

DEVELOPMENT STRATEGY FOR THE ASSOCIATION OF MUNICIPALITIES AND CITIES OF THE FEDERATION OF BOSNIA AND HERZEGOVINA 2022 – 2027

Introduction

The overall social and political set-up of Bosnia and Herzegovina is a continuing obstacle in realization of the Association's position and role and, by extension, those of local self-government units. The unresolved issue of relations and competences between higher and lower levels of government has created problems in the functioning of local self-government. Additionally, the lack of will of higher levels of government for real decentralization and strengthening of the position of local self-government units is primarily reflected in non-compliance with the European Charter of Local Self-Government, which was ratified by BiH on two occasions, and in non-compliance with the Law on Principles of Local Self-Government in the FBiH, which was adopted in 2006 with active participation of the Association. The economic crisis has further deepened the problems that have also resulted in the issues of adequate funding of local self-government units, with particular emphasis on the distribution of public revenues, which has, in a specific way, a negative impact on the work and development of local self-government units in the FBiH. Dealing with the consequences of the pandemic caused by the COVID-19 virus has further affected the position of local self-government units in the FBiH, threatening the financial stability of local self-government units. All of the above has also had a strong impact on the EU integration processes. Aware that, going forward, a large proportion of the EU processes and regulations will be implemented at local level, it is of the utmost importance that united local self-government units systemically engage in these processes through the Association, contributing to the best possible status and position of local self-government units. It is necessary to improve the options and capacities of local self-government units in accessing the EU funds in implementation of capital and other projects which will improve the living conditions of citizens.

The challenges posed, both in the environment in which they function and obligations laid down in the legal framework, require from LSGUs continuous administration and work modernization processes in service delivery, digitalization of services, and a high level of transparency and efficiency in work.

About the FBiH Association of Municipalities and Cities (Association)

The main role of the Association is to represent and protect the interests of local self-government units before higher levels of government. In the formal sense, the Association has a very important position for the reason that the Law on Principles of Local Self-Government in the FBiH defines the role of the Association as the sole legal representative of all local self-government units in the Federation of BiH. With a view to

representing the interests of its members, the Association has a signed Agreement with the Government of the Federation of BiH (2011), Code on Inter-administrative Relations (2012), and Agreement with the House of Representatives of the FBiH Parliament (2019). Considering the overall social and political set-up, issues faced by local self-government units and legal status of the Association, its role and importance are even greater. Through its active engagement, the Association has increasingly become recognized by both higher levels of government and international actors and institutions as an indispensable factor in reform processes and continuous improvement of local self-government in all its dimensions, acting also as a link between local and higher levels of government. This is primarily the result of support and participation of the members – municipalities and cities in the work of the Association, which has given strength to the Association and legitimacy to its engagement in representing the interests of local self-government units. At the same time, continuous interaction with the membership, on the one hand, and with higher levels of government, as well as with domestic and international institutions of interest, on the other, have paved the way for the Association to identify and clearly articulate the needs of its membership for different forms of support for capacity strengthening of local self-government aimed at more efficient work and delivery of better quality services to citizens, businesses and society as a whole.

Focusing on the preparation of analyses, policies and stances, the Association, with support of its members, has become an indispensable partner in the processes of decentralization and representation of the members' interests. In the previous period, the Association achieved many successes in realizing cooperation with higher levels of government, but also with other stakeholders, continuously strengthening its position in the processes of representing the members' interests.

STAKEHOLDERS

In its work, the Specialist Service of the Association naturally relies the most on support of its members: municipalities and cities in the Federation of BiH, in the definition of stances, priorities, but also in the representation processes.

Even though there is no Ministry for Local Self-Government in the FBiH, the Association has a partner in the discussion with the FBiH Ministry of Justice as the competent ministry for local self-government issues. Given the lack of capacities in the line ministry, but also a wide range of areas which concern and affect the work of local self-government, the Association has also developed partnerships with other ministries, in particular with the Federation Ministry of Finance, the Federation Ministry of Agriculture, Water Management and Forestry, the Federation Ministry of Physical Planning and the Federation Ministry of Environment and Tourism, and with other institutions and administrations that consider issues relevant to local self-government units. Through the efforts of the Specialist Service of the Association and with support of the members and other partners, a major improvement

in communication and cooperation was notable in the previous period, particularly in terms of involvement of the Association's representatives in early phases and processes of drafting legislative solutions. In the coming period, the Association will continue to improve cooperation and communication with the ministries, but also with other relevant partners and stakeholders, in order to advance the work and functioning of local self-government units.

The FBiH Government and Parliament, as well as cantonal authorities, have been indispensable partners in the work of the Association. Significant progress was made in communication and identification of LSGUs' stances in the previous period, and the Association successfully lobbied and made significant steps in improving cooperation with the Local Self-Government Committee of the FBiH Parliament.

The Association of Municipalities and Cities of the Republika Srpska has also been the natural partner in representing LSGUs' interests, exchanging information and good practices, as well as in implementing joint initiatives. The issues of local self-government units in both entities are in many ways shared, and the two Associations have successfully realized cooperation in many fields, particularly in the field of capacity strengthening of their members and implementing project activities of common interest.

The international community and donors have also provided great support to the work of the Association. Taught by experiences and practices of its local self-government units and in accordance with the EU standards, the international community has provided technical, expert and material support to the processes of strengthening local self-government units in BiH and generally to the processes of decentralization and improvement of the work and legal framework relevant for local self-government units.

The Association has also successfully cooperated with similar institutions in the region and the EU. Through the NALAS (Network of Associations of Local Authorities of South-East Europe), the Association has realized cooperation in exchange of good practices and information, but also in implementation of regional projects.

NGOs/academia – common interests are also compatible with NGOs working in the fields relevant to local self-government units. The academia has provided textbook theories and support in identifying the processes of decentralization and functioning of local self-government units.

Media – have provided support to promotion and visibility of the importance of local self-government units as well as to the topics of relevance to LSGUs. It is necessary to continue to strengthen and realize communication with media, particularly in the processes of supporting the processes and activities of lobbying and representing the members' interests.

RISKS

In addition to the economic crisis and consequences caused by the COVID-19 pandemic, unstable political and social situation poses a high risk in achieving the objectives. In the aftermath of the 2020 local elections, there were significant changes in LSGUs' managements. This factor may pose some risk in the sense that it is necessary to inform new managements about the Association's importance and work, as well as about the current topics and areas on which the Association has been working. The general elections, which will be held in 2022, may have an impact on the lobbying processes of relevance to the Association and its members, as well as slow down implementation of relevant activities.

The uncertainty of duration and real impact of the COVID-19 pandemic may also have a negative effect on the work of LSGUs themselves, but also on that of the Association. All of the above may have an impact on the members' participation itself in the work of the Association. The priorities of LSGUs are closely linked to the risks mentioned above. During 2020, the Association made a detailed analysis of the impacts of COVID-19 on local self-government units in the FBiH. The suggestions and recommendations from the analysis have been used for activities related to overcoming and/or mitigating the consequences caused by the COVID-19 pandemic and in many processes of lobbying and representing the members' interests, and as a basis for development of additional analytical documents.

By further strengthening cooperation with representatives of higher levels of government, the Association has a role of serious and relevant partner in the processes of representing the interests, especially considering the Association's legal role.

In the coming period, the Association will intensify direct communication and will continuously work on strengthening cooperation with the members through individual meetings, working meetings, field visits and other forms of communication with a view to directly involving as much as possible the members in the identification of stances, development of initiatives and processes of lobbying and representation, as well as in other relevant activities.

ABOUT THE STRATEGY

The Association's overall objective in the coming period is to contribute, through bolstering all spheres of its engagement, to further strengthening of the position and functioning of local self-government units in the FBiH, taking into account and applying the Association's operating principles in all its activities.

To that end, the process of developing a proposal of the Association's Development Strategy for the 2022 – 2027 Period included:

- analysis of the current social and political situation

- insight into the strategic and other documents of relevant actors related to the competences of local self-government and legal framework in which local self-government functions
- analysis of the situation and issues at the local self-government level in different fields, based on the results of the work of the Association and its bodies (the Assembly, the Presidency and line commissions/committees, networks and working groups);
- research related to the stances of local authorities' representatives regarding their expectations and demands relating to various aspects of the Association's future engagement, based on the Association's regular activities, initiatives submitted by the members, needs expressed by the members through many meetings and conferences held and other forms of communication in the previous period.

The Association's Development Strategy for the 2022 – 2027 Period has been designed so as to define the main strategic objectives grouped around the key processes in realizing better quality and more efficient functioning of the members and delivery of services to citizens in all fields of relevance to local self-government in the FBiH. Under the strategic objectives, sets of sub-objectives have been defined with regard to the most important fields for further development of local self-government units, which have resulted from already mentioned analyses and available information and which build on the Association's ongoing activities in the previous period.

VISION

Strong, modern and developed local self-government in the Federation of BiH and Bosnia and Herzegovina.

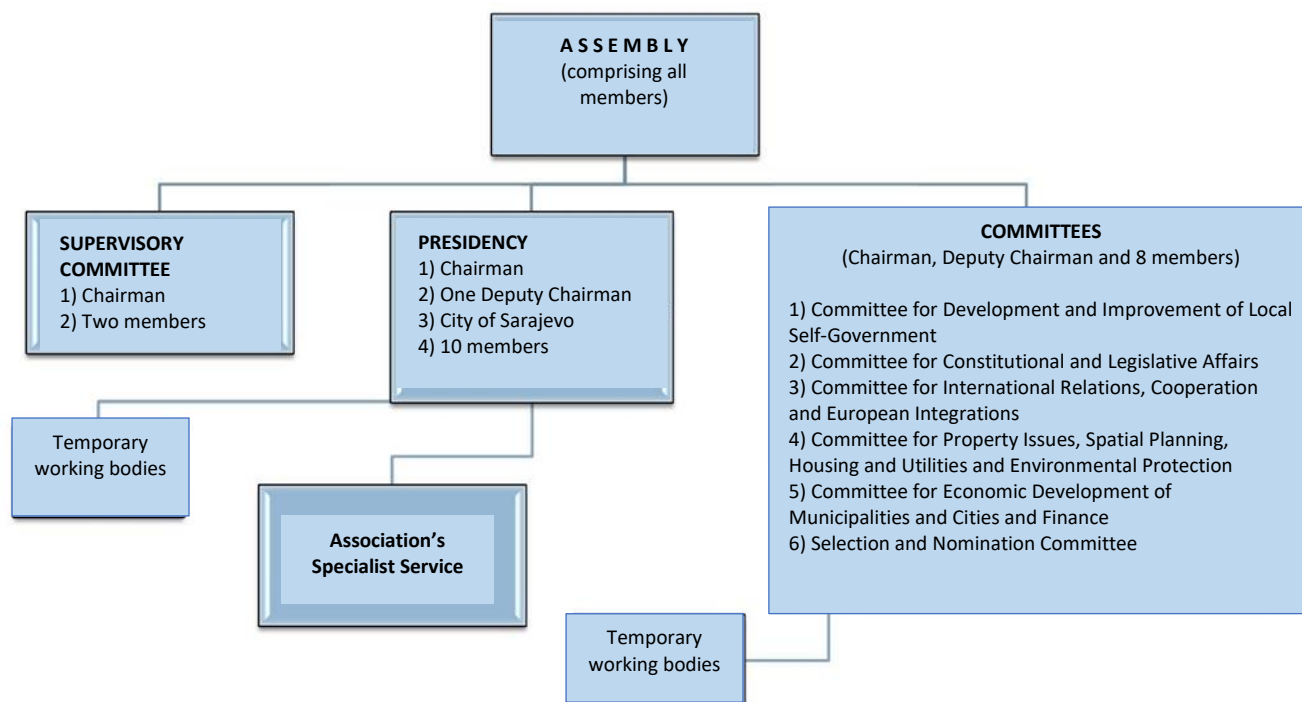
MISSION

The Association's mission is to, as an independent and legitimate representative of local self-government units, represent and protect their common interests and to provide them with services which will improve their capacities and social and economic development of their local communities.

SLOGAN

Strong Association, strong municipalities and cities!

THE ASSOCIATION'S ORGANIZATIONAL CHART



THE ASSOCIATION'S OPERATING PRINCIPLES

EQUALITY AND SOLIDARITY OF MEMBERS

The principles of **equality and solidarity** derive from the very nature of the Association as an association of cities and municipalities in which all members have equal rights and equal degree of influence on the work of the Association, regardless of size or economic strength. In accordance with the principle of solidarity, the Association will, with its actions, support mutual support between more developed members and smaller and less developed members – as in the case of agreed, joint participation in the negotiations relating to the funding of local self-government units, and also in terms of knowledge transfer and practical experiences in the work. Finally, the principle of solidarity is also reflected in the willingness of members of the Association to help each other in times of crisis and emergency situations – by delivering humanitarian aid, sending experts with the required profiles, sending equipment and machinery and in all other ways.

SUSTAINABLE DECENTRALIZATION

Local government is the level of government closest to the citizens and in a best position to recognize and respond to their needs and interests. Therefore, the principle of subsidiarity is embedded in the very foundations of European democracy, i.e., the principle that public affairs should be performed, first of all, by the level of government closer to citizens, except where the very nature of those activities or resources required for their performance demands that they be entrusted to higher levels of government. At the same time, the transfer of competences to the local level of government will not and cannot give the full effect without a corresponding transfer of financial resources to exercise those competences. This is the basis of sustainable decentralization, identified as such under the European Charter on Local Self-Government, the political document of the utmost importance for local democracy in all member states of the Council of Europe. The purpose of decentralization is that the decision-making process and control over the implementation of decisions are made available to a wider circle of social entities, as well as to make institutions of government open and closer to citizens and to all service users.

Decentralization means adequate division of responsibilities between different levels of government in the planning and implementation of public affairs. The essential component of decentralization must be financial (fiscal) decentralization because the local authorities cannot perform their duties independently without access to the necessary financial resources and without the capacity to independently make financial decisions. Without strengthening financial, material, technical and human capacities and resources of local authorities it is not possible to achieve the required level of financial and managerial autonomy in order to truly implement and sustain decentralization.

DEPOLITIZATION AND PROFESSIONALIZATION OF PUBLIC ADMINISTRATION

The Association will be effective and successful in its work only if all its members, regardless of the political affiliation of their management structures find in it their interest and recognize the benefits of joint action. Therefore, it is of key importance to seek and define common interests in the work of the Association, and to reduce influences of political and other differences to a minimum. The basis for this lies in the fact that local authorities are primarily responsible for the improvement of the living conditions of citizens, and when it comes to public utility, social, economic, environmental, and other issues there is much more room for joint action than for political disputes. In this lies the power and influence of the Association.

In its engagement, the Association should, as much as possible, influence the relations between the higher and lower levels of government, in order for them to be free of political influences of the current ruling majorities. This would prevent favoring some at the expense of other local self-government units. This principle is the requirement for equal treatment of all cities and municipalities by higher levels of government, which is especially important when it comes to funding the work of local self-government units or the implementation of projects and programs that are of interest to them. Likewise, the political affiliation of the leadership of some local self-government units must not be an obstacle to the achievement of inter-municipal cooperation in the fields in which cities and municipalities need to find common interests.

MODERNIZATION OF PUBLIC ADMINISTRATION AT LOCAL LEVEL

One of the important principles in the future operation of the Association relates to encouraging the willingness of local leadership and staff for changes and innovations in order to modernize their operations and reach the highest standards in performing activities from within their competence and providing services to citizens and businesses. The aim is – to achieve the optimum ratio between the quality of those activities and services and costs associated with them. Modernization will serve to simplify procedures and their transparency, as well as to the greater availability of local self-government services to citizens and businesses. In an effort to improve their work through the implementation of new models, methods and management systems and through the introduction of e-government, local self-government units can and should be open to transfer of knowledge and experiences from good practices of other cities and municipalities, both within the country and from the region and other European countries.

GENDER EQUALITY AND PREVENTION OF ALL FORMS OF DISCRIMINATION

Full respect of the principle of gender equality by public office holders in local self-government units is crucial because the practical challenges that citizens face in their

everyday lives are dealt with at exactly this level. The Association especially emphasizes the importance of respect and implementation at local level of the European Charter on Gender Equality, adopted by the Council of European Municipalities and Regions. Activities and public policies of local authorities and the limited resources at their disposal should be planned and implemented so as to take into account the different needs of individual population groups, while providing the same level of access and quality for all. It is also necessary that in the provision of public services and protection of the citizens' rights there is understanding and regard for different starting positions in the society for women and men; and both of them must be allowed equal participation in political decision-making processes at the local level. The Association is also committed to suppressing any other individual, institutional or systemic discrimination at the local level. The Association supports the prevention and combating discrimination on religious and ethnic basis, discrimination against people with disabilities, the elderly and children, as well as any other form of discrimination against citizens or specific communities and groups.

In pursuit of its own plans and policies, the Association will, in each segment of its operations, pay special attention to gender equality issues in an effort to thus raise awareness of its membership of the necessity that the principles of gender equality and prevention of all forms of discrimination in the daily life of local communities contribute to the substantive equality of all citizens.

CITIZEN PARTICIPATION IN MANAGEMENT OF PUBLIC AFFAIRS

The Association advocates active citizen engagement in the work of local self-government and cooperation of local authorities with key community stakeholders, particularly with associations of citizens and businesses. Strengthening the position and participation of citizens in defining policies and managing public affairs at the local level creates the conditions for their greater interest and willingness to cooperate, creating a favorable climate for adoption and implementation of strategic and other important decisions in the community. Such decisions will be based on a broad base of technical and other knowledge and mass citizen support. Local authorities, as the closest ones to citizens, must develop and nurture participatory political culture and mechanisms that affirm citizen participation and improve awareness of the need for civic activism in the work of local self-government.

VERTICAL AND HORIZONTAL COORDINATION AND COOPERATION

The Association strongly supports cooperation and coordinated action of all levels of government in defining strategies, policies and legal framework, in particular insofar as it has impact or is of interest to the work of local self-government units. Namely, the complexity of modern society necessitates the existence of constant interaction and dialogue of different levels of government, in order to ensure coherence in public policymaking and implementation. The Association believes that significantly greater participation of cities and municipalities is necessary in defining and adopting public policies and regulations that

concern them and that are to be applied by them, particularly in the process of adapting to the European Union standards.

Also, the Association strongly supports and promotes mutual cooperation of cities and municipalities. Local self-government units' issues require pooling of resources by local authorities for the purpose of better quality and cheaper service delivery to citizens and businesses. This is why the Association advocates the policy of developing different financial and non-financial incentives from higher levels of government for development of inter-municipal cooperation.

PRINCIPLES OF GOOD GOVERNANCE PRACTICE

Local self-government exists because of citizens and should be understood primarily as a citizens' service. This postulate gives rise to the key principles of good governance that should guide all public office holders – the decision-makers and staff in local self-government units. In particular, they include:

- compliance with laws and high ethical standards;
- accountability, efficiency and effectiveness of work;
- responsible financial management;
- openness and transparency;
- respect for human and minority rights;
- strengthening the competencies and capacities of local authorities to perform activities from within their competence;
- sustainability and long-term stability.

ENGAGEMENT IN ACHIEVING SUSTAINABLE DEVELOPMENT AND 2030 AGENDA GOALS

The importance and potential for the implementation of the Sustainable Development Goals and the 2030 Agenda, as an opportunity to significantly improve social, economic and environmental aspects of life in the country and to strengthen local and regional cooperation, particularly given the fact that sustainable development is at the very heart of the European Union's policies and its member states, is one of the principles of the Association on which it will actively operate.

The Sustainable Development Goals Framework in BiH, which was adopted by the Council of Ministers of BiH in April 2021, constitutes a broader framework for achievement of the 2030 Agenda and the Sustainable Development Goals and as such, will serve to steer the strategic planning processes at the level of BiH, the Federation of BiH, the Republika Srpska and the Brcko District of BiH.

Based on the three identified sustainable development pathways in Bosnia and Herzegovina, outlined in the Sustainable Development Goals Framework in BiH (April 2021), namely: Good Governance and Public Sector Management; Smart Growth and Society of Equal

Opportunities, the Association will advocate defining in the coming period the priorities, measures and activities to be undertaken by the members, but also by the Association, in line with their competences, thereby ensuring contribution in achieving the 2030 Agenda.

In addition, and in order for the members to move readily towards these processes, the Association will make a significant contribution and play a key role in raising the capacity of the Association's members for better understanding of the 2030 Agenda's importance, i.e., the concept of sustainable development, alignment of the strategic planning processes and implementation of specific activities in accordance with the Sustainable Development Goals Framework.

STRATEGIC OBJECTIVES

Guided by the Statute, internal acts, work so far, priorities of the members, i.e., those of local self-government units in the FBiH, as well as by the Association's operating principles, the Association will implement activities in the 2022 – 20xx period for the purpose of achieving the following strategic objectives:

1. The Association represents the voice of its members in protecting their rights and position, representing common interests in the process of fiscal and functional decentralization and other processes, advocating the economic development principles and finding systemic solutions for balanced development, good governance, modernization of the processes and citizen services, and better positioning of local self-government in the EU accession process.

- Through representation of the members' interests and stances, the Association has a positive effect on the stability of the local self-government funding system, revenue growth of local self-government units and further decentralization of the competences and funding

The complicated political set-up of Bosnia and Herzegovina, and in particular that of the Federation of Bosnia and Herzegovina, unstable economic and financial atmosphere, impact of the pandemic caused by the COVID-19 virus, lack of understanding for local self-government units' issues, and inadequate involvement of local self-government units in designing legislative and other solutions by higher levels of government have resulted in the creation of an unfavorable and unenviable position of local self-government units in the

Federation of BiH, particularly with regard to economic and financial stability. Since the funding of the original competences of local self-government units is of strategic importance for further development and harmonization of statuses of all local self-government units in the FBiH, the field of fiscal decentralization is of the utmost importance for the members and, by extension, for the Association.

In the past period, through the work in the fields of fiscal decentralization and local finance, data collection, as well as through the preparation of significant analyses in this area, the Association confirmed the need to continue focusing in the coming period on strengthening the financial position of local self-government units in the FBiH. Strengthening the financial position of LSGUs in the FBiH creates preconditions for delivery of better and better quality services to citizens, but also for strengthening the role of local self-government units in the FBiH.

Positive progress is evident in the cooperation and realization of better financial position of local self-government units through cooperation with higher levels of government (we emphasize in particular better cooperation with the Federation Ministry of Finance - FMF, the FBiH Government and the Federation-level, i.e., cantonal ministries). Local self-government units, through the Association, are more involved in legislative processes through the work in working bodies of higher levels of government, as well as through direct meetings with representatives of relevant ministries. In cooperation with the parliamentary committee for local self-government and the FMF, the Association achieved success in allocating the grant funds of the Federation Ministry of Finance. Furthermore, in cooperation with the FMF and international organizations and partners, the Association participated in the processes of transparent funding of LSGUs' projects of importance to local community. In the coming period, the Association will advocate the establishment of a systemic and transparent solution for allocation of grant funds to LSGUs, as well as for partnership participation. Through continuous strengthening and improvement of cooperation, the Association will impact the solutions of higher levels of government and have an impact on the improvement of the status of local self-government units in the FBiH.

Through the stances of the Association's bodies and analytical work, the Association will identify LSGUs' needs and, through the involvement in the working groups of higher levels of government, it will present LSGUs' joint stances. This includes plans of higher levels of government (those of the FMF and the Government).

The analysis on distribution of public revenues and impact on LSGUs' financial status suggested some amendments to the laws that would have a positive impact on LSGUs' financial stability. The Association identified the required steps and established initial contacts with relevant stakeholders. In the coming period, the Association will, with support of local self-government units and other partners, continue the processes of lobbying and representation for amendments to the Law on Distribution of Public Revenues so as to strengthen the position of local self-government units in such a way that the revenues ensure

self-sustainability of the work of local self-government units with particular regard to equality and transparency (more visible transfer of the competences and resources).

The analysis on the impact of the COVID-19 pandemic emphasized the need for greater financial support to local self-government units, as well as a set of measures and steps that need to be undertaken for the purpose of stabilizing the current situation with a focus on the creation of an equalization fund for the purpose of financial equalization of the status of municipalities and cities, i.e., that the expenditure needs can be equalized in all local self-government units in the FBiH.

LSGUs involved in the processes related to finance through the Association (development of annual plans of higher levels of government, involvement of the Association's representatives in the working groups related to finance). Through the stances of the Association's bodies and analytical work, the Association will identify LSGUs' needs and, through the involvement in the working groups of higher levels of government, it will present LSGUs' joint stances. This includes plans of higher levels of government (those of the FMF and the Government).

- Frameworks of financial mechanisms for support to LSGUs' development are established

In cooperation with the parliamentary committee for local self-government and the FMF, the Association achieved success in allocating the grant funds of the FMF. Furthermore, in cooperation with the FMF and international organizations and partners, the Association participated in the processes of transparent funding of LSGUs' projects of importance to local community. In the coming period, the Association will advocate the establishment of a systemic and transparent solution for allocation of grant funds to LSGUs, as well as for partnership participation.

- The Association adequately and efficiently contributes to the improvement of legal framework for the work and functioning of local self-government, local development and introduction of a more rationally and more efficiently organized local self-government system through advocating and directly participating in the development of systemic legal regulations and solutions

Improvement of legal framework

Legal framework for the improvement and functioning of local self-government is one of the most important issues for local self-government units. In their engagement, LSGUs are the bearers of responsibility for the creation of positive living conditions and delivery of good

quality services to citizens and other entities. The competences of local self-government units, laid down in the Law on Principles of Local Self-Government in the FBiH, include the following areas: utilities and housing, urban planning, spatial planning, energy efficiency, environmental protection, emergency management, civil protection and other areas from within the competence of local self-government units. In addition to improving legal framework from within the aforementioned and other competences laid down in the Law on Principles of Local Self-Government in the FBiH, smooth and efficient performance of tasks from within the competence of local self-government units requires continuous improvement of the work and functionality of public administration, as well as of legal framework regulating the work of LSGUs.

In its engagement, the Association represents its members' interests in all areas of relevance to local self-government units. In the coming period, the Association will pay special attention to legislative solutions that will improve the work, functioning and strengthening of local self-government units. The Association will continue with active participation in the processes of lobbying and representation, particularly in the areas of civil protection, building land, utilities, but also in other areas identified as the priority ones by local self-government units in the FBiH and which have an impact on the financial status of local self-government units, but also on service delivery to citizens.

Conscious of the fact that there is no strategy in the FBiH relating to the development and future steps to strengthen local self-government units in the FBiH, the Association will create preconditions for the development of documents that would provide lines of action to local self-government units in a systematic way and within the framework of the existing legislation. The local self-government development strategy in the FBiH should build on the existing strategic documents of higher levels of government (e.g., the FBiH Development Strategy, the Law on Development Planning and Management, etc.). With the establishment of the strategy, the harmonization of legislation will also be undertaken more systematically, but also a harmonized approach will be taken to draft LSGUs' acts and documents.

With a view to strengthening the functioning and work of local self-government units, the Association actively participated in the process of drafting and adoption of the Law on Development Planning and Management in the FBiH, as well as of the bylaws for the implementation of the Law. By providing assistance to local self-government units, the Association will enable the implementation of legal framework and create preconditions for the harmonization and complementarity of the processes and functioning of local self-government units. By collecting, continuously updating and analyzing the implementation of strategic documents in local self-government units, the Association will have an overview of the situation in local self-government units and will use the analyses for the purpose of identifying the priorities of local self-government units in the FBiH. It is notable that the Association has been recognized as a partner to higher levels of government through its positioning in the Decree on Development of Strategic Documents in the Federation of BiH.

Improvement of LSGUs' capacities in service delivery

In addition to the Association's main role to represent and advocate the membership's interests, its role in capacity strengthening of local self-government units for exercising their competences, as well as for their work in accordance with the good governance principles, is also indispensable. In the light of the foregoing, the Association will implement activities related to the improvement of the existing advisory services and establishment of new ones; development and implementation of advice and other modern forms of the membership's capacity building in line with the identified needs: creation and continuous maintenance of a database of local self-governments' regulations and acts and models of local acts, but also other forms of LSGUs' capacity strengthening.

- The Association is positioned more strongly as a relevant partner in engaging local authorities in the EU programs, greater degree of local authorities' participating in the development of policies and regulations in accordance with the EU standards, as well as engaging them in the programming process and enabling access to the EU pre-accession assistance funds.

The European integration process that Bosnia and Herzegovina is part of and the status of potential candidate entail the complexity and active participation of all relevant levels of government within a country, their mutual cooperation and partnership. Conscious of Bosnia and Herzegovina's obligations in the upcoming European Union association process, as well as of the fact that it is carried out both at regional and local level through the EU legislation, it is of strategic importance for local self-government units to prepare themselves in the best and best possible quality way for these processes. In this regard, the Association will actively work on activities to raise awareness of staff in local self-government units and citizens about the association process, as well as about all upcoming obligations for local self-government units.

In the upcoming integration processes, it is of strategic importance for local self-government units to network and cooperate with both international donors and with international organizations. Recognizing the importance of this, the Association will pay special attention in the coming period to the activities of providing support to the members in the field of international cooperation on the bilateral front, in the regional frameworks and within the framework of international organizations.

- Financial mechanism framework for support to uptake of funds for local self-government units (the EU and other funds) is established and functional

Based on the available analyses and communication with the members, the Association will actively work in the coming period on establishing a financial mechanism for support to greater degree of applying for and uptake of the EU funds. The Association will, based on the existing legislation, design a detailed financial mechanism framework. The Association will realize partnerships and

initiate discussions with relevant domestic and international partners for the implementation and functioning of the financial mechanism, as support to LSGUs in the creation of better living conditions for their citizens.

2. The Association's good quality, efficient and modernized services improve the work of local self-government units through the members' active engagement for the purpose of delivering public services of the best possible quality to citizens and other entities

In addition to the Association's main role to represent and advocate local self-government units' interests, the Association's role is also to continuously strengthen the members' capacities for exercising their competences, as well as for their work in accordance with the good governance principles. The Association plays this role through the provision of various services to the members in the form of advice, providing expert and technical support, networking of local self-government units in different areas and promoting exchange of good practices. By strengthening the Association's role and the members' demands, one of the Association's priorities is to strengthen and improve the Association's existing services for its members and to establish new ones. Through the systematization and harmonization of the processes in service delivery to its members, the Association will create preconditions for local self-government units to continuously strengthen their capacities in service delivery to citizens and functioning of local self-government units.

- Local self-government units are modernly organized and efficient in the performance of tasks from within their competences through the establishment of a sustainable system of professional training and capacity development in LSGUs.

The Association plays an important role in the members' capacity strengthening for further improvement of the functioning of local self-government units, implementation of legislative framework and service delivery to citizens. The Association realizes its capacity strengthening function mainly through different forms of advice which it provides through cooperation with other partners in the field of local self-government, but also through its independent engagement. In the coming period, the Association is committed to strengthening its role through the modernization of the existing processes, procedures, different forms of advice in the field of work of local self-government units, as well as that of monitoring and analysis of the implementation of activities. The Association will pay special attention to the programs that support capacity strengthening of local authorities for the obligations which lie ahead in the processes of the EU accession and implementation of the 2030 Agenda.

- Existing advisory services are improved and new ones are developed

The Association provides financial and legal advisory services to its members. Given a wide range of areas in the functioning of local self-government units, as well as that of the members' needs, the Association will improve and modernize the existing advisory services and will introduce and offer new areas of advice for local self-government units, using internal but also external expertise, as well as its partners. By maintaining a database of this service, the issues of the highest interest to local self-government units will be continuously monitored and analyzed and other activities will be undertaken where necessary through the work of the Association.

- Databases in the field of work and functioning of local self-government are established and continuously maintained and analyses aimed at strengthening of the position of local self-government in the FBiH are prepared

Given continuous strengthening of the Association's role, as well as of its commitment to evidence-based work, the Association will continue in the coming period with the systematization of the processes of creating and maintaining databases and using databases in the field of work and functioning of local self-government for the purposes of informed decision-making, preparation of action plans, preparation of analyses, stances and relevant reports. The Association's focus will be on systematic and efficient compilation and maintenance of databases.

- Local self-government units are strengthened through networking aimed at harmonizing the functioning of local self-government units, providing mutual support and promoting exchange and adoption of best domestic and international practices.

As the institution that brings together and represents local self-government units' interests in the FBiH, the Association plays an important role in bringing together local self-government units. Through its continuous work with local self-government units, the Association has recognized increasing importance of the networking and exchange of good practices in the country, as well as those of local self-government units in the region and beyond. In the coming period, the Association will design the networking processes, particularly in collecting data on best practices.

3. Organizational self-sustainability, effectiveness and quality of the work are ensured through a more modern internal structure, cooperation with the members and stakeholders, efficient communication and integration of innovative business methods

Given the Association's needs for achieving the defined objectives, but also for continuous strengthening of the Association, activities need to be continued on improving, modernizing and developing the Association's institutional capacities, strengthening the human resources management system and expert knowledge of the Association's Specialist Service, but also that of the Association's bodies. Attention needs to be paid to the establishment of modern, efficient and financially sustainable structures and processes. To that end, the Association will work on improving the following areas:

- Financial stability and sustainability of the Association's core functions and steps towards long-term sustainability (e.g., membership contribution analysis, rewarding LSGUs... etc.) are ensured

Continuous strengthening of the Association's role in representing local self-government units' interests in the FBiH before higher levels of government and establishment of a partnership with relevant organizations and institutions have resulted in greater expectations and greater workload of the Association. In order for the Association to continue with progressive advancement, the funding systems of the Association need to be improved. In the coming period, the Association will analyze the needs, methods and sources of funding, services and other activities for the purpose of creating „a business plan“, as well as the steps for implementing the activities from „the business plan“ for the purpose of ensuring the Association's core functions and long-term sustainability.

- Legal and administrative framework for the work of the Association's bodies aimed at the most efficient and effective possible functioning and decision-making and implementation processes focused on strengthening the field of local self-government is improved and operational

With strengthening of the Association's role and increasing demands from the members, partners, as well as those of other stakeholders, the functioning of the Association's bodies needs to be improved and modernized, which will greatly contribute to the achievement of the objectives from the Association's Strategy. Continuous evaluation of the Association's bodies and current and future needs of local self-government units for improving the functioning will ensure timely action and achievement of set goals through more functional and efficient decision-making processes.

- Active participation of the members in all spheres of the Association's work aimed at strengthening the status of local self-government units – better quality cooperation and dialogue between the members through the improvement of the work of the Association's bodies, committees and networks and establishment of other forms of cooperation is ensured

The Association's members impact the Association's work through their participation in the Association's bodies, but also at an individual level. By monitoring active participation

of some of its members, the Association will design and implement activities which will ensure the members' more active and more proactive participation in all of the Association's work processes, particularly in the activities of identifying the Association's stances and in the processes of lobbying and representation. The members' proactive engagement will improve the quality of the results.

- Modern and efficient internal organization of the Association is established through the establishment of a human resources management function, digitalization and improvement of the internal processes and organization of the work of the Association's Specialist Service.

Due to the expanded workload, expectations and demands from the members, as well as from other partner organizations and institutions, the Association has started the processes of improving the internal organization and organization of work. An analysis of the human resources management and analysis of the jobs were made, inferring that some improvements are needed to contribute to the functionality of the Association's work. In the coming period, the Association will actively work on improving the human resources management structures and harmonization of tasks for the purpose of delivering services of the best possible quality to the members and improving the work with partner organizations and institutions.

Additionally, for the purpose of as efficient as possible functioning, the processes have been initiated to modernize the work through gradual digitalization and introduction of new methods of work, archiving and monitoring of the activities and results based on an analysis of the situation and needs of both the members, partner institutions and organizations and the needs of the Association. In the coming period, the Association will continue the processes of modernizing the work for the purpose of the best possible insight into the situation and needs of local self-government units, availability of information and greater degree of the functionality, but also of the financial rationality.

- Greater public visibility and recognition of the Association and better quality communication on all relevant issues for local self-government, as well as on the Association's activities and engagement through strengthening of internal communication

It is very important for the Association to continuously work on improving the communication with all of its members, partner institutions and organizations and stakeholders, but also to constantly work on improving public visibility and recognition and importance of local self-government.

The Association plays the role of an intermediary in informing its members of important matters, such as new regulations and public policies, the sources of funding for local projects or examples of good practices from the country or wider regional, i.e., international environment. It is therefore necessary to strengthen cooperation with the PR Network,

continue improving the existing communication channels (web page, FB, Viber communities...) and continuously follow new trends and communication channels.

The Association will pay special attention to improving strategic communication for the purpose of representing the members' interests and stances on specific issues and creating representation and lobbying plans. Additionally, the Association will use the strategic communication for the purpose of maintaining contacts and cooperation with higher levels of government and other stakeholders, but also the promotion of the stances and policies to the general public.

Also, the Association will focus in the coming period on strengthening the existing communication challenges, but also on developing new methods of communication focused particularly on communication for the purposes of lobbying and representing its members' interests.

METHOD OF THE STRATEGY'S DELIVERY AND MONITORING OF ITS IMPLEMENTATION

Given the importance of timely preparation, monitoring of the activities, achievement of the objectives and overall functioning of the Association, the Association will realize the delivery and monitoring of the implementation of the Strategy by using the following:

- Annual action plans are developed and monitored.

The Association's Specialist Service will, with assistance of the Association's bodies, develop annual action plans in accordance with the developed planning calendar. The action plans will be developed based on the identified priorities, acts of the Association and the members' participation through the Association's bodies. In addition, the work plans and programs of higher levels of government, but also those of the partners in the field of local self-government strengthening will also be taken into account in the development of the action plans. The action plans will also include measurable performance indicators which will be used for the purpose of monitoring the implementation of the activities from the action plan and the delivery of the Association's Strategy. Analysis of the implementation of the Association's annual action plan will be performed during the year, for the purpose of potential need to revise the activities in accordance with unplanned situations and new priorities. During the implementation of the action plans, reviews of the implementation and progress against what has been planned will also be performed. In the development of the action plans, the work plans and programs of higher levels of government will also be taken into account in addition to the Association's strategy and internal documents.

- Annual reports are developed based on annual action plans

For the purpose of informing its membership of the achieved results, the Association will prepare its Annual Management Report on an annual basis. The Report will include the

action plan's performance and will be used as a document for the development of the next year's action plan.

- CAF

The Common Assessment Framework (CAF) is a model for self-assessment within the framework of total quality management. The CAF is based on the premise that excellent results in organizational performance, citizens/customers, people and society are achieved through leadership driving strategy and planning, as well as with help of people in the organization, partnerships, resources and processes, constituting a total approach to performance analysis. In the past period, the Association went through two cycles of the CAF self-assessment, identifying the CAF as a valuable and useful tool for self-assessment of the organization and overall progress in the work and achievement of the objectives. Therefore, the Association will also use the CAF in the coming period as an integral part of the analysis of the Association's performance and achievement of the objectives.