action plans for priority projects whose implementation will start in the first year of the implementation of the strategy, with a concise list of elements of importance for planning and monitoring of their implementation in a proper format (their contribution to the objectives, expected impacts on the target groups, main activities and the time of implementation, main participants in the implementation, approximate costs and expected sources of financing, project status etc.).

Indicative financial plan is one of the key elements for operational management of the overall implementation strategy. Based on a sectoral financial framework, it nevertheless does not represent their simple sum, but is instead a reflection of the real financial resources available, on the one hand, and the joint decisions of the key stakeholders on the actual priorities of the community, on the other. It allows proper planning of expenditures and sources of funding for the planned programmes and projects and their timely inclusion in the municipal budget, and other budgets (entity, cantonal, donors, EU, etc.) whose financial support is anticipated in the implementation process. It is adapted to the three-year budget planning cycle, which includes detailed planning for the next coming year and approximate figures for the remaining two, with the continuous repetition of this policy.

Indicative financial plans show clear linkages between programmes / projects, costs and sources of funding with the set sectoral and strategic objectives. As such, they reflect the participatory and gender accountable defining of policies and priority programmes / projects.

Links with strategic goal(s)	Project / measure	Total approx. costs	Financing from municipal budget				Other sources of financing							
			Year I	Year II	Year III	Total (I+II+III)	Loan	Entity / Canton	State	Public comp.	Private sources	IPA	Donors	Other
	1.													
	2.													
	3.													
	...													
TOTAL:														

The following concepts are used in planning the development of organisational and human resources:

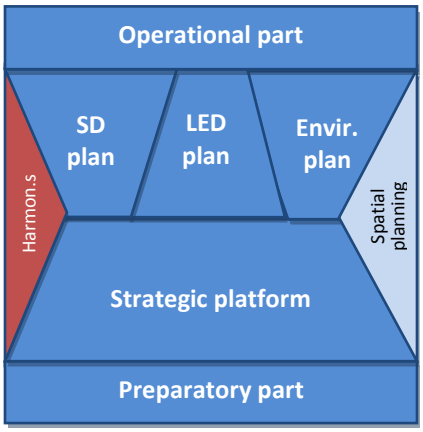
- A competent, responsible and daily operational management. Municipal administration, which has a particular duty to ensure effective implementation of strategies and plans, should prepare and make the appropriate organizational adjustments in a timely manner. These adjustments include the introduction of specific organizational structures for operational management of the strategy implementation, but also a partial reorganisation of the existing municipal departments and services. Introduction of new organizational structures and reorganisation of the existing one takes place simultaneously with the training of the staff for new tasks, on the basis of a pre-prepared training plan.
- Participation of the community in providing efficient implementation and update of plans and strategies. All partners from public, private and NGO sector should be given an equal opportunity to participate in the implementation, monitoring and evaluation of the progress of the strategy and plans, in accordance with their interest, competence and capacity. In addition, a local development partnership, created in the planning phase, should remain in the stage of implementation, but with a more advisory role.
- Introducing the project approach. Since the strategy and plans are operationally achieved through respective groups of projects, the issue of human resources development for the most part relates to training of a "critical mass" and establishment of a network of local experts available for project preparation and project cycle management, in accordance with the effective EU standards (considering that the EU funds will be an important source of financing for development projects, and these standards are also increasingly applied by other sources of support).
- Continuous capacity building of both municipal administration staff and other local stakeholders, guided by actual needs and challenges of strategy implementation.
- Clearly defined roles and responsibilities. Proper and timely distribution of roles and responsibilities of major stakeholders in the implementation, financing, monitoring and

evaluation of strategies and projects, is one of the critical success factors. Therefore, these roles and responsibilities are already outlined in the operational part.

- The principle of gender equality is an essential concept and a key precondition for the actual development. Among others it includes representation of at least 30% of females in the new organizational structures, in the implementation of the strategy, updating the plans and strategies, in the preparation of projects and project cycle management, in capacity building, as well as the distribution of roles and responsibilities in implementation, funding, monitoring and evaluation of the implementation of strategies and projects.

Horizontal and vertical alignment

Standardised methodology should ensure the horizontal, intersectoral and vertical alignment of local strategies and plans with higher strategies and plans.



Horizontal alignment is ensured through:

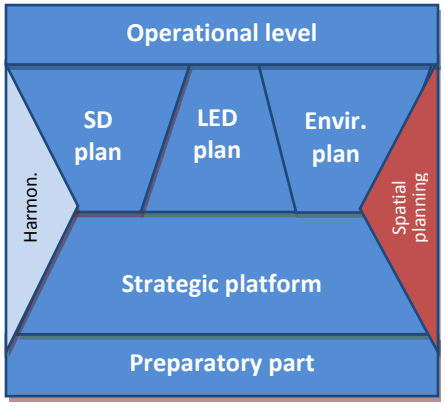
- intersectoral approach in shaping the strategic platform and intensive use of this platform in the formulation of sectoral development plans;
- cross-sectoral alignment at critical points[12] in the preparation of sectoral plans (while defining sectoral development objectives, selecting priority programmes/projects/measures);
- active participation of members of a gender-balanced local development team in sectoral working groups.

Vertical alignment is based on the relations of partnership and cooperation between local and higher levels of government in the country. In such relations senior levels: (i) determine and promote the general and sectoral development strategies and plans, based on comparative and competitive advantage, social priorities and the principle of sustainable development, (ii) adopt appropriate laws and measures to regulate and promote economic, social and natural environment, and (iii) encourage and facilitate the implementation of strategy, plans and regulations at the local level. The local level designs its strategy and development plans, in addition to identifying own strengths and priorities, whilst ensuring vertical compliance through use of the most important findings and directions of the appropriate strategies and plans of

[12] Critical points here are understood as those setps in planning when it is necessary to ensure horizontal, and later on vertical allignment, either to allow synergy effects (such effects of the whole that are greater than the simple sum of the effects of its parts), or to avoid uneccesary waste of energy and resources.

higher levels in the critical points in making a local strategic platform and sectoral plans. This is particularly important in the process of identifying the key external factors in the strategic and sectoral focusing, setting the strategic and sectoral development objectives, and at the stage of indicative financial planning.

Linkages with spatial planning



Management policies for space and land are defined under spatial, and further elaborated in town-planning schemes and regulatory plans.

Integrated local development planning, as defined by **MiPRO**, is complementary and aligned with spatial planning, meaning that sectoral development plans are complementary to and aligned with spatial plans in terms of time, content and methodology.

Temporal alignment implies that an integrated strategy and spatial plan of a local community in the new conditions, known for increasingly faster and often unpredictable changes, are set against a timeline of ten years.

Mutual complementarity in terms of content and alignment does not mean that spatial plans can substitute for an integrated strategy and sectoral plans, nor could strategies and sectoral plans be replaced with spatial plans, despite a number of common features.

Spatial and strategic planning processes start from a similar information and documentation baseline, with the proviso that spatial planning has greater detail in elaborating on the natural and geographic features of an area, population characteristics, network of settlements, infrastructural equipment, the position in relation to the surrounding area, etc. Strategic and sectoral planning further elaborate on the specifics in terms of economic and social development, as well as environmental development, which lead from comparative to competitive advantages of a location, on the one hand, to critical social problems and environmental issues, on the other.

The key part of the strategic platform (vision and strategic development objectives) should serve as a common landmark for both spatial and sectoral development plans. While sectoral development plans are to develop and operationalise these common landmarks through appropriate and mutually aligned sectoral policies and programmes, spatial plans will develop and operationalise the same directions in terms of space. Spatial planning starts from the principle of sustainable development and strives to provide all the essential elements of environmental protection and rational management of natural resources. In addition, through a coherent spatial planning, on the one hand, and economic and social development planning, on the other, priority urbanisation and commercial areas are defined, thus directing the

investment process and also the mobility of enterprises, jobs and population. Also, through a coherent spatial planning and social development planning, optimum spatial availability of public services and uniform construction of appropriate infrastructure is ensured.

Sectoral development plans follow the limitations set under spatial plans. However, should participants in planning be in consensus that such limitations hamper the achievement of strategic interests of the community, a regular procedure for amendments of the spatial plans should be initiated.

Spatial planning is regulated by law more closely than strategic and sectoral planning, both in terms of type and content of spatial plans, but also in view of the conditions to be met by professional organizations that are tasked to prepare town-planning schemes, spatial and regulatory plans. On the other hand, integrated local development planning implies much greater participation and continuous involvement of a broad coalition of local stakeholders, preventing and neutralising the unilateral nature of expert approach that continues to dominate the practice of spatial planning in BiH.