

WORLD BANK-AUSTRIA

URBAN PARTNERSHIP PROGRAM (UPP)

Strengthening Local Government Capacity
in South-East Europe

Integrity in Local Governance –
Transforming Cities and Municipalities
in South-East Europe



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JANUARY 2018

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- **Local consultants:** SEE Integrity Leadership Consortium, which operates in five countries in the region: Albania, Croatia, Kosovo, Macedonia, and Serbia and is led by Tamara Zivadinovic, Mena Group Ltd. from Serbia with three local partners—Partners Albania (Albania), Metis Consulting (Croatia) and Public Administration Trainers (Kosovo and Macedonia); and Emina Abrahamsdotter, Proffs Consulting and Training which operates in Bosnia and Herzegovina and in Montenegro in collaboration with local partners.

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EXECUTIVE SUMMARY

This booklet provides an overview of the Integrity Building Initiative, a collaborative effort of the World Bank and the government of Austria, which is part of the Urban Partnership Program (UPP) focusing on Strengthening Local Government Capacity in South-East Europe.

An open and transparent government is vital to facilitating social engagement and restoring the trust of citizens. Among its other achievements, the Integrity Building Initiative raised awareness among local administrations of the participatory processes and of the institutional vulnerability to corruption by diagnosing, investigating, and addressing systemic corruption. The underlying objective of the initiative was to advance urban governance by increasing transparency, enhancing communication channels between citizens and the local administration, and improving the quality and flow of information and service delivery to all citizens. The initiative supported efforts to build capacity among anticorruption practitioners, develop anticorruption strategic plans for cities and municipalities, build leadership skills, strengthen local and regional knowledge networks, and exchange experiences and best practices regarding anticorruption and integrity issues throughout South-East Europe and beyond.

Key terms: anticorruption, building integrity, raising awareness, citizen engagement, strengthening leadership, restoring trust

ABBREVIATIONS AND ACRONYMS

BFC SEE	Business Friendly Certification South-East Europe
CSO	Civil society organization
IB	Integrity Building
ILTP	Integrity Leadership Training Program
MFSa	Municipal Finance Self-Assessment
NALAS	Network of Associations of Local Authorities of South-East Europe
NGO	Nongovernmental organization
SEE	South-East Europe
SSCE	Social Sustainability and Citizen Engagement
UPP	Urban Partnership Program
UA	Urban Audit

INTRODUCTION

Strengthening the capacity of local governments to effectively manage cities is critical to achieving sustainable urban, financial, and social development. Participatory governance is crucial to improving decision making, but it must be grounded in a functional government structure and effective service delivery to citizens. The World Bank - Austria Urban Partnership Program (UPP) is aimed at strengthening local government capacity and equipping local elected officials, city administrators, and technical staff to effectively manage urban development for inclusive and sustainable growth. Acknowledging the importance of both the supply and demand sides of governance, UPP fosters social accountability and integrity-building approaches. While global in scope, the program is targeted at seven countries in South-East Europe, including Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia.

The role of local governments is evolving with increasing responsibilities, but capacity gaps persist that must be addressed. Local governments in South-East Europe face particular challenges around decentralization, the mismatch of revenue and expenditure management, the effective absorption of European Union pre-accession and structural funding, weak local institutions, inadequate mechanisms of social accountability, pervasive corruption, frequent shifts in political structures, the slow pace of institutional reform, and limited leadership capacity.

With the goal of strengthening the capacity of local governments and city leaders, UPP offers tools and participatory approaches to promote sustainable urban development, good governance, and citizen engagement mechanisms; improve financial management at the local level; assess infrastructure and service gaps; and improve investment programming and prioritization. At the same time, in an effort to improve the quality of life among citizens, UPP supports local governments in fulfilling requirements for smart and sustainable cities and better equips them to improve service delivery.

¹ *Municipal Finance Self-Assessment (MFSA)*. The main objective of this tool is to assess a city's financial health and to identify specific actions to improve the mobilization of local resources, public spending, public asset management and maintenance, investment programming, and access to external financing (borrowing and donor funding).

Urban Audit (UA). This tool provides a snapshot of the level of services and infrastructure in the municipality. It aims to connect the dots between financing and investment programming and to encourage technical and financial departments to work together on strategic and capital investment planning anchored in financial realism (prioritization).

² *Integrity Building (IB)*. This participatory process, conducted by local governments, follows a strategic planning methodology, moving from diagnosis to solution formulation and implementation. It focuses on laying the foundation for improving organizational systems vulnerable to corruption and supports mayors as institutional reformers. The process involves city leaders, managers, staff, and external stakeholders who diagnose their organization's vulnerability to corruption and then develop strategies and action plans.

Social Sustainability and Citizen Engagement (SSCE). This initiative seeks to increase knowledge and awareness of social accountability among local stakeholders, including civil society, government officials, and marginalized urban residents; and to strengthen integrity in public service delivery by increasing the demand for good governance, social accountability, and civic participation. The social accountability assessment aims to assess the mechanisms currently in place and consult stakeholders about the potential for using information and communication technology tools to improve collaborative governance.

OBJECTIVES

The overall objective of this booklet is to describe the Integrity Building Initiative, including its methodology, achievements, and lessons learned. It aims to discern change processes and ways that participating local governments have adapted their institutional practices, introduced innovative solutions, and shared their experiences and knowledge while creating an integrity network of cities and municipalities.

Topics discussed include:

- Different approaches and tools used and tailored to the specific needs of cities;
- Participatory, in-depth assessments of areas vulnerable to corruption;
- Solution-oriented processes that are led and owned by municipalities; and
- Development and implementation of change projects.

BUILDING INTEGRITY

Integrity building and corruption prevention are issues of vital importance to local governments in South-East Europe, and elsewhere, because a well-functioning public administration is a precondition to transparent and effective governance. The Regional Anticorruption Initiative, among other institutions, are focused on these issues; and some state-level institutions were specifically formed to address them, including the National Anticorruption Agency (Serbia), Commission for Monitoring the Implementation of Anticorruption Measures and State Prosecutor's Office for the Suppression of Organized Crime and Corruption (Croatia), State Commission for Prevention of Corruption (Macedonia), and Anticorruption Agency (Kosovo).

Moreover, the issue of curbing corruption has come to the surface, partly due to the opening of Chapter 23 of the Acquis Communautaire—regarding countries in the process of accessing the European Union (i.e. Serbia, Montenegro, and Macedonia). The high levels of corruption in some European Union member countries, such as Bulgaria, has also brought attention to the subject. The opening and negotiations of Chapters 23 and 24 assume that accession countries will embark with greater intensity on the process of essential alignment with European values and standards in areas of key societal relevance, including the judiciary; anticorruption; respect for fundamental and minority rights; freedom of the media; security, primarily policies regarding combating organized crime, terrorism, migration, asylum, and visas; and cooperation on numerous issues.

Even though some countries in South-East Europe have established agencies and national institutions for combatting corruption, challenges around integrity, accountability, and transparency at all levels of government are still considered the main obstacles to achieving sustainable and fair urban development and effectively delivering public services. Urban development and public service delivery are closely linked to anticorruption efforts because among activities most vulnerable to corruption, some relate to urban management, including the management of public land and properties; issuing of building permits; and planning, implementing, and monitoring of public infrastructure investments. Addressing and preventing vulnerabilities to corruption that are prevalent in these areas could significantly improve urban management.

The Integrity Building Initiative, which is part of the second phase of the program (UPP II), builds on lessons and good practices that emerged from phase one (UPP I), but intensifies its focus on the leadership integrity component

³ Previously known as the Stability Pact Anticorruption Initiative (SPAI), the Regional Anticorruption Initiative is an intergovernmental regional organization that deals solely with anticorruption issues. It includes nine member states: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, and Serbia. It is a product of cooperation among states, institutionalized by a memorandum of understanding to cooperate in the fight against corruption, which was signed in 2007, as well as the protocol amending it, signed in 2013. See www.rai-see.org.

⁴ See https://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership/chapters-of-the-acquis_en.

and expands its scope to include additional cities in the region. 23 cities and municipalities have already benefitted from the initiative. UPP I offered in-depth engagement in 10 cities in South-East Europe: Kuçova (Albania), Zenica (Bosnia and Herzegovina), Križevci (Croatia), Istok and Gjakova (Kosovo), Tivat and Herceg Novi (Montenegro), Vinica and Gostivar (Macedonia), and Boljevac (Serbia). UPP II includes 13 additional cities: Berat, Elbasan, and Fier (Albania); Tuzla and Prijedor (Bosnia and Herzegovina); Karlovac and Daruvar (Croatia); Ferizaj (Kosovo); Kolasin and Bijelo Polje (Montenegro); Gazi Baba (Skopje in Macedonia); and Pančevo and Ruma (Serbia).

Overall demand to participate in the initiative was high throughout the region. In seven target countries, over 50 cities and municipalities expressed interest and took part in a competitive selection process—almost four times what the Program could accommodate. The selection process was rigorous and applied equally, ultimately resulting in the selection of 13 local governments in the fall/winter 2015, followed by the signing of cooperation agreements with the relevant mayors.

The Integrity Building Initiative assisted public officials and city leaders diagnose, scrutinize, and address the issue of vulnerability to corruption within municipal governments. The initiative supported capacity building of anticorruption practitioners, developing anticorruption strategic plans, building leadership skills, building local and regional knowledge networks, and exchanging experiences and best practices on anticorruption from South-East Europe and elsewhere. Municipal teams reaffirmed the value of participatory processes and coalition building and acknowledged the benefits of the applied methodology to address local government reforms with solutions generated by and made a priority within the organization.

Participating city and municipality governments have clearly demonstrated a commitment to preventing corruption and building integrity through sustained political will, ownership, active participation, and involvement. Municipal champions have also offered their tenacity and dedication to the effort. Throughout the process, leaders and city managers have gained awareness and knowledge about the key concepts and elements surrounding integrity building and anticorruption as well as practical tools for applying them in practice. This acquired knowledge is now being applied at the local government level with the implementation of action plans and change projects.

In 2016–17, the 23 UPP cities were involved in a variety of activities, including surveys, capacity-building efforts, strategic and action planning, the Integrity Leadership Training Program, and monitoring and evaluation workshops. Some presented their achievements, innovations, and reforms at regional workshops, with topics including budget transparency, improved service delivery, and enhanced communication with citizens. Many have been recognized by external nongovernmental organizations (NGOs), civil society organizations (CSOs), and citizens for their positive results. Some cities have expressed an interest in participating in other UPP components to develop a more sustainable, integrated approach and maximize their potential by leveraging UPP tools and methodologies.

Throughout the implementation of UPP II, the conditions and the political environments of the region's countries have been in constant flux; cities and municipalities had to adjust to these ever-changing circumstances. In Serbia, for example, the National Anticorruption Agency launched the second round of "integrity plans," mandatory for all public institutions in Serbia. By the end of the project, the agency provided a model for local anticorruption plans,

⁵ An *integrity plan*, a preventive anticorruption measure, is developed based on the results of an institution's self-assessment of its risk exposure to the occurrence and development of corruption and exposure to ethically and professionally unacceptable acts. The adoption of an integrity plan is intended to strengthen an institution's integrity, which includes individual honesty, professionalism, ethics, institutional truthfulness, and conduct in synch with moral values. The agency introduced a second cycle of integrity plan development with a finalization deadline of October 31, 2017. See www.acas.rs/plan-integriteta/.

mandatory for all local governments, including public institutions at the local level. Both integrity and local anticorruption plan models are based on the same principles as the integrity-building and anticorruption strategies and action plans developed during UPP. Participating cities and municipalities, such as Pančevo, Ruma, and Boljevac, among others, are at an advantage when preparing plans because they have already gone through the process of prioritizing vulnerabilities, developing strategies, putting a guiding coalition in place, working on in-depth analyses of organizations, and formulating corrective measures and solutions to build integrity and prevent corruption within their institutions. These cities and municipalities can serve as models for others without such experience to develop their own plans.

METHODOLOGY

The anticorruption and integrity-building methodology applied in Urban Partnership Program (UPP) cities was inspired by the transformational reforms of Ronald MacLean Abaroa, mayor of La Paz, Bolivia, which were, in turn, informed by the seminal work of Robert Klitgaard and spearheaded by Ana Vasilache of the Partners Foundation for Local Development, who incubated and field tested the methodology in South-East Europe. The methodology was further revised and customized throughout the course of the program in collaboration with a network of regional anticorruption practitioners in order to acknowledge the certain specificities of each local government and make adjustments to the conditions for the respective countries.

The methodology follows the equation:

$$C \text{ (corruption)} = M \text{ (monopoly)} + D \text{ (discretion)} - T/A \text{ (transparency and accountability)}$$

Integrity-building Process



⁶ Full description of methodology and how it was field tested can be found in the book *Corrupt Cities* (World Bank 2000)

The approach implies a strategic and participatory process conducted inside local governments. The methodology is based on a detailed analysis of the processes in the organization that could potentially exacerbate its vulnerability to corruption, followed by the defining of specific strategies and activities. Changes to organizations and institutions can be achieved with a participatory approach that involves internal and external stakeholders as well as follow through on the implementation of the strategic plans developed during this process.

The methodology was further adapted as needed to the specific circumstances in each country and city to identify the causes of areas vulnerable to corruption and fine-tuned during the in-depth analysis and consultation with external stakeholders, including the business sector, NGOs, CSOs, and citizen representatives, among others.

The methodology used in Bosnia and Herzegovina and Montenegro was also based on Integrity Action's approach:

Integrity = Alignment of (Accountability, Competence and Ethics), without Corruption

This approach was complemented by the use of several tools, including the integrity standard checklist, accountability analysis, transparency analysis, PESTLE analysis, and overview of and compliance with laws and regulations.

The integrity assessment consists of four key areas and a number of subareas:

1. Accountability: policies, transparency, oversight, proactive reporting, responsiveness, and participation;
2. Competence: human resources system, effectiveness, efficiency, local knowledge, and motivation
3. Ethics: policies, laws, regulations, leadership, grievance mechanisms, and enforcement; and
4. Corruption control: risks (vulnerabilities) to corruption, mechanisms for its detection and prevention, sanctioning, policies, whistle-blowers, grievances and complaints.

The methodology applied follows a mixed-methods approach that uses both quantitative and qualitative methods. The integrity assessment was structured around interrelated successive phases that provided the most relevant and accurate data: a desk review of existing strategic frameworks for integrity and anticorruption, focus group discussions and interviews, data analysis, recommendations, and the drafting of integrity plans.

The Integrity Leadership Training Program was introduced in 2016 as an important follow up to the participatory process; it was implemented in all seven target countries. In Albania, Croatia, Kosovo, Macedonia, and Serbia, the program aimed to reveal and create a common understanding of corruption in organizations, and to present the main concepts behind transparent and accountable leadership. The training program was delivered for all participating cities and municipalities with the purpose of peer-to-peer exchange and learning from other good practices and challenges. Participants included representative members of working groups for strategy development and high-level officials, including deputy mayors, city assembly presidents, and administration heads, among others. The participation of high-level officials demonstrated their strong ownership of the process for each local government. The main issues discussed were based on the experiences of each participating city and municipality, covering broad but interrelated topics such as leadership with integrity (personal and institutional integrity); integrity and social trust (social trust and corruption and global challenges – local solutions), and municipal transparency and accountability (citizen engagement).

⁷ Integrity Action is an organization and an active network of NGOs, universities, and policy makers working closely with governments, media organizations, businesses, and other peers to identify ways to make integrity work in some of the world's most challenging settings. The mission is to empower citizens to act with and demand integrity by actively taking part in building institutions that promote a state that is open, accountable, and responsive to their needs and expectations. See <https://integrityaction.org/>.

⁸ PESTLE: political, economic, social, technological, legal, environmental analysis. (Source: CAFOD Advocacy training).

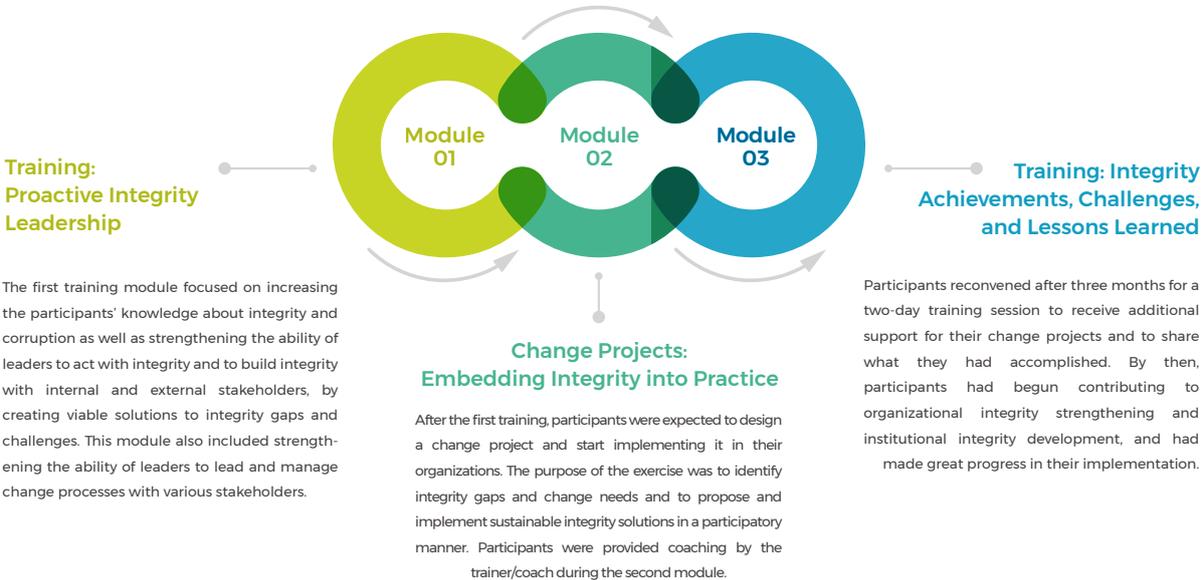
These workshops not only served as an opportunity to deepen the knowledge and understanding of the concept of Integrity, but also went beyond the theoretical framework of the concept to represent a vivid forum for discussion and exchange of experiences among municipalities, resulting in an informal network of municipalities that helped them understand the wide range of possibilities they could implement to strengthen integrity and improve service delivery to their citizens.

The Integrity Leadership Training Program for local governments in Bosnia and Herzegovina and Montenegro was designed to strengthen institutional integrity of local governments for good governance and inclusive and sustainable local development. More specifically, the objective was to boost integrity by providing local managers and leaders with tools to ensure that they are well equipped to act as change agents with integrity and to build integrity among others within their respective local governments and communities.

The applied approach and methodology applied was strongly focused on the leaders and managers as internal reformers and on strengthening their competence to lead internal change processes and create reform-enabling environments. To facilitate learning and the application of the acquired values, attitudes, knowledge, and skills, the training was designed around three modules. Leaders attended two trainings and designed and implemented change projects in their own real-time situations, successfully addressing challenges. In this way the Integrity Leadership Training Program strongly contributed to ensuring the sustainability of changes in the local governments.

Integrity Leadership Training Program

The training was organized around following three modules:



Numerous change projects directly emerged out of the 2016 and 2017 training sessions, which were later implemented in Zenica (Bosnia and Herzegovina) and Tivat (Montenegro) as described in the following case studies.

KEY LESSONS

- **Political will is crucial to strategy development and implementation.** The enthusiasm to define solutions and activities for increasing organizational integrity is commendable in each local government. Nevertheless, if there is political will among decision makers, these plans are much more likely to be fully implemented. The ownership and proactive involvement of the mayor and municipal directors are key to the success of drafting the strategic plan and critical to its implementation.
- **The approach must be tailored to each organization.** Even when using the same methodology basis, and approach, the process needs to be adjusted to the differences and specific circumstances of each organization. This is crucial to achieving the full dedication of participants during the strategic planning process as well as a sense of ownership—the two main conditions for successful development and implementation of all strategic plans.
- **Organizations and local governments should start the change from the inside out.** Ready-made solutions are not the best fit for an organization seeking changes. Every change and integrity building initiative should be driven by a core group of people from within the organization because it is the employees directly involved in the organization’s day-to-day operations who know about and understand all of its relations and processes. Mobilizing support among key municipal staff is thus essential to achieving success. However, external facilitation is needed to give the process a flow and an independent lens during the strategy definition phase.
- **Efficient implementation greatly depends on the continuity of work and process flow.** Minimizing the time gap between the planning and implementation processes is crucial to maintaining the initial enthusiasm. Keeping up the momentum and utilizing stakeholder involvement and dedication to the utmost are among the key factors to ensuring long-term transformation inside an organization.
- **A critical mass of dedicated people is needed to successfully implement an integrity building strategy.** The working group and participants in the strategic planning process pointed out that integrity building training for all levels of decision makers is crucial to successful implementation of strategic and action plans and to the sustainable development of the organization. It is the only way to guarantee success and complete the implementation of the envisaged plans.
- **Periodic monitoring and evaluation is needed.** The operative aspect of the implementation should be monitored and possible corrections and revisions to the Action Plan should be made in participatory manner. All relevant actors should be invited to these meetings, and should contribute to the review, evaluation, and possible revising of the Action Plan.

CASE STUDIES

A representative selection of case studies from each of the seven countries in South-East Europe is presented below, illustrating problems encountered during the territorial administrative reforms, outlining the process executed by local administrations, illustrating vulnerabilities that emerging out of an in-depth diagnosis, and offering possible solutions and expected results. Additionally, a summary of defined problems, strategies, and primary solutions are presented in tables for each of participating local governments.

ALBANIA

The Urban Partnership Program (UPP) was launched in Albania in March 2012. Four out of 10 municipalities that expressed an interest in this initiative were selected to take part in the process: Kuçova in UPP I and Fier, Berat, and Elbasan in UPP II. In 2012, with the support of the British Embassy, anticorruption strategies were also developed in of Lezha and Rubik. This case study reflects work done in collaboration with the municipality of Elbasan.

MUNICIPALITY OF ELBASAN

Elbasan at a glance

The Urban Partnership Program (UPP) was launched in Albania in March 2012. Four out of 10 municipalities that expressed an interest in this initiative were selected to take part in the process: Kuçova in UPP I and Fier, Berat, and Elbasan in UPP II. In 2012, with the support of the British Embassy, anticorruption strategies were also developed in of Lezha and Rubik. This case study reflects work done in collaboration with the municipality of Elbasan.



The municipality of Elbasan is located in the central region of Albania. According to the civil registry, the city of Elbasan has a population of around 206,000 inhabitants and a density of 236,11 inhabitants per square kilometer.

The municipality of Elbasan is one of the largest in Albania, and a large part of Albania's heavy industry, including steel, cement, and ferrochrome production is based in its territory.

Elbasan Mayor Qazim Sejдини was reelected for his fourth term in 2015. The local municipal administration is composed of five

⁹ On July, 31 2014, the Albanian Parliament approved Law 115/2014 "On the territorial and administrative division of local government units in the Republic of Albania." It changed the organization and structure of local governance in Albania by reducing the number of municipalities from 373 to 61.

general directories: operational services; organizational service; infrastructure services; income, assets, budget, and financial planning; and strategic economic development, social, and media policies.

Elbasan Prior to UPP

The municipality of Elbasan joined the UPP immediately after the territorial administrative reforms and the central-local dialogue organized by the UPP, held in Tirana on November 2015.

Elbasan is the only municipality in Albania that is utilizing four integrated components of the UPP: municipal finance self-assessment, urban audit, social sustainability and citizen engagement, and integrity building. When it joined the UPP, it was in the midst of implementing the territorial administrative reform, highlighting inherited challenges that demanded long-term solutions in the best interest of citizens. Its participation in the program provided an excellent opportunity to address some of these and other emerging challenges. For example, as a result of the reform, the municipality's population more than doubled, from 101,000 to 206,000 inhabitants—60 percent concentrated in the city and the rest split among the administrative units, including some in mountainous regions where there are no clear divisions between them. Road development, sewage and water infrastructure, transportation, increased number of public services, waste management, and communication with all citizens posed other challenges. A glaring problem identified during the reform was a lack of information and participation of its citizens in all of the 12 newly established units under the municipality of Elbasan's administration. To address the problem, the municipality began implementing an important process for participatory decision making, such as the Participatory Budgeting Process. During the participatory budgeting exercise, improvement of infrastructure and transparent investment decision-making has been identified by citizens as a priority in all 12 new administrative units.

Major Problems Identified



After Elbasan joined the Initiative and Mayor signed the collaboration agreement, an assessment was conducted by anticorruption practitioners. Areas identified as most vulnerable to corruption include: (1) control and management of open-market activities; (2) public procurement of goods and services (elaboration of terms of reference and monitoring contract implementation to completion); (3) waste management (waste collection and landfills); (4) tax collection; (5) building new infrastructure (e.g., water, sewage, roads, and landfills). The local administration validated the assessed areas

and agreed to move forward with a process to increase the transparency, accountability, and openness toward its citizens. A subsequent in-depth analysis identified concrete problems within broader areas (table 1).

TABLE 1. PROBLEMS IDENTIFIED DURING ELBASAN’S ASSESSMENT

Control and Management of Open Markets	Public Procurement of Goods and Services	Waste Management	Tax Collection	Building New Infrastructure
Uncertified vendors or vendors with low-quality products allowed to enter the market; rules of hygiene not respected	Poor quality of work and services during the execution of the awarded contracts	Tender processes not transparent or impartial	Low level of tax collection rate due to inaccurate planning of tax revenues based on the actual number of businesses in the municipality.	Poor quality of construction work that does not respect project parameters or building standards as described in the regulations
Numerous people selling different products at nearby marketplace without paying taxes or being registering (“grey economy”)	Criteria set for public procurement in favor of certain service providers, influencing the selection process	Schedule not respected by the company as defined in contract (cleaning of the municipality’s territory only partially completed)	Tax classification of businesses not in accordance with the reality on the ground	Poor quality of implemented construction projects; feasibility studies missing
Trading done outside the areas defined by the municipality (marketplace areas)	Poor supervision and lack of inspections	Obligations described in contract not met/ fulfilled by the contracted company	Some businesses not paying taxes due to personal connections and acquaintances	Projects designed without citizen consultations

Accomplishments

Over the course of the program, an anticorruption strategic and action plan was developed that included 6 strategic objectives, 19 strategies (measures), and 51 activities. Thirteen members of a guiding coalition and 44 employees of the city administration took part in the process. Following the in-depth diagnosis, workshops were organized with the guiding coalition and other staff members from the municipality to design the plan, focusing on selected service areas.

As part of the participatory planning, joint sessions were held with the municipal representatives and anticorruption practitioners to facilitate the process. Members of the guiding coalition also participated in the integrity-building training, organized for all municipalities involved in the initiative. The training helped them better define the activities of the action plan and served as a platform for the exchange of experiences, challenges, and solutions.

The process resulted in the development of an anticorruption strategic plan for 2017–19, which stipulates concrete actions and steps to enhance organizational integrity, efficiency, transparency, and accountability. On March 20, 2017, Elbasan’s municipal council endorsed the plan (Decision No. 31). The municipality then proceeded with the implementation of the activities envisaged in the strategy following the results framework (table 2).

TABLE 2. ANTICORRUPTION STRATEGIC PLAN OF ELBASAN

Public Procurement of Goods and Services	Waste Management	Tax Collection	Building New Infrastructure
Internal rules and procedures for equal treatment of all participating business entities in tendering procedures to be defined	Implementation of advanced monitoring system of contracted services throughout the area (e.g., cleaning service) to evaluate implementation of technical/contract requirements	Publication of the municipal council's decision on local taxes and tariffs complete (see elbasani.gov.al/sq-al/Services/Bizneset/Pages/Pagesa-Taksave.aspx)	In the future, to increase supervision and improve execution of approved projects, the municipality will cooperate more closely with Elbasan Water and Sanitation institution (UKE) and Water Supply and Sewerage Company
Reduction of nonelectronic tender procedures (small procurement of up to ALL 200,000) through development of more detailed procedures on procurement and increment of e-procedures (controlled by central level).	Collaboration and coordination with public service agency and entrepreneurs on information sharing and monitoring of fulfilment of obligations, roles, and responsibilities of the service providers contracted by the municipality	Presentation of local tariffs and their calculation method to the businesses	Introduction of continuous monitoring of work, identification of any discrepancies, and immediate repairing of defects
		Information on criteria and publication of coercive measures (e.g., how fines are calculated) are prepared and made public to all economic operators	Weekly onsite monitoring and control of infrastructure projects
		The municipality has started the inventory of tax payable business entities to reduce informality and register all active economic operators in the territory of the municipality	

“The municipality of Elbasan has been part of the UPP anticorruption initiative since 2012. After the open call by Partners Albania, we were eager to implement such methodology in our municipality. The decision to implement the anticorruption methodology was not only embraced by the mayor, but by all employees, especially in the context of the [territorial administrative reforms]. We acquired new knowledge, but also customized the methodology according to the needs of Elbasan citizens. This helped us to increase our efficiency in serving them. I just want to mention that the Anticorruption Action Plan draft was created through this approach and was approved unanimously by the council of municipality of Elbasan. This act showed the commitment of all public officials to address every citizen’s need or issue.”

Director General of Strategic Economic Development, Social and Media Policies Department, municipality of Elbasan, Albania

Key Lessons

The ownership and proactive involvement of the mayor and municipal directors were key to the success of drafting the plan and critical to its implementation. A drive for change that originates from inside an organization can lead to progressive ideas. The efficient implementation of these ideas greatly depends on the continuity of work and process flow. Minimizing the time gap between the planning and implementation processes is crucial for maintaining the initial zeal and drive for change. Keeping up the momentum and using stakeholder involvement and dedication to the utmost are among the essential factors ensuring long-term transformation inside the organization.

Next Steps

The municipality of Elbasan is implementing its anticorruption strategy based on the approved action plan. Close monitoring of the implementation of the activities will be crucial to reach the envisaged objectives and goals. In so doing, the anticorruption strategic plan will become the benchmark for measuring progress and will serve as a system of accountability toward citizens.

Municipality of Elbasan website: <http://elbasani.gov.al>

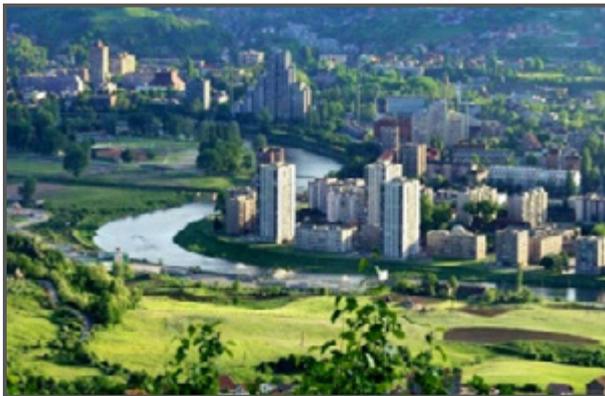
BOSNIA AND HERZEGOVINA

The Urban Partnership Program was launched in Bosnia and Herzegovina in 2012. During the first phase of the program, the city of Zenica developed its anticorruption strategic and action plan for 2013–16. During UPP II, results from the implementation of Zenica’s action plan were evaluated, and additional capacity support was provided through the Integrity Leadership Training Program, resulting in the development and implementation of change projects at the municipal level. Two additional cities, Tuzla and Prijedor, then joined the program and developed their own integrity plans. This case study reflects work done in collaboration with the city of Zenica.

CITY OF ZENICA

Zenica at a Glance

Zenica is the fourth largest municipality in Bosnia and Herzegovina with approximately 130,000 inhabitants (city around 100 000). It is an industrial city dominated by the mining, energy, and processing industries. Facing market challenges and with the aim of creating new jobs, the city government took a proactive approach to creating a business-friendly environment that would boost local economic development by attracting strategic investors and



providing support to small and medium enterprises. Eighteen percent of the population is below 14 years of age, 15 percent are above 65 years of age, and the remaining 67 percent make up the city’s workforce. The average salary is KM 837 (about US\$500). The unemployment rate is high at 48 percent. Zenica is home to all three constitutionally recognized peoples, with 92,988 Bosnians, 2,409 Serbs, and 8,279 Croats.

The mayor of Zenica, Fuad Kasimovic, was elected as an independent candidate during the 2016 elections. This is his first term in office.

Zenica Prior to UPP

Zenica began its participation in the UPP in 2012, with the strong support of former Mayor Husejin Smajlovic. The city had never previously worked on anticorruption and integrity building. The mere discussion of corruption-related issues was taboo. There was no structured dialogue inside the local administration to address integrity challenges or to discuss relevant issues with external stakeholders, such as CSOs and members of the business community. In addition, the city lacked both an analytical framework and tools to deal with these challenges in practice. Mayor Smajlovic was convinced that the UPP process would lead to the desired changes and that he could count on the active participation of citizens and other actors in the local community. He was a dedicated partner of the program, supporting the process through his example as a leader.

“It is our ambition to improve the image of our local government, strengthen the organization and its efficiency, and include all our employees in the anticorruption work and be a learning organization.”

Husejin Smajlovic, former mayor of Zenica

Major Problems Identified

At the start of the program, most participating employees had little faith that anything could be done about areas vulnerable to corruption and integrity gaps. There was no constructive internal dialogue about the integrity challenges they faced. Furthermore, practical tools and facilitation of the process by an integrity/anticorruption practitioner contributed to the identification of major gaps and the formulation of actions and measures to address them.

The key issues identified include: complicated and lengthy procedures, a lack of supervision and sanctions systems, a high level of manager discretion, limited public access to information, insufficient capacity to respond to integrity gaps, an uneven level of professionalism and service quality, favoritism, political influence on public servants, and low levels of transparency.

Accomplishments

During the course of the program, Zenica developed its anticorruption strategic and action plan for 2013–16, which included 6 strategic objectives, 37 measures, and 111 activities. More than 500 staff members, 12 municipal departments, 10 public enterprises, 6 public institutions, and the municipal council took part in various project activities. External stakeholders were also consulted, including CSOs and business community representatives. UPP helped create a dialogue among stakeholders, raise awareness, and mobilize internal support to fight corruption and strengthen institutional integrity among managers, leaders, and key senior officials. The internal dialogue was launched, and the taboo and the silence were broken in a safe environment, using the Chatham House Rule. Women and men occupied key decision-making positions, provided constructive contributions, and shared their knowledge with co-workers.

The methodology focused on anticorruption efforts, specifically prevention and control, including a participatory diagnosis of systemic vulnerabilities to corruption and an elaboration on solutions. In the second phase of the program, the methodology was expanded to a proactive integrity approach focused on accountability, competence, and ethical infrastructure along with corruption mechanisms to detect, control, and prevent corruption. The city



of Zenica also improved its capacity to monitor and report on the implementation of its anticorruption strategic and action plan. By the end of 2016, around 70 percent of its measures had been implemented, and city representatives actively participated in the Integrity Leadership Training Program, including formulating and implementing change projects. Additional capacity-building activities included training sessions on change and project management and communications.

A key achievement was the participation of key senior officials in the three training modules of the Integrity Leadership Training Program during the second phase of the UPP. The training program was co-financed by the city of Zenica, demonstrating its strong sense of ownership over the process. Senior staff from Tivat and Herceg Novi (Montenegro) also took part the trainings. Table 3 provides an overview of the defined and implemented change projects.

¹⁰ The *Chatham House Rule* is a system for holding discussions on controversial issues in order to increase openness. Under the rule, participants are free to use information gleaned from the discussion, but are not allowed to reveal the identities of the person who provided it.

TABLE 3. CITY OF ZENICA: CHANGE PROJECTS

Change Project	Objective	Results
Restoring Citizens' Trust in Spatial Planning	Restore the trust of citizens in local self-government, specifically the spatial planning department by providing fast and quality responses to citizen requests, fully complying with the law, and preventing any corruptive actions or behaviors in the department.	Greater access to correct and reliable information; expanded citizen participation in planning; enhanced quality of life in the community; improved external and internal transparency; increased participation of investors in decision making; strengthened rule of law; improved professionalism; and establishment of mechanism for reporting corruption and irregularities.
Introducing Electronic Monitoring of Inspection Work to Reduce Asymmetric Information	Achieve a comprehensive overview and a more objective insight into the efficiency and functioning of inspection work and address the problems of citizens more efficiently.	Immediate insight into the status of a case; increased accountability; more equitable distribution of cases among inspectors; increased trust between inspectors due to full insight into internal case management; increased potential for monitoring by peer inspectors and managers to follow up cases; settling of electronic data and bookkeeping records; and increased citizen satisfaction.
Introducing Electronic System for Signature, Copy, and Verification; Active Waiting System	Introduce a new mechanism to report corruption and irregularities; improve the quality and efficiency of public services by introducing a new system of signature, copy, and manuscript verification; and improve the active waiting system in the counter hall.	Increased quality and efficiency of signature, copy, and manuscript verification, allowing users of services to better spend their time than waiting in line.
Strengthening the Role of Local Community Councils	Increase local community council capacity by training council presidents; empower local community council members to represent the interests of citizens, become informed about procedures for settling requests and meeting the needs of citizens and the potential for involvement in decision-making processes.	Presidents of local community councils were informed of ways to improve interactions with citizens, including convening extended council sessions, cooperating with associations active in the local community, cooperating with economic operators doing business in the local community, conduct question-and-answer sessions with citizens and activists to provide information and receive feedback; and convene meetings with citizens to present different reports.

During the program, the city of Zenica conducted an integrity assessment using the provided tools. The findings will be used to develop a new integrity plan for 2018–22. Participating senior staff demonstrated a strong capacity for understanding and responding to integrity-related challenges.

Some of the implemented activities led to greater access to information, increased transparency, and improved quality of service provision. Key results are presented in table 4.

TABLE 4. KEY RESULTS OF THE UPP IN ZENICA

Increased Access to Information (Internally and Externally)	Increased Transparency	Improved Quality of Service Provision
<p>Information about procedures. An overview of all areas of the local government’s work and descriptions of how to engage with different administrative procedures is now available. Users can easily search by activity, organizational unit, and administrative procedure and get detailed information about the topic.</p> <p>See “Kako po dnijeti zahtjev” (How to submit your request) at http://www.zenica.ba</p>	<p>List of city-owned business facilities. Transparent information about all 325 business facilities owned by the city government are presented in a pdf file, downloadable from the city’s website containing information about its size, purpose and address.</p> <p>Registered businesses. The website also contains a list of registered businesses in the municipality, including names and addresses.</p> <p>Price list of services. A list of all public enterprises in the city with their prices is also available.</p>	<p>Active waiting system. The website introduced a new online application on the website that makes it possible for the citizens to use their time doing something else while waiting in line. The system keeps them informed about their remaining wait time. This online application was developed and installed by the municipality’s information technology specialist requiring no additional financial resources.</p>
<p>The importance of e-governance is now recognized and an information technology specialist was recruited.</p>	<p>Procurement, recruitment, and consultations. Information about public procurement, vacancies, and public consultations are presented in a more user-friendly and transparent way.</p>	<p>Center 72 established and functioning. In the first year of the program (May 2014 to May 2015, citizens submitted 432 requests, 296 (68 percent) of which were questions that were answered within 72 hours; 115 were resolved; 9 required additional time; and 12 remained pending. Most requests were related to public services, such as inspections (communal or construction), waste, roads, parking, and traffic, among other concerns. See centar72.ba/zenica.</p>
<p>Key information on the website is now also available in English.</p>	<p>Calendar of events. The website now includes a calendar of events that announces and presents various interesting happenings in the city and with the local administration.</p>	<p>Electronic request for birth certificates. Requests for birth certificates can now be submitted online.</p>
<p>Monitoring and reporting capacity has improved considerably. The monitoring team meets monthly to discuss progress and plan the monitoring of upcoming activities. Reports are submitted to the mayor on a quarterly basis.</p>	<p>Virtual sightseeing. The website allows citizens, tourists, visitors, business people, and others to take a virtual tour of the city of Zenica in order to acquaint themselves with its culture and history, the city streets, pedestrian zones, sports and recreation, religious buildings, and other sites. See http://v360.zenica.ba/</p>	<p>Center for investors. There is dedicated space on the website for potential investors with access to all relevant information, services, documents, fees, and procedures. Its purpose is to facilitate investments in the city. It includes a guide providing information on subjects such as how to start a business or obtain various permits, among others. See www.zenica.ba/centar-za-investitore/javna-preduze-ca/.</p>

“[The] Integrity Leadership Training Program has helped me to develop my professionalism and strengthen my capacity to manage changes. I found it useful when taking on a new leadership position as head of department for human resources that has been recently established in the context of reorganization of our local government. “

Mayor’s Assistant for Human Resources, Zenica, Bosnia and Herzegovina

Key Lessons

A key lesson learned during implementation is that internal change is possible only if it comes from within. Although the mayor's commitment was present from the start, mobilizing support among key municipal staff is essential to achieving success. Working with integrity is a continuous process, not a one-off activity. Capacity must continue to be increased and resources directed toward this goal.

City of Zenica website: www.zenica.ba

CROATIA

The Integrity Building initiative was launched in Croatia in 2012. During the first phase, the city of Križevci developed its strategic and action plan for corruption prevention for a two-year period (2013–15). During the second phase of the program, which began in September 2015, implementation results of the anticorruption plan in Križevci were evaluated and further technical assistance was provided. The cities of Karlovac and Daruvar joined the program in the second phase, developing their own two-year anticorruption action plans (2017–19). The Daruvar city council was dismissed at the end of 2016; the action plan was set for completion by September 2017, following local elections and the formation of a new city council as well as the election of new mayor and deputies who can legally represent the city. This case study reflects work done in collaboration with the city of Križevci.

CITY OF KRIŽEVCI



The city of Križevci has been part of the Urban Partnership Program since 2012. Former Mayor Branko Hrg and Deputy Mayor Tomislav Katanovic have been very closely involved with the program and are great promoters of using new technology mechanisms, such as information

and communication technology (ICT), to improve communication between citizens and the administration and to increase the transparency of the city administration, bringing the city closer to the top of the LOTUS list.

Križevci at a Glance

Križevci is a city in central Croatia with a total population of slightly over 21,000, including approximately 11,220 inhabitants of the city itself (2011). It is the oldest city in the Koprivnica-Križevci County. Because of its proximity to Zagreb (57 kilometers), it has been developing like a satellite city. It is well situated because it is close to all of the regional centers: Koprivnica, Bjelovar, and Varazdin. Incumbent Mayor Mario Rajn is currently serving his first term in office.

Križevci Prior to UPP

The city administration consists of departments of housing and communal services, economy and finance, social services, and city expert service. Main areas needing improvement included the efficiency of the city administration in managing public goods; transparency; the public procurement system; and the system for the control and management of infrastructure investments, hiring new employees, and so on.

During five workshops held during the first phase of UPP, a group of 20 members of the guiding coalition, comprising city administration employees, representatives of companies and institutions owned by the city, and civil society representatives worked together to develop the city's strategic and action plan for the prevention of corruption.

A working group defined the scope of the city administration's duties, carried out a general diagnosis, and identified and thoroughly analyzed activities and services most vulnerable to corruption. Based on the results, strategic goals were defined and a set of activities developed to reach set goals. The final result was entitled "Anticorruption Action Plan for the period 2013–2015." It was adopted by the council and presented as an official city document.

Accomplishments

During the program, an anticorruption strategic and action plan was developed that included 6 strategic goals defined by 41 activities, covering all levels of city functioning as well as 65 actions. More than 80 percent of all employees were involved in the process.

An evaluation of the implementation of the proposed activities was evaluated in 2016 during UPP II, in coordination with representatives of the city's initial guiding coalition. There was consensus that all goals were reached in average over 60 percent implementation but that additional technical support was needed in certain areas (table 5).

TABLE 5. ACTION PLAN IMPLEMENTATION EVALUATION RESULTS, KRIŽEVCI

Objective	Implementation Achieved (%)
1: Improve the efficiency of the city administration in terms of management of public goods.	80
2: Improve transparency of the work of the city administration.	50
3: Upgrade the public procurement system and improve the system for controlling and managing infrastructure investments.	20
4: Raise the level of transparency for the process of hiring new employees.	55
5: Raise the quality of programs for civil society organizations.	100
6: Develop mechanisms for the prevention of abuses of offices.	60
Average implementation rate (to date)	60+

The strategic and action plan document as well as trained city employees raised awareness among citizens about the immediate results of the initiative through local and regional media. However, an analysis of results achieved between September 2015 and May 2016 demonstrates that the initiative led to several other long-term positive results beyond those achieved through the action plan and made a significant impact on the city administration.

Methodology implemented during this program proved useful when preparing for the implementation of ISO standards. To date, Križevci has implemented ISO 9001 i 27001 systems, including the launching of the e-Services project, with the aim of increasing transparency and bringing the city administration closer to citizens. As of the summer of 2016, two platforms were developed and launched within the e-Services project:

1. Inspired by good practices in Indjija (Serbia) and similar to Zenica's Centre 72, System 48 hours is a feedback mechanism on its website that enables citizens to report any communal problem through a simple registration process, upload photos, and monitor progress. When a problem is reported, city administrators forward it to the relevant communal service or company; the problem then must either be solved within 48 hours or information must be posted on the website regarding deadlines and responsible institutions. The website is open to the public and the results can be monitored without prior registration. However, registration is necessary for the person reporting a problem. By the end of June 2016, 132 communal problems had been reported through the system. Of those, one (the most recent) was still classified as open; three had been given a status "confirmed," which means that the solution required additional time, resources, or involvement of other institutions; and the rest were officially closed—that is, the problem was solved. The portal can be found at 48.krizevci.hr; it is only available in the Croatian language. More recently, this feedback mechanism was made available on Android mobile phones.

2. *e-Status or e-File* is a system that enables citizens who submit multiple applications for city services to see an overview of the status of their applications at every stage. Citizens submitting applications receive a file number and a personal PIN number, allowing them to log in at _ to check the status of application, the department and responsible administrator handling it, documents created in relation to it, and steps left until final decision reached. This system is applied to every application officially submitted to the city; it has resulted in decreased pressure on city employees as well as greater efficiency and transparency.

The city reorganized and updated its website separating it into two parts:

- www.krizevci.hr, the official city website, contains information about the city itself: news, economy, investments, culture, tourism, sports, history, environment, living conditions, and so on.
- uprava.krizevci.hr, the website dedicated to city administration, provides news and information about the work of the mayor, deputies, the city council, and municipal councils. A significant part of the website is dedicated to transparency: information on public procurement, list of contracts for goods and services, and code of ethics. There is also the possibility for citizens and other stakeholders to participate in the decision-making process through e-counselling: reviewing city's legislative acts before they are voted on by the city council. As of 2016, citizens can also participate in the process of budgeting; however, due to legal restrictions, this only applies to a small part of the budget dedicated to municipal communal actions. Also, accessible from this website are online platforms for e-services and the GIS system (spatial plans).

Importantly, all previously mentioned activities are based on open-source code, and their development and implementation required a fairly small financial input yet attracted high levels of participation and involvement among all city employees.

Importantly, all previously mentioned activities are based on open-source code, and their development and implementation required a fairly small financial input yet attracted high levels of participation and involvement among all city employees.

12	Belica	općina	Međimurska	8,19
13	Virovitica	grad	Virovitičko-podravska	8,15
13	Karlovac	grad	Karlovačka	8,15
14	Zaprešić	grad	Zagrebačka	8,14
15	Buzet	grad	Istarska	8,06
16	Oslijek	grad	Osiječko-baranjska	7,96
17	Sveta Nedelja	grad	Zagrebačka	7,95
18	Samobor	grad	Zagrebačka	7,91
19	Varaždin	grad	Varaždinska	7,81
20	Novigrad-Cittanova	grad	Istarska	7,75
21	Lepoglava	grad	Varaždinska	7,62
22	Bjelovar	grad	Bjelovarsko-bilogorska	7,61
23	Duga Resa	grad	Karlovačka	7,53
24	Križevci	grad	Koprivničko-križevačka	7,36
25	Rovinj-Rovigno	grad	Istarska	7,28
26	Šplit	grad	Splitsko-dalmatinska	7,19
27	Pitomača	općina	Virovitičko-podravska	7,08
28	Sinj	grad	Splitsko-dalmatinska	7,07
29	Ozalj	grad	Karlovačka	7,02
30	Čazma	grad	Bjelovarsko-bilogorska	6,98

The results LOTUS, a biannual survey of website transparency among Croatian local governments were used as an outside evaluation of outcomes. LOTUS (www.lotus.gong.hr) is a project initiated by the Croatian NGO GONG, conducted in almost all Croatian cities. The results are based on the evaluation of questionnaires with 70 parameters. According to the LOTUS website, the transparency rating of the city administration of Križevci significantly increased between 2009 and 2014, from 4.85 to 7.36 out of 10.

Municipality of Križevci website: <http://www.krizevci.hr/>

KOSOVO

In 2013, the Integrity Building Initiative of the Urban Partnership Program was launched in Kosovo. During the first phase of the program, the municipality of Gjakova developed a strategic plan for curbing and preventing corruption. UPP II, which began in 2015, elaborated the action plan to set the stage for its 2015–16 implementation. The Integrity Leadership Training Program provided further assistance in allowing actions to be elaborated and implemented. Also during UPP II, an evaluation was conducted of the pace of implementation and final results of Gjakova’s anticorruption plan. Two other cities in Kosovo, Istog and Ferizaj, also joined the UPP and have developed their own strategic and action plans. This case study reflects work done in collaboration with the municipality of Gjakova.

MUNICIPALITY OF GJAKOVA

Gjakova at a Glance



The municipality of Gjakova, located in southwestern Kosovo, covers an area of 521 kilometers, comprising the town of Gjakova and 84 villages. The city of Gjakova is one of the largest in Kosovo; and the municipality ranks third largest in the country in terms of territory and its population—approximately 94,500, according to the 2011 census. It is the administrative center of the district of Gjakova. After the local elections of November 2013, the municipality was headed by the only woman mayor in Kosovo, Mimoza Kusari-Lila of the Alliance New Kosovo

Party, and Deputy Mayor Ramadan Hoti from the Democratic Party of Kosovo. Mayor Kusari-Lila served in the office until July 2017; at local elections held in November 2017 Ardian Gjini was elected new mayor. The municipality of Gjakova includes 12 departments: budget and finance department; geodesy and cadaster; health and social welfare; urban planning and environment protection; inspections; emergency and preparedness; agriculture; economic development; education; culture, youth, and sports; public services; and general administration.

Gjakova Prior to UPP

Project activities were launched in Kosovo for UPP I during the preelection period of March 2013. After the November 2013, local election in Gjakova, new leadership was elected and appointed.

By December 2013, Gjakova had identified key activities that would most benefit from a proactive and participatory process, leading to increasing transparency, accountability, and openness of the municipality toward citizens. Together with municipal administration representatives a strategy was elaborated to fight and prevent corruption in Gjakova, focusing on areas such as the issuing of licenses and permits, public procurement of goods and services, and financial management.

By the time UPP II was launched in 2015, it was evident that under its new leadership, the municipality had already implemented many of the actions identified as priorities in 2013. Aiming to reach higher levels of integrity and openness, the municipality decided to continue its collaboration with the initiative and to scale up its activities by addressing the issues still needing attention and by following up on prior actions.

Major Problems Identified

During the course of the program, an anticorruption strategic and action plan was developed that included 3 strategic goals, 5 strategies (measures), 9 activities, and 20 actions. Around 100 municipal employees were involved in the analysis and in the process of strategic planning development, demonstrating their strong commitment

The actions undertaken were divided into two major stages: risk assessment, which was conducted to identify areas for improvement, and solution elaboration, during which strategies were envisaged.

During the risk assessment stage, around 100 municipal representatives were included in an organization-wide survey; this was followed by interviews with staff representatives to help better understand and analyze the situation on the ground and identify areas for intervention. The solution elaboration phase was organized around four one-day workshops held with the active participation of guiding coalition members comprising employees of the Gjakova municipal administration who had already worked together to develop the city's anticorruption strategic plan.

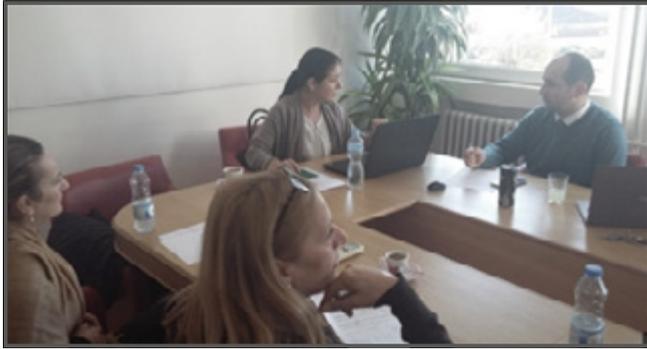
Based on the results of the vulnerability analysis and risk assessment, members of the guiding coalition defined strategic goals and designed a set of activities to achieve them. They were summarized in a strategic plan that included enhancing organizational integrity, efficiency, transparency, and accountability (see table 6). The plan was adopted by the Gjakova municipal council, but its implementation of was delayed by the change in leadership following the November 2013 local elections due to the lack of information transferred from the previous administration. In September 2015, the municipality of Gjakova and Public Administration Trainers Skopje signed a memorandum of understanding continuing their cooperation and work on corruption prevention during UPP II and defined an action plan to advance and promote integrity and good governance in Gjakova.

TABLE 6. SUMMARY OF STRATEGIC PLAN FOR GJAKOVA

Public Procurement	Finance Management	Urban Planning and Related Municipal Service Delivery
Ensure control by all relevant stakeholders including citizens over procurement process by making the overall process transparent through elaborated e-solutions	Introduce an e-spending section on the municipal web portal.	Decentralize municipal services with regional service branches.
Use the e-portal as an interactive municipal website to offer citizens cumulative information on municipal services, businesses, nongovernmental organizations, and municipal projects as well as a mechanism for sending requests, questions, and comments to the municipality (particularly relevant for analyses of large infrastructure projects).	Publicly display spending for each local government department on the municipal website.	Conduct a comprehensive analysis of urban planning processes and procedures.
Organize public debates and use interactive maps as part of the analysis of infrastructure projects.		Set up a registry of administrative procedures through the e-administration platform that provides citizens with information about municipal services.
Make infrastructure projects more transparent and visible to citizens through the Gjakova e-portal.		Enable access to information through the e-administration platform regarding turnaround times for the required service delivery.
Operationalize the e-procurement platform— <i>e-prokurimi.org</i> —including all necessary information on past tenders: each tender procedure, operators, amounts, and project mapping, as well as information on upcoming projects.		Regional offices provide citizens with information and assistance regarding property taxes, business registration, and municipal services, as well as coordinate between citizens and the respective departments providing public, cadaster, or other services.
		Increase transparency regarding the issuance of building permits by better informing citizens about procedures and steps.
		Advance the Gjakova e-portal project, which is designed to help citizens more quickly and easily access information on city and municipal activities and services.

During the revision process for the existing strategy, it was decided that some identified issues had been addressed but that number of the solutions identified back in 2013 remain relevant for the municipality and should be considered in the action planning process. Management and heads of different departments involved in the strategic and action planning held discussions about all areas. The result was the development of an action plan to promote integrity and good governance that addressed strategic objectives and outlined actions for December 2015 to December 2016.

The overall approach was also designed to be open and complementary to the other World Bank instruments used under the Urban Partnership Program. In this context, Gjakova was offered the possibility to participate in the component aiming at improving municipal finances by carrying out the Municipal Finance Self-Assessment (MFSA).



Since 2015 Gjakova has been part of the MFSA family. The city of Gjakova also participated in the SMART city study visit, which offered participants the opportunity to learn from SMART city pioneers and exchange experiences with representatives of other cities from around the world. The city currently works on the implementation of smart sensors such as: air pollution, noise sensors and sound information system, while next year the plan is to invest in smart lighting and city information panel as well as energy

efficiency in public buildings.

Evaluation of the action plan implementation rate was released in December 2016, indicating that the strategic goals had been met to a very satisfactory degree (table 7).

TABLE 7. ACTION PLAN IMPLEMENTATION EVALUATION RESULTS, GJAKOVA

Objective	Implementation Achieved (%)
1: Limit monopolies and increase transparency regarding urban planning and the delivery of related municipal services.	67
2: Increase transparency and accountability for public procurement of large infrastructure projects.	100
3: Increase monitoring and accountability of financial management operations.	100
Average implementation rate	89

The anticorruption action plan was the direct output of the project’s follow-up activities. Joint discussions and the exchange of ideas helped the municipality pave the way toward other achievements, even further than what was initially envisaged. Achievements include:

- A risk analysis and solution elaboration advanced the Gjakova e-portal project, which was designed to help citizens more quickly and easily access information about city and municipal activities and services, thereby fostering the municipality’s transparency and openness toward citizens. The e-portal is an interactive municipal website that offers citizens cumulative information on municipal services, businesses, nongovernmental organizations, and municipal projects. It also has a mechanism for citizens to send requests, questions, and comments to the municipality, which is particularly relevant when conducting analyses of large infrastructure projects.
- After organizing 23 public debates, interactive maps were included in the analysis, and infrastructure projects were made transparent and accessible through the Gjakova e-portal.
- The municipality has established a registry of administrative procedures on its e-administration platform that provides citizens with detailed information about accessing municipal services, including the

legal basis for each service offered, required documents to submit applications, fees and charges, and turnaround times.

- In March 2016, the portal introduced an e-spending section, presenting the spending for each department within the municipality, thus further increasing municipal transparency and accountability.
- Gjakova was the first local government in Kosovo to have an e-procurement platform (e-prokurimi.org); it includes all necessary information on past tenders: procedures, operators, amounts, and project mapping as well as upcoming projects.
- After identifying in the action plan the need for decentralization of municipal services through regional service branches, Gjakova partially decentralized municipal services, providing citizens with regional offices that provide citizens with information and services on property taxes, business registration, and municipal services and that coordinate between citizens and the respective departments that provide public, cadaster, or other services.

The external evaluation of results refers to the Kosovo Democratic Institute analysis, which ranks Gjakova among the most open and transparent municipalities in the country. In February 2017, the institute published its analysis of transparency levels at the local level, assessing activities in 11 municipalities based on 11 indicators from 4 major pillars: (1) mayor's office, (2) municipal council, (3) municipal finances, and (4) public consultation. Gjakova received high scores for all four pillars:

- Mayor's office ranked first among the 11 municipalities with 28 of 35 points;
- Municipal assembly ranked second with 28.7 points;
- Municipal finance ranked first with 30.3 points; and
- public consultation ranked first with 30.3 points.

The analysis ranks Gjakova as the most transparent municipality overall at 83.8 percent.

"Our municipality has been strongly committed to fight against corruption and has undertaken many initiatives to help strengthen integrity and efficiency. Urban Partnership Program helped us to unleash internal potential and explore new sustainable solutions, to merge different initiatives and explore innovative mechanisms that would help us achieve even better transparency, accountability, and citizen engagement. The main goal achieved through our cooperation with the World Bank was not only increasing transparency but also increasing human resources capacity in terms of clarity of steps taken and administrative procedures and leading toward better governance. We hope to have the possibility to continue this successful cooperation in the future.

Based on our great cooperation with the World Bank and other stakeholders, we received an award from national NGOs, including Kosovo Democratic Institute, Ec ma Ndryshe, and GAP Institute as the most transparent municipality in Kosovo. As a direct contact person for the project, I truly appreciate the contribution from the World Bank, and we look forward to further cooperation."

Deputy Mayor, municipality of Gjakova, Kosovo

Key Lessons

The overall process was dynamic and challenging due to two main factors: the postelection change of management, which occurred in the midst of the process with no clear transfer of responsibilities, and the time lapse between the strategic planning and action elaboration that risked alienating the municipality from the process, then requiring extra time and effort for the process to be restored.

Next Steps

Following the successful cooperation during the previous phases, the municipality of Gjakova is interested in continuing its cooperation with the program to further promote integrity and ensure the long-term sustainability of set objectives.

Municipality of Gjakova website: gjakovaportal.com/al/

MACEDONIA

The Integrity Building Initiative of the World Bank's Urban Partnership Program was launched in the Macedonia in March 2013. Based on a selection process for parties expressing interest, two municipalities were selected to engage in the process: Vinica, which represents the country's eastern region, and Gostivar, which represents the western region. The municipality of Gazi Baba (Skopje) joined the initiative during UPP II, and has also used the municipal finance self-assessment and urban audit tools, providing leading a example for the region. This case study reflects work done in collaboration with the municipality of Vinica.

MUNICIPALITY OF VINICA

Vinica at a Glance



The municipality of Vinica, located in eastern Macedonia, has a population of approximately 20,000 inhabitants, 11,000 of whom live in the city of Vinica. In Macedonia's October 2017 local elections, Ivica Dimitrov was elected as a mayor. Vinica's municipal council comprises 15 members. Its local government comprises seven sectors and units: (1) legal, general, and public affairs; (2) financial affairs; (3) urban planning, environmental protection, communal affairs, and local economic development; (4) human resources management; (5) inspection unit; (6) internal audit unit; and (7) territorial fire brigade and

human resources.

Vinica Prior to UPP

The UPP process was initiated in April 2013, following the local elections. The reelected leadership sought to introduce changes aimed at improving the municipality's performance and were eager to implement instruments and strategies that could help overcome institutional vulnerabilities and increase the potential for better operations and service delivery. There was an interest in improvements focused on both communication with and service delivery to citizens and internal communications, including information sharing and increased accountability.

Major Problems Identified

By December 2013, representatives from the municipal administration elaborated the strategy to fight and prevent corruption in Vinica, focused on human resource management, financial management, and the issuance of licenses and permits. These were subsequently further elaborated and addressed during the action planning to include the most vulnerable aspects and design the most adequate and tailored solutions (table 8).

TABLE 8. ACTION PLAN FOR VINICA

Human Resource Management and Internal Communications	Local Government Transparency and Citizen Engagement	Infrastructure Projects
Improve information sharing and increase the municipality's internal transparency and accountability using internal software.	Hold open debate days that enable citizens to take part in the budget preparation process.	Establish a participatory and transparent system for identifying priority infrastructure projects.
Improve organization and reporting using software, municipal staff activities, and daily operations.	Create mobile teams for on-the-ground communication with citizens on every urban block.	Foster public debate to help better select priority infrastructure projects.
Systematize all past and ongoing cases submitted by citizens and processed by the municipality, including procurement projects and the implementation of construction contracts.	Promote more proactive participation among citizens in future similar initiatives and ensure greater citizen engagement in decision-making processes by distributing awareness-raising flyers.	Incorporate citizen priorities into the design of the municipal strategic infrastructure plan.
Using an intranet application, enable a detailed overview of cases, including what stage they are in; monitor turnaround times for each case received by the municipality; and improve staff productivity and efficiency.	More actively include civil society organizations in the process of identifying priority infrastructure projects through a memorandum of understanding.	
	Introduce the practice of regular publishing of the municipal public procurement plan along with the annual municipal budget.	

Accomplishments

During the program, an anticorruption strategy and action plan was developed that included 3 strategic goals, 7 strategies or measures, 12 activities, and 46 actions. Around 40 municipal representatives were involved in the strategic development process through direct involvement and interviews.



The process was conducted in two phases: risk assessment, designed to identify areas in need of improvement, and the subsequent solution elaboration, when participatory strategic planning was conducted with the direct involvement of municipal representatives.

The risk assessment included feedback from 40 local government representatives. The solution elaboration phase was conducted through four one-day workshops organized with municipal representatives, including members of the guiding coalition, heads of departments and units, and the municipal council president, who worked together throughout the project on the development of the strategic plan.

Based on the results of the risk and vulnerability assessments, the guiding coalition defined strategic objectives and designed solutions to be part of the strategic plan to enhance organizational integrity, efficiency, transparency, and accountability.

The strategy was approved by the municipal council on December 12, 2013.

The subsequent action planning phase, designed to help the municipality elaborate concrete steps for strategy implementation, was launched in September 2015 during UPP II with the signing of a memorandum of understanding. Joint sessions were held with the municipal representatives to develop an action plan for the period December 2015 to December 2016 that would promote integrity and good governance. Municipal representatives from Vinica also participated in the October 2016 joint workshop for municipalities from Macedonia and Kosovo on integrity leadership building, which took place in Skopje.

The progress of the implementation of the action plan was evaluated in December 2016. The final report revealed a very satisfactory implementation rate regarding strategic goals and the envisaged action plan. According to the assessment, the municipality has already implemented an average of 75 percent of the strategy' objectives.

TABLE 9. ACTION PLAN IMPLEMENTATION EVALUATION RESULTS, VINICA

Objective	Implementation Achieved (%)
1: Limit monopoly and discretion and increase transparency and accountability of human resource management.	74
2: Increase local government transparency and citizen engagement.	52
3: Strengthen control over infrastructure projects.	100
Average implementation rate	75

High rate of implementation was achieved in the second half of 2016 because the municipality concurrently focused on improving its internal procedures, including the need to increase transparency and accountability within the organization. This posed two challenges: (1) the municipality was aware of the need to increase transparency and information sharing among municipal staff inside the administration with an eventual view to increase the overall efficiency and efficacy of the organization; and (2) administrative staff operated under a system of internal procedures and practices in line with new national legislation on municipal staff, covered under the most recent changes to the law.

Other strategic objectives addressed and outcomes reached included:

- In the effort to increase municipal transparency toward citizens and increase citizen involvement in municipal decision making, Vinica formed mobile teams to communicate with citizens on the ground, on every urban block and hosted "Open Debate Days" that enabled citizens to take part in the budget preparation process. The 2017 budget also provided for the printing of awareness-raising flyers to promote more proactive citizen participation for future initiatives and ensure greater citizen engagement in decision-making processes.

- To establish a participatory and transparent system for identifying priority infrastructure projects, the municipality aimed to more actively include CSOs in the process, and signed a memorandum of understanding with them, setting the foundation for the envisaged public debate to help select priority infrastructure projects to include in the municipal strategic infrastructure plan.
- Beginning in 2017, the municipality committed to publishing the municipal public procurement plan along with the annual municipal budget.
- A direct output from the program activities is the initiative to set up and launch internal software to improve the municipality's internal information sharing, increase its internal transparency and accountability, and help staff members better organize and report their activities and daily operations. This intranet application was designed with a view to systematizing all past and ongoing cases submitted by citizens and processed by the municipality, as well as procurement projects and construction contract implementation. The application will provide a quick and detailed overview of cases, their stage is in the process, and expected turnaround times. This should improve staff productivity and efficiency with the end goal of increasing citizen satisfaction in municipal service delivery.

Results of an analysis conducted by the Center for Economic Analysis on municipal transparency in the budget process in Macedonia were used for the purposes of an external evaluation. According to the analysis, which included all 80 municipalities and all 8 statistical regions, Vinica ranked as above average for fiscal years 2014/15 and 2016/17. Compared with the other 10 municipalities that together with Vinica make up the country's eastern statistical region, Vinica ranked the third most transparent.

"We engaged in this initiative because we wanted to have a document, a strategy that would help us identify risks to corruption. This project went beyond developing a mere strategic document; it helped my municipality learn about potential risks, but also identify new opportunities on how to achieve a higher level of transparency, improve communication and work efficiency through new tools and strengthened internal procedures, as well as through new channels of communication with citizens. Some activities remain to be achieved, but we came to recognize that this is an ongoing effort and needs our constant focus, engagement, and improvements. So far, we managed to implement many of the planned activities, and we are very happy to have the new tools and practices in place that help us improve our daily work and service delivery."

Former mayor, municipality of Vinica, Macedonia

Key Lessons

A drive for change that originates from inside an organization can lead to progressive ideas. Efficient implementation greatly depends on the continuity of work and process flow. Minimizing the time gap between the planning and implementation processes is crucial to maintaining the initial enthusiasm. Keeping up the momentum and utilizing stakeholder involvement and dedication to the utmost are among the key factors to ensuring long-term transformation inside an organization.

Next Steps

The municipality of Vinica is eager to continue cooperation within the program, in particular to increase transparency and citizens' engagement so as to mobilize more proactive participation in decision making processes, not only in relation to the annual budgeting, but also for the envisaged strategic infrastructure planning purposes in 2017 and beyond.

Municipality of Vinica website: www.opstinavinica.gov.mk

MONTENEGRO

The cities of Tivat and Herceg Novi in Montenegro joined UPP in March 2013 when anticorruption plans were further elaborated. In the second phase, these cities took part in the Integrity Leadership Training Program and the design and implementation of change projects aimed at strengthening the organizational integrity of local governments. Additional technical support was provided in the form of capacity-building initiatives. Two additional cities were selected to participate in the program in spring 2016: the local governments of Kolasin and Bijelo Polje received technical assistance to develop local integrity plans and attended capacity-building workshops on integrity leadership and the monitoring and evaluation of integrity plans. This case study reflects work done in collaboration with the city of Tivat.

CITY OF TIVAT

Tivat at a Glance



The city of Tivat is located on the seaside of Montenegro. Its population density is the highest in the country with 307 inhabitants per square kilometer. It is a home to more than 14,000 inhabitants, 72 percent of whom live in urban areas, and 28 percent in rural areas. Several ethnic minority groups live in Tivat, including

Serbs, Croats, Bosnians, Albanians, and Roma. The level of development in Tivat is above the national average. In terms of age, 17.5 percent of the population is under 14 years old, 12.5 percent are above 65 years old, and the remaining 70 percent make the city's workforce. According to the city's development plan, 33 percent of the population is unemployed, 8 percent is employed, and 52 percent is inactive in the labor market. The key economic area of the local economy is tourism. Tivat is a popular tourist destination and is set to become a nautical tourism center. Other important branches are the catering and hotel industry, construction, and commerce. Tivat is among the cities with highest average salaries in the country. Its mayor is Snezana Matijevic.

Tivat Prior to UPP

The city of Tivat has been part of UPP since 2013. The first phase of the program focused on anticorruption, while the second phase (UPP II) was extended to apply a proactive integrity-building approach. The city of Tivat already had an anticorruption action plan prescribed by national legislation; the state provided the model for its development. Like most municipalities in Montenegro, Tivat followed the model and proposed measures needing to be addressed. In practice, however, the local administration experienced difficulties implementing the measures. The UPP offered a framework and tools for creating participation and ownership, thereby increasing the potential for effective implementation. In addition, the UPP approach provided integrity assessments that were focused on the specific organizational context of Tivat's local administration rather than the model's general context. This ensured that measures were developing to address issues based on their own needs.

Accomplishments

During the first phase of the program, the city of Tivat updated its existing anticorruption action plan, which was based on the government-provided model, by applying the UPP anticorruption methodology. This was accomplished with key staff members and was based on a previously conducted in-depth diagnosis of systemic vulnerabilities to corruption. The second phase of the program offered more advanced technical support, including a proactive integrity-building approach, which was also conducted in a participatory and strategic manner. The municipal staff was given trainings on the integrity-building approach as well as tools for how to conduct an integrity assessment and develop an integrity plan. Together with Zenica (Bosnia and Herzegovina) and Herceg Novi (Montenegro), representatives from city of Tivat took part in the Integrity Leadership Training Program, co-financed by the municipality, which focused on understanding corruption and integrity, developing an integrity framework, managing integrity in day-to-day practical work, designing and leading a change process, building integrity with stakeholders, and designing and implementing change projects that would contribute to an improved level of institutional integrity. Additional capacity-building activities were organized on demand on topics such as change management and communications, among others.

Accomplishments

Numerous change projects were developed and implemented by the city of Tivat during UPP II. Examples are presented in table 10.

TABLE 10. TIVAT'S CHANGE PROJECTS DURING UPP II

Change Project	Objective	Results
Risk management in the municipal administration of Tivat	Introduce a risk-management system to prevent irregular and unlawful management, create efficient and effective public financial management, and improve the capacity to respond to a changing environment.	Identified and assessed risks in all significant operational processes and activities; assessed risk probability and its impact; established ways to respond to risks; documented data about risks in risk registers created for various organizational units; reported on corruption risks and mitigation measures.
Transparent and accountable award of grants to sports associations	Reduce the possibility of political decision making and increase allocation of funds based on clear and transparent criteria and the established scoring system, which could lead to objective evaluations and prevent external or internal influence from impacting decision making.	Adoption of the Decision on Sports Co-Financing; shift from municipal president's decision making to the expert commission. Commission formed by the municipal assembly that includes civil society, local administration representatives, and sports experts. Monitoring of reporting and spending by the sports associations will be done by a sports advisor.
Identify corruption risks and strengthening financial management and control by building staff integrity in the secretariat for financial management and economic development	Develop written procedures with clearly defined objectives, identify corruption risks, and strengthen financial management and control by building staff integrity in the Secretariat for financial management and economic development.	Increased level of professionalism among the staff working with finances; corruption risks in financial management identified; written procedures developed to avoid risk.
Establish and strengthen the ethics committee of Tivat's municipal assembly	Establish, strengthen, and monitor the work of the ethics committee for elected delegates and officials.	Ethics committee established for elected delegates and officials with a municipal decision; elected officials informed of the rules and the code of ethics.

“Integrity Leadership Training Program with change projects was an interesting and useful project. The training modules were very interesting, creative, full of new ideas and applicable to day-to-day operation. It was professional, motivating, and knowledgeable. I recommend the [Integrity Leadership Training Program] to be continued by using this practical approach.”

Head of Internal Audit, Tivat, Montenegro

Key Lessons

The key lessons learned during the implementation process in the city of Tivat was the importance of owning the process of developing strategic documents such as strategic anticorruption and integrity plans. This has a direct influence on the level of implementation of the formulated measures and thus the achievement of strategic objectives. Another lesson learned is that successful and effective measures need to be based on specific organizational needs in the context of each municipality rather than on generic models.

City of Tivat website: <http://opstinativat.com/>

SERBIA

Serbia joined the Integrity Building Initiative in 2012 when the town of Boljevac that participated in the first phase of the program. Today, three Serbian cities have taken part in this initiative, including the municipality of Boljevac, the city of Pančevo, and the municipality of Ruma. This case study reflects work done in collaboration with the city of Pančevo.

Pančevo was the first Serbian city selected to participate in all four components and have integrated approach of benefiting from financial self-assessment, work done on urban audit, building the integrity and tackling topics of social sustainability and citizen engagement. It was chosen to showcase their Citizen Service Center as a good practice and a pathway toward improved service delivery. World Bank Case Study on Citizen Service Center can be delivered upon request both in English and Serbian language. According to Transparency International, the City of Pancevo has been ranked as the most transparent City in the Republic of Serbia in 2017. The municipality of Ruma participated in both the integrity building and municipal self-finance assessment components.

CITY OF PANČEVO

Pančevo at a Glance



Pančevo is a medium-sized city of approximately 130,000 inhabitants, situated in South Vojvodina, 18 kilometers from the Serbian capital of Belgrade and stretching over 755 square kilometers. Located in South East Europe, in northern Serbia, and in the southern part of Vojvodina Province, Pančevo is the economic and cultural center of the South Banat District. Covering an area of 756 square kilometers, Pančevo borders the municipalities of Kovačica, Alibunar, Kovin, and the city of Belgrade. Pančevo is one of the most important logistical hubs in Serbia because all major international transport corridors either go through the city or are in

its vicinity. The most important corridors are the Pan-European Road Corridor 10, which connects central Europe to northern and southern Europe, and the Pan-European River Corridor 7, along the inland, navigable waterway of the River Danube, the most important river transportation system on the continent.¹¹

Pančevo Prior to UPP

There are 36 different ethnic groups living in Pančevo, and the municipality actively seeks to improve its interactions with citizens and to improve the quality, efficiency, and effectiveness of its services. For example, the city assembly has been organizing public hearings since December 2014 and has acted on gender-sensitive and participatory budgeting since 2015. In December 2016, Pančevo became the first city in Serbia to offer live streaming of its assembly meetings, and the city administration uses Facebook and YouTube to communicate with citizens. In March 2017, Pančevo's Facebook page was "liked" by over 11,000 users. The city assembly meeting was viewed by almost 500 people the first time it streamed on YouTube; and after this first streaming, the number of subscribers to the city's YouTube channel increased tenfold.

¹¹ The City of Pančevo, City Synthesis report, This Social Sustainability and Citizen Engagement Assessment, Social Sustainability and Citizen Engagement Assessment Component of UPP II

A promotional video for Pančevo, released in November 2016, was viewed by almost 150,000 people. In addition, as part of the UPP integrity plan, the municipality is planning to introduce a system of “open doors,” i.e., scheduled time dedicated to direct contact between municipal officials and citizens.

Prior to the intervention, the city of Pančevo had introduced “System 48-hours,” a 48-hour response system for reporting communal problems. It has cooperated with organizations such as the National Alliance for Local Economic Development, German Organization for International Cooperation, and Standing Conference for Towns and Municipalities to create a positive investment climate in the city, to develop good governance, and to introduce standardized work principles within their institutions (standardization and certification of local government units).

Bordering the state capital of Belgrade, Pančevo is a vibrant and constantly changing city, always open to new ideas and striving for improvement. However, prior to UPP, very few of the city’s strategies and projects actually focused on analyzing organizational development or the ways in which the organization’s internal integrity and integrity toward the public could be strengthened and improved.

Major Problems Identified

The city of Pančevo conducted analyses of their existing services and departments to identify and gain a better understanding of the greatest vulnerabilities and areas with the lowest levels of integrity according to city staff and citizens). The respective working groups defined cross-cutting, underlying problems behind the system vulnerabilities that affect the integrity of the city as an institution.

The problems Pančevo identified were not department-specific but instead reflected issues regarding the functioning of the entire system, which was negatively impacting citizen perceptions of the city administration’s overall integrity. In particular, the city wanted to address three problems: internal communication, lack of clear and specific internal procedures for the development of materials and documents, and the lack of a unified methodology for public calls for project preparation (see table 11).

¹² For more information, see <http://naled.rs/>; <https://www.giz.de/en/worldwide/303.html>; and www.skgo.org, respectively.

TABLE 11. ISSUES OF CONCERN TO THE CITY OF PANČEVO

Internal Communication	Internal Procedures for Development of Materials and Documents	Preparation and Methodology for Public Calls for Project Preparation
Inefficient internal communication causes problems for different departments that should coordinate and cooperate in providing common services to citizens.	Clear and specific internal procedures are lacking for the development of materials and documents prepared for the city’s decision-making bodies, such as the council and assembly.	The methodology for public calls for projects is not unified or common across city departments.
Procedures for internal communication are often missing or not updated.	Internal functioning and organizational efficiency suffers from poor internal procedures.	No unified database exists for civil society organizations that includes information on the users of city funds under various calls for project proposals.
This causes delays in service delivery to citizens.	This is related to the standardization of documents, which causes delays in the preparation of materials.	This can result in a situation where one civil society organization or association uses additional funds for other projects under different proposal calls.
This also causes internal conflict and a lack of integrity among departments and toward the public.	This affects the consultation processes that precede decisions.	There is no unified reporting system, i.e., no reporting guidelines common to all calls for proposals.
	This can cause delays in decision making if the lateness of document-sharing results in discussions on topics being.	The spending of city funds for projects is not monitored in a standardized way.

Accomplishments

Under UPP, an anticorruption strategic and action plan was developed with 3 strategic goals, 6 strategies (measures) and 14 activities. More than 100 employees were involved with the survey and development of the strategic plan. An analysis of 16 city secretariats overseeing 150 activities of the city administration was conducted.

The UPP anticorruption practitioners facilitated the development of the strategies and action plans for the city of Pančevo. First, a general and an in-depth analysis was conducted of the local government units. Then the administrations’ organizational culture and processes was analyzed. The process resulted in the identification of problems as previously noted.

To support organizational development and motivate the city’s administrative employees, the UPP team facilitated the process of defining a vision and mission for the city, as well as recognizing shared values to build on. This led to the development of strategic goals and strategies for achieving them. At the end of the strategy development, external stakeholders were involved in the situation and solution definition. The strategy and action plan was finalized at the end of 2016 and later adopted by the city’s relevant government bodies.

Internal communication was among the main underlying causes cited by city of Pančevo for its poor integrity levels, and therefore activities related to their improvement were made a high priority. Early in 2017, Pančevo developed a specific strategy to make the levels of communication among city departments (secretariats) and with external actors and the public satisfactory. During the strategy development process, department heads and deputies participated in trainings held on communications. Due to strong demand, UPP also provided training on team building

and conflict management for the same target group. The strategy and the solutions already being implemented as well as and their effects will be assessed at the end of this and subsequent years.



To address identified problems, Pančevo also developed new guidelines for public calls for project preparation for all departments to use. However, because budget planning for the following year occurs in September and some calls had already been launched prior to defining the guidelines, the newly developed procedures will be applied to the next round of calls, which will begin at the end of 2017 or beginning of 2018.

Some of the implemented solutions are already producing initial positive results, such as the development of an overall communication strategy for the city, a process initiated under UPP and continued under a project financed by the city of Pančevo; as well as the development of new procedures and guidelines for public calls. These initial results indicate that the plans and strategies are headed in a positive direction and that the participatory approach brings everyone on board, making implementation more efficient and change more sustainable. In addition to these direct results, city employees claim that after going through the UPP integrity-building process, they feel prepared to continue work on other obligatory plans related to integrity and corruption prevention. They continue to work to achieve the goals of the integrity and local action plans to fight corruption in Serbia, and they have a much clearer understanding of the process involved in analysis and definition of solutions. They are willing to provide support as mentors/good examples and to define specifically tailored solutions for other local self-governments going through the process.

“[The] City of Pančevo seeks to continually improve the work of city administrative organs, institutions, and employees through different activities and innovations, using the city’s own resources as well as engaging in various partnership programs, such as the Urban Partnership Program. Through this program, the city of Pančevo managed to increase the capacity of the public authority in terms of knowledge, skills, and exchange of experiences on building integrity and preventing corruption, as well as to understand and learn about good practice presented during the project implementation. [The] city administration, through this process of analysis and strategic planning, learned how to improve current services to citizens and how to be even more responsible for its own development through constant analysis and organizational development of the municipality. All these activities helped us learn a lot about ourselves, our processes, and how citizens see us. [The] most important learning outcome of the process was the need to continuously improve processes and operating procedures, build integrity, and prevent corruption in order to increase the quality and efficiency of offering services to citizens.”

Team member, Strategy Development, City of Pančevo, Serbia

Strengthening Leadership



To strengthen the administration's capacity and to build integrity among the core group of strategy developers and future implementation leaders, the team has organized a training called "Leadership with Integrity," held in Nis in November 2016. It was designed and held as a joint training for all three local self-governments to foster the exchange of ideas and solutions and to create a small network of core groups that will be responsible for future strategic and action plan implementation. The training was considered very successful because

participating local governments had the opportunity to present solutions to earlier defined problems as well as hear other ideas on how to improve integrity and develop their organizations. Teams went back to their cities or municipalities with ideas and actions that they then incorporated into their plans to implement as tools for integrity building and corruption prevention. Solutions included the following:

- Three local self-governments exchanged ideas and solutions that "work" in their respective municipalities as well as conditions that need to be created to apply the solutions.
- Citizen participation could be increased through their involvement in definition of projects to be funded through participatory budgeting. The municipality of Ruma is already implementing participatory budgeting and has exchanged its ideas with other local government representatives on how to involve local communities in the process. This exchange resulted in adjustments the participatory budgeting process in the municipality of Ruma, which it began implementing in the fall of 2017.
- The city of Pančevo presented their process of increasing transparency by streaming their assembly meetings live and through the creation of "open doors" to make elected council members more approachable to questions and problems from citizens. This solution has since been replicated with slight modifications in two other municipalities.



Overall conclusions from the training were:

- All solutions are to be defined in a participatory manner and as a result of team work.
- Defined strategies must include the constant development of human resources, with a special focus on training and integrity building.
- Defined strategies support the creation of learning organizations, which means that the organization's learning loop and cycle are constant and contribute to increased integrity of each person within the organization and to the integrity of the entire organization.

Key Lessons

- **The approach must be tailored to each organization.** Even when using the same methodology basis, and approach, the process needs to be adjusted to the differences and specific circumstances of each organization. This is crucial to achieving the full dedication of participants during the strategic planning process as well as a sense of ownership—the two main conditions for successful development and implementation of all strategic plans.
- **Political will is crucial to strategy development and implementation.** The enthusiasm to define solutions and activities for increasing organizational integrity is commendable in each local self-government unit. Nevertheless, if there is political will among decision makers, these plans are much more likely to be fully implemented. City servants understand the situation within the administration but cannot bring about change or influence integrity development in the absence of political will.
- **Priority of local self-governments is to work on improving their integrity.** The public perception of local self-governments in Serbia is rather poor. Citizens doubt their integrity. On the other hand, civil servants, who are aware of this public image, are strongly motivated to change the public's perception. They are very eager to develop solutions and actions to improve their organization and their image. They are very dedicated to this idea and are willing to continuously work on this issue, providing new ideas and solutions.
- **Organizations and local self-governments should start the change from the inside out.** Ready-made solutions are not the best fit for an organization seeking changes. Every change and integrity-building initiative should be driven by a core group of people from within the organization because it is the employees directly involved in the organization's day-to-day operations who know about and understand all of its relations and processes. However, external facilitation is needed to give the process a flow and an independent lens during the strategy definition phase.
- **A critical mass of dedicated people is needed to successfully implement an anticorruption strategy.** The working group and participants in the strategic planning process pointed out that integrity-building training for all levels of decision makers is crucial to successful implementation of strategic and action plans and to the sustainable development of the organization. It is the only way to guarantee success and complete the implementation of the envisaged plans.
- **Periodic monitoring and evaluation is needed.** The operative aspect of the implementation should be monitored and possible corrections and revisions to the plan should be made in participatory manner at quarterly monitoring and evaluation meetings. All relevant actors should be invited to these meetings, and should contribute to the review, evaluation, and possible revising of the plan.

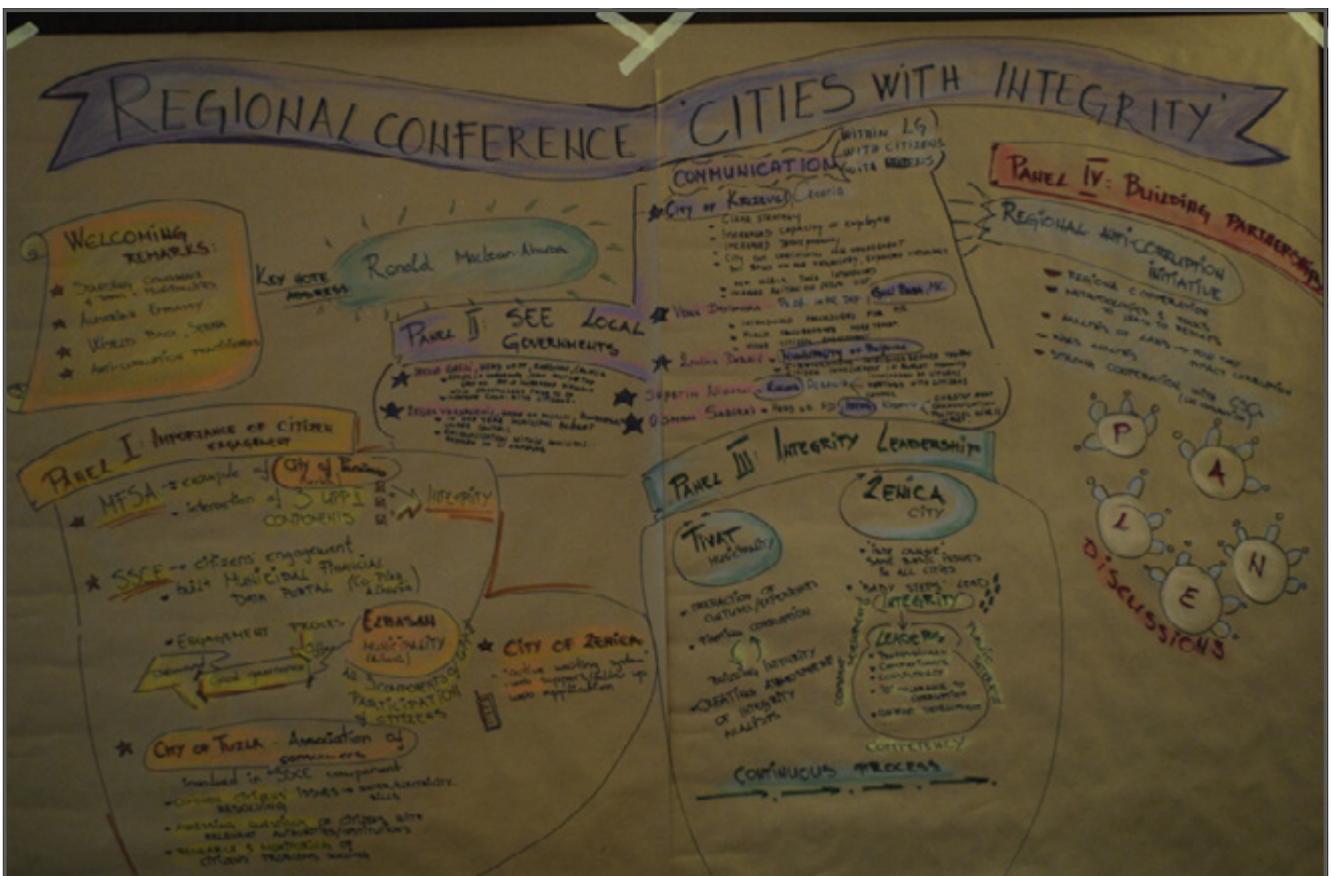
Next Steps

Local governments in Serbia are obliged to develop and implement integrity plans and local action plans. These models are defined and controlled by the Serbian National Anticorruption Agency. Both integrity plans and local anticorruption plans are based on the same concepts as the methodology used in this program, and they are considered very important tools for achieving set objectives to fulfill Chapter 23 requirements for European Union accession.

The three local governments of Pančevo, Ruma, and Boljevac all developed their strategic plans with UPP support and will use these plans in order to support the preparation of abovementioned documents. More importantly, these local governments went through the highly participatory process of developing a plan, learning about the different integrity-building and anticorruption components, and understanding how to recognize risks in their organizations and surroundings as well as how some solutions might—or might not—work. These local governments and their respective working groups could be used as examples of good practices and can act as coaches and trainers for their peers in Serbia.

Municipal and city websites: www.pancevo.rs

REGIONAL CONFERENCE “CITIES WITH INTEGRITY”





2018