Improving Local Government Capacity in SEE

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Introduction:
• Timeline of the UPP, main achievements and next steps

Philosophy of the UPP
• Self-assessment approach supported by tools and handbooks
• Participatory methodologies for urban development
• Analytical underpinning to further local economic development

Outlook
• Planned activities of the UPP and cooperations
Part I: Introduction to the UPP
<table>
<thead>
<tr>
<th>Problem</th>
<th>Networking</th>
<th>Capacity building</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs</td>
<td>Tools</td>
<td>Results</td>
<td>UPP I 2010-2011</td>
</tr>
</tbody>
</table>

### Networking
- Lack of trust and understanding of common objectives
- Networking mechanism
- C2C (City to City) Dialogues; Mayors Symposium; Technical workshops; Peer to Peer learning; e-learning
- Creation of a community of practitioners, local experts and committed leaders

### Capacity building
- No unified system to track needs and capabilities
- Tools for self-assessment and benchmarking
- MFSA and Urban Audit*, Participatory planning; Integrity Building; Social Sustainability and Citizen Engagement
- Grid of analysis for investments; enhanced local governance and institutional cooperation

### Implementation
- Low or inefficient investment in sustainable urban development
- Improving financial and investment planning, identifying priority pr. and developing projects
- MFIPs (MFSA), PIPs (UA), mainstreamed IB and SSCE, urban strategies, project preparation, WBCUTR
- Implementation of Action Plans; Development & Implementation of Strategies, UPP tools institutionalized and integrated in implementation of projects/programs
Where We Work in South-East Europe

Legend

- Municipal Finance Self-Assessment
- Land Use/Urban Planning Self-Assessment
- Cities without Corruption – Cities with Future
- Greater than Leadership Program
- Social Accountability and Sustainability Initiative
Urban Partnership Program (UPP) – 1. Intro: Regional exchanges via the Mayors Symposium

https://youtu.be/UwH78FKR0gQ
Part II: Self-assessment tools
Urban Partnership Program (UPP) – 2. UPP components: Self-assessment tools

Development challenges in SEE

- Regional development / decentralization
- Public sector reforms
- EU accession
- Competitiveness / business environment

UPP objectives

- Sustainable urban development (reducing poverty, boosting shared prosperity)
- Effective management of urban development
- Enhanced regional cooperation
- Inclusive, transparent and efficient local governance

UPP components

- Capacity Building for Municipal Finance and Urban Planning
  - Municipal Finance Self-Assessment
  - Participatory Urban Audit

- Participatory approaches
  - Placemaking/Participatory planning/Urban lab
  - Integrity Building / Urban Governance
  - Social Sustainability/Citizen Engagement (UPPII)

- Knowledge Development and Application
  - Western Balkans and Croatia Urbanization and Territorial Review; City Analytics
  - Handbook for local self-assessments; MFR
Urban Partnership Program (UPP) – 2. UPP components: Self-assessment tools

Local government diagnostic tools for improving financial management and investment programming:

**Municipal Finance Self Assessment/MFSA (from excel table to web based platform)**
Steps: Analyse (financial condition), Benchmark, Municipal Finance Improvement Plan, Communicate
Objectives: Accountability, Transparency, Prioritization, Efficiency, Access to funding

**Urban Audit/UA**
Steps: Snapshot (services and infrastructure), Identify (key investment needs / pockets of poverty), Select (priority investments)
Objectives: List of prioritized projects according to needs and resources (MFSA)
Urban Partnership Program (UPP) – 2. UPP components: Self-assessment tools (MFSA 2.0) web based platform – six steps

1. Core Databases
   - Transform municipal data into MFSA format,
   - Involve other departments

2. Historic Analysis
   - Detailed assessment of trends and balances,
   - Assess level of services

3. Ratio Analysis
   - Calculate financial ratios
   - Compare ratios with benchmarks

4. Financial Projections
   - Use growth trends
   - Identify financing implications of policy decisions ahead
   - Fix financing needs for investments

5. Financial Management Assessment
   - Assess quality of financial management using PEFA indicators,
   - Identify strength and weaknesses

6. Action Plan
Urban Partnership Program (UPP) – 2. UPP components: Self-assessment tools (MFSA 2.0) web based platform - screenshot financial database
Urban Audit/UA is an analytical framework designed to enable local governments to
Take stock of their own situation;
Assess the level of service and infrastructure delivery within their jurisdiction;
Locate and quantify the gaps;
Outline the key components of a Priority Investment Program (PIP), and in some cases, of a Priority Maintenance Program,
Provide the foundations for quick implementation of investment programs and supporting policy change
Urban Partnership Program (UPP) – 2. UPP components: Participatory planning tools

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Knowledge Development and Application
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Urban Partnership Program (UPP) – 2. UPP components: Participatory approaches / citizen engagement
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...implies a two-way interaction providing a tangible response to citizen feedback.
Urban Partnership Program (UPP) – 2. UPP components: Participatory approaches / citizen engagement

Socially Inclusive Citizen Engagement for Local Governments within UPP

- 14 CE City Action Plans
- 5 CE Workshops on participatory MFSA/UA
- 2 Regional Dissemination Workshops
- M&E and Feedback systems in Tuzla (BiH)
- Citizen Report Card in Gazi Baba (NMK)
- Center 72 citizen feedback systems

Inclusion of vulnerable groups

enabling intra-city dialogue
Urban Partnership Program (UPP) – 2. UPP components: Participatory approaches / Integrity Building

**Integrity-building Process**

**Step 1**
Competitive selection process followed by signing of memorandum of understanding between the city and the Urban Partnership Program team.

**Step 2**
Creation of the guiding coalition, consisting of heads of departments, as part of the steering committee for the development of strategy and action plans.

**Step 3**
General and in-depth diagnosis of services vulnerable to corruption.

**Step 4**
Definition of main problems to be addressed and formulation of strategies and solutions.

**Step 5**
Creation of strategy and action plans for increasing integrity and preventing local government corruption.

**Step 6**
Consultation process with external actors about defined problems, strategies, and solutions.

**Step 7**
Defining the monitoring and evaluation system for the implementation of the strategy.

**Step 8**
Official adoption of the strategic plan by the city or municipal assembly, followed by its implementation.

**Step 9**
Integrity Leadership Training.
Participatory planning tools

1) Placemaking: (shorter term interventions)
   • Strategy for coping with urban problems
   • Co-creation of actions to revitalize/upgrade neglected specific areas in a municipality/city/area
   • Focus on economic and social well-being and quality of life

2) Urban lab (longer term interventions):
   • Methodology to develop inclusive urban strategies and projects (stakeholder mapping, interviews, design workshops, etc.)
   • Development of a common vision and comprehensive image of a town/municipality/space with its major issues
   • Based on the vision, a) prioritize projects, b) elaborate selected projects, c) start with easy and low cost interventions to show quick results
Urban Partnership Program (UPP) – 2. UPP components: Participatory planning tools – Ksamil urban lab

- Collaboration of the Project for Integrated Urban and Tourism Development (PIUTD) and Urban Partnership Program (UPP)

- Addressing a variety of urban and economic development challenges in Ksamil (unplanned urban growth, lack of public/green spaces, low capacity,...)

- Close collaboration with urban planning experts from Vienna (Superwien and Technical University of Vienna) and with Albanian National Planning Agency/Atelier Albania

- Strengthening capacity of local and national stakeholders for potential replication

A day at the Ksamil Urban Lab
https://vimeo.com/303480276
Urban Partnership Program (UPP) – 2. UPP components: Urban lab
Urban Partnership Program (UPP) – 2. UPP components: Analytical products

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Urban Partnership Program (UPP) – 2. UPP components: Analytical products

**Analytical work**

- **Municipal Finance Review (MFR)** - support improved national policy making, increased local financial management and service delivery performance.
- **Municipal Finances Handbook** – review of the MFSA and UA, toolkit to help City leaders better manage the process of city investment planning and budgeting and match investments needs with the current and projected financial position.
- **Western Balkans and Croatia Urbanization and Territorial Review** - inform and support territorial and urban strategies for an enhanced local economic development and impact of sector-specific initiatives.
- **City and Municipal Level Analytics** – analyze specific topics based on LG demand and apply to concrete programs, policies or projects (local economic development, city competitiveness, job creation and sustainability).
Better Cities, Better World
A companion document to Municipal Finances, A Handbook for Local Governments

This book is about cities and towns around the world. It is about helping them unleash their true potentials for:

- **Efficient and effective** use of public resources
- **Sustainable** growth and economic prosperity
- **Social inclusion**
- **Greater transparency** and accountability in the selection of public investments
- **Making the right decisions** at the right time with the right resources
- **Being “smarter”**
- **Reducing their environmental footprint** through the use of proper regulations and appropriate technologies.
Urban Partnership Program (UPP) – 2. UPP components: Analytical products – Western Balkans and Croatia Urbanization and Territorial Review

**Motto:**
Concentrate, Connect, Capacitate

**Main findings:**
- Urbanization patterns
  Small, sparse and shrinking cities limiting agglomeration potential
- Capital cities
  Potential for capital cities to drive growth and create jobs but underperforming
  Investment in the enabling environment for business is necessary
- Lagging regions
  Concentration of poorest regions but potential in some of them
  Investment in endowments to allow all people to use their opportunities
Capital cities account for a large share of national GDP, population, jobs and enterprises…

… but their growth is still inefficient and economic transformation is too slow to enable them to really drive the countries forward.
Lagging regions tend to be clustered and to suffer from poor market access.
Part III: Outlook
- Stronger support to operations (i.e. focusing on fewer countries/cities)
- Ongoing work on analytics (WBCUTR, lagging regions, municipal development)
- Ensuring sustainability of tools through partnerships with NALAS, other LGAs and network of local experts
Collaboration with NALAS

- NALAS has been main UPP partner, since 2011, throughout the three phases of the Program: (i) hosting of the UPP web site, (ii) reaching out to members LGAs beyond Western Balkans and Croatia; (iii) collaboration with different Task Forces; (iv) collaboration on NALAS Expo, RDO, City to City dialogues, MF summer school, Mayors Symposia, Conferences, Training of Trainers and regional expert networking (v) collaboration on regional analytical work

- UPP has been supporting NALAS as the regional connector and knowledge hub, including e-learning modules on sustainable urban planning, municipal finance, energy efficiency

- Ongoing discussions on handing over data on MFR and hosting of MFSA tool to ensure sustainability beyond duration of the Program
Urban Partnership Program (UPP) – 3. Outlook

**IN DEPTH CITY ENGAGEMENT:**
LGs engage in self-assessments (MFSA, Urban Audits, Social Audits): use information for benchmarking/monitoring/policy reforms/lending
Participatory planning/placemaking and Urban labs
Urban governance/integrity building
Social Accountability/Citizen Engagement

**CONNECTIVITY:** knowledge exchange from region and beyond
Mayors Symposium
City to City dialogues
Peer to peer exchange
Study visits
Summer schools
Networks of regional experts

**PARTNERSHIP:** Building and ensuring sustainability
NALAS
8 LGAs
Around 90 Cities and Municipalities from SEE Ministries, NGOs, CSOs
City of Vienna, City of Graz, Urban Innovation Vienna, Technical University Vienna

**KNOWLEDGE:** through Regional and city level analytics
Better Cities, Better World – Handbook for Local Governments
Municipal Finance Handbook
Western Balkans and Croatia Territorial and Urbanization Review
Regional Municipal Finance Review (MFR)
TA/city-level analytical work

**CONNECTIVITY with WB operations:**
Macedonia
Albania
Serbia
Bosnia and Herzegovina

**31**