

LOCAL INTEGRITY SYSTEM ASSESSMENT

MUNICIPALITY OF NOVI GRAD SARAJEVO



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TRANSPARENCY INTERNATIONAL IS THE GLOBAL CIVIL SOCIETY ORGANISATION LEADING THE FIGHT AGAINST CORRUPTION. THROUGH MORE THAN 100 CHAPTERS WORLDWIDE AND AN INTERNATIONAL SECRETARIAT IN BERLIN, WE RAISE AWARENESS OF THE DAMAGING EFFECTS OF CORRUPTION AND WORK WITH PARTNERS IN GOVERNMENT, BUSINESS AND CIVIL SOCIETY TO DEVELOP AND IMPLEMENT EFFECTIVE MEASURES TO TACKLE IT.

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I INTRODUCTION

This Local Integrity System (LIS) Assessment is one of 5 pilots undertaken by *Transparency International* (TI) National Chapters from Africa, Latin America, Europe and the Middle East to test the relevance and applicability of the LIS Assessment approach in different national and local contexts. The pilots took place between September and December 2013.

This integrity assessment relates to the Municipality of Novi Grad Sarajevo as one of 10 local government units in Bosnia and Herzegovina (BiH) in which Transparency International is undertaking local integrity system

assessments as part of a project that aims to promote anti-corruption policies both at the state and local levels. One component of the project is to perform detailed integrity system assessments in the selected local government units in order to assess the existence and effectiveness of mechanisms for promoting transparency, accountability and integrity, formulate recommendations to improve these mechanisms, and help strengthen the capacity of local governments to put in place integrity plans as one of the most important measures under the Action Plan to Fight Corruption.

II ABOUT THE LOCAL INTEGRITY SYSTEM ASSESSMENT

Since the early 1980s there has been an increasing trend towards the transfer of powers from the central level of government to local governments in the form of decentralisation. As a result, local governments have greater decision making, implementation and oversight powers. Whether decentralisation results in greater corruption in comparison to centralised governance arrangements is still a matter of debate. However, the reality is that corruption is a problem at all levels of government. Both elected and appointed officials have to deal with separating public duties from private interests. At the local level this is exacerbated by the fact that many officials have greater vested interests

based on family, friendships and business ties that can influence decision-making. In addition, remuneration at the local government level is, in many cases, low in comparison to the national level and the institutions that are designed to hold public officials to account at the local level are not always adequate to perform their duties and to uphold public sector integrity.

A functioning local integrity system can play an important role in minimising the opportunities for corruption at the local level. A typical local integrity system incorporates a set of core actors that can be found in most local government configurations, namely: the

local council (assembly), a mayor or alderman (executive), the local bureaucracy, local political parties, local courts (judiciary), and the police. It also encompasses a set of oversight and accountability functions which need to be performed in order to ensure that the local integrity system is effective. These functions include complaints handling, local government auditing, central government oversight, investigation and exposure of corruption, awareness-raising and public education, and social accountability.

Based on Transparency International's (TI) National Integrity Systems (NIS) approach, the Local Integrity System (LIS) Assessment combines the gathering of valid and reliable evidence on the performance of the local governance framework, actors and anti-corruption institutions with a consultative approach, engaging key stakeholders in the research, advocacy and planning elements of the project.

Given the diversity of local governance settings across the world, the LIS Assessment framework places a strong emphasis on flexibility and adaptability to different local governance structures and contexts. In many localities, for example, there is limited separation of powers between the different branches of local government and different levels of autonomy from higher levels of government. As a result, the roles and responsibilities of the core actors, as well as responsibility for performing oversight and accountability functions, may vary considerably from place to place. Therefore the LIS assessment framework can be adapted to accommodate these local variations.

OBJECTIVES

The key objectives of the LIS Assessment are to:

- (i) assess the existence and effectiveness of procedures and mechanisms to promote transparency, accountability and integrity in order to fight corruption at the local level,
- (ii) provide recommendations on areas for reform, and
- (iii) provide the foundations for a follow-up action plan for strengthening local integrity in collaboration with key local stakeholders.

METHODOLOGY

The LIS Assessment may be conducted in one or more Local Government Units in a given country. In each of the Local Government Units under analysis, an assessment of 2 components is performed, namely: (1) a set of Core Local Government Actors; and (2) a set of Oversight and Accountability Functions.

1. CORE LOCAL GOVERNMENT ACTORS

The LIS assessment focuses on 6 "Core Local Government Actors" which are present in most local government set-ups. For each of the Actors, the assessment covers three dimensions:

- its overall capacity to function,
- its role in contributing to the overall integrity of the local governance system,
- its own internal governance in terms of integrity, transparency and accountability.

ACTOR	CAPACITY	ROLE IN THE LIS	INTERNAL GOVERNANCE		
			TRANSPARENCY	ACCOUNTABILITY	INTEGRITY
LOCAL ASSEMBLY					
LOCAL EXECUTIVE					
LOCAL BUREAUCRACY					
LOCAL POLITICAL PARTIES					
LOCAL POLICE					
LOCAL COURTS					

2. OVERSIGHT AND ACCOUNTABILITY FUNCTIONS




In addition to the Core Actors, and because Local Government set-ups vary considerably from place to place, the assessment also covers 6 key Oversight and Accountability Functions, which may be carried out by local and/or regional/national actors depending on context. For each of these functions, the assessment covers two dimensions:

- the capacity for that function to be performed (whether by local actors or at the national level),
- the effectiveness of that function (i.e. how effectively it is actually performed in practice).

FUNCTION	CAPACITY	EFFECTIVENESS
COMPLAINTS HANDLING		
AUDITING		
CENTRALISED OVERSIGHT OF LOCAL GOVERNMENT		
INVESTIGATION AND EXPOSURE OF CORRUPTION		
AWARENESS-RAISING AND PUBLIC EDUCATION		
SOCIAL ACCOUNTABILITY		

For both Actors and Functions, each dimension comprises a number of indicators which are each evaluated qualitatively and assessed using a simple traffic light system (Green – Strong; Orange – Average; Red – Weak). Indicators cover elements of both the legal framework (Law) and actual implementation on the ground (Practice).

The following example is one of the indicators used to assess the Local Executive:

ACTOR	Local Executive
DIMENSION	Transparency
INDICATOR NUMBER	2.6.
INDICATOR NAME	Budget Transparency
INDICATOR QUESTIONS	<p>To what extent does the local government present a clear and accessible budget?</p> <p>Is there a legal framework or other provisions that require the Local Government to make a transparent budget that can easily be understood by citizens and councillors? Are there clear guidelines and/or formats on how to present budget data? To what extent is the budget accessible to citizens and councillors and easy to understand in practice?</p>
STRONG	 The local government is required to present transparent annual budgets and these are easily accessible and easy to understand in practice.
AVERAGE	 The local government is required to present transparent annual budgets but the budget is difficult to access in practice and/or difficult to understand.
WEAK	 There is no such requirement and the budget is not accessible or only accessible to councillors.

According to the LIS assessment methodology there are 56 indicators in total. However, the indicators for local courts were not included in the LIS Assessment for Novi Grad Sarajevo because these are not directly related to the local community but exist as the Municipal Court in Sarajevo which de facto covers the entire area of the City of Sarajevo.

In order to assess each indicator, data is collected through a range of different methods, with an emphasis on a desk review of existing legislation, policy papers, existing analyses of institutional performance of the actors, and key informant interviews.

Once all the indicators have been assessed and values (strong, average, weak) assigned, the results are

aggregated and the final assessment is presented in the form of the LIS Scorecard.

CONSULTATIVE APPROACH AND VALIDATION OF FINDINGS

The assessment process in the Municipality of Novi Grad Sarajevo had a strong consultative component, seeking to involve the key local actors in government, opposition, civil sector, media and business community. This approach had two aims: to generate evidence and to engage a wide range of stakeholders with a view to building momentum, political will and civic demand for reform initiatives.

Performance of the integrity assessment necessitated a

prior systematic analysis of the circumstances and situation relating to local self-government. Careful analysis of the existing legislation provided a clear picture of the relevant elements of the local community and allowed the authors to conduct the research in such a way to ensure that the assessment report reflects the actual situation and relations between specific actors in the local government and provides an accurate assessment of their effectiveness.

III EXECUTIVE SUMMARY

LOCAL INTEGRITY SYSTEM CONTEXT

Normative regulations establishing the current local self-government system were introduced successively. Under the Constitution of the Federation of BiH, which was adopted in 1994, municipalities were envisaged as the main and only form of local self-government. Subsequent amendments to the Constitution, which were adopted in 1996, introduced a higher form of local self-government, or the city. In 1997 further amendments regulated the status of Sarajevo as the capital and the unique status of the City of Mostar. The Law on the Foundations of Local Self-Governance was adopted in 1995 and was in force until 2006, when a new Law on the Principles of Local Self-Government was enact-

ed. One of the main goals of the adoption of this Law was the implementation and elaboration of provisions enshrined in the European Charter of Local Self-Government. Under the 2006 Law, all municipalities were defined as having the same powers and responsibilities. In practice, however, municipalities are not as monotypical since certain powers and their implementation, as well as the status of municipalities within cities and cantons (which also adopted cantonal laws on local self-government) and their essential characteristics, create some major departures from the mono-type structure of local self-governance. However, since the core municipality competences are defined such

that they do not provide for any major divergence, it is possible, at least theoretically, to draw a parallel with the monotype structure. This makes it possible for the municipalities in FBiH to be put in the same bracket as the municipalities in RS for the sake of analysis, from which it follows that the practical exercise of municipality competences depends largely on such factors as the municipality's level of development. Basically, the competences that, thanks to the municipality's capacity and characteristics, can be exercised are exercised in practice, while for those that cannot alternative ways of realisation are sought.¹

What is evident is the evolution of the perception of municipalities and legislative reflection of that perception: citizens' rights were expanded, municipality competences were gradually expanded, and municipal mayors, who used to be appointed by the municipal councils, are today elected directly by the citizens, which has made an important contribution to direct democracy at the local community level.

The Municipality of Novi Grad Sarajevo is one of the municipalities that makes up the City of Sarajevo whose first statute was adopted in 1998. New consolidated text of the Statute was adopted on 12 October 2009. According to the new Statute, the Municipality is independent in decision-making on matters falling within the competence of local governments in accordance with the Constitution and the Law on the Principles of Local Self-Government, and is subject to the oversight of legality performed by the competent authorities of the Canton. Under the Statute, the bodies of the Municipality are the Municipal Council and the Municipal Mayor. Relations between the Council and the Mayor are based on the principles of mutual respect and cooperation, and characterised by individual responsibility for the execution of individual duties and joint responsibility for the functioning of the Municipality.²

Municipal Council is a decision-making body which consists of thirty-one (31) councillors who are responsible for the constitutionality and legality of acts passed by the Municipal Council in the exercise of its competence. Councillors are elected in multi-party, free and democratic elections by direct and secret ballot for a term of four years.

The Municipal Mayor is the executive body of the municipality who represents the municipality and is responsible for the constitutionality and legality of acts he/she passes or proposes to the Municipal Council. The Mayor is authorised to carry out municipal policies, implement municipal regulations and by-laws, report to the Municipal Council and Cantonal Assembly, and perform other tasks as defined by law, the Statute and other relevant regulations.

The Municipality of Novi Grad Sarajevo is special in that it makes up the City of Sarajevo along with the municipalities of Novo Sarajevo, Centar Sarajevo and Stari Grad Sarajevo. This implies that the role of the Municipal Council goes beyond the standard role of independent municipalities that are not parts of cities, and that it includes the obligation to delegate representative to the Sarajevo City Council in accordance with the Statute of the City of Sarajevo.³

¹ Local Self-Government in the Federation of Bosnia and Herzegovina – Concept, Competences and Bodies, Muhamed I. Mujakić MSc, Croatian Public Administration no. 4/10

² Statute of the Municipality of Novi Grad Sarajevo

³ Statute of the City of Sarajevo

LIS ASSESSMENT: ACTORS AND FUNCTIONS

LIS SCORECARD FOR THE MUNICIPALITY OF NOVI GRAD SARAJEVO

ACTOR	CAPACITY	ROLE IN THE LIS	INTERNAL GOVERNANCE
LOCAL ASSEMBLY	Green	Yellow	Yellow
LOCAL EXECUTIVE	Green	Yellow	Yellow
LOCAL BUREAUCRACY	Green	Green	Yellow
LOCAL POLITICAL PARTIES	Yellow	Red	Red
LOCAL POLICE	Yellow	Yellow	Green

FUNCTION	CAPACITY	EFFECTIVENESS
COMPLAINTS HANDLING	Yellow	Yellow
AUDITING	Red	Red
CENTRALISED OVERSIGHT OF LOCAL GOVERNMENT	Yellow	Yellow
INVESTIGATION AND EXPOSURE OF CORRUPTION	Green	Red
AWARENESS-RAISING AND PUBLIC EDUCATION	Yellow	Red
SOCIAL ACCOUNTABILITY	Yellow	Red

KEY FINDINGS

1. ACTORS

a. The Municipal Council and the Mayor do not have adequate mechanisms to monitor the statutory provisions relating to the exercise and protection of human rights and fundamental freedoms at the local community level, with the exception of formal statutory obligation to establish a Commission for Human Rights;

b. The Municipal Council and the Mayor adequately

monitor the situation in the Municipality of Novi Grad in almost all relevant domains of competence (with the exception referred to above) and develop and demonstrate clear efforts in implementing the Development Strategy of the Municipality of Novi Grad Sarajevo;

c. Implementation of statutory provisions on direct participation of citizens in decision-making is low with citizens being poorly informed of participation options available to them;

d. Local political parties do not use their municipal committees to establish effective communication with the citizenry nor do they have a well-developed or functional communication mechanism which operates on a regular basis;

e. Due to lack of human and financial resources Audit Office of FBiH does not conduct regular audits of municipalities; the last audit of the Municipality of Novi Grad Sarajevo was conducted in 2003.

2. OVERSIGHT AND ACCOUNTABILITY FUNCTIONS

a. Due to lack of human and financial resources Audit Office of FBiH does not conduct regular audits of municipalities; the last audit of the Municipality of Novi Grad Sarajevo was conducted in 2003.

b. Budget lines for projects in the domain of the police structures in the Municipality of Novi Grad Sarajevo do not include projects aimed at curbing corruption, but there is an Anti-Corruption Strategy at the level of the Sarajevo Canton in whose elaboration and implementation local police was involved, and police officers were trained through educational materials on how to act in cases of corruption. There are legal and institutional mechanisms in place for reporting corruption, and stricter control and investigation measures are implemented in cases of corruption in which police officers are implicated;

c. There is a consistent downward trend in the number of prosecutions of corruption offences and convictions at the level of the local judiciary.

RECOMMENDATIONS

1. ACTORS

The Municipal Council should maintain a more detailed record and keep closer track of violations of human rights and fundamental freedoms in the municipality and develop institutional mechanisms and measures for inclusion of minorities. It would be necessary to include in the municipal development strategy segments pertaining to combating corruption and related offences in the same way the problem of general crime is identified and integrated in the Strategy.

Maximum transparency is required in the sphere of regular operations of the municipal bureaucracy, particularly in relation to public procurement and recruitment; also, it is necessary to develop and implement a strategy to combat corrupt practices in this domain. It is necessary to effectively and fully raise public awareness of the mechanisms of direct decision-making, and apply them when making important decisions of interest to all or most citizens.

Local political parties and councillors – representatives of these parties should ensure an easier, simpler and more regular direct or indirect communication with the residents of the Municipality, and create an environment in which they will be available to citizens and efficiently represent their interests.

2. OVERSIGHT AND ACCOUNTABILITY FUNCTIONS

Lack of full and fair auditing of the municipality by higher administrative levels and institutions greatly undermines and threatens the development potential of local communities, and greatly reduces the transparency and quality of reporting to the public and citizens about internal problems and possible irregularities in

the operations of municipal bodies and bureaucracy. It is necessary to provide the necessary resources and ensure that the relevant institutions such as the Audit Office of FBiH exercise their statutory responsibilities and perform regular oversight and auditing of the operations at the municipal level.

It is necessary to create synergies between law enforcement agencies and judicial institutions, to accelerate the development of workable and effective strategies to combat corruption, to improve education and create work teams (especially at the prosecutor's office) who will work with law enforcement authorities to increase the effectiveness of investigations conducted and achieve more success in combating corrupt activities, particularly by government officials.

IV SITUATIONAL ANALYSIS

Unique administrative-territorial structure of Bosnia and Herzegovina inevitably bears on the organisation of local self-government in the country and its two entities – Federation of Bosnia and Herzegovina and Republika Srpska. In Republika Srpska, which is organised in a unitary fashion, municipalities and cities are the only established units of local government, and the communication between the central and local governments is direct. By contrast, the administrative structure of the Federation of Bosnia and Herzegovina is much more complex as there is an extra administrative-territorial level between the federal/central authorities and local

government units, which consists of ten cantons. Despite this unique feature, the Federation of Bosnia and Herzegovina also has cities and municipalities (with municipalities being far more common) as the basic units of local government. Since the adoption of the Law on the Principles of Local Self-Government, the organisation of local self-government in FBiH has been based on modern European principles and represents a significant step forward and an evolution in a positive direction since the end of the war in this socially relevant field.⁴

The Municipality of Novi Grad Sarajevo was created as an administrative local government unit through separation from the today's Municipality of Novo Sarajevo, with which it had formed one administrative unit. The Municipality of Novi Grad Sarajevo is a modern urban ensemble and one of the four municipalities that make up the City of Sarajevo. It is also the most populous municipality in Bosnia and Herzegovina and home to about 29% of the total population of the Sarajevo Canton. According to the collected data (and in the absence of final census figures), the municipality's population today stands at an estimated 140,000. In accordance with the applicable legislation and the municipal Statute, whose consolidated version was adopted in 2009, the Municipality of Novi Grad Sarajevo manages the affairs falling within its jurisdiction and in the interest of the local population through the municipal bodies represented by the Municipal Council, as a decision-making body, and the Mayor, as the executive body. Local self-government is organised through local communities, which are established by the Municipal Council in accordance with the Statute. The Municipality of Novi Grad Sarajevo is currently composed of 27 local communities. The functioning and jurisdiction of said bodies is elaborated in more detail in the municipal Statute, which is aligned with the Constitution of FBiH, Constitution of the Sarajevo Canton and cantonal legislation. The tasks falling within the Mayor's competences are carried out by municipal departments whose managers (heads) are answerable to the Mayor. Of course, the decision-making body and the executive body are independent by nature, but they have joint responsibility for management of certain municipal affairs. The Municipality also has the Municipal Attorney's Office which acts in its capacity as the Municipality's legal representative.

Given the aforementioned fact that Novi Grad Sarajevo is the most populous municipality in the country, it may be strongly argued that people are one of its most significant resources, which also implies a large number

of individual and collective interests whose implementation is the responsibility of the municipal bureaucracy and municipal authorities in general, within their respective competences. The large number of residents in the Municipality inevitably entails the necessity to meet a large number of basic and other needs such as, in particular, education and health systems, space management, culture of living, economy, social protection and public utilities.⁵

The fact that the Municipality of Novi Grad Sarajevo is inseparable from the City of Sarajevo and the Sarajevo Canton necessitates cooperation between all levels of government, especially in view of the fact that, according to data from 2010, there were about 3,500 registered businesses in the Municipality.

⁴ Constitutional Law, Prof. Kasim Trnka PhD

⁵ Profile of the Municipality of Novi Grad Sarajevo

V LOCAL INTEGRITY SYSTEM

The scoring guideline from the LIS Assessment Toolkit that best represents the actual situation in the municipality is always provided in italics at the beginning of each indicator. Note, however, that these are just broad parameters around which we base our assessment. In many cases only some of the elements covered in the cited sentences actually apply. The “Comments” section of each indicator provides the necessary clarifications.

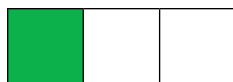
CORE LOCAL GOVERNMENT ACTORS

1. LOCAL ASSEMBLY

CAPACITY
ROLE
GOVERNANCE

CAPACITY

1.1. ADEQUATE RESOURCES



To what extent does the local assembly have adequate resources to carry out its duties in practice?

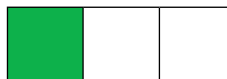
“The local assembly has a fairly adequate resource base to effectively carry out its duties.”

Comment:

Given the fact that a large number of citizens expect speedy resolution of current issues and problems within the competence of the Municipal Council, the resources are sufficient to meet the current needs and provide a solid basis for the implementation of obligations, although there is room for further improvement in this regard. The current office space available to the Municipal Council and the training of its personnel are

satisfactory.

1.2. LOCAL ELECTIONS



To what extent are local elections timely, free, fair and representative?

“Local elections are generally timely, free, fair and representative.”

Comment:

Despite the fact that, due to the large number of residents, local elections in Novi Grad Sarajevo are somewhat more demanding in terms of organisation compared to other municipalities, the electoral process is conducted in accordance with applicable regulations and standards with no major hindrances, mishandlings or difficulties in the work of the competent authorities.

1.3 INDEPENDENCE



To what extent is the local assembly independent from the executive?

“The local assembly is independent from the executive.”

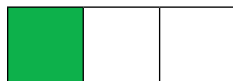
Comment:

Independence of the Municipal Council, as provided for under the Statute, is not obstructed or undermined by the executive and mutual relations are, also in accord-

ance with the Statute, harmonious and based on mutual esteem, respect and cooperation. Of course, this is also due to the fact that of the 31 municipal councillors eleven come from the same political party as the Mayor (SDA – Party of Democratic Action), with the chair of the Municipal Council also coming from the same party. Given the large number of municipal councillors coming from the Party of Democratic Action, and given the fact that this party has the largest representation in the Municipal Council, there is a conspicuous lack of cohabitation, which, if it existed, would most likely prove a stumbling block in the relations between the Mayor and the Municipal Council. ⁶

ROLE

1.4. OVERSIGHT OF THE LOCAL EXECUTIVE



To what extent are local councillors able to exercise and enforce their decisions and oversight role?

“The local assembly is able to enforce its decisions and has the mandate to oversee the work of the Mayor.”

Comment:

The Municipal Council has adequate mechanisms in place to oversee the enforcement of its decisions and these mechanisms are largely operational in practice. In the domain of oversight, the Municipal Council can seek a review of the constitutionality and legality of acts passed by the Mayor within the scope of his/her competence, and has the jurisdiction to decide on the budget proposed by the Mayor. Also, there is the municipal Appeal Expert Commission appointed by the Municipal

Council, whose members are of legal profession and which carries out reviews and hears appeals against the decisions passed by the Mayor. Councillors of relevant profession may also be appointed as members of this commission. Administrative oversight of the work of the Mayor falls within the competence of the appropriate federal or cantonal institutions.⁷

1.5. REPRESENTATION



To what extent do local councillors represent the interests and priorities of their constituency in practice?

“Local councillors are considered to represent the interests and priorities of their constituency to some extent.”

Comment:

The size of the Municipality of Novi Grad Sarajevo, both in terms of territory and population, is certain to result in a large number of unmet interests of voters, but in practice it is manifested as a far greater problem in terms of inadequate interaction of councillors and the parties they come from with citizens who live in the municipality, given that the interaction mechanisms are rather underdeveloped and the interests of citizens are numerous and often conflicting. Addressing this problem successfully would provide great opportunities for better representation of citizens' interests.⁸

⁶ http://www.novigradsarajevo.ba/site/txt_one.php?id=8&kat=1

⁷ Statute of the Municipality of Novi Grad Sarajevo

⁸ Development Strategy of the Municipality of Novi Grad Sarajevo by 2015

GOVERNANCE

1.6. TRANSPARENCY OF THE LOCAL ASSEMBLY



To what extent can citizens access relevant information on the local assembly and councillors?

“Citizens can access some relevant information on the local assembly and councillors.”

Comment:

Citizens have access to certain decisions of the Municipal Council, invitations to public hearings and a brief summary of municipal councillors on the official website of the Municipality of Novi Grad Sarajevo, but other information is not readily available and takes more time to access in terms of lengthy administrative procedures. Transparency of the Municipal Council is somewhat increased by the fact that, under the Statute, its meetings are public and open to all interested citizens. However, what poses an obstacle to effective participation of citizens in the meetings of the Municipal Council is the fact that the Municipality’s official website does not contain notifications and agendas for upcoming meetings. The author brought this problem to attention during the creation of this report and the Secretary of the Municipal Council immediately initiated the posting of the agenda for Council’s meetings on the Municipality’s website. Also, attention was brought to the fact that information is made available to citizens through Local Community Councils, and that a significant problem is posed by the fact that citizens are not adequately informed about the competences of authorities at different levels of government. Thus, for example, citizens often demand that the municipal

authorities address problems that do not fall within the competence of the local government. Also, matters that do not fall within the jurisdiction of local governments are sometimes delegated to the municipality by higher administrative levels. The Municipal Council has taken some effort to inform citizens via a bulletin board about how they can report and communicate about issues and problems falling within the competence of the local government. Also, the draft annual work programme of the Municipal Council is sent to all levels within the local administration, including Local Community Councils, which gives citizens an opportunity to provide their inputs into the programme.

1.7. ACCOUNTABILITY OF LOCAL COUNCILLORS



To what extent are local councillors answerable for their actions in practice?

“Local councillors are partially, and as a rule only politically, answerable for their actions in practice.”

Comment:

The mechanism to ensure the accountability of councillors comprises the Ethics Council and the Code of Conduct. Through Local Community Councils, which are elected directly, citizens are informed of how they can report misconduct of councillors, and the Ethics Council may act upon complaints filed both by citizens and by other councillors. A significant drawback is the absence of any adequate sanctions against councillors who are found guilty of misconduct. Once guilt has been established, the only sanction that can be imposed is a public warning. Such an approach has the potential to affect their future election results, but the real power

of the sanction remains within the realm of political repercussions.

1.8. INTEGRITY OF LOCAL COUNCILLORS



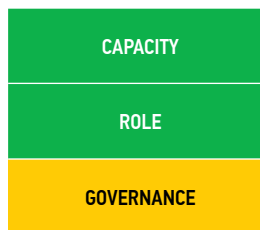
To what extent is the integrity of local councillors ensured?

“No adequate statutory mechanisms are in place to ensure the integrity of local councillors.”

Comment:

In view of the foregoing and given the fact that neither the Statute nor any other act of the Municipality prescribes specific anti-corruption measures in case of irregularities in the work of individual councillors or the Municipal Council as a whole, it seems necessary to establish certain mechanisms and develop and consistently implement an anti-corruption strategy in the Municipality. Although the Rules of Procedure stipulate that the Code of Conduct sets out the rights and responsibilities of councillors in terms of ethical behaviour, mechanisms for the implementation of the Code (i.e. sanctions consisting only of a written warning), or even citizens' awareness of the available options for holding councillors to account if they infringe the Code, are not adequate and do not hold the potential that would be offered by a clearly defined anti-corruption strategy and well-developed mechanisms for its implementation. The Municipal Council, however, takes the position that it does not have the authority to adopt acts relating to the prevention of corruption within the Council, and that this issue could be regulated in the Cantonal Law on the Principles of Local Self-Government, which has not yet been adopted.

2. LOCAL EXECUTIVE



CAPACITY

2.1. CLEAR FUNCTIONS



To what extent does the Local Government have a clear and realistic strategy/action plan and a coherent set of functions?

“The Mayor and the Municipality as a whole have a clear, realistic and detailed development strategy and a coherent set of functions.”

Comment:

The Development Strategy of the Municipality of Novi Grad Sarajevo is well drafted and was launched in the presence of a significant number of experts, representatives of local institutions, municipal administration, business sector and NGO sector. It provides a good overview of the situation in the Municipality and a list

⁹ http://www.novigradsarajevo.ba/site/txt_one.php?id=47&kat=1

¹⁰ Poslovnik Općinskog vijeća Općine Novi Grad Sarajevo

of objectives, proposed measures and solutions in the most important areas of functioning of the local community.¹¹

2.2. PREDICTABLE RESOURCES



To what extent does the Local Government have access to the resources it requires to carry out its functions and deliver its vision?

“The Municipal Mayor has partial access to the resources it requires to carry out its functions and deliver its strategy.”

Comment:

The resources available to the Municipality for the implementation of ongoing activities are pretty much adequate, but the complexity and the targeted level of quality in the implementation of strategic plans will likely require additional resources or investments whose availability, judging from current practices and given the situation in the country and society, cannot be fully guaranteed. There is a growing trend, however, of securing the necessary resources through attracting potential foreign investment, improving municipal revenue collection mechanisms, improving the local economic climate which will result in increased local revenues, and provision of certain funds from higher administrative units.¹² Since 2012 the Municipality of Novi Grad Sarajevo has taken over the implementation of a number of activities whose implementation is actually the responsibility of the Canton (reconstruction of the water supply system, roundabout, school in Dobroševići, health centres, etc.) and these activities were not accompanied by adequate financial resources

from the Canton, i.e. the Canton only co-financed them. By stimulating economy, the Municipality is creating conditions for increased inflow of funds.

ROLE

2.3. MANAGEMENT OF THE LOCAL BUREAUCRACY



To what extent does the local executive effectively perform its role in terms of providing effective oversight of, and support to, the local bureaucracy?

“The executive is somewhat active in performing effective oversight of, and support to, the local bureaucracy”

Comment:

The Mayor’s support to the municipal bureaucracy is seen as positive by heads of municipal departments. However, according to available research from 2012 and reactions of citizens and the business sector, the municipal bureaucracy generally fails to provide services in an adequate manner and does not demonstrate efficiency, courtesy, promptness and other related qualities, which may to a large extent be attributed to inadequate oversight or insufficient support it receives. After 2012, significant efforts have been made to improve the operation of municipal departments. Efforts have been stepped up to separate the public sector (direct contact with citizens) from internal departments, with the aim of ensuring that citizens access all services directly in the municipal one-stop shop and reducing the possibility of corruptive influences. The Mayor’s strategic objectives scheduled for implementation in the coming period include segments which, if successfully implemented, could further contribute to the efficiency

and quality of the local bureaucracy.¹³

2.4. OVERSIGHT OF PRIVATE PROVIDERS OF PUBLIC GOODS



To what extent does the local executive effectively perform its role in terms of holding private service providers of public goods accountable for the service delivery they are contracted for?

“The local executive is somewhat effective in holding private service providers to account.”

Comment:

Mechanisms and procedures to check compliance with contractual obligations and delivery of contracted goods are channelled through the direct or indirect supervision by the competent municipal departments, and mainly consist in appropriate legal actions taken in accordance with the contracts or legal regulations. The transparency of monitoring the implementation of obligations and service delivery is not adequate and does not provide enough information about the processes even though the oversight of service delivery has somewhat improved through direct and on-the-ground participation of representatives of municipal departments in the oversight of that delivery. There are certain controls on investment as well as on service delivery financed through these investments.

2.5. REGULATION OF LOCAL BUSINESS



To what extent does the local government effectively perform its role in terms of regulating local businesses in an even-handed and effective manner?

“Regulation of local businesses in an even-handed and effective manner is piecemeal.”

Comment:

Judging from the views expressed by the business community, there is partial satisfaction with specific segments of regulation of local businesses. However, far deeper is their dissatisfaction with the extent to which they are included in the creation of regulations as well as the level of support they receive. Most businesses believe that there is a significant degree of corruption in the regulation processes. From 2008 to 2012 the number of employed people grew at an average annual rate of 2.5%, and the number of registered employed people in 2012 was 11.2% higher than in 2008. In the same period, the number of registered unemployed persons grew at an average annual rate of 4.5% and in 2012 it was 17.9% higher than in 2008. In the observed period, the average employment rate was 53.1% and the average unemployment rate was 46.9%. Subsidisation of businesses was rare and mainly had a social focus. In the coming period the municipality

¹¹ Development Strategy of the Municipality of Novi Grad Sarajevo 2014-2020

¹² Development Strategy of the Municipality of Novi Grad Sarajevo 2014-2020

¹³ Report on User Satisfaction Survey of Public Services in the Municipality of Novi Grad Sarajevo, CPCS, 2012

should expand the range of measures to facilitate access to the financing of the economy. These measures should include subsidised interest rates, grants for new investments, investments in new technology, access to international markets, etc. for the competitive manufacturing and service sector SMEs operating in the Municipality, and co-financing of job creation in the Municipality (in cooperation with the Employment Service). There are examples of unused land being allocated by the Municipality for agricultural purposes.¹⁴ Since 2012 relevant steps have been taken to improve the regulation of local businesses. According to a representative of the Municipality, more than 59% of the municipal budget is channelled into development programmes, while 21.7% covers the local public-sector wage bill. According to the statistics of the Employment Service and the internal reports of the Municipality, in the period from 2012 to 2014 there was a slight decline in unemployment and 1,300 new jobs were opened. The jobs were not created by the Municipality, but the Municipality contributed to their creation through implementation of stimulating measures. One of these measures is the loan co-financing scheme, which aims to cover a part of the interest on the loans granted by commercial banks, where the crediting terms and parameters were primarily determined by the partner bank so as to avoid the possibility of manipulation. In 2013 a total of 11 businesses were awarded grants under this scheme following a public competition procedure, and in 2014 the number of business which received the grants increased to 26. As part of the public competition procedure, the Municipality checks whether the businesses are registered in the Municipality of Novi Grad Sarajevo, whether the facilities were built illegally (without a construction permit), and whether there are any outstanding debts to the municipality. The main objective of this scheme is to enable businesses to grow and maintain, or even increase, the number of employees. If a business meets the criteria, the municipality provides co-financing for the interest rate in the amount of 4%.

The focus of the scheme is primarily on businesses that export more than 50% of their products, manufacturers, and women and demobilised soldiers involved in business. By providing the above incentives, the Municipality has also contributed significantly to the increase in its own revenues.

GOVERNANCE

2.6. BUDGET TRANSPARENCY



To what extent does the local government present a clear and accessible budget?

"The budget is clear and accessible."

Comment:

The current budget and the draft budget for next year are presented in a timely and adequate manner on the Municipality's official website. The budget is detailed and provides a transparent presentation of public spending.¹⁵

2.7. ACCOUNTABILITY OF THE LOCAL EXECUTIVE



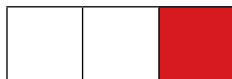
To what extent is the local executive answerable for its actions?

"The Mayor is partially answerable for his/her actions in practice."

Comment:

According to the municipal Statute, the Mayor is answerable for the constitutionality and legality of the acts he submits to the Municipal Council. However, the Statute does not provide for any other type of answerability. Also, there are no provisions for political answerability. In practice, the Mayor’s answerability to the Municipal Council or the adequate oversight by the Municipal Council of the Mayor’s work or that he/she submits may be affected by cohabitation, which is currently not the case.¹⁴ It should be noted that the Mayor may be removed from office by the Municipal Council (by two-thirds majority vote), but the absence of cohabitation and the distribution of political forces in the Council hinders the realisation of this measure. Also, the Code of Conduct also applies to the Mayor, not only the Municipal Council, but the absence of actual sanctions downplays the significance of investigation and prosecution.

2.8. INTEGRITY OF THE LOCAL EXECUTIVE



To what extent is the integrity of the local executive ensured?

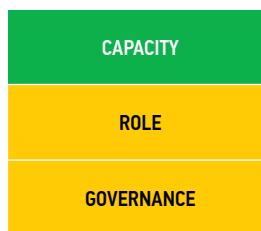
“The integrity of the Mayor is not adequately ensured.”

Comment:

In view of the type and degree of the Mayor’s answerability referred to in the previous comment and given the fact that neither the Statute nor any other act of the Municipality prescribes specific anti-corruption measures in case of irregularities in the work of the Mayor, it seems necessary to establish certain mechanisms and

develop and consistently implement an anti-corruption strategy in the Municipality. The Municipality of Novi Grad Sarajevo has not yet adopted an Integrity Plan and anti-corruption strategy although this obligation arises from the National Strategy for Combating Corruption 2009–2014. According to the representatives of the Municipality interviewed as part of this study, the Mayor reported certain criminal offences, but these efforts were not followed by an adequate response from the investigative authorities. There are procedures in place to prevent the Mayor from concluding harmful contracts, but at the Municipal level the procedures can not entirely prevent private agreements, possible racketeering and similar practices.

3. LOCAL BUREAUCRACY



CAPACITY

3.1. ADEQUATE RESOURCES



¹⁴ Development Strategy of the Municipality of Novi Grad Sarajevo by 2015

¹⁵ http://www.novigradsarajevo.ba/site/txt_one.php?id=34&kat=1

¹⁶ Statute of the Municipality of Novi Grad Sarajevo

To what extent does the local bureaucracy have adequate financial, infrastructural and human resources to effectively carry out its duties?

“The municipal bureaucracy has an adequate resource base.”

Comment:

Financial and human resources have been heavily strained as a result of austerity measures. However, infrastructural resources, as well as the environment in which activities are implemented, are seeing significant improvements. These include the ongoing implementation of the e-government system, which is envisaged as one of the strategic objectives in the process of further development of the Municipality.¹⁷ Significant investments have been made in the computerisation of activities in order to avoid losing cases and speed up their management (in 2012, according to municipal authorities, 30,000 cases were found to be missing). This involved the introduction of a new software application designed specifically for local self-government. All acts and documents arriving in municipal departments are scanned and forwarded for further processing to the appropriate department depending on the workload (the Head of the relevant Department distributes the cases evenly). This approach enabled cases to be assigned to the appropriate case manager within 10 minutes, a process which in the past could take up to five days. Clients are notified in person at the time of filing their submission/application if any additional documentation is needed to support or complement their submission/application. There is an ongoing pilot project to delegate certain services to local communities so that citizens can have immediate access to them. Thanks to these measures, the percentage of solved cases per year has increased to 95% from only 50% in 2012. The problem is partially posed by inadequate legislation on higher administrative levels, such as the failure to adopt

the Law on Digital Signature, which, if adopted and implemented, would contribute significantly to adequate use of resources. Another problem is the unwillingness of local public servants to prepare for the use of new electronic systems.

3.2. INDEPENDENCE



To what extent is the local bureaucracy free from external interference?

“The municipal bureaucracy is partially free from external interference.”

Comment:

The current statutory regulations subordinate the municipal administrative departments to a strong direct influence by the Mayor and clearly stipulate that the heads of municipal departments are directly answerable to the Mayor. This indirectly creates the possibility for political interference in the work of the administrative departments which can take such various forms as skewed or opaque recruitment policy in the departments, steering the work of the departments in a particular direction, and increased potential for the development of corrupt practices, which, according to public opinion, are already present to some extent.

ROLE

3.3. ENSURING TRANSPARENCY AND INTEGRITY IN LOCAL PUBLIC PROCUREMENT



To what extent is there an effective framework in place to safeguard transparency and integrity in local public procurement procedures?

“The legislative framework is partially effective in safeguarding transparency and integrity in local public procurement procedures.”

Comment:

While in theory the legal framework regulates public procurement processes in much detail, in practice there is a possibility of manipulating the relevant provisions and rigging the public procurement procedures to enable selection of pre-determined bidders. The positive side of the process is the planning of public procurements a year in advance, which prevents, to a certain extent, the adoption of ad hoc decisions on the implementation of public procurement. No other data were available at the time of submission of this report.

3.4. PROMOTING SOCIAL ACCOUNTABILITY AND PARTICIPATION



To what extent does the local bureaucracy promote social accountability mechanisms that provide local citizens with opportunity to interact with and make

demands on local governments?

“The local bureaucracy is somewhat active in promoting these mechanisms.”

Comment:

Statutory provisions provide citizens with apparently ample opportunities to interact with and make demands on local governments. In practice, however, citizens are often ignorant about how to activate and use certain mechanisms. Calls for public hearings are regularly advertised on the Municipality's official website and in other ways, and statutory principles provide citizens with the opportunity to contribute to the functioning of the community. However, the interaction mechanism between citizens and local government is ill-defined and ineffective in practice. In 2011 the Citizens' Academy project was launched in partnership with the OSCE Mission to BiH. The aim of the project was to allow interested citizens to learn about the work of their local government's administration, to develop their social network and to actively participate in decision-making on issues that can be of benefit to their community.¹⁸ The municipality also organises public hearings to discuss certain issues within the jurisdiction of the municipality, and invitations for hearings are posted on the Municipality's website.

3.5. TAX COLLECTION



¹⁷ Development Strategy of the Municipality of Novi Grad Sarajevo for period 2014–2020

¹⁸ <http://www.oscebih.org/Default.aspx?id=152&lang=HR>, 2011.

To what extent is local revenue collection fair and transparent?

“Local revenue collection is partially fair and transparent.”

Comment:

Local revenues are regulated by the relevant legal acts that are available to the public. However, there is still a considerable degree of dissatisfaction and lack of understanding of the system for determination and collection of public revenues predominantly among the business community. The complaints of the business community relate primarily to the tax levels which they see as having a disincentive effect on the economic sector. Since 2013 it has been possible to take out a lease on business premises owned by the Municipality and pay the rent in three instalments, with the amount of rent depending on the municipal zone in which the premises are located.

3.6. PROTECTING LAND AND PROPERTY RIGHTS



To what extent are land and property rights protected by the local government?

“Land and property rights are protected by the local government to a large extent.”

Comment:

Processes related to construction permits, legalisation of illegally constructed buildings or temporary structures, urban regulatory plans, commercial real estate and general issues concerning property rights

at the local level are clearly defined and regulated, and the existing mechanisms are generally satisfactory in resolving contentious issues.¹⁹ Some irregularities have been reportedly detected in the awarding of land to certain natural persons, but the checks have not resulted in any prosecutions.²⁰

GOVERNANCE

3.7. ADMINISTRATIVE TRANSPARENCY



To what extent is there transparency in financial, human resource and information management of the local public sector?

“Transparency in financial, human resource and information management of the local public sector is minimal.”

Comment:

Information on the management of property owned by the Municipality, financial management at the level of the municipal administration departments, or matters relating to personnel is controlled internally and there are no mechanisms in place for citizens to access such information. The municipal Statute provides that the information on the work of the administration departments is publicly available, but the situation in reality tells a different story.²¹ According to the interviews with members of the municipal authorities, a register of municipal property is currently being established, but the Municipality will not get the total picture of the property it owns until such time as the register is fully implemented and operational. The budget is publicly available and its spending is transparent, but some

details relating to expenditure are not available due to the restrictive provisions of the Law on the Protection of Personal Data.

3.8. ACCOUNTABILITY OF LOCAL PUBLIC SERVANTS



To what extent are local public servants answerable for their actions in practice?

“Local public servants are minimally answerable for their actions in practice.”

Comment:

There are statutory provisions regulating the answerability of local public servants to the Mayor, who appoints civil servants and government employees on the basis of a public competition, as well as relevant regulations on the activities and answerability of civil servants. In practice, however, these regulations are rarely enforced. Furthermore, the Mayor’s discretion over the appointment of civil servants and the general practice of favouritism in recruitment procedures significantly reduce the possibility for the development and improvement of their enforcement in practice.²² Provisions for disciplinary procedures exist and are used in practice, but to this day no disciplinary action has resulted in effective sanctions. The municipal representatives interviewed as part of this study are of the opinion that the foregoing is a reflection of poorly drafted supralocal legislation governing the answerability and disciplinary prosecution of civil servants.

3.9. INTEGRITY OF LOCAL PUBLIC SERVANTS



To what extent is the integrity of local public servants ensured?

“The integrity of local public servants is ensured to the minimum extent.”

Comment:

In view of the foregoing and given the fact that neither the Statute nor any other act of the Municipality prescribes specific anti-corruption measures in case of irregularities in the work of local public servants, it seems necessary to establish control measures, increase oversight, and develop and consistently implement an anti-corruption strategy in the Municipality. The positive fact is that there is some oversight of managers in the Municipality, where the Mayor controls and signs the decisions issued by managers and has direct access to their contents, thus making them subject to additional scrutiny.

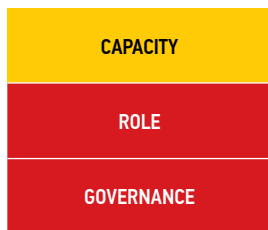
¹⁹ <http://www.novigradsarajevo.ba/site/>

²⁰ <http://www.oslobodjenje.ba/vijesti/sarajevo/nacelnik-opcine-novi-grad-tuzilastvu-bih-dostavit-ce-dokumentaciju-efendic-tvrdi-da-jeradeljas-ostetio-opcinu-za-milion-maraka>, 2014.

²¹ Statute of the Municipality of Novi Grad Sarajevo

²² Statute of the Municipality of Novi Grad Sarajevo

4. LOCAL POLITICAL PARTIES



CAPACITY

4.1. ADEQUATE RESOURCES



To what extent do the financial resources available to local political parties allow for effective political competition?

“Financial resources available to local political parties allow for effective political competition but only to an extent.”

Comment:

The financing of political parties largely depends on their position and strength in the current local government, and any biases in this respect are neither recognised nor properly regulated.²³

4.2. INDEPENDENCE



To what extent are local political parties free from unwarranted external interference in their activities?

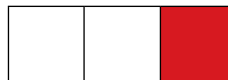
“Local political parties are partially free from unwarranted external interference in their activities.”

Comment:

Political parties may fall prey to unwarranted interference in their activities. This is especially true of small parties acting independently or in coalition with other stronger parties. There is also interference by influential individuals, be it in the local community or more widely, which may steer the activities of a political party in a specific direction.

ROLE

4.3. INTEREST AGGREGATION AND REPRESENTATION



To what extent do local political parties aggregate and represent a broad range of social interests at the local level?

“Activities and consequences of activities of political parties generally do not represent the social interests.”

Comment:

All strengths and weaknesses of the political scene in the country as a whole are mirrored on the local level: individual, personal, party or business interests are closely intertwined and often take up the entire focus of political collectives, while at the same time the lack of adequate interaction or openness for the inputs from citizens and politically independent bodies contributes to intensive marginalisation of social interests.

GOVERNANCE

4.4. TRANSPARENCY OF LOCAL POLITICAL PARTIES/CANDIDATES



To what extent is there transparency in the operations of local political parties?

“Transparency in the operations of political parties is present only to a small, legally prescribed, extent.”

Comment:

While a closer analysis of the activities of political parties or political activists at the local level can provide indication of their course of action or representation of interests, transparency or the intention to ensure transparency is almost non-existent. Interests and activities are largely taking place behind the scenes, and the fact that they do not reflect the general interest only goes to further increase the need for concealment and secrecy.²⁴ No data are available on the financing of political entities at the local level. The Decision on the Financing of Political Parties and Councillors’ Clubs in the Municipal Council of Novi Grad Sarajevo²⁵ defines the manner of financing the said bodies from the budget on a percentage basis, subject to relevant indicators.

4.5. ACCOUNTABILITY OF LOCAL POLITICAL PARTIES



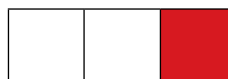
To what extent is there effective oversight of local political parties?

“In practice there is no effective oversight of local political parties.”

Comment:

Oversight of political parties by the Central Election Commission cannot be considered effective as it only looks at superficial or tendentiously presented data.²⁶ Consequently, political parties operate within the boundaries of their own self interests, without any effective oversight that would clearly present to the public the course and essence of party activities.

4.6. NOMINATION AND SELECTION OF LOCAL CANDIDATES



To what extent are local candidates selected in a fair and transparent manner?

“Local candidates are not selected in a fair and transparent manner.”

Comment:

These issues are subject to the discretion and internal rules of political parties, and selection of local candidates is without a doubt largely influenced by party leadership’s direct interference in the formation

²³ <http://izbori.ba/Default.aspx?CategoryID=61&Lang=3&Mod=4>

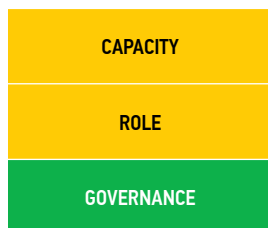
²⁴ Political Party Financing in BiH – Report by Transparency International Bosnia and Herzegovina

²⁵ Decision on the Financing of Political Parties and Councillors’ Clubs in the Municipal Council of Novi Grad Sarajevo

²⁶ <http://izbori.ba/Default.aspx?CategoryID=60&Lang=3&Mod=4>

of lists, or by favouritism towards specific individuals. No local political party can be said to have selected its candidates in a comprehensively transparent manner, e.g. by holding an internal ballot among the entire local membership of the party.

5. LOCAL POLICE



CAPACITY

5.1. ADEQUATE RESOURCES



To what extent do police at the local level have adequate levels of financial, infrastructural and human resources to operate effectively in practice?

“Police at the local level have partially adequate levels of financial, infrastructural and human resources.”

Comment:

Police at the local level, such as the Third Police Department, has adequate material and technical resources (e.g. programmes for receiving criminal information, complaints, etc.). In terms of financial resources, according to current regulations, local police can seek

funding for implementation of specific projects, including those focusing on fight against corruption. It is not known whether a budget line has been created for this purpose yet. Police salaries are low. Increasing them would have a highly positive effect in terms of curbing possible corruption in the police and increasing the effectiveness of their work. It is also important to note that the police is within the jurisdiction of the Canton, but its work, specifically the work of the Third Police Department which is responsible for the Municipality of Novi Grad Sarajevo, reflects on the security situation in the local community.

5.2. INDEPENDENCE



To what extent are police at the local level free from undue external interference?

“Police at the local level is partially free from undue external interference.”

Komentar:

The placement of police officers is partly linked to the process of ranking. The placement is implemented by the Police Commissioner according to relevant criteria. The police officers of the Third Police Department who were interviewed as part of this study state that they are independent in their work, free from undue external interference from any political party and work solely on the basis of the applicable laws and implementing regulations. The public opinion and perceptions, however, are at variance with these claims. Lack of public confidence in the police originates mainly from the belief that there is significant external interference in the work of the police, which affects its impartiality and

results in selective enforcement of the law.

ROLE

5.3. INVESTIGATION OF CORRUPTION



To what extent are police at the local level active in investigating corruption?

“Police at the local level are somewhat active in investigating corruption.”

Komentar:

Operation team is an operation body that carries out operational and investigative measures when information becomes available about a specific case of corruption. Given that the operation team includes an investigator of the Criminal Investigation Police Sector from the police department in whose jurisdiction the case of corruption occurred, it can be concluded that the police at local level participates in these activities. Additionally, each police officer has the legal obligation to report any act of corruption that may come to his/her knowledge, regardless of who committed it (e.g. his/her fellow police officers), as stipulated in the criminal legislation and the Code of Ethics for Police Officers. Under the Regulation on Internal Organisation of the Interior Ministry of the Sarajevo Canton, every police officer is charged with a task to implement the anti-corruption strategy.

GOVERNANCE

5.4. TRANSPARENCY OF POLICE AT THE LOCAL LEVEL



To what extent is there transparency in the operations of police at the local level?

“The operations of police at the local level are transparent to a significant extent.”

Comment:

Every police department presents periodic reports on its work to the local community. The Chief of the Third Police Department presents these reports directly to the Municipal Council of Novi Grad Sarajevo in meetings that are open to the public. As part of the report presentation, he/she also answers any questions that the councillors may have. Also, the Police Department and the Interior Ministry publish periodic reports which are made publicly available on the Ministry's official website.²⁷ Furthermore, press conferences are organised periodically to discuss all aspects of police work, including possible corruption in the police. Current legal regulations ensure transparency in the work of the police, and the Police Commissioner informs the public about specific cases in person, through an authorised person, or through the Public Relations Sector. The Strategy for Combating Corruption and the Rules of Procedure of the Public Relations Sector prescribe transparency in the work of the police and ensure easy

²⁷ <http://mup.ks.gov.ba/organizacija/izvjestajoradu>

availability of information. Finally, there is the Law on Freedom of Access to Information, which the Ministry of the Interior strictly observes (in particular with regard to requests for information submitted by individuals).

5.5. ACCOUNTABILITY OF POLICE AT THE LOCAL LEVEL



To what extent are police at the local level answerable for their actions in practice?

“Police at the local level is answerable for their actions to a significant extent.”

Comment:

The Third Police Department has an independent complaints mechanism in place, as is also true of all organisational units of the Police Directorate and the Interior Ministry. Complaints can be lodged directly with the Third Police Department or the Professional Standards Unit (i.e. its Department for Internal Control). The complaints are dealt with according to relevant regulations, in particular the provisions of the Rules of Procedure of the Professional Standards Unit. This is just one of the ways of lodging complaints. This procedure is regulated in more detail by the Rules of Procedure of the Professional Standards Unit. There are no differences in the treatment of acts of corruption depending on whether they were committed by citizens or members of the police. The same criminal procedure is applied, and the procedure is even more rigorous for the police because a special operation team is formed to investigate cases of police corruption. In addition to the permanent members of the Professional Standards Unit and the Department for Fight against Economic

Crime, the team includes investigators from the police departments concerned. In conclusion, all citizens have equal access to police services at the local level.

5.6. INTEGRITY OF POLICE AT THE LOCAL LEVEL



To what extent is the integrity of police at the local level ensured?

“The integrity of police at the local level is ensured to a significant extent.”

Comment:

The integrity of police at the local level is ensured by relevant laws and regulations. Additionally, every police officer receives a paperback booklet titled Code of Ethics for Police Officers of the Police Directorate of the Ministry of the Interior of the Sarajevo Canton, no. 01-336/10 of 28 April 2010, which contains detailed provisions relating to rules of conduct, rules on conflict of interest, gifts, etc., as well as description of procedures to be followed in each specific case (e.g. gifts, conflicts of interest, etc.). Police officers are constantly trained in this area through a process of continuous training, which also includes such topics as corruption and code of ethics for police officers. Investigations are conducted according to the aforementioned procedure in which the primary role is played by the Department for Internal Control. Depending on the results of an internal investigation conducted by the investigator or inspector of the Department, appropriate disciplinary measures are taken in accordance with the prescribed procedure.²⁸

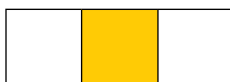
OVERSIGHT AND ACCOUNTABILITY FUNCTIONS

6. COMPLAINTS HANDLING



CAPACITY

6.1. ACCESS TO A COMPLAINTS MECHANISM



Is there an independent procedure (e.g. through an ombudsman or similar function) to deal with complaints of perceived unjust treatment by the Local Government?

“There are certain procedures and mechanisms to deal with the complaints, but their practical application is questionable.”

Comment:

Not only do the complaint mechanisms exist (in terms of lodging a complaint with the Ombudsman), but there are a number of statutory provisions devoted to the Municipality’s obligation to cooperate with the Ombudsman Institution and to provide for the establishment of its own bodies, e.g. those for monitoring human rights. However, practical implementation of these leaves

much to be desired, which diminishes the impact of this mechanism.²⁹

EFFECTIVENESS

6.2. INVESTIGATION OF COMPLAINTS



How effective is the complaints procedure in practice?

“The complaints procedure is moderately effective in practice.”

Comment:

Investigation of complaints and the resultant actions of the competent institutions often entail lengthy and inefficient judicial processes. Also, outcomes of complaints procedures are often uncertain so citizens rarely decide to lodge complaints. It is evident, for example, from the Report on Result of the Activities by the Human Rights Ombudsman that there are a number of complaints relating to the actions of administrative bodies, lengthy administrative procedures, administrative silence, inefficiency of inspection authorities and failure of administrative bodies to respond to various requests within the statutory time period. In most cases, following Ombudsman’s intervention administrative bodies respond to requests and notify the clients that they issued the requested decision or other legal document, and with

²⁸ Code of Ethics for Police Officers (Official Gazette of the Sarajevo Canton, nos. 22/02, 15/02, 18/02, 28/02)

²⁹ Statute of the Municipality of Novi Grad Sarajevo

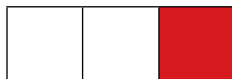
that the cases are closed. Some complaints are handled only after repeated interventions by the Ombudsman. It is not uncommon for complainants to lose interest in pursuing their case through formal appeals channels. The problem, according to the report, mainly consists in the poor functioning of the administration, which is caused by a number of factors such as ill-defined levels of competence, lack of instruction on available legal remedy in some first-instance administrative acts, unprofessional staff, etc. The Ombudsman Institution also received complaints concerning the functioning of the administration, e.g. when the first-instance authority did not act in accordance with the decision of the second-instance authority, i.e. failed to annul the appealed decision and conduct a retrial. Also, court rulings rendered in administrative disputes are often not enforced in practice.³⁰

7. AUDITING

CAPACITY
EFFECTIVENESS

CAPACITY

7.1. PROVISIONS FOR LOCAL GOVERNMENT AUDITS



To what extent are there regular audits of the local government and comprehensive sanctioning provisions?

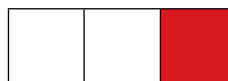
"There are no regular audits of the local government."

Comment:

The last audit of the Municipality of Novi Grad Sarajevo by the Audit Office of FBiH was conducted in 2003, and no audits have been conducted ever since because of inadequate financial and human resources. According to a representative of the municipality, an audit was conducted in 2013, but not by the Audit Office. No data were available as to the performance of internal audits.

EFFECTIVENESS

7.2. EFFECTIVENESS OF LOCAL GOVERNMENT AUDITS



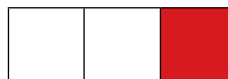
How effective are local government audits?

"Local government audits are ineffective because they are very rare."

Comment:

In view of the previous comment, it is not feasible to discuss the effectiveness of local government audits.

7.3. OVERSIGHT OF LOCAL GOVERNMENT AUDITING



To what extent is there effective oversight of local government auditing?

"There is no adequate oversight of local government auditing."

Comment:

Since the Audit Office of FBiH, which is the institution responsible for the auditing of municipalities in FBiH, does not conduct the audits, it is not feasible to talk about the existence of oversight.

8. CENTRALISED OVERSIGHT OF LOCAL GOVERNMENT



CAPACITY

8.1. CAPACITY FOR OVERSIGHT OF LOCAL GOVERNMENT



To what extent does the central government have the necessary resources to effectively perform its assigned role in terms of overseeing the operations of the local government?

“Federal and cantonal governments have partial resources to effectively oversee the operations of the local government.”

Comment:

It is evident that the oversight that is envisaged to be exercised through audit institutions is not working. Apart from that, the only option for ensuring at least

partially effective oversight exists in relation to the performance of joint competences, i.e. those that were transferred from the federal/cantonal level to the local level. Administrative oversight is performed by competent federal and cantonal authorities within their respective jurisdictions, and there is a statutory obligation by the Municipal Council to create a working body which will monitor and oversee the management of municipal property and oversee public spending and the use of budget funds. Due to the specific structure of the state of BiH, the Constitution of BiH does not prescribe the jurisdiction of the state over matters of local self-government. This type of oversight exists in one form or another at the entity level.³¹

EFFECTIVENESS

8.2. EFFECTIVENESS OF OVERSIGHT OF LOCAL GOVERNMENT



How effective is federal/cantonal government in performing its assigned role in terms of oversight of the local government?

“Cantonal government is partially efficient and federal government is minimally efficient in performing their assigned roles in terms of oversight of the local government.”

³⁰ Report on Result of the Activities by the Human Rights Ombudsman

³¹ Statut Općine Novi Grad Sarajevo

Comment:

The unique internal structure of the Federation of Bosnia and Herzegovina has a direct bearing on the effectiveness of oversight of local governments. Due to the administrative structure there is a much closer degree of cooperation and interaction between cantons and municipalities, and consequently the oversight of delegated (transferred) competences and the degree of support to local authorities are stronger than between the federal government and local government.

9. INVESTIGATION AND EXPOSURE OF CORRUPTION



CAPACITY

9.1. CAPACITY FOR INVESTIGATION AND EXPOSURE OF CORRUPTION



To what extent is there capacity for independent investigation and exposure of corruption at the local level?

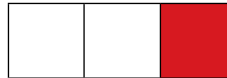
“Capacity for independent investigation and exposure of corruption exists to a large extent.”

Comment:

With the exception of local media whose independence is somewhat inhibited by the need for financial support from local authorities, there is the entire mechanism and full capacity of the law enforcement agencies and judicial institutions for active investigation and exposure of corruption at the local level.

EFFECTIVENESS

9.2. EFFECTIVENESS OF INVESTIGATION AND EXPOSURE OF CORRUPTION



To what extent are cases of corruption in the local government actually investigated and exposed in practice?

“There are no cases of investigation and exposure of corruption in practice.”

Comment:

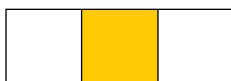
While there is capacity, efforts to expose, investigate and prosecute corruption do not exist. No sanctions have been imposed in criminal proceedings for corrupt conduct. This is certainly, *inter alia*, due to the lack of appropriate anti-corruption strategies and integrity mechanisms.

10. AWARENESS-RAISING AND PUBLIC EDUCATION



CAPACITY

10.1. CAPACITY FOR AWARENESS-RAISING AND ADVOCACY ON ANTI-CORRUPTION



To what extent is there capacity for educational activities, public information and advocacy on anti-corruption issues at the local level?

“Capacity for educational activities, public information and advocacy on anti-corruption issues at the local level exists to a partial extent.”

Comment:

Educational activities and public information and advocacy campaigns on anti-corruption issues are implemented at the state, entity, cantonal and local levels to the extent that one can say they exist. Novi Grad Sarajevo is a municipality which, through the simple fact that it is located in Sarajevo, participates in the activities implemented in the country’s capital by NGOs and appropriate institutions and authorities. It is therefore only to be expected that the citizens of this municipality have easy access to information and that they regularly come across anti-corruption messages

and appeals which are broadcast via media or conveyed by other means of communication.

EFFECTIVENESS

10.2. EFFECTIVENESS OF AWARENESS-RAISING AND ADVOCACY ON ANTI-CORRUPTION



To what extent are educational activities, public information and advocacy on anti-corruption issues at the local level successful in combating corruption?

“Measures and activities aimed at advocacy on anti-corruption generally fail to achieve their purpose.”

Comment:

Whether due to lack of interest, avoidance of direct personal action or fear/hesitation, educational activities and information available to citizens fail to raise awareness and increase activities aimed at combating corruption. It must be noted that, albeit deviant, corruption is seen in the country, and even in the wider region, as a part of everyday life and living standard. Hence, apathy at the local level is neither surprising nor unexpected.

11. SOCIAL ACCOUNTABILITY



CAPACITY

11.1. CAPACITY FOR SOCIAL ACCOUNTABILITY



To what extent are non-governmental actors active in promoting social accountability to hold the local government to account?

“Non-governmental organisations are moderately active in promoting social accountability.”

Comment:

Although the city of Sarajevo, and thus partly the Municipality of Novi Grad Sarajevo, is home to a number of NGOs dealing with many socially relevant issues, including those relating to the accountability of local governments, the activities of these organisations are not sufficiently robust and frequent to produce the desired effect. The Centre for Promotion of Civil Society therefore initiated the process of monitoring local services in multiple municipalities (including Novi Grad Sarajevo). The aim of this process was to bring about increased accountability and encourage local governments to take a new creative and innovative approach to the provision of public services whose quality and volume will correspond to actual needs and interests.³²

EFFECTIVENESS

11.2. EFFECTIVENESS OF SOCIAL ACCOUNTABILITY



To what extent have social accountability initiatives by non-governmental actors been successful in holding the local government to account?

“Only partial success exists in this area.”

Comment:

Prior to 2012, the practices in the work of the local government did not significantly change or improve as a result of NGOs’ activities and efforts to raise public awareness of social responsibility. This is particularly evident from the findings of a study conducted by the Centre for Promotion of Civil Society using the PULS methodology (*Poboljšanje Usluga Lokalne Samouprave – Improving Local Government Services*), which pointed to a significant degree of public dissatisfaction with the negligence of the local government in areas such as public transport, social protection, public sanitation and maintenance of public space. However, significant changes which have been introduced in the work of the Municipality of Novi Grad Sarajevo since 2012 create a need for new control and research in order to confirm that the current state is indeed an improvement over past practices.

³² Report on User Satisfaction Survey of Public Services in the Municipality of Novi Grad Sarajevo, Centre for Promotion of Civil Society, 2012

VI CONCLUSION AND RECOMMENDATIONS

The LIS assessment for the Municipality of Novi Grad Sarajevo shows that there is a certain discrepancy between the available capacities and the efficiency of their application, which becomes even more evident when one considers the public perception of these two elements. Significant gaps were observed in the area of governance, i.e. transparency, accountability and integrity. Long-term prospects for the improvement of these areas are not very bright despite the existence of the development potential. All identified problems are largely a result of inadequate implementation or application of existing regulations and mechanisms. The absence of effective solutions is also due to the poorly elaborated oversight system, particularly the lack of regular audits of municipalities by the relevant federal agencies. The lack of transparency in the conduct of municipal affairs and the highly inadequate accountability system result in justified dissatisfaction of citizens and businesses in the municipality. Furthermore, inad-

equately use of mechanisms for complaints, appeals or direct participation of citizens in decision-making do not offer a solution to the identified problems. Even in areas where material preconditions exist for the achievement of set targets, the human factor is found to be lacking in training, education, awareness, efficiency and/or effectiveness, which indicates a need for increased efforts towards the improvement of this segment.

Similar problems are encountered in the domain of perception of corruption, investigation and detection of corruption, and awareness and education. For example, while various anti-corruption awareness campaigns, actions and activities are indeed present in everyday social life, the human factor (i.e. the citizenry) does not demonstrate a satisfactory level of social accountability or effectiveness in the field of detecting and fighting corruption. Unfortunately, the same is also true of the law enforcement and judicial institutions. Despite the

existence of relevant strategies and apparent codification of the tendency towards fighting corruption, the situation on the ground is not encouraging; there are no positive steps in either investigations or convictions in criminal cases concerning corruption at the local level.

KEY FINDINGS

1. ACTORS

- a. The Municipal Council and the Mayor do not have adequate mechanisms to monitor the statutory provisions relating to the exercise and protection of human rights and fundamental freedoms at the local community level, with the exception of formal statutory obligation to establish a Commission for Human Rights;
- b. The Municipal Council and the Mayor adequately monitor the situation in the Municipality of Novi Grad in almost all relevant domains of competence (with the exception referred to above) and develop and demonstrate clear efforts in implementing the Development Strategy of the Municipality of Novi Grad Sarajevo;
- c. Implementation of statutory provisions on direct participation of citizens in decision-making is low with citizens being poorly informed of participation options available to them;
- d. Local political parties do not use their municipal committees to establish effective communication with the citizenry nor do they have a well-developed or functional communication mechanism which operates on a regular basis;
- e. Due to lack of human and financial resources Audit Office of FBiH does not conduct regular audits of municipalities; the last audit of the Municipality of Novi Grad Sarajevo was conducted in 2003.

2. OVERSIGHT AND ACCOUNTABILITY FUNCTIONS

- a. Due to lack of human and financial resources Audit Office of FBiH does not conduct regular audits of municipalities; the last audit of the Municipality of Novi Grad Sarajevo was conducted in 2003;
- b. Budget lines for projects in the domain of the police structures in the Municipality of Novi Grad Sarajevo do not include projects aimed at curbing corruption, but there is an Anti-Corruption Strategy at the level of the Sarajevo Canton in whose elaboration and implementation local police was involved, and police officers were trained through educational materials on how to act in cases of corruption. There are legal and institutional mechanisms in place for reporting corruption, and stricter control and investigation measures are implemented in cases of corruption in which police officers are implicated;
- c. There is a consistent downward trend in the number of prosecutions of corruption offences and convictions at the level of the local judiciary.

RECOMMENDATION

1. ACTORS

The Municipal Council should maintain a more detailed record and keep closer track of violations of human rights and fundamental freedoms in the municipality and develop institutional mechanisms and measures for inclusion of minorities. It would be necessary to include in the municipal development strategy segments pertaining to combating corruption and related offences in the same way the problem of general crime is identified and integrated in the Strategy.

Maximum transparency is required in the sphere of regular operations of the municipal bureaucracy, par-

ticularly in relation to public procurement and recruitment; also, it is necessary to develop and implement a strategy to combat corrupt practices in this domain. It is necessary to effectively and fully raise public awareness of the mechanisms of direct decision-making, and apply them when making important decisions of interest to all or most citizens.

Local political parties and councillors – representatives of these parties should ensure an easier, simpler and more regular direct or indirect communication with the residents of the Municipality, and create an environment in which they will be available to citizens and efficiently represent their interests.

2. OVERSIGHT AND ACCOUNTABILITY FUNCTIONS

Lack of full and fair auditing of the municipality by higher administrative levels and institutions greatly undermines and threatens the development potential of local communities, and greatly reduces the transparency and quality of reporting to the public and citizens about internal problems and possible irregularities in the operations of municipal bodies and bureaucracy. It is necessary to provide the necessary resources and ensure that the relevant institutions such as the Audit Office of FBiH exercise their statutory responsibilities and perform regular oversight and auditing of the operations at the municipal level.

It is necessary to create synergies between law enforcement agencies and judicial institutions, to accelerate the development of workable and effective strategies to combat corruption, to improve education and create work teams (especially at the prosecutor's office) who will work with law enforcement authorities to increase the effectiveness of investigations conducted and achieve more success in combating corrupt activities, particularly by government officials.

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