



LINKING HORIZONTAL
AND SOCIAL ACCOUNTABILITY
IN URBAN SERVICES DELIVERY:
CITIZEN ENGAGEMENT IN THE MONITORING
AND EVALUATION OF PUBLIC ENTERPRISES
AND INSTITUTES IN THE CITY OF TUZLA





Linking Horizontal and Social Accountability in Urban Services Delivery: Citizen Engagement in the Monitoring and Evaluation of Public Enterprises and Institutes in the City of Tuzla

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the Social Sustainability and Citizen Engagement (SSCE) Regional Consortium, which was operating in seven countries in the region: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia. The Consortium was led by Co-PLAN Institute for Habitat Development (Albania) and i2UD - the Institute for International Urban Development and closely collaborated with six local city teams: ADT – Association for Research and Social Innovation (Bosnia and Herzegovina); GONG – Citizens Organization to Oversee Voting (Croatia); Archis Interventions Pristina (Kosovo); CSD – Coalition for Sustainable Development (Macedonia); MANS – Network for the Affirmation of the NGO Sector (Montenegro); NALED – National Alliance for Local Economic Development (Serbia).

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Urban Partnership Program

Worldwide, local governments face an increasing demand from the growing urban population to provide basic infrastructure and services, promote more inclusive growth, adapt to climate change, and mitigate risks from disasters. Although development pathways differ because of regional and local variations, one consistent pattern has emerged: economic prosperity most often occurs in cities.

Cities can reduce poverty and expand individual and national prosperity. The bulk of economic activities take place in cities; urban centers attract business, trade and other service industries, and offer dense labor markets with the ability to move products over smaller distances, shortening the supply chain.

However, cities in South-East Europe (SEE) do not yet harvest their full potential to contribute to economic prosperity and deliver a better quality of life for their citizens. They face a number of issues, such as climate change, natural disasters, increasing global competition, and financial instability. There is also room for improvement: they could use their own resources more efficiently and also possess a huge potential for energy efficiency. These local governments are particularly challenged by the status of decentralization, mismatch of revenue and expenditure management, absence of infrastructure investments, weak local institutions, weak mechanisms of social accountability, increased need to combat corruption, frequent shifts in political structures, and low speed of institutional reforms.

In order to address these challenges the World Bank and Government of Austria have partnered to launch the Urban Partnership Program (UPP) aimed to strengthen the capacity of local governments in SEE, to promote city-to-city exchange and peer learning within and beyond Europe, and to equip local elected officials, city administrators, and technical staff with practical tools for decision making, to effectively manage urban development for inclusive and sustainable growth. While global in scope, this Program is targeted at SEE, including Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia.

UPP Phase I (2011-2014) was shaped by the demand of municipalities and local government associations, and was focused on key dimensions of local government, including municipal finance, urban planning and land management, urban governance/anti-corruption, and social accountability. Through the sustained effort of providing practical tools that met actual needs, UPP I achieved a strong take-up by municipalities in each of the four program areas.

UPP Phase II (2015- 2018) builds on the successful first phase and includes:

- I. A comprehensive, three-tier approach to knowledge, learning, and innovation, combining:(i) e-learning to share global knowledge (facilitated by local experts) including through the World Bank Open Learning Campus; (ii) a series of city-to-city dialogues for intensive peer learning from global/regional good practices; and (iii) the use of practical hands-on diagnostic tools and participatory processes.
- II. Capacity-building activities focusing on four key dimensions of interest to local governments, including: (i) municipal finance; (ii) urban planning and land management; (iii) urban governance/anti-corruption; and (iv) social accountability.
- III. Support to the Network of Associations of Local Authorities of South-East Europe (NALAS) and its E-Academy to become a regional knowledge and e-learning hub in order to ensure the flow of knowledge and sustained learning impact beyond the UPP.

The aims of UPP Phase II are to: (i) scale up the use of local government diagnostic tools and to anchor them as part of municipal practice; (ii) expand the citizen engagement and integrity building agenda, and support urban resilience in SEE cities; (iii) foster involvement of different departments (finance, planning, technical) and civil society to integrate the different tools and approaches at the local level; (iv) foster central-local government dialogue for improved policy making; (v) support local governments in the implementation of the action plans developed in UPP Phase I; and (vi) leverage partnership for greater impact and reach.

Executive Summary

This report describes the case study of M&E and social accountability in public enterprises and institutes in the city of Tuzla. It looks at the link between the use of the two for good governance. Both of these tools can be used to foster good governance through positioning various check mechanisms around decision-making processes; however, often the connection between them is missing, and the opportunity to gain from the synergies created is lost. In order to overcome such shortcomings, this report investigates M&E and social accountability as inter-functional processes by mapping procedures that shape the internal and external oversight and interplay they create.

Namely, the report provides an overview of M&E instruments as applied in the practices of public enterprises and institutes internally, and then maps the external M&E processes used by the City Council, the City Administration, and other relevant bodies. It then analyzes the grievance system, and the overall social accountability in relation to the M&E.

While its methodological objective is to emphasize the relevance of the interdependence of various forms of governance instruments, and the role that citizen engagement plays in increasing accountability, the main aim of this study was to develop context-based policy recommendations for the city-level institutions. The idea behind this approach has emerged from participatory research methods through which citizens, experts, civil society organizations, media representatives, as well as political representatives and public officials have identified various forms of accountability and how their relationships affect public service delivery. The proposed conclusions and recommendations aim to build on the existing institutional-regulatory framework, and upgrade it through development of city-specific policies that would address local needs and interests. Ultimately, their implementation should result in the improved openness, transparency, and effectiveness of operations of public enterprises and institutes, and improved public service delivery.

We hope this report is useful to city-level institutions in future planning and building their capacities in area of M&E, grievance procedures and social accountability. One the most important findings of the conducted research indicates that efficient local governance relies on diverse sets of mechanisms through which input and impact of multiple stakeholders is to be collected and integrated into decision-making. Therefore, future developments in this area should further build on existing participatory mechanisms aiming to collect substantive input from diverse stakeholders and particularly citizens/consumers and the private sector. Namely, while the research finds the regulatory-institutional framework in the City of Tuzla fairly developed, citizen engagement lacks sustained initiative. This fact is not related only to the operations of city-level institutions but to the civil society in Tuzla in general. In this way, the proposed recommendations in this report aim to address both sides of the social accountability – the supply and the demand side.

We would like to thank our research participants, and foremost the Mayor and City Administration that participated in all parts of the research which was conducted for the purpose of this report, as well as representatives of public enterprises and institutes and civil society organizations that provided the requested information and materials, and were active participants in the workshops, conferences and online consultations.

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Abbreviations and Acronyms

BiH	Bosnia and Herzegovina
CSO	Civil society organization
FBiH	Federation of Bosnia and Herzegovina
ICT	Information, communication, technology
M&E	Monitoring and evaluation
NALAS	Network of Associations of Local Authorities of South-East Europe
SA	Social accountability
SEE	South-East Europe
UPP	Urban Partnership Program



INTRODUCTION

I Introduction

Effective monitoring and evaluation (M&E) in the public sector is essential for good governance. Such processes are needed for evidence-based policy making and accountability, which help to safeguard the interests of citizens and businesses, and prevent the mismanagement of public resources. Through systematic data collection and analysis, M&E provides an assessment of the effectiveness and impact of projects, policies, and programs, and informs decision makers and others about whether policy objectives have been met and the type of results that have been achieved. In the context of public service delivery, the intention of M&E is to assess the procedures and outcomes of service provision to consumers—primarily citizens and businesses. A significant share of public services in cities and municipalities are delivered through the ongoing operations of public enterprises and institutes, or stem from their special programs and projects intended to upgrade and address existing shortcomings in service delivery. For example, public enterprises continuously provide water, heating, and other utilities to their consumers, and simultaneously implement special projects and make investments to improve and extend access to these utilities to particular populations and neighborhoods. Various types of M&E processes can be designed to provide measurements of both the operations of public service providers, and their regular service delivery, with the aim of identifying areas where policy or operational improvements are necessary. M&E can also be used to assess particular projects or investments. Furthermore, it can provide the basis for intervention by other relevant authorities if the mismanagement of public resources is discovered. Thus, the proper functioning of M&E tools can provide the data needed to hold appointed officials in leadership functions of public enterprises accountable (see tables 1 and 2 for a summary of types of M&E, and a comparison of their characteristics).

Accountability has two dimensions: horizontal and vertical. The horizontal dimension¹ is related to the effective operation of the system of checks and balances, and due process in governmental decision making, whereas vertical accountability is accountability that is external to the state and incorporates elections and several other mechanisms, including mechanisms of social accountability (SA). Both dimensions aim to ensure the accountability of public officials, i.e. that they do not abuse their office for private gains. As such, they have same objectives but rely on different tools. SA is an approach to governance that involves citizens and civil society organizations (CSOs) in public decision making. SA relies on civic engagement, i.e. having ordinary citizens, communities, CSOs and independent media participate in exacting accountability through a broad range of actions and mechanisms.

While local governments in most developing countries use some form of M&E to inspect and assess the ongoing activities and special projects public enterprises and institutes, their usefulness in initiating SA remains limited. Public service providers tend to formally adhere to the minimum M&E as part of regulatory procedures, but do not implement them substantively. One reason for this is the lack of interlinkage between M&E mechanisms and SA tools. This means that citizens are not regularly engaged in the M&E of public service delivery, and when they are, it is usually as part of a short-term, ad-hoc project.

This case study of M&E and social accountability in public enterprises and institutes in the city of Tuzla aims to address this issue and raise awareness of the importance of M&E and its relationship to citizen engagement. Without the involvement of citizens, the private sector, and media, M&E processes and outcomes remain invisible to the public and only partially meet the objectives of their existence: to map operations and results, and identify points of future intervention based on informed decision-making analysis. This report offers an integrated M&E and SA methodology developed to assess both these aspects of governance at the local level, as well as their interrelationship. In particular, maps M&E policies and practices, and SA initiatives, while focusing on not only the public enterprises and institutes established by the city of Tuzla, but also on the City Administration, City Council, and CSOs.

1. Horizontal accountability can be divided into the following categories: **Political mechanisms:** constitutional constraints, separation of powers, the legislature and legislative investigative commissions; **Fiscal mechanisms:** formal systems of auditing and financial accounting; **Administrative mechanisms:** hierarchical reporting, norms of public sector probity, public service codes of conduct, rules and procedures regarding transparency and public oversight; **Legal mechanisms:** corruption control agencies, ombudsmen and the judiciary. Goetz, Anne Marie and John Gaventa. [Bringing Citizen Voice and Client Focus into Service Delivery](#). IDS Working Paper No. 138. Brighton: Institute of Development Studies, 2001.; World Bank. [State-Society Synergy for Accountability: Lessons for the World Bank](#). World Bank Working Paper No. 30. April 2004.

Table 1: Monitoring and Evaluation – Definitions and Types

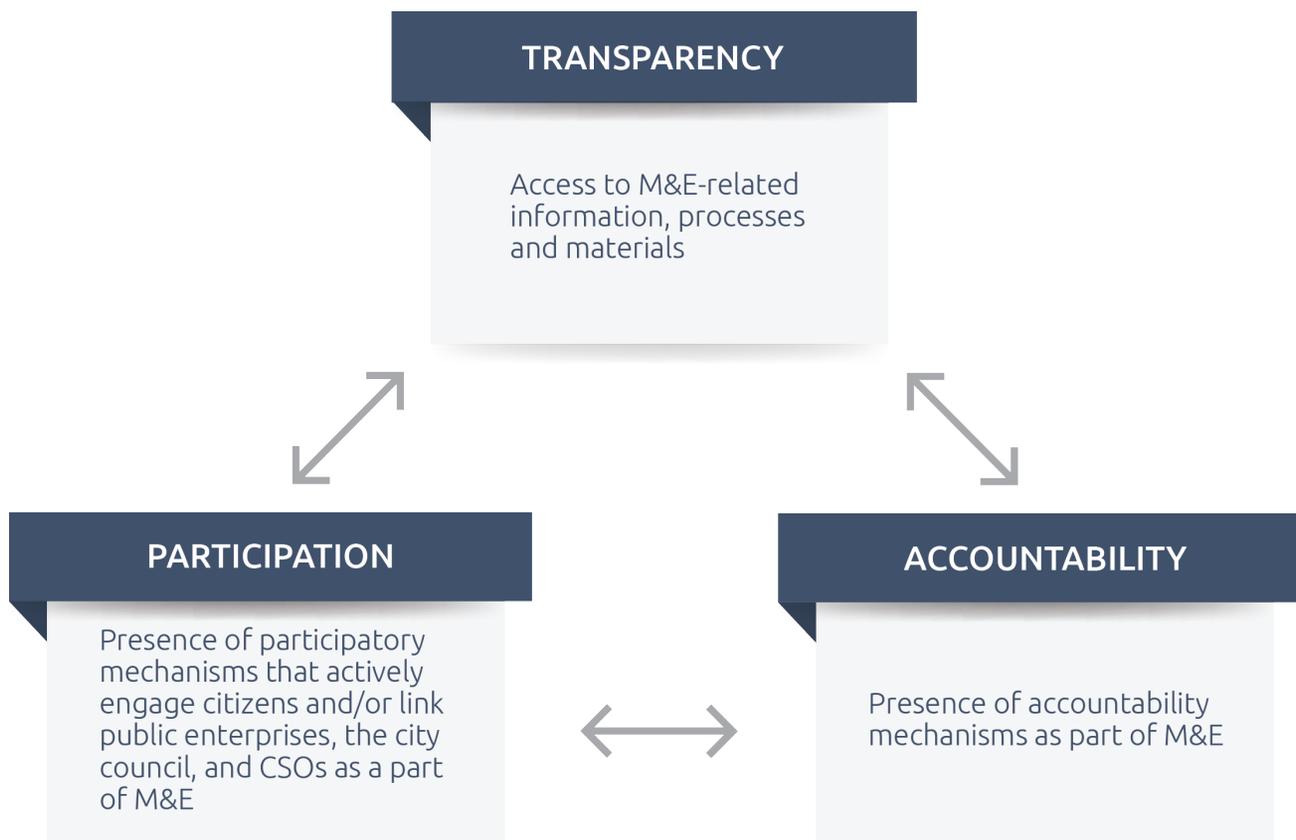
Monitoring		
Monitoring can be defined as a continuing function that aims primarily to provide the management and main stakeholders of an ongoing intervention with early indications of progress, or lack thereof, in the achievement of results. An ongoing intervention might be a project, program, or other kind of support to an outcome. Monitoring helps organizations track achievements by the regular collection of information to assist timely decision making, ensure accountability, and provide the basis for evaluation and learning. ²		
Types ³		
Financial implementation monitoring addresses whether or not budgets have been released and spent in line with allocations.	Physical implementation monitoring addresses whether activities have taken place in line with targets.	Outcome and impact monitoring trace whether or not results are occurring among the target population.
Evaluation		
Evaluation is the systematic and objective assessment of an ongoing or completed project, program, or policy, and its design, implementation, and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact, and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors. ⁴		
Types ⁵		
Formative evaluations strengthen or improve the object being evaluated – they help form it by examining the delivery of the program or technology, the quality of its implementation, and the assessment of the organizational context, personnel, procedures, inputs, and so on.	Summative evaluations examine the effects or outcomes of some object - they summarize it by describing what happens subsequent to delivery of the program or technology; assessing whether the object can be said to have caused the outcome; determining the overall impact of the causal factor beyond only the immediate target outcomes; and estimating the relative costs associated with the object.	
Needs assessments determine who needs the program, how great the need is, and what might work to meet the need.	Outcome evaluations investigate whether the program or technology caused demonstrable effects on specifically defined target outcomes.	
Evaluability assessments determine whether an evaluation is feasible and how stakeholders can help shape its usefulness.	Impact evaluations are broader and assesses the overall or net effects -intended or unintended—of the program or technology as a whole.	
Structured conceptualizations help stakeholders define the program or technology, the target population, and the possible outcomes.	Cost-effectiveness and cost-benefit analyses address questions of efficiency by standardizing outcomes in terms of their dollar costs and values.	
Implementation evaluations monitor the fidelity of the program or technology delivery.	Secondary analyses reexamine existing data to address new questions or use methods not previously employed.	
Process evaluations investigate the process of delivering the program or technology, including alternative delivery procedures.	Meta-analyses integrate the outcome estimates from multiple studies to arrive at an overall or summary judgement on an evaluation question.	

2. Sera, Yumi and Beaudry, Susan. *Monitoring & Evaluation*. World Bank, 2007.3. *National Policy on Public Sector Monitoring and Evaluation*. Office of the Prime Minister of the Republic of Uganda/USAID, 2011.4. Sera, Yumi and Beaudry, Susan. *Monitoring & Evaluation*. World Bank, 2007.5. Trochim, William M.K. *Introduction to Evaluation*. Web Center for Social Research Methods.

The study presents an institutional analysis that proposes that integrating citizen engagement practices in local government institutions as part of their M&E activities can improve the performance of public service providers. The importance of SA as a catalyst for social change is widely recognized. Numerous studies have found that generating the “demand-side” for good governance can significantly lead to improvement of the efficiency and performance of public institutions and office holders. Sometimes such initiatives are generated within communities themselves; however, often it is development agencies that instigate or fund the creation of such mechanisms. While initially, various examples of good practices were promoted due to their success in certain countries and communities, recent developments indicate that SA initiatives should be context-sensitive.⁶ The World Bank has identified four critical factors of SA⁷ that should be adjusted to the specific context of intervention⁸ as listed below. This study presents such an approach by assessing the M&E in and of public enterprises and institutes in the city of Tuzla and connecting it to the critical factors for SA, which in the context of this research, were adjusted to the M&E processes of the local government institutions (see graph 1):

- Level of capacity and willingness of the state - politicians and bureaucrats - to facilitate and/or respond to SA
- Level of capacity and willingness of citizens - and their representatives/CSOs - to engage in effective SA
- Presence of an enabling institutional environment for citizen engagement and civil society (e.g. freedoms, rights, information, etc.)
- Presence of accountability relationships, mechanisms and channels for state-citizen interaction⁹

Graph 1: Contextualized SA factors in relation to M&E



6. *Social Accountability E-guide*. The World Bank.

7. *Ibid.*

8. O’Meally, S. C. *Mapping Context for Social Accountability: A Resource Paper*. Social Development Department, World Bank. Washington, DC, 2013.

9. *Political Economy Analysis (Sector and Project Level)*. *Social Accountability E-guide*. The World Bank.

The study commenced with an overview of the existing M&E framework in public enterprises and institutes in the city of Tuzla by outlining the M&E regulatory procedures as well as the institutions' actual practices. Concurrently, the functional interrelationship between M&E and SA was mapped by developing a set of context-based indicators for each SA critical factor. During the study, several instruments of public oversight, usually termed as horizontal accountability, were analyzed, and linked to SA - a specific type of vertical accountability.

Table 2: Monitoring and Evaluation – Comparative Characteristics

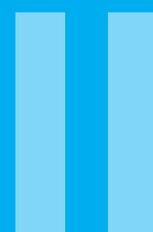
Characteristics	Monitoring	Evaluation
Subject	Addresses operational management issues	Usually focused on strategic aspects
Character	Continuous, regular, systematic	Incidental, flexible subject and methods
Primary client	Program management	Stakeholders and external audience
Approach	Utility	Objectivity, transparency
Methodology	Rapid appraisal methods	Rigorous research methodologies, sophisticated tools
Primary focus	Focus on operational efficiency and effectiveness	Focus on relevancy, outcomes, impact, and sustainability
Objectives	To identify and resolve implementation problems, and assess progress towards objectives	To check outcomes/impact, verify developmental hypothesis, and document successes and lessons learned

Source: Jaszczótt, Krzysztof; Potkański, Tomasz and Alwasiak, Stanisław. [Internal Project M&E System and Development of Evaluation Capacity – Experience of the World Bank-funded Rural Development Program](#).

The purpose of this study as well as the methodological connection between horizontal accountability and SA emerged out of research conducted within the scope of the Urban Partnership Program (UPP). The preceding analytical phase of the UPP provided a baseline of the city-level context of SA. In particular, focus group discussions with marginalized groups (unemployed, youth, elderly, ethnic minorities, women, and people with disabilities), in-depth interviews, and workshop-type discussions with civil society, academia, public officials, and media representatives in the city of Tuzla pointed to a specific understanding of how different types of accountability are interrelated. These stakeholders emphasized the importance of SA (which many termed “citizens’ accountability”) and its interconnection with political accountability. Social or citizens’ accountability was described as the duty of individuals as citizens to actively take part in direct and indirect forms of democracy in their community, and to be responsible towards their fellow citizens and government. This type of accountability is directly related to political accountability, which stakeholders defined as the responsibility of elected political officials and civil servants to perform their duties in accordance with the public interest, and refrain from abuse of their office. Without an engaged citizenry, one cannot expect an increase in political accountability over time. In such circumstances, the openness, transparency, and quality of public services are dependent solely on the will of political leadership. While such a connection has been made elsewhere, what is specific about the city of Tuzla’s logical accountability framework was the emphasis on the direct and functional relationship between social and political accountability, and the need to create mechanisms through which both types are fostered simultaneously. Moreover, stakeholders suggested that SA should be built around existing formal institutional arrangements instead of creating new ones outside the local governance system, and through initiating citizen engagement around issues that directly affect the lives of ordinary citizens, such as services provided by the city-level public enterprises and institutes.

From this standpoint, the grievance system within public enterprises - the process of complaint redressal for citizens/consumers—is of particular interest considering its purpose to directly collect and address citizens' complaints about malfunctions and gaps in service provision. It functions as a mechanism for direct citizen engagement with public service providers, and as an important data resource for M&E.

Building on the context-based SA framework in the city of Tuzla (presented in the Methodology section), this report presents results of a half-year study and offers insights into the regulatory M&E set-up and practices of the Tuzla city-level institutions. Its main aim is to provide policy recommendations to relevant stakeholders on how they can improve local governance of public service delivery by strengthening M&E and SA through interlinking them. Considering the distinctive method used in the study, the report commences with a description of the methodology and a proposition that such an approach can be used by other public institutions in the assessment of their own M&E and citizen engagement mechanisms. The third and fourth sections of the report focus on the internal and external M&E in and of public enterprises and institutes in the city of Tuzla. These are followed by an overview of the SA assessment, which is complemented by an overview of the grievance systems. The final part of the report provides integrated conclusions and a set of policy recommendations for different stakeholders.



METHODOLOGY

II Methodology

The study looked at three related questions. Firstly, what kind of M&E tools are used in relation to the delivery of public services by public enterprises and institutes in the city of Tuzla? Secondly, is the aforementioned M&E design conducive to SA? Thirdly, is the grievance/complaint redressal system in public enterprises and institutes effective, and how is it connected to M&E and SA? The overall objective of the study was to find context-specific answers to these questions, which will provide a basis for policy recommendations for public enterprises and institutes, the city of Tuzla, and CSOs that can be used as the starting point for discussion and joint collaboration.

The interconnectedness of the investigated issues required the utilization of diverse methods to develop appropriate responses to the research questions. The review of regulatory M&E and SA procedures and practices necessitated the use of a regulatory-institutional framework analysis in conjunction with survey and interview methods. The regulatory-institutional framework analysis was performed through a desktop review of publicly-available applicable legal materials and laws, as well as internal documents of public enterprises, institutes, audit institutions, the city administration, and the city council of Tuzla. Websites of public enterprises and institutes were reviewed alongside web resources of other relevant institutions with the purpose of assessing the policies on data accessibility, and the application of the Federation of Bosnia and Herzegovina (FBiH) Law on Public Enterprises, the Republic of BiH Law on Institutes, and the FBiH Law on Free Access to Information, in particular. In addition to mapping regulatory procedures, surveys and interviews were conducted to analyze how these procedures translate into actual practices.

Auxiliary insights on M&E and SA practices, as well as on capacities for and attitudes towards SA were based on a survey conducted in October-November 2017 of eight public enterprises¹⁰ and five public institutes¹¹ (Questionnaire included as Annex I). Through local partners¹², questionnaires were distributed to the management, Supervisory Boards and Audit Departments of 21 city-level public enterprises and institutes for completion by an informed staff member, out of which 13 submitted their responses.

Focus group discussions and in-depth interviews were organized in May and June 2016, and a Participatory Scenario Development Workshop was held on July 18, 2016 in Tuzla as part of the UPP's ECA Sustainable Cities Initiative Social Sustainability Audit.¹³ In total, 66 people (33 male/33 female) from vulnerable populations (unemployed, youth, elderly, ethnic minorities, and people with disabilities) participated in focus groups divided by gender. In addition, 10 in-depth interviews were held with representatives of civil society, the city administration, and academia. Fifty-two people took part in the Participatory Scenario Development Workshop, representing local government, civil society, and the media. These activities were conducted to assess the local governance framework, level of public service provision, SA, and the use of ICT to foster innovation to improve services or citizen engagement.

The research findings are also based on discussions held and conclusions arrived at during the M&E workshop held on November 22, 2017 in Tuzla. Led by an M&E expert, 30 participants from city-level public enterprises and institutes, the city administration, and the city council received training in M&E, reviewed the initial report findings, and discussed their practices. Additionally, four meetings were held with Jasmin Imamovic, City Mayor and Mirel Miskovic, Vice-President of the city council; as well as executive directors of public enterprises and their close associates: Nevres Arnautovic, director of the public enterprise Centralno Grijanje (heating), and Aid Berbic, director of the public enterprise Vodovod i Kanalizacija (water and sewage), which was complemented with a meeting with Gordana Bulic, president of the Association of Consumers of Tuzla Canton. At the end of March 2018, a consultative half-day conference was held on the topic of this research, which gathered 27 representatives of the City Administration and public enterprises and institutions, followed by consultations on the draft report with representatives of public companies and institutions and the City Administration.

10. Komunalac, Pannonica, City stadium Tusanj, Saobraćaj i komunikacije Tuzla (SIKTZ), SKPC Mejdan, Veterinary Station Tuzla, Trznice-Pijace doo, and BIT Centar.

11. Center for Social Work Tuzla, Nase dijete, National and University Library Dervis Susic, Health Center Dr Mustafa Sehovic, and National Theatre Tuzla.

12. Association for Development NERDA and the City of Tuzla.

13. More information on the UPP is available on websites: <http://www.seecities.eu> and <http://www.worldbank.org/en/region/eca/brief/about-world-bank-group-vienna#Urban>.

Data from these different sources have been combined together and analyzed jointly.¹⁴ The analysis, as well as the survey content and interview questions, were based on three assessment frameworks. One was adjusted to analyze M&E capacities and attitudes, the second was prepared in order to assess SA in public enterprises and institutes in relation to M&E, while the third one focuses on the grievance system (assessment

Table 3: Indicators for M&E Capacity and Grievance System Assessment Frameworks

Indicators for M&E Capacities in Public Enterprises and Institutes	Indicators for the Effectiveness and Quality of Grievance Systems in Public Enterprises and Institutes
M&E is part of institutional annual strategic and operational plans	Internal regulation on grievance system adopted and procedures in place (internal processes in place to record, track, and monitor the grievances and the action taken on them)
The necessary departments established (Supervisory Board, Audit Department) and personnel hired to conduct minimum monitoring in line with the regulation	Procedures ensure that all grievances, simple or complex, are addressed and resolved as quickly as possible
The necessary departments established and personnel hired to conduct impact evaluations and utilize other forms of advanced evaluation tools	Procedures ensure that all grievances, simple or complex, are treated confidentially, assessed impartially, and handled fairly and transparently
Regular and frequent M&E processes	The grievance system operates independently of all interested parties in order to guarantee fair, objective, and impartial treatment of each case
Clear and relevant indicators developed for monitoring reports	System designed to be responsive to the needs of all complainants and ensures that poor people and marginalized groups, including those with special needs, are able to access the grievance system
Clear and relevant indicators developed for evaluation reports	Citizens can submit complaints in different forms (e.g. service users have a range of contact options including, at a minimum, info desk or a telephone number (preferably toll-free), an email address, and a postal address)
Established procedure for development and selection of M&E indicators	Grievance data is used to inform M&E analyses and reports
Self-assessment: level of satisfaction with M&E activities with a focus on institutional operations	The online Centar 72 system is used to track and address citizens' complaints
Self-assessment: level of satisfaction with evaluation activities with a focus on public service delivery	Established formal internal mechanisms (e.g. a grievance redress unit, grievance redress committee, designated grievance redress officers)
Trained staff available to conduct M&E of externally-funded projects and investments	System provides timely feedback (written or otherwise) to the petitioner on actions taken
General M&E self-assessment: existing capacities and missing ones	An appeals process in place that users of the grievance redress mechanism can access if they are not satisfied with how their grievance has been resolved
Self-assessment: level of existing obstacles in conducting M&E	Officials responsible for grievance redress have the authority to take or demand remedial action (i.e. interview witnesses, access records)
Staff regularly participates in M&E trainings	

¹⁴ The mixed-method approach has been designed in line with the Governance and Anti-Corruption (GAC) Diagnostic Survey focusing on surveying and combining information from different stakeholders. However, due to time and budget limitations, this study does not entail significant input from the business sector, which is also a user of local public services. For more information on the GAC see the Social Accountability E-guide. The World Bank.

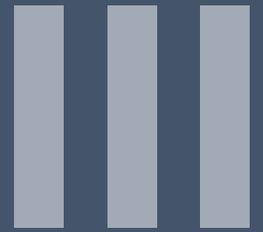
Since SA encompasses various types of activities, its measurement is not straightforward. Moreover, the assessment of the M&E and SA interlinkage required the utilization of specific indicators. By using the aforementioned World Bank SA critical factors as the starting point, the analysis commenced with the development of a set of indicators grouped into three categories in relation to M&E and grievance systems: transparency, participation, and accountability. Since two aspects of accountability were emphasized in the local context—citizen and political accountability—the framework attempts to capture these through developing “supply” and “demand” indicators of accountability.

Table 4: Social Accountability Indicators for M&E and Grievance Systems in Public Institutions

Transparency	Participation	Accountability Supply Demand	
Names and contact of management and information of M&E internal mechanisms (departments, officials, etc.) publicly available to citizens via different communication channels (website, TV and radio presence)	Communication channel between management/ Supervisory Board/ Audit Department and citizens/service users established	Leadership of public enterprises and institutes values SA and establishes transparent and accountable organizational culture	Citizens, CSOs, and media take a proactive role in communication with leadership of public companies and institutes
Free Access to Information rules and forms published on institutional websites	Public enterprises and institutes have established public relations department or officer that provides responses to citizens, media, and CSOs	Public enterprises and institutes provide timely and accurate responses to citizens’ requests for access to information and materials	Citizens, CSOs, and media use the law to demand transparency and accountability from public enterprises and institutes
Rulebook on operations published on institutional websites	Management/ Supervisory Board/Audit Department develop and regularly update organizational policies and procedures based on assessments of their clients’ needs and interests	Public companies and institutes develop client/citizen oriented procedures	Citizens, CSOs, and media monitor and insist on application of established procedures in public institutions
Annual reports on operations and finances (incl. internal and external audit reports) published on institutional websites and work of institutions presented on traditional (TV, radio and newspapers) and new media (social networking websites, web portals, YouTube)	The City Council organizes public consultations (hearings, focus groups, participatory planning, etc.) and uses other forms of citizen engagement in its oversight of operations of its public enterprises and institutes and assessments of their delivery of public services	The City Council uses citizens’/service users’ input for oversight and design of policies to improve operations of public enterprises and institutes and initiate accountability measures if regulations and standards are not respected	Citizens, CSOs, and media participate in or initiate consultations and review annual reports on operations and finances of public enterprises and institutes

Transparency	Participation	Accountability Supply Demand	
Systematization of jobs and job ads published on institutional websites/ Public procurement procedures and calls published on institutional websites/Sector-specific regulations and standards the public enterprises and institutes adhere to published on their institutional websites	The City Administration actively engages citizens and service users in its oversight of operations of city-level public enterprises and institutes and assessments of delivery of public services (consultations, hearings, focus groups, surveys, participatory planning, (.etc	The City Administration uses citizens'/service users' input for oversight, sanctions and design of policies to improve public service delivery	Citizens, CSOs, and media monitor operations and practices of public enterprises and institutes and report mismanagement and problems to the city administration and other relevant public authorities (prosecutor's office, (.inspectors, etc
Information on grievance system (procedures, forms, etc.) available through offline (info centers, all facilities) and online tools (websites, social media	Grievance system established (norms, procedures, forms, staff, (.funds, etc	Grievances addressed in a timely and accurate manner and feedback from grievance system (including Centar 72) analyzed systematically and used for M&E and improvement of operations and services	Citizens, CSOs, and media use the grievance systems to submit their complaints and feedback
Public enterprises and institutes share information on their M&E activities and their results (procedures, indicators, results of citizen satisfaction (.surveys, etc	Public enterprises and institutes create activities through which they engage citizens/service users/CSOs/media in monitoring or evaluation of their services and operations	Public enterprises and institutes use input from citizens and CSOs that are part of their M&E activities in order to improve their services, policies, and procedures	Citizens, CSOs, and media participate in or instigate collaborative projects with local government institutions, including public enterprises and institutes, or develop independent projects through which they monitor and evaluate public service delivery

While the results of assessments based on these three frameworks are for the most part presented separately in the following chapters, the research methods employed combined data collection processes, i.e. the survey, interviews, and discussions included questions related to indicators in all frameworks. This approach provided insights into how different institutional arrangements, whose aim is to perform the functions of public oversight, are and can be interconnected.



M&E IN PUBLIC ENTERPRISES AND INSTITUTES IN THE CITY OF TUZLA

III M&E in Public Enterprises and Institutes in the City of Tuzla

In the past two decades, the city of Tuzla has taken a proactive role in resolving the ownership status of many socially-owned enterprises that operated in its territory under the self-organization principle in the former Yugoslavia. After the breakup of Yugoslavia and immediately after the conflict ceased in BiH, this principle was abandoned and the process of privatization began nationally and was implemented through entity and cantonal agencies. Many socially-owned enterprises were transformed into private companies, including several communal public enterprises whose founder was the Municipality of Tuzla. Opposing this process, the Municipality of Tuzla annulled the privatization of these utility enterprises through a court process. Since then, these enterprises operate at the city level and have different ownership structures. Moreover, some enterprises and institutes, although public, completely self-finance their operations and services, such as Centralno Grijanje and Gradske Apoteke. Thus, status as a public institution does not guarantee access to public funding. According to the entity-level regulation, public enterprises are companies that perform activities of public interest, employ at least 50 workers, and are established by entity, cantonal, city, or municipal authorities, or the authorities own at least 50% of the company's shares.¹⁵ Similarly, public institutes are established by governmental authorities, including cities and municipalities, and perform activities of public interest.¹⁶ On the city-level in Tuzla, public enterprises and institutes are established by the City Council, which acts as the main oversight authority of their operations.¹⁷ The city of Tuzla currently has 21 such institutions: 12 public enterprises and 9 public institutes, details of which are shown in table 5 below.

Table 5: Public Enterprises and Institutes Established by the City of Tuzla

Institution	Services	Type	No. of employees	ICT tools
Komunalac	Garbage disposal, recycling, park management, cleaning	Public enterprise-limited liability company	282	www.komunalactz.com.ba E-Bill for Businesses
Pannonica	Swimming pools, museum, archeological site	Public enterprise-joint stock company	full 43 time (cca 150 seasonal)	http://panonika.ba
Commemorative Center Tuzla (Komemorativni Centar - CC Tuzla)	Funeral services	Public communal enterprise	56	http://komemorativni-centar.ba
Water and sewage (Vodovod i Kanalizacija - ViK)	Water supply and sewage	Public communal enterprise	245	http://viktuzla.ba Report Malfunction
Central heating (Centralno grijanje – CG)	Heating	Public enterprise-joint stock company	18?	http://www.grijanjetuzla.ba
Center for Social Work (Centar za Socijali Rad – CSR)	Social protection and aid	Public institute	33	www.csrtuzla.ba
RTV7	Radio, television, marketing	Public enterprise-limited liability company	31	http://rtv7.ba
“Nase dijete”	Preschool education	Public institute	127	www.nasedijete.ba

15. *Law on Public Enterprises in Federation of Bosnia and Herzegovina* (Official Gazette of the FBiH no. 8/05, 81/08, 22/09, and 109/12).

16. *Law on Institutes* (Official Gazette of the Republic of BiH no. 6/92, 8/93 and 13/94).

17. *Law on Principles of Local Self-Governance in FBiH* (Official Gazette of the FBiH no. 49/06); *Statutory Decision on the Organization of the City of Tuzla in accordance with the Law on the City of Tuzla* (Official Gazette of City of Tuzla 01/2014).

18. Centralno grijanje did not provide information on its number of employees although multiple inquiries have been made by the research team.

Institution	Services	Type	No. of employees	ICT tools
City stadium Tusanj (Gradski stadion Tusanj)	Sport facilities and activities	Public institute	10	http://stadiontusanj.ba
City pharmacies (Gradske Apoteke Tuzla)	Pharmaceutical products	Public health institute	68	https://apoteke-tuzla.ba
Elderly home (Dom penzionera)	Elderly care and hotel	Public institute	65	https://dompenzionera.ba
National and University Library Dervis Susic ¹⁹	Library	Public institute	30	https://www.nubt.ba
Health Center Dr Mustafa Sehovic	Health care	Public health institute	700	www.dztuzla.ba
Veterinary Station Tuzla	Veterinary	Public enterprise	10	http://vstuzla.ba Schedule vet examination
BIT Centar	ICT incubator and research center	Public enterprise-joint stock company	3	www.bitcentar.com
Cultural Center ²⁰	Youth education, culture, and art	Public institute	25	http://dommladihtuzla.ba www.galerijaportreta.ba
National Theater Tuzla	Culture and art	Public institute	44	http://nptz.ba
Farmer's Markets (Trznice-Pijace doo)	Local marketplace facilities	Public enterprise-limited liability company	34	http://trznicetuzla.ba
Traffic and communications (Saobraćaj i Komunikacije Tuzla - SIKTZ)	Parking, street signalization, Wireless City maintenance, video surveillance	Public enterprise-limited liability company	37	http://siktz.ba
RPC Inkubator Lipnica	Support for SME development	Public enterprise-limited liability company	9	www.rpctuzla.ba
SKPC Međdan	Sport, culture, business facilities, and services	Public enterprise-limited liability company	30	http://mejdan.ba

Each public enterprise and institute established has a specific mission and objectives it needs to achieve. The question from an M&E point of view is whether and how these institutions monitor and evaluate that they are delivering the outputs and outcomes needed to achieve their objectives. As these institutions are public, both internal and external M&E processes apply, as in addition to each institution's internal M&E, the city council and city administration monitor and evaluate how these institutions operate, and deliver their services.

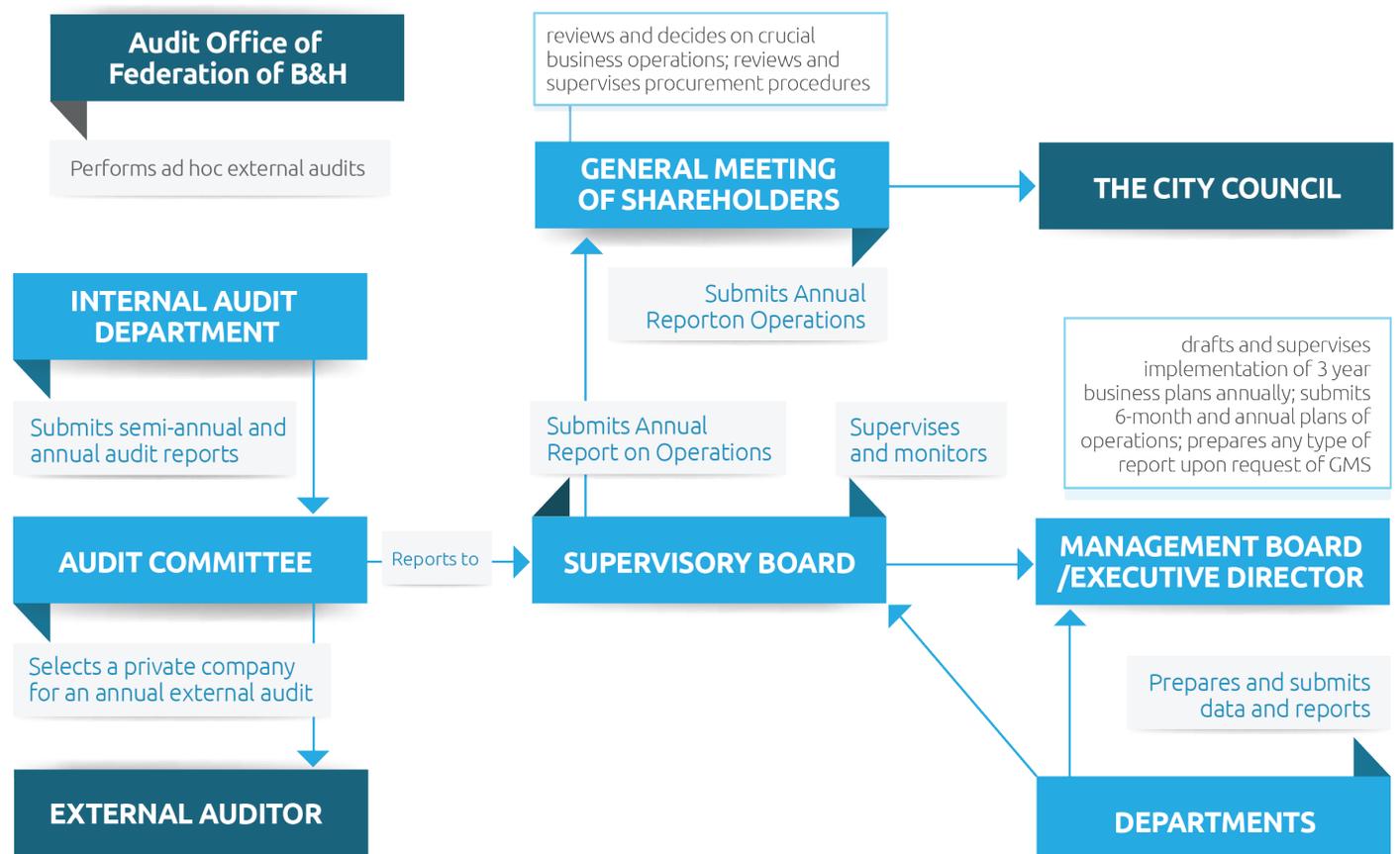
19. The National and University Library "Dervis Susic" and the National Theater Tuzla ownerships are currently shared between the city of Tuzla and the Tuzla-Podrinje Canton.

20. During the course of research done in late 2017, two public institutes - the Youth Center Tuzla and the International Gallery of Portraits – were joined together into a single institution.

The M&E of and within public enterprises and institutes in the city of Tuzla takes place as part of a complex regulatory-institutional framework that structures the establishment and operations of all public institutions in a similar manner, yet incorporates specific rules for institutions working in certain sectors or for the services they provide (communal, education, culture, media, transportation, etc.). This general framework is set at the entity level of the FBiH, which is then replicated and further detailed at the city level. Finally, public enterprises and institutes can further customize their internal M&E as long as they comply with the general framework. This means that the M&E format is standardized and stipulates minimum requirements, but its content differs slightly in practice depending on the sector or authorities involved. Standardization of M&E processes and formats would enable more efficient systematic monitoring and comparison, which was emphasized by representatives of public enterprises and institutes. It is important to emphasize that M&E in public institutions takes place via a process implemented by several departments within an institution, which differs somewhat from the M&E implemented by international organizations or local CSOs, which is often project-based. However, public enterprises and institutes do implement externally-funded projects, for which they occasionally have to implement additional M&E activities.

The city of Tuzla does not have specific M&E policies or specialized acts, but rather the M&E pertaining to public enterprises and institutes is part of the policies regulating: (i) the operations of public enterprises and institutes; (ii) auditing; and (iii) public oversight through the local democratic governance system of checks and balances. These policies determine what kind of M&E takes place, who conducts it, what the outputs of such activities should be, and to whom the results are reported (see graph 2 for an illustration of the framework). An overview of M&E as a result of regulations governing auditing and public institutions' operations is provided below, while M&E as part of public oversight is addressed in the following section.

Graph 2: Monitoring and Evaluation Processes in and of Public Enterprises in the FBiH



The key bodies involved in the internal M&E processes of public enterprises are the Supervisory Board, the Audit Committee, and the Internal Audit Department.²¹ The Audit Committee is obliged to submit monthly reports to the Supervisory Board, which should regularly review internal procedures, operations, and spending. Along with audit bodies, the Supervisory Board should continuously implement and supervise internal controls, defined as the organization of policies and procedures set up to ensure that: (i) public enterprise programs achieve their targeted results; (ii) the resources for these programs are used in a manner consistent with the stated objectives of the organization; (iii) the programs are protected from fraud and mismanagement; and (iv) the company's records are properly prepared, reliable, accurate, and used for decision making. Supervision authority implies a detailed and systematic supervision of the performance of any task or duty of a responsible person, or the activities of a public enterprise. The aim of supervision is to identify and report to the authorities any possible fraud or other illegal activities, and initiate disciplinary proceedings to sanction and dismiss responsible persons who have committed an offense in relation to their duties and tasks. These provisions are regulated by the FBiH Law on Public Enterprises. Additional requirements in terms of internal control mechanisms and M&E are defined by the FBiH Law on Business Companies and the FBiH Law on Accounting and Auditing.

In public enterprises, the Management Board is in charge of developing and monitoring the realization of a three-year business plan. The plan is put to the Supervisory Board and then the General Meeting of Shareholders for their approval. The head of the Internal Audit Department then has to submit the plan to the Audit Office of Federation of BiH while the Executive Director must present it to the City Council for approval. To allow public enterprises to adapt to commercial market developments, changes to their business plans can be included in their annual plans and reports, which must be submitted following the above procedure. The annual plan and staffing plan (referred to as the "systematization of jobs"), and the goals they set out, serve as benchmarks for the internal and external audit reports. Annual plans set public enterprises' operational objectives and spending, while the systematization of jobs sets out the hiring plan based on annual operational plans. Similarly, the annual operational and financial report is prepared and submitted to the Supervisory Board, and then forwarded to the General Meeting of Shareholders for adoption and then to the City Council. In Tuzla, the annual plans and operational reports are also submitted to the Mayor's Collegium.

In terms of the content of M&E, it is important to emphasize that the aforementioned procedures and obligations describe the governmental audit system, which incorporates M&E as part of its framework. These regulatory obligations set the minimum monitoring standards (for physical and financial monitoring), and leave other types of M&E analyses at the disposal of all relevant stakeholders if needed or interested.²² This means that public enterprises and institutes, as well as external audit bodies, must perform financial and physical monitoring in the form of the annual financial and operational reporting, but can also engage in other forms of substantive M&E.

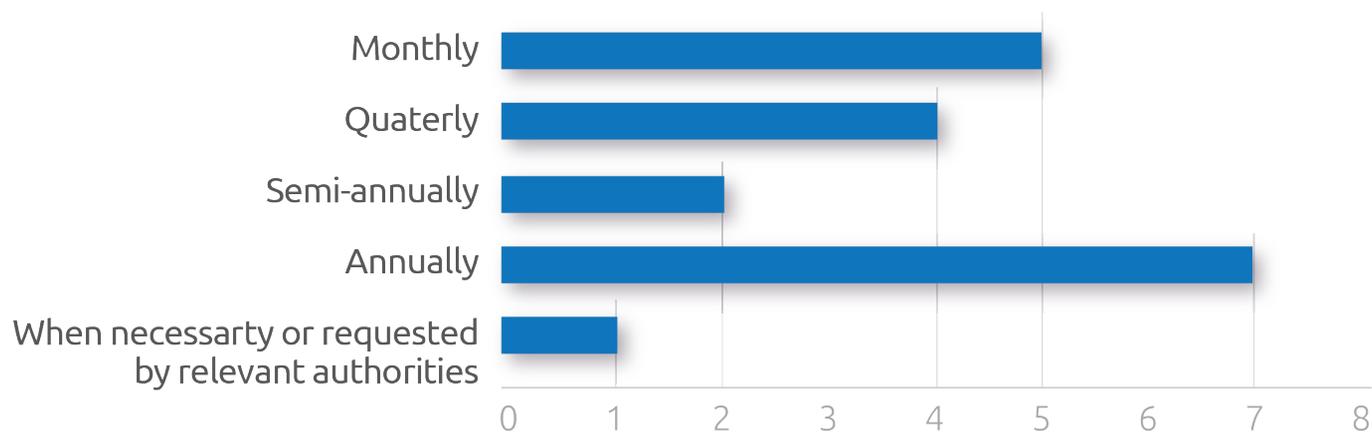
The research conducted during the course of this study found that most public enterprises and institutes comply with these minimum monitoring standards. However, there is a wide variation with regard to the performance of additional monitoring. Some institutions have developed internal monitoring procedures, including obligatory weekly reporting by their employees. Some companies use monthly and semi-annual monitoring to continuously follow company performance and the provision of services, and as such serve as input for improvement plans. Graph 3 shows how often public enterprises prepare M&E reports (survey participants could select all applicable options) and illustrates that most enterprises and institutions conduct this kind of analysis only annually.

The study found that the M&E processes within these institutions, as well as the reporting formats, are not completely consistent. The quality of these processes also differs. In the response to the survey question regarding how enterprises and institutes monitor their performance and which indicators they use, some gave very specific baselines and measures, while others mentioned very general output indicators. Furthermore, it is evident from the reviewed annual financial and operational reports, as well as the external audit reports, that city-level public enterprises and institutes provide mainly descriptive data on their operations and outputs, rather than measuring them against outcomes or objectives.

21. *Institutions with less than 100 employees do not have to establish an Internal Audit Department. Their Audit Committee will hire external auditors to prepare audit reports.*

22. *For detailed information on types of audits and their descriptions see [Types of audits](#).*

Graph 3: How Frequently M&E Reports are Prepared



One such example is the practice of enterprises and institutes to measure their performance by comparing their outputs year-on-year. Considering the logic of this approach, reports indicate constant improvements; however in practice, such information does not mean much if it is not connected to a specific objective. Also, in many cases indicators for outputs are focused more on internal work processes than on actual services. It is unclear how external stakeholders can evaluate the performance of enterprises and institutes or formulate context-based policies and measures without objectives. In many cases, initiatives for specific policy measures arise only when citizens/service users express their dissatisfaction through the media.

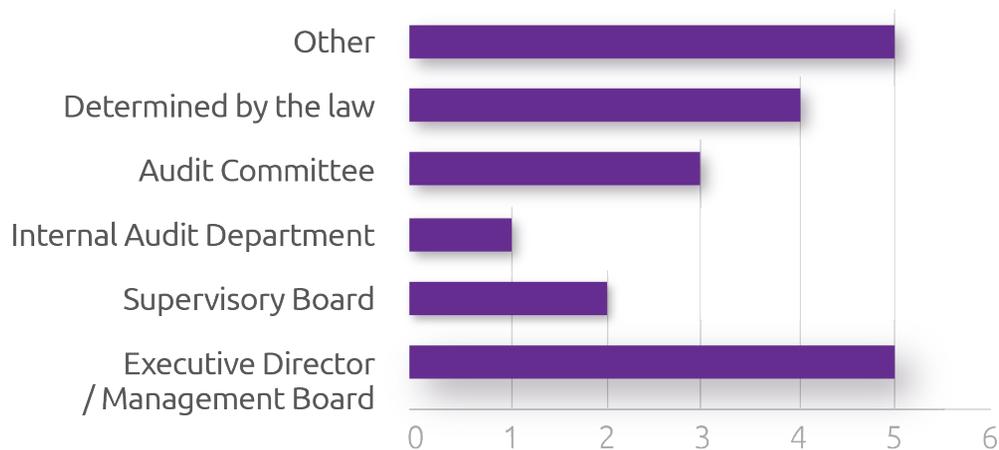
One such issue in recent years has been the employment practices of public institutions. Criticism of these practices is not unique to city-level enterprises and institutes in Tuzla, but is directed at all public institutions in the country. This was a prominent issue among citizens who participated in the research, especially among youth. The results of the focus groups and in-depth interviews conducted in May and June 2016 clearly indicated citizens' dissatisfaction with the prevalent practice of public enterprises and institutes to hire employees through informal family and political connections. However, public enterprises and institutes have a social and economic potential and can positively affect local development and employment. Employment in this sector should not present a problem if it is based on business development plans, as well as on the expansion and improvement of public service provision, thereby the increased number of users and revenues. Additionally, public companies and institutes have a role in addressing social policy issues and their employment practices of hiring individuals from marginalized communities can help reduce poverty and discrimination. However, hiring that is not aligned with business plans and the systematization of jobs is damaging to the public enterprises, citizens, and society as a whole in the long term. In order to cover the salaries of surplus employees, public enterprises have to raise the prices of their services. This practice negatively affects the spending and development of the private sector, thereby impeding overall economic development.

This issue makes it apparent that the objects of M&E in public enterprises and institutes should not be solely public services, but should include all types of resources managed by these institutions:

- **Public services**
- **Financial assets**
- **Leadership functions**
- **Employees/human capital**
- **Facilities and other types of immovable property**
- **Equipment and other types of movable property**

These objects are assets of value that are vulnerable to mismanagement and fraud. Furthermore, these resources have great social and economic potential in addressing the needs of local communities, and their efficient utilization is an important aspect of governance. Thus, the primary aim of any improvement in M&E in the city of Tuzla should be to control institutional operations in order to decrease the chances of corruption, nepotism, and the misuse of any resources managed by public enterprises and institutes, including public jobs. The BiH Law on Public Procurement requires public institutions to post their annual procurement plans, and their reports on the realization of procurement contracts on their websites. Our review of websites and annual reports of public enterprises and institutes in the city of Tuzla indicates that institutions partially adhere to this public procurement reporting requirement. Most institutions respect this obligation, but their reporting is inconsistent or incomplete in terms of where, what, and when such information is published.

Graph 4: Who Decides on M&E Indicators²³



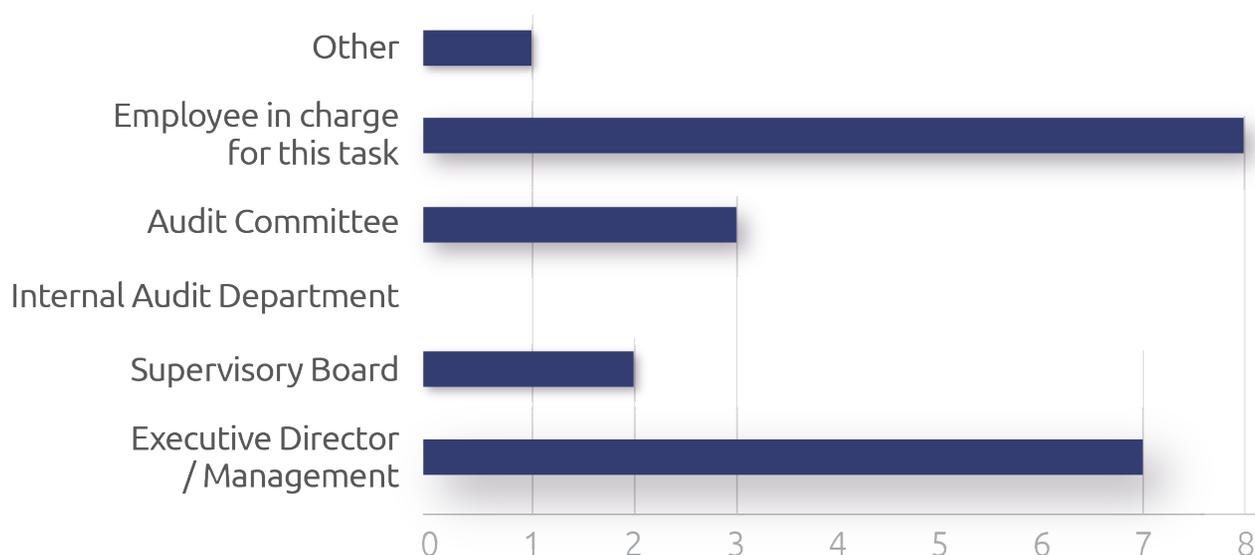
While access to this type of information makes decision making regarding financial assets more transparent and helps to prevent the potential misuse of public funds, decision making on the management of human capital (i.e. employment practices) is not so easily made visible. Certain M&E obligations are stipulated by the Labor Code of the FBiH, which obliges public institutions to record the number, occupational, and educational structure of their staff. Furthermore, public institutions are obliged to develop operational plans, and based on those to create a systematization of jobs, which serves as the basis for employment practices. Practices among institutions differ greatly: while some include and publish this type of information on their websites and in their annual reports, most omit these facts. Although the existing obligatory reporting in terms of systematization requires that enterprises and institutes provide descriptive statistics and adopt rulebooks on systematization, it does not create a strong obligation in terms of business planning and careful workforce needs assessments. Thus, the city of Tuzla could develop its own policies in this regard in order to ensure efficient and transparent hiring procedures in public enterprises and institutes. In addition, public visibility of hiring and systematization procedures needs to be improved. Only a few public enterprises and institutes provided the number of employees and their rulebooks on the systematization of jobs on their websites or in their annual operational reports.

Our research found that extensive differences exist among public enterprises and institutes in terms of M&E. Institutions that follow modern management practices, and especially those that have adopted or strive to adopt international standards and certifications, tend to outperform their counterparts in terms of M&E and service delivery. Such examples are Vodovod i Kanalizacija and the health center Dr Mustafa Sehovic. This seems to be the result of proactive management, especially on the part of Executive Directors, who define the organizational culture in terms of performance and overall scrutiny. This fact showcases the importance of leadership in instigating M&E activities that can provide substantial input for planning and accountability. The survey and interviews indicated that in practice, management takes the lead role in the preparation of M&E reports on institutional operations, performance, and services (see graph 5). Therefore, despite the regulatory obligation that positions the Supervisory Board and Audit Committee/Department as the central bodies for M&E, this function is actually performed by management.

23. The Public Administration Reform Coordinator's Office, the Audit Office of the FBiH, the Association of Municipalities and Cities of FBiH, as well as other public institutions whose work refers to the public administration reforms and audit, as well as various international and local organizations sometimes organize such trainings but not regularly.

Furthermore, the survey indicates that M&E capacities vary greatly among public enterprises and institutes. Despite the fact that all survey respondents describe their M&E performance as either “Excellent” or “Great”, most of them stated that they lacked capacity in terms of staff and financial resources. More than half of survey respondents indicated that they did not participate in any M&E training.²⁴ It is important to emphasize that M&E is regarded primarily from the viewpoint of the entity-level minimum monitoring standards as described above. Capacities for conducting evaluations, and particularly impact evaluations, are lacking since in most cases when such analyses are needed—when projects are externally funded—they are performed by external consultants. The missing link between objectives, outputs, and outcomes in operational reports further supports this proposition.

Graph 5: Who is in Charge of the Preparation of M&E Reports?



24. The Public Administration Reform Coordinator’s Office, the Audit Office of the FBiH, the Association of Municipalities and Cities of FBiH, as well as other public institutions whose work refers to the public administration reforms and audit, as well as various international and local organizations sometimes organize such trainings but not regularly.

IV

**M&E AND EXTERNAL
PUBLIC OVERSIGHT**

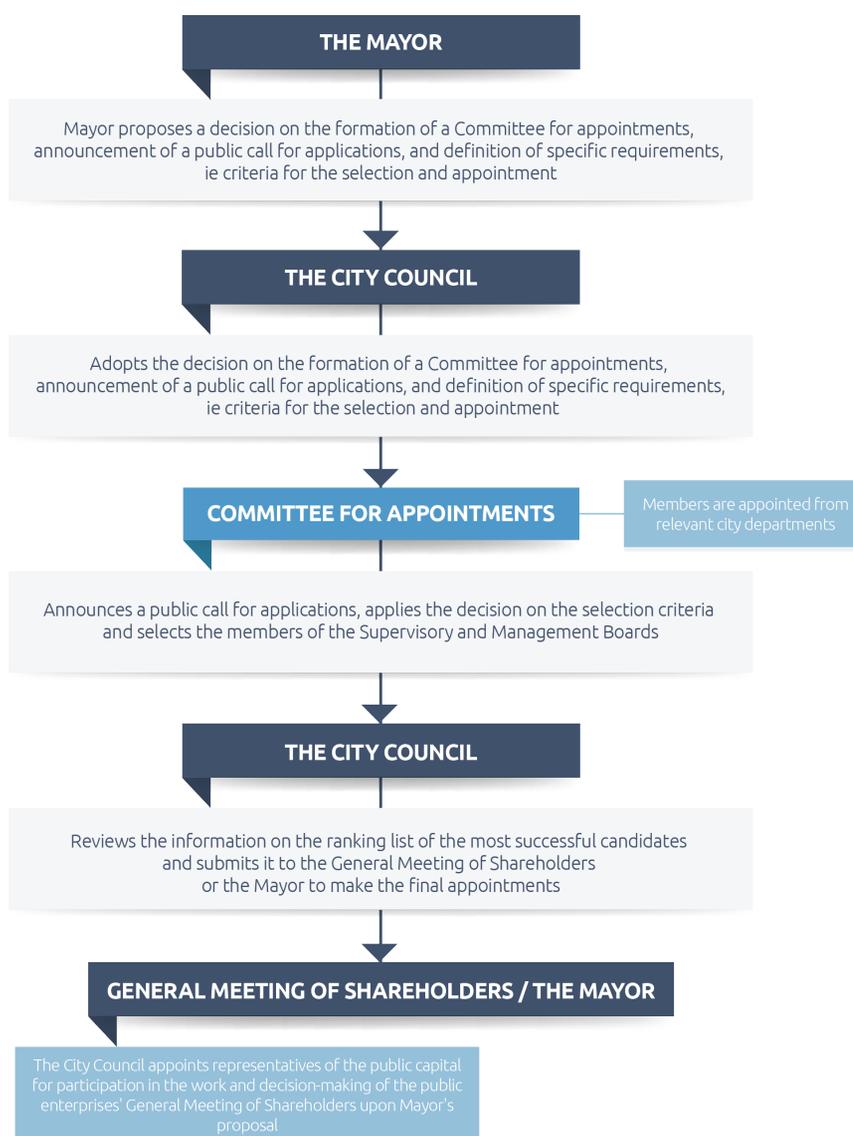
IV M&E and External Public Oversight

Considering that public enterprises and institutes are established by the City Council, and their establishment is based on identified public needs and objectives, their plans and operations ought to be closely monitored and evaluated by city-level authorities. Moreover, the M&E regulatory framework described above requires the submission and review of annual plans and operational reports to the City Council. In addition, the Audit Office of the FBiH has the authority to conduct occasional evaluations of public institutions. This section briefly describes the processes and mechanisms in place.

The City Council

As the founding body for city-level public enterprises and institutes, the City Council has the main function for formation of management in these institutions and oversight of their ongoing operations. Foremost, the City Council participates in the election of members of the Supervisory Boards of public enterprises and the Management Boards of public institutes through open application procedures²⁵, and it can initiate and request accountability assessments. Based on the proposal of the relevant city departments, the Mayor initiates and finalizes the appointment procedure of election of supervisory and management boards, while the City Council is in charge of this process through a committee which includes representatives of relevant city departments.

Graph 6: Appointment procedure for members of Supervisory Boards of public enterprises and Boards of Directors of public institutes



25. In accordance with the Decision on the procedure for the election and final appointment of members of management bodies in public enterprises, public communal enterprises, public institutes, public institutes for pre-school education and health institutes founded or co-founded by the City of Tuzla (Official Gazette of the City of Tuzla No. 11/15).

As for the oversight of operations of public enterprises and institutes, as mentioned earlier, these institutions are obliged to submit their annual plans, and operational and financial reports to the City Council. The relevant council committees review and evaluate these plans and reports in their meetings, with reports adopted in the Plenary Session. These meetings and sessions are public, aside from rare cases, which are stipulated in the rulebook of the City Council. Councilors and representatives from public enterprises and institutes engage in lengthy discussions during sessions when reports are reviewed. Discussions are followed by the adoption of conclusions. Conclusions from the previous year are reviewed as well in order to monitor whether the enterprise or institute has addressed them. However, this approach often relies on qualitative judgements and information on already existing problems. Therefore, the aforementioned methodology would be improved by incorporating information from substantive evaluations that could be conducted by the City Administration or City Council support staff in order to provide more detailed information to councilors regarding the quality of the operations and services of public enterprises and institutes, which could help them to make more informed decisions and strengthen overall accountability. Moreover, such change would mean that public oversight would have a more proactive role in managing city resources, since it would allow relevant decision makers to identify systemic issues and address them through policy changes, instead of addressing individual problems ad hoc as they arise.

In addition to the annual review of plans and reports, councilors can raise issues and submit questions regarding the work and operations of public enterprises and institutes through the tool “Councilor questions”, whereby these institutions have to prepare written responses or their representatives must provide a reply during the Council’s session. Often the questions relate to issues that councilors’ communities and electorates have identified.

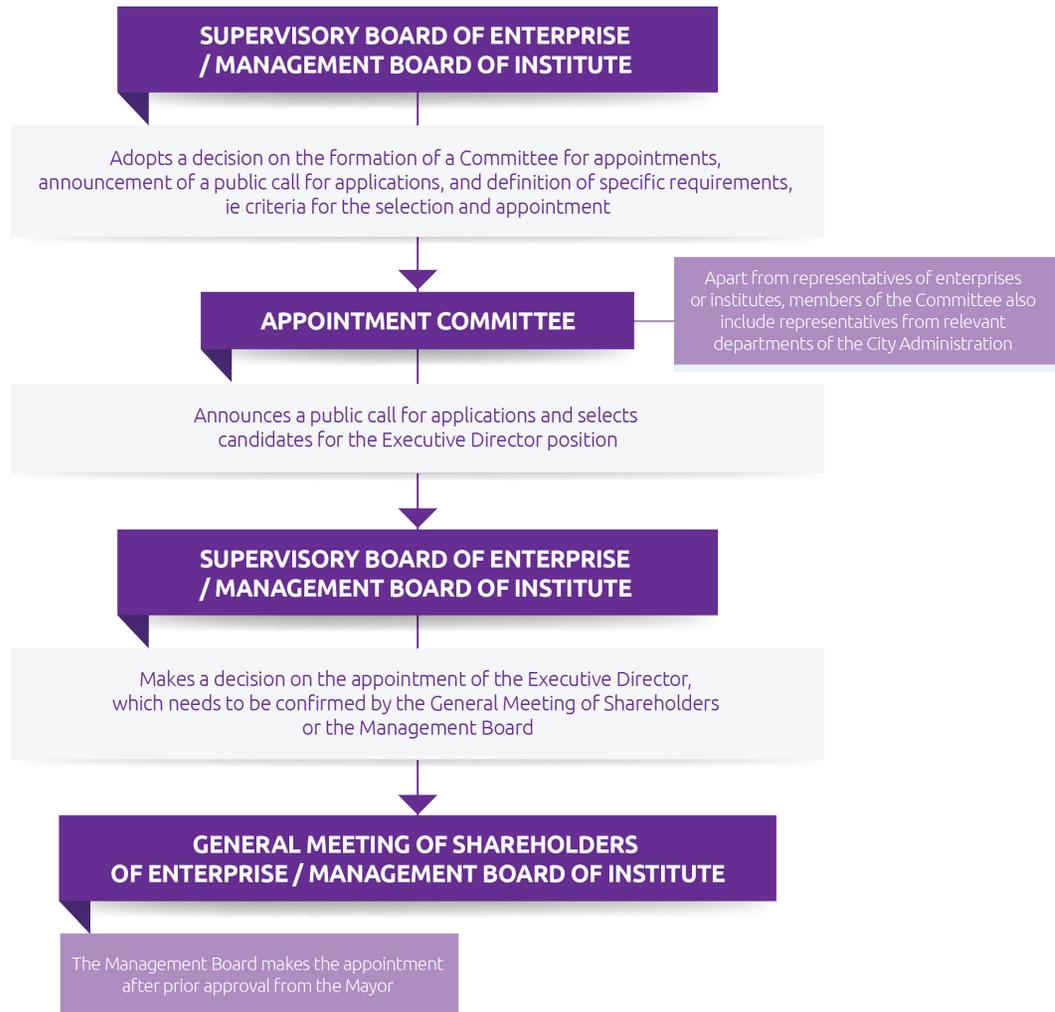
The City Council also has the right to organize public consultations and hearings on any issue or policy it finds important, including on any aspect of public service delivery. However, in practice, this tool seems to be used only sporadically.

The City Administration

Through its various departments, the City Administration also has external M&E authority over city-level public enterprises and institutes. [Its departments and offices](#), including its inspectorates, monitor the provision of public services and coordinate policy development with different stakeholders. Moreover, the Department for Economic Development and Social Affairs, and the Department for Communal Affairs and Development and Affairs of Local Neighborhoods (mjesne zajednice) are in charge of monitoring the operations of city-level public institutions. In addition, the Mayor’s Collegium reviews the annual plans and operational reports of public enterprises and institutes, and can propose policies or issues for consideration by the City Council as its founder.

The City Administration and the Mayor have a role in selection and appointments of the management of public enterprises and institutes through participation in the processes of appointments of Executive Directors and members of Supervisory Boards of enterprises and Management Boards of institutes. As shown in Graph 7. the procedure for appointment of members of the management bodies takes place through an application procedures and committees composed of representatives of relevant city departments, while the Mayor approves and forwards the proposal for approval to the City Council. Representatives of the City Administration also participate in Committees for election and appointment of Executive Directors of public enterprises and institutes, while the Mayor approves the appointment of the Executive Directors of public institutes.

Graph 7: Appointment procedure for Executive Directors of public enterprises and institutes



In terms of the City Administration's M&E of public enterprises and institutes, it generally addresses issues individually, usually involving only monitoring activities, with evaluations done rarely. However, this practice seems to be changing, as the City Administration has expressed interest in conducting its own public service evaluations and has participated in city-level assessments of the quality of public services twice as part of externally-funded projects. Currently, the city of Tuzla participates in the national [Municipal Environmental and Economic Governance \(MEG\) Project](#) implemented by the United Nations Development Programme in BiH and financed by the Government of Switzerland, through which a methodology for the assessment of city-level public services was developed, with an assessment conducted in October and November 2016 and February 2018. To measure citizens' satisfaction with different services the city provides, 400 participants were surveyed as they were the leaving premises of public service providers. The [results of this research](#) have been published on the city's website. The city aims to independently incorporate this methodology into its policies and to conduct regular assessments on its own.

Another tool that has been adopted recently by the City Administration is the [EthicalLine](#). This is an independent open online communication mechanism through which anyone can report any type of irregularity or misuse of public office. The system offers anonymity to reporters of incidents, and the information is sent directly to the Mayor's office. The city of Tuzla is one of seven public governance institutions in BiH that has adopted this system to help to foster the integrity of public office holders. While this tool offers insights into the performance of public officials, analysis of the collected data can also provide insights into systemic issues and indicate the need for particular policies to hinder corruption and fraud. M&E of corruption and fraud is particularly relevant, as it continues to present a serious impediment to political and economic stability in the country. Moreover, citizens, civil society representatives, and experts who participated in focus groups, in-depth interviews and workshops cited corruption as the most serious problem and obstacle to SA and overall public trust in the city, which can be a reflection of the general perception of corruption in BiH given that very few citizens have corruption via the Ethics line or some other channels of communication.

One of the issues the City Administration highlighted during the research is that a large percentage of M&E-related legislation is adopted at the federal level, with policy solutions prepared by people who do not have insights into local-level governance and issues. Moreover, laws are adopted with little involvement by or consultation with local-level officials or sector experts. As a result, the City Administration finds that it is left with policies that cannot be changed and do not address local-level needs, possibilities, or interests. This needs to change if improvement of M&E policies and other legislation at the local level is to happen. Adoption of policies on the federal and cantonal level should involve local governments and subject matter experts.

The Audit Office of the FBiH

Entity-level auditing of public enterprises and institutes is another form of external M&E. The Audit Office of the FBiH audits all public institutions in the entity, including city-level organizations. According to the law, the Audit Office is entitled to perform all types of audits, including financial audits and impact evaluations. However, in practice, the Audit Office primarily conducts financial audits of public institutions, and some impact evaluations that pertain to certain sectors or specific issues of interest to the entire entity.²⁶ Thus, public enterprises in the city of Tuzla have been subjected mainly to financial audits. In fact, according to the research results of this study, out of 21 city-level public enterprises and institutes, only three public enterprises have been audited (Vodovod i Kanalizacija in 2004, 2008, and 2012, Centralno Grijanje in 2008, and Komunalac in 2016), with one enterprise being audited three times. Additionally, the city of Tuzla itself was audited in 2012—at the time when it was still operating as a municipality. In addition to accounting and financial analysis, these audit reports include information on the system of internal audit and controls, as well as a short review of annual planning and reporting in order to assess adherence to the minimum standards as defined by the FBiH Law on Public Enterprises and the FBiH Law on Business Companies. Evidently, this form of external auditing has limited impact on the operations of public institutions as it is conducted rarely, focuses primarily on financial operations, and, even when mismanagement has been identified, there are seldom any follow-up actions taken by the relevant authorities (e.g. prosecutors, inspectorates, etc.).²⁷

Furthermore, it is unclear whether the City Council, the media, or any other organization uses these reports in order to inform their work or demand accountability.

Our research found that the Audit Office of the FBiH's reports pertaining to city-level institutions in Tuzla highlighted following issues as problematic.²⁸

- Systems of internal audit, although existing, are not fully structured or complete, and as such do not comply with the regulations. For example, the 2012 audit report for Vodovod i Kanalizacija finds that the system of internal controls is set up but the enterprise does not have an Audit Committee or Internal Audit Department established. Another example is the 2008 audit report for Centralno Grijanje, in which several decisions on donations, salaries, and public procurement were made without the involvement of the Supervisory Board.
- Operational plans and reports are prepared but they are often based on non-existent documentation or proper systematization plans, and unclear or unresolved property rights, balances, etc. In some cases, operational plans are not submitted to external authorities for their approval.
- Financial reports do not reflect the actual state of accounts and property rights.
- Conflicts of interest are often present but remain unresolved.
- Public procurement regulations are not complied with in full.
- Requirements on systematization and descriptions of jobs and employment plans are not complied with and enterprises have a surplus of employees. For example, the 2016 audit report for Komunalac found that the company's rulebook for the internal organization and systematization of jobs is not in line with the new Labor Code.²⁹

26. For example, the evaluation [Certain measures of the Federal Waste Management Plan have not been implemented within the set deadlines](#) analyzes the implementation of waste management and recycling policies in 10 cantons, cities and municipalities in the entity. As such, it deals very briefly with the situation in the city of Tuzla, only providing information that the Waste Management Plan has not been adopted in the city, and the amount of recycling.

27. Moreover, the analysis of performance of auditing institutions in BiH indicates that audit institutions themselves do not operate in a transparent and efficient manner. A report by Transparency International prepared by an audit institution insider showcases why this is the case. See Susnica, Srdjan. [Monitoring of performance of public sector audit institutions for the period 2011-2012](#). Transparency International B&H. Banja Luka, August 2013.

28. The above list does not include all issues identified in public enterprises, but indicates the most prevalent ones found in existing audit reports prepared by an external institution. For additional insight into the most common mismanagement practices in the public sector, please see pages 16-19 of the Transparency International report [Monitoring of performance of public sector audit institutions for the period 2011-2012](#).

29. Amendments to the Komunalac's rulebook for the internal organization and systematization of jobs are currently in progress.



**GRIEVANCE SYSTEM:
APPLIED TOOL FOR
M&E AND SOCIAL
ACCOUNTABILITY**

V Grievance System: Applied Tool for M&E and Social Accountability

This section reviews the grievance system set up in public enterprises and institutes in the city of Tuzla. Considering that this is a mechanism through which citizens and service users can directly communicate to public institutions and provide their feedback on services or resolve issues that arise in connection with service delivery, a grievance system is crucial, because it has important effects on SA and M&E. Moreover, its proper use can strengthen both aspects of good governance, especially if data collected from the system is analyzed and addressed systematically.

The appeal system in FBiH is regulated differently for i) administrative bodies - in this case for the City Council and the City Administration - and ii) for the institutions they establish, i.e. for public enterprises and institutions. The general rules on the appeal/complaint system for administrative bodies are set out at the entity level through the FBiH Law on Administrative Procedure, which regulates communication between public institutions, and citizens and legal entities. Thus, public institutions are obliged to handle any form of communication coming from citizens or service users in the manner stipulated under the Law on Administrative Procedures: complaints, pleas, requests, etc.³⁰ However, the appeal/complaint/redressal system procedure in public companies and institutions is regulated by the Law on Consumer Protection in BiH in the form of i) reclamations that are sent to companies or institutions that sell certain goods or provide specific services, as well as ii) requests sent to inspections which can issue certain administrative measures. Complaints/reclamations are to be made in writing and submitted to service provider within eight days. Citizens and service users can express their complaints or reclamations in most cases through written communication to public enterprises and institutes in the city of Tuzla: either by submitting their written complaint in person or by sending it by post. Few public enterprises review and address citizens' and service users' complaints received via email (only four indicated that they do so in the survey). All written complaints are handled by protocol departments. In some instances, citizens can submit their complaints verbally. Several public enterprises in the city of Tuzla have set up info desks, consumer centers, or other types of offices that directly provide information to citizens upon request, and receive their complaints and forward them to the relevant department within the company. Since 2015, Vodovod i Kanalizacija (water and sewage), Centralno Grijanje (heating), Komunalac (garbage disposal and parks), Komemorativni Centar (funeral center), and Naše dijete (kindergartens) have information desks in the same place—the Info Center located in the center of the city. At the Info Center, citizens can submit questions and complaints, make suggestions and appeals, and pay bills without processing fees.

An additional form of grievance mechanism, according to the Law on Administrative Procedures, are complaint books. Namely, administrative bodies should have in their public facilities a complaint book available and located in a visible place where citizens and consumers come in, which can be used for general complaints and feedback. There citizens can record any form of complaint anonymously in writing. However, The Law on Consumer Protection in BiH does not establish similar mechanism for sellers of goods and services, and therefore public enterprises and institutions in the Federation of BiH are not obliged to adopt this mechanism, although in the other entity, the Law on Consumer Protection in Republika Srpska requires that sellers have Reclamation Books which consumers can use to file their complaints /reclamation on the spot and to which seller must respond within eight days.

An analysis of the grievance system in the city of Tuzla as it is applied in its enterprises and institutes indicates that most institutions have set up some form of grievance mechanism. However, their practices, procedures, and the forms in which citizens can submit grievances/complaints/reclamations or other communication, differ quite a bit. This means that citizens have to inform themselves about the various institutions' rules, their rights, and how to access them. Furthermore, only seven enterprises and institutes out of the 13 institutions that participated in the survey have adopted internal procedures on the grievance system within their organization. These procedures are quite important as they guarantee fairness, timely response, transparency, and impartiality in how complaints are addressed.

30. For a detailed description of the grievance/complaint procedure system, please see Hadzimusic, Mensur. [Communication between administrative authorities and external parties in deciding on administrative matters and practical examples of administrative and other acts.](#) Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina. Sarajevo, December 2011.

Thus, the research conducted implies that the city of Tuzla does not provide a harmonized and straightforward grievance framework for communication and redressal between citizens, and its public enterprises and institutes; neither is it clear how the City Council or City Administration ensures equal, fair, and transparent treatment of citizens and service users by its service providers. The survey responses indicate that in 90% of cases, public enterprises and institutes analyze received complaints and other communication from citizens individually, i.e. they address them on a case-by-case basis, but only two institutions have indicated that they combine received citizen complaints and analyze them collectively in order to identify systemic problems, which they later attempt to address through changes in procedures and practices. Information on grievances/complaints/reclamations is not included in annual operational reports.

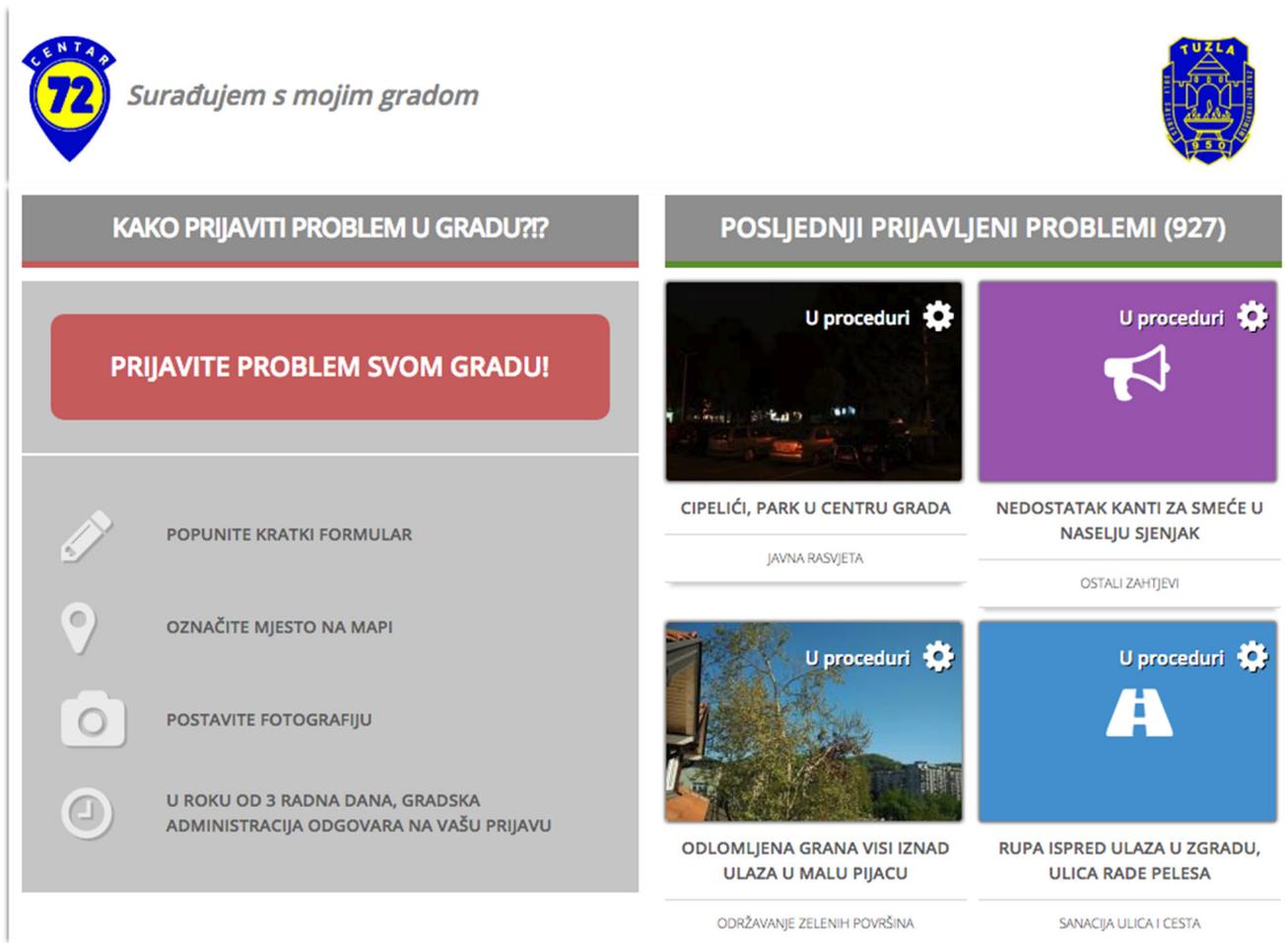
In the system of consumer protection, associations of consumers have a special role. Citizens can seek assistance from these organization to protect their rights. Associations of consumers can communicate with higher authorities in charge of consumer protection in BiH - [the Ombudsman for Consumer Protection in BiH and the Consumer Protection Council of BiH](#) - in order to address systemic problems and initiate legislative amendments and public policy changes. The Association for Consumer Protection 'Consumers' Club of the Tuzla Canton' is active in Tuzla by informing citizens and consumers and providing assistance to consumers in exercising their rights. However, during the research, representatives of public companies and institutions stated that they lack complementary associations from their sectors with which they could be in direct communication and dialogue, such as associations of patients or associations of users of specific services, which should collect and valorize citizens' attitudes and interests. In this respect, it is important to foster organization of citizens' groups and their representation, as well as to strengthen communication between the civil sector and public enterprises and institutes. For example, in Republika Srpska, sellers and service providers are obliged to establish committees in charge of resolving consumers' complaints/reclamations, and include representatives of associations of consumers in their work, and reply to consumers in a written form within 30 days from the date of receipt of the complaint on which they keep a separate record. A similar mechanism can be established at the City level that will oblige public enterprises and institutes to communicate directly with citizens/consumers.

Despite the institutional set up, participants of focus groups, in-depth interviews and workshops conducted in the earlier phase of the UPP complained that responses to grievances, complaints, and other forms of citizens' communication are not resolved in a timely fashion by public institutions. They described the grievance systems in public enterprises and institutes as non-functional, since they require expert knowledge and resources in terms of time and funding to function properly, and public institutions tend not to reply, or when they do reply, in most cases it is not in favor of citizens/consumers. In addition, many find that information about public institutions and services is scattered on the internet, and it is quite difficult to find the exact information needed. In most cases, citizens in Tuzla rely on web forums to find information on how to address a problem they have, or which institutions are in charge.

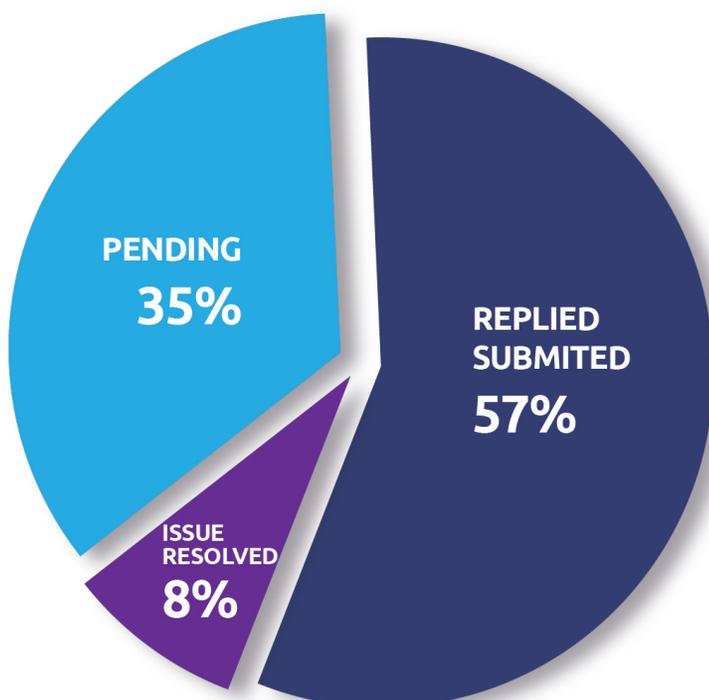
In an attempt to overcome these shortcomings, and in parallel to the existing grievance systems in public enterprises and institutes, the city of Tuzla adopted the [Centar 72 system](#), an online platform to receive citizens' complaints and information, which is directly managed by the Service for Mayor's Affairs. It serves as a central repository to collect the complaints and information, which are then forwarded on to the appropriate city department. Public enterprises and institutes are indirectly incorporated into this online platform, as the relevant city departments will contact the public enterprises and institutes when necessary to resolve the complaints or pass on pertinent information. In addition to entering text to describe the issues or questions, photographs can be added as part of the complaint/question (a sample page is shown in graph 6).

So far, 840 citizens have used the system to report various issues since its deployment in 2016. Most reported issues are communal-related matters. The website statistics indicate, however, that the platform is not being used systematically to resolve the issues raised by citizens. The system records citizens' problems, but their resolution is lacking: the system indicates that for most issues a reply has been submitted (57%) or a response is pending (35%), but only 8% of problems lodged have been resolved (see graph 7).

Graph 8: Centar 72 Tuzla website



Graph 9: Tuzla Centar 72 User Analysis



This issue was raised during the M&E Workshop held in November 2017 with representatives of public enterprises and institutes, and it was noted that often citizens use the system to raise issues that belong to the cantonal-level or entity-level authority. In such cases, a reply is submitted but the issue cannot be resolved. It was suggested that the online system should include an additional option for such cases, and the City Administration should also provide information regarding to which cantonal or federal institution such complaints or questions should be sent.

Although most of reported Centar 72 issues are communal matters, our research found that public enterprises and institutes do not have sufficient knowledge about the system and their role in it, although they have prepared responses requested by the central contact point or city department. Therefore, the overall public visibility of the Centar 72 system could be improved. Furthermore, considering its content, the data collected from the Centar 72 system should be used for evaluations of public services and their providers.

VI

**SOCIAL ACCOUNTABILITY
ASSESSMENT OF M&E**

VI Social Accountability Assessment of M&E

In this section, the M&E mechanisms described above are assessed in terms of their SA functions, i.e. whether citizens, service users, and CSOs are engaged in the internal or external M&E processes and activities of public enterprises and institutes, or the City Council and City Administration. In addition, it aims to assess the capacities, and overall openness and transparency of M&E processes and their outputs (reports, data, etc.).

In terms of internal M&E processes, most public enterprises and institutes in the city of Tuzla do not actively engage citizens and their consumer users into any monitoring or evaluation of their operations, or the services they provide. Although there are exceptions to this, in general, citizen/consumer engagement in internal M&E is not widespread. Based on the research data, most institutions evaluate the quality of the services they provide on a self-assessment basis. Although half of the survey respondents described their M&E practices as “Excellent” and the other half as “Great”, in their responses to the question of how they evaluate their services, only two institutions indicated that they conduct customer satisfaction surveys. Exceptions to this practice are health and educational institutes, since regulations in these sectors require the inclusion of users (patients and parents) in evaluation processes, and are based on entity-level regulated indicators and processes. In addition, only a few enterprises conduct annual or occasional citizen/user satisfaction surveys. However, indicators of the quality of services for such surveys are developed by the public enterprises themselves, and the results of such activities are not shared publicly or included in the annual operational reports submitted to the City Council.

The following table gives an overview of available information on websites of public enterprises and institutes. Table 6 was developed based on the indicators set out in table 4. Table 7 presents an example from practice, meaning transparency and participation practices in the Health Center Dr. Mustafa Sehovic.

Table 6: Transparency and Participation in City-level Public Enterprises and Institutes (based on information available on websites of institutions)

SA INDICATORS		Komunalac	Panonica	CC	VIK	CC	Nase dijete	GRS	RTV7	Tusanj	Gradske Apoteke	Dom penzionera	Library Dervis Susic	Health Center	Vet. Station	BIT Centar	Cultural Center	Theatre	Trznice	SIKTZ	RPC Lipnica	SKPC Mejdan
TRANSPARENCY																						
Names and contacts of management and M&E info ³¹		X	X	X	X	X	✓	✓	X	X	X	X	X	X	X	X	X	X	X	X	✓	X
Free Access to Information		X	X	X	X	X	X	✓	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rulebook on operations		X	X	X	X	X	X	✓	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Annual reports on operations and finances		✓	X	✓	✓	✓	✓	✓	✓	X	✓	X	X	✓	X	✓	X	X	✓	✓	✓	✓
Systematization of jobs and job ads/ Public procurement procedures and calls/ Sector-specific regulation and standards		X	X	X	✓	X	✓	X	X	X	X	X	X	✓	✓	X	X	X	X	X	✓	X
Information on grievance system		X	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X	X	X	X	X	X
Information on M&E activities and their results		X	X	X	X	X	✓	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
PARTICIPATION																						
Comm. channel (PR dpts or secretary)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer or citizen relations department or officer		✓	X	X	✓	X	X	X	X	X	X	X	✓	✓	X	X	X	X	X	X	X	X
Collects input from citizens and service users on org. policies and procedures		X	X	X	✓	X	X	X	✓	X	X	X	X	✓	✓	X	X	X	X	X	?	X
Grievance system established (rulebook)		X	X	?	✓	X	X	X	✓	✓	?	?	X	✓	✓	X	X	X	X	X	?	X
Engage citizens/service users/ CSOs/media in M&E of their services and operations		X	✓	X	✓	X	X	X	✓	X	X	X	X	✓	✓	X	X	X	X	X	X	X

Note: Symbols X (meaning yes), ✓ (meaning no) denote whether and ? (meaning unknown, information was unavailable) city-level public institutions publish the information and materials on their websites and whether they apply certain practices.

31. The names and contacts of members of Supervisory Boards are not available for any public enterprise or institute. Few institutions have included the names of the Executive Director and Supervisory Board members in their annual reports. However, such information is marked missing if not available directly on institutional websites without contacts.

Table 7: Example from practice - Transparency and participation in the Health Center Dr. Mustafa Sehovic

SA Indicators	Health Center Dr. Mustafa Sehovic
Transparency	
Names and contacts of management and M&E info	Available per request
Free Access to Information	Available per request
Rulebook on operations	Available per request
Annual reports on operations and finances	Available on the institutional bulletin board
Systematization of jobs and job ads/Public procurement procedures and calls/ Sector-specific regulation and standards	Job ads are available on the bulletin board, while public procurement ads on the website as well since 2015
Information on grievance system	Available on the website, also on the complaint boxes in all departments
Information on M&E activities and their results	Complaint reports available on bulletin boards in all departments
Participation	
Communication channel	Bulletin boards, website. There is officer in charge for public relations and customer services, while part of the work is conducted by the Quality Assurance Department
Customer or citizen relations department or officer	There is officer in charge for public relations and customer services, while part of the work is conducted by the Quality Assurance Department. The Quality Assurance Committee has one member who is a citizen representative
Collects input from citizens and service users on org. policies and procedures	User satisfaction surveys are performed annually in all departments. Reports are submitted to the Management and other relevant institutions
Grievance system established (rulebook)	For the past 10 years a complaint system has been in place based to adopted procedures, which are under reviewed every three years. The system is in line with the entity regulation in this sector
Engage citizens/ service users / CSOs / media in M&E of their services and operations	Service users are included in the M&E through the complaint system and the service satisfaction survey. The user representative is regularly receives annual and semi-annual quality assurance reports (complaints, surveys, incidental situations, education of patients in the community, monitoring of quality indicators and measurement of clinical quality of work, development plans, etc.). The institution cooperates with a series of CSOs on a regular basis, and not only as part of singular projects. The report on community education and the media outreach of medical workers is an integral part of the Annual Report on Operations and Finances presented to the City Council

Engagement with the public and citizens is done primarily through passive and indirect forms: media reporting based on press releases or interviews given by leadership of public enterprises and institutes, and through publishing of annual operational and financial plans on institutional websites (starting with 2016; earlier reports are rarely available for most public enterprises and institutes). Amendments to the FBiH Law on Public Enterprises in 2012 include an obligation for public enterprises to make public information about their organizational structure, financial operations, and performance through their websites. The FBiH Law on Free Access to Information specifies such obligation in more detail, and requires public institutions to publish any information of public interest online. The law also obliges organizations to develop an index of the information and statistics prepared by the public institution, and citizen request forms, and to publish them on their websites. However, the review of the websites of the public enterprises and institutes in the city of Tuzla found that only one institution—Center for Social Work Tuzla—published information on the Law on Free Access to Information and the request forms to access its information and materials. Furthermore, only three institutions indicated in the survey that this law was the basis upon which requests for information from citizens and CSOs are resolved.

Although public enterprises and institutes share information on their M&E with the public in a passive manner and publish their annual operational and financial reports on their websites, it is unclear how external parties can use these to assess information about operations or public service delivery. Most institutions do not publish their annual plans (according to the review of websites, only two institutions publish such materials with their annual reports), or provide any insights into their internal audit frameworks or reports. Only one institution published an external audit report on its website.

In terms of cooperation with CSOs on M&E, partnerships are rare. When they exist, communication with CSOs and other interest groups is managed primarily through the Executive Director or the Supervisory Board. Furthermore, the survey results indicate that public enterprises and institutes generally take a passive role in such partnerships, and rarely initiate communication or joint projects. Not a single institution holds Supervisory Board meetings that are open to the public. In terms of general openness to the public and citizen engagement, public enterprises and institutes in the city of Tuzla seem to be divided. While half of those surveyed find that citizen engagement is something positive, the other half indicated that citizens and media should not be engaged in the M&E of their operations and services.

The research results indicate that citizen engagement—as part of external M&E through the workings of the City Council and the City Administration—takes place but very sporadically or on an ad hoc basis. Engagement of the public is mostly passive, through the provision of information and materials. [Conclusions of the City Council](#) are available on the city's official website for the years 2014 to the present. [Transcripts](#) and [video recordings](#) of city council meetings are available on the city website as well (starting from 2012 through the end of 2017). [Decisions and regulation adopted by the City Council \(2005 – 2017\)](#) are also available on the same website. Despite the extensive amount of available policy materials, it is not easy to search through them. Search functions (through keywords) could be added to the official city website to facilitate this. (Table 7 provides a snapshot of the current status of SA in terms of local government and public institutions.)

Table 8: Social Accountability – the Supply Side

Indicator	Current status
Leadership of public enterprises and institutes values social accountability and establishes transparent and accountable organizational culture	Public institutions’ position on this matter seems to be divided: while some find citizen and user input important for M&E, most public enterprises and institutes do not take such an approach.
Public enterprises and institutes provide timely and accurate responses to citizens’ requests for access to information and materials	Practices among public enterprises and institutes differ. Many have not adopted rulebooks or standardized their procedures. Most requests are handled on a case-by-case basis.
Public companies and institutes develop client-/citizen-oriented procedures	Since procedures differ among institutions, citizens and service users have to inform themselves about the various rules and policies, and how to resolve issues they face. Often they use web forums to obtain information from other citizens regarding the procedures and their rights.
The City Council uses citizens’/service users’ input for oversight and design of policies to improve public service delivery and initiate accountability measures if regulation and standards are not respected	Input from citizens and communities comes to the City Council indirectly through their electorates. However, considering the political set up of local neighborhood councils and their operations, it is unclear how voices of political minorities or politically inactive citizens are heard and transferred to councilors. ³² Information on public consultations in relation to public service delivery is not available online. The City Council could organize substantive public consultations on public service delivery at least annually.
The City Administration uses citizens’/service users’ input for oversight, sanctions, and design of policies to improve public service delivery	Information on public consultations in relation to public service delivery is not available online. The City Administration collects input from citizens mainly through the Centar 72 system, the Ethical Line, and its inspectorate units. It is unclear how this information is combined and systematically analyzed.
Grievances addressed in a timely and accurate manner, and feedback from grievance system (including Centar 72) is analyzed systematically and used for M&E and improvement of operations and services	Grievance data is not used in a systematic manner and for input into M&E activities and analyses. Not all public enterprises and institutes have grievance systems established.
Public enterprises and institutes use input from citizens and CSOs that are part of their M&E activities in order to improve their services, policies, and procedures	Such initiatives take place sporadically and are the result of the willingness and interest of leadership in public enterprises and institutes to implement them.

32. Based on findings from earlier research conducted. Sources: Phase 2: Summary Report on Focus Group Discussions and In-Depth Interviews Findings. Project: 32ECA Sustainable Cities Initiative Social Sustainability Audit - The City of Tuzla. Tuzla, 03.06.2016. and Report from the Conference “From citizen engagement to social accountability: Participatory development of citizen initiatives in the City of Tuzla.” Association for Research and Social Innovation ADT. Tuzla, 18.07.2016.

An additional aspect of SA that was raised by public enterprises themselves is the need to strengthen overall corporate social responsibility, including in the public sector. They stated that enterprises should improve their policies and activities in this respect. While certain enterprises make humanitarian donations, and finance cultural, art, and sporting activities, these initiatives are based on the willingness of the management and company leadership to divert funds for such purposes. In most instances, precise rules and procedures on how and under what circumstances such funding can take place are not available, and creating a situation where funds can easily be misused. The City Administration and the City Council should take a lead in addressing this issue and incorporating it into their oversight.

When it comes to the level of civic engagement and initiatives that demand for social accountability in area of service provision of public enterprises and institutes, the research has shown that although such initiatives take place, they are rare and sporadic. These are the demand side of SA, and indicators have been presented in the Methodology section in table 4. Representatives of public enterprises and institutes pointed out the need to raise collective awareness, civic engagement and general outreach when it comes to public service provision and stressed out that aside strengthening social accountability, it is also necessary to work on strengthening citizen demand for it.

Informal citizen groups, CSOs and independent media can implement their own projects with or without collaborating with city-level institutions. According to the mapping exercise, while such initiatives have been implemented, they were not part of regular civil society activities, but rather were part of ad hoc projects or media reporting as issues came to the forefront. In particular, the lack of city-focused independent studies on public service provision is evident. The Association for Consumer Protection 'Consumers' Club of the Tuzla Canton' conducted an external evaluation of transportation services in the city. However, its study focused on the services GIPS d.o.o., a private bus transportation company, provides. In 2012, the Tuzla Community Foundation used the [Vital Signs methodology](#) to assess the overall quality of life in Tuzla, which included certain public services. However, the assessment did not entail a systematic M&E of public services or its provider, but rather mapped the existing situation, needs, and availability of services. Moreover, the research conducted within this and earlier phases of the project highlights that the demand side of SA is somewhat weak. It relies more on the sporadic activities of a few CSOs, and less on well-organized civil society groups. Tuzla had very well-networked civil society and joint projects, but this approach has been neglected in recent years. The decrease in international funding has negatively affected the civil sector in the Tuzla (and nationally), as alternative funding sources have not been identified.

The City of Tuzla regularly allocates funds for CSOs for various purposes, and publishes public calls for applications for projects to be funded or co-financed by the City Administration. In this instance, specific initiatives for strengthening communication and cooperation between public enterprises and institutes and CSOs, as well as support to initiatives aimed to support independent external M&E of public enterprises and institutes, as well as to increase social responsibility, could be the subject of special calls and funding by the City.

VIII

CONCLUSIONS AND POLICY RECOMMENDATIONS

VII Conclusions and Policy Recommendations

The city of Tuzla, and in particular the Mayor and the City Council, have voiced their interest and commitment to strengthening the internal and external M&E processes of public enterprises and institutes. Their willingness to be a subject of this review demonstrates this commitment, and is the most important factor in implementing positive policy changes. Additionally, participating public enterprises and institutes expressed strong interest in regular M&E trainings. The research identified several enterprises and institutes that are embracing modernization of their services, operations, and management practices, including M&E and SA. Their practices and lessons learned could be used at the institutional M&E trainings as real-life, context-specific examples for other institutions.

The study revealed several areas for change that would enhance M&E and SA in public institutions in Tuzla.

A more systematic approach is required to collect the evidence and insights to support the argument for change to the broader regulatory-institutional framework for M&E in FBiH. As the regulatory-institutional framework for M&E in public institutions is developed at the entity level, any recommendations for changes to the formal system would have to be directed towards the Government and Parliament of the FBiH. This requires the systematic resolution of the shortcomings of the current framework. One of the major issues identified in the research conducted in preparation for this study is that external audit institutions primarily conduct financial and physical auditing. Thus, information on and insights into the effectiveness of the provision of public services, their impact on citizens' welfare and satisfaction, and overall city development remain limited. The few audits conducted by the Audit Office of the FBiH on public institutions in Tuzla hints at a lack of capacity to systematically carry out M&E that would provide useful and actionable data. It is unclear whether the Audit Office of the FBiH implements wider public engagement and outreach in the preparation and dissemination of its reports and findings. Another issue is that the results of external auditing feed into plans for activities of city-level institutions in only a very limited way.

The city should develop further policies on M&E and SA that address the needs and issues at the local level as well as improve analytical and ICT capacities of local institutions for this purpose. While the institutional-regulatory framework for M&E policies exists, it is based on entity-level legislation, which does not always address the particular needs of the local context, while often entity laws are not harmonized which creates problems for local institutions in their application. The city of Tuzla should proactively develop city-level policies that:

- Stipulate additional requirements, procedures, and specific indicators, and incorporate SA measures
- Cover both the internal M&E activities of public enterprises and institutes, and the external public oversight of these institutions conducted by the City Council and the City Administration
- Address the improvement of the analytical and ICT aspects of annual planning and reporting and include measurable indicators for objectives, outcomes, and outputs

Evaluations need to be developed through participatory processes with citizens and service users, and adjusted for different sectors and needs. While SA obligations are already in place, such as for public institutions to publish their data and materials on their websites, and for the City Council to engage citizens in decision-making processes (including with regard to the provision of local services), they need to be implemented in a more substantive manner.

- Citizen/user satisfaction surveys should become an integral part of internal M&E
- Assessment of public service delivery should be part of external public oversight
- Public visibility and overall outreach should be planned as part of the initiatives as well as for all M&E outputs (plans, results, Supervisory Board and management information and contacts, procedures, etc.)

The importance of the role of a grievance system in SA should not be overlooked. To address the shortcomings of the existing approach, the city should develop its own regulations and procedures regarding the grievance/reclamation framework for city-level public enterprises and institutes, and data collection for strategic planning (including the Centar 72 system).

- Data collected should be incorporated into internal and external M&E practices and used for the systematic identification of issues and policy gaps
- Binding benchmarks for timely responses to grievances and requests should be set
- Information (via the internet or other) for citizens on how/where to register grievances and submit requests needs to be streamlined and easier to access
- Initiate establishment of consumer associations and strengthen communication between public enterprises and institutes with CSOs in order to inform and organize citizens, as well as to provide legal counseling and representation of citizens' interests and needs.

The Centar 72 system should address some of these issues, however, the low usage rate indicates either a lack of awareness of the system or dissatisfaction with the small percentage of grievances that have been resolved.

- A public awareness campaign should be regularly conducted (citizens need to know about the system)
- Another category should be added for requests and complaints that have to be referred to another administrative level in order to correctly display the processed queries, i.e. the results and statistics of the Center 72, since citizens often send inquiries that are not under the jurisdiction of the City of Tuzla but are authority of higher levels of government.

The demand side of SA needs to be developed in conjunction with the supply side. The City Administration could implement assessments and evaluations of public service delivery in collaboration with CSOs considering that it plans to adopt the recently developed MEG project assessment methodology. The City Council could at a minimum organize annual public consultations (hearings, focus groups, etc.) on different aspects of public service delivery, and use citizens' input to define its conclusions and obligations towards public enterprises and institutes. At the same time, public enterprises and institutes should develop multiple communication channels with citizens, including the social media.

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QUESTIONNAIRE

QUESTIONNAIRE

Enterprise/Institution:

Name of Person completing the Questionnaire: _____

Department of Person completing the Questionnaire: _____

Contact Information of Person completing the Questionnaire: _____

Internal Audit

1. Who prepares monitoring and evaluation reports of enterprise's/institution's operations, performance and services? (circle all that apply)

- a) Solely an individual employee in charge for this task
- b) Audit Committee
- c) Internal Audit Department
- d) Supervisory Board
- e) Executive Director/Management Board

2. How frequently such monitoring and evaluation reports are prepared?

- a) Monthly
- b) Quarterly
- c) Semi-annually
- d) Annually
- e) When necessary or requested by relevant authorities

3. How do you monitor and evaluate operations of your enterprise/institute?

4. What kind of data you include in monitor and evaluation reports of operations of your enterprise/institute? Which indicators do you use? You can use one report as an example.

5. Who decides what kind of indicators and data are to be included in monitor and evaluation reports of operations of your enterprise/institute? (circle all that apply)

- a) These are determined by the law
- b) Audit Committee
- c) Internal Audit Department
- d) Supervisory Board
- e) Executive Director/Management Board
- f) Other, _____

6. In general, how do you assess monitoring and evaluation activities of operations of your enterprise/institute?

- a) Poor
- b) Minimal
- c) Good
- d) Excellent

7. How do you evaluate quality and effectiveness of your public services?

8. What kind of data you include in evaluation reports of public services your enterprise/institute provides? Which indicators do you use? You can use one report as an example.

9. Who decides what kind of indicators and data are to be included in evaluation reports of public services of your enterprise/institute? (circle all that apply)

- g) These are determined by the law
- h) Audit Committee
- i) Internal Audit Department
- j) Supervisory Board
- k) Executive Director/Management Board
- l) Other, _____

10. In general, how do you assess evaluation of provision of public services of your enterprise/institute?

- e) Poor
- f) Minimal
- g) Good
- h) Excellent

11. If you implement special projects funded by external donors, who performs monitoring and evaluation of such projects? You can use an example of a recently implemented project funded by external donor or send us materials with such information.

12. In your opinion, does your enterprise/institute have sufficient capacities to conduct monitoring and evaluation? What kind of capacities do you have and which ones are you lacking?

13. What are the major obstacles to enhance monitoring and evaluation activities in enterprise/institute?

14. Has any of your staff participate in monitoring and evaluation trainings? If yes, which ones?

- a) No
- b) Yes, _____

15. If you have these materials available, please send a copy along the completed questionnaire:

- a) Strategic Plan and Annual Plan of Activities of your Internal Audit Department
- b) Strategic Plans and Annual Plan of Activities related to monitoring and evaluation of the enterprise/institute
- c) A copy of your latest monitoring report
- d) Copies of any evaluation reports
- e) Any other document related to monitoring and evaluation in your enterprise/institute

GRIEVANCE SYSTEM

1. How are received grievances from citizens (complaints, requests, etc.) handled within your enterprise/institution? Is there a special department? Describe the process.

2. Does your enterprise/institution has adopted internal regulation/decision on the grievances system?

3. In what format can citizens submit complaints?

4. How does your enterprise/institute ensure that all grievances, simple or complex, are addressed and resolved as quickly as possible?

5. How does your enterprise/institute ensure that all grievances, simple or complex, are treated confidentially, assessed impartially, and handled fairly and transparently?

6. Does the grievance redress mechanism operate independently of all interested parties in order to guarantee fair, objective, and impartial treatment to each case?

7. How does your enterprise/institute ensure that poor people and marginalized groups, including those with special needs, are able to access the grievance redress mechanism?

8. How are grievances addressed and analyzed? (circle all that apply)

- a) Individually
- b) Jointly and systematically – results from these analyses used as internal feedback information

If you circle b), please describe how you analyze grievances systematically or send a copy of such analysis.

9. Does your enterprise/institute use the Center 72 system to track citizens' complaints? In what way?

SOCIAL ACCOUNTABILITY

1. Do you engage citizens and your consumers in any form in planning, monitoring and evaluation processes of enterprise's/institute's performance or operations or provision of services? If yes, in what way?

2. Does any of your departments or Supervisory Board or auditing units directly communicate with citizens, civil society organizations (CSOs) or media? If yes, which ones and in what way?

3. If citizens, civil society organizations (CSOs) or media submits a request for information and materials, how are these requests handled?

4. Are Supervisory Board meetings open to the public?

5. Has your enterprise/institute implemented any joint project with civil society organizations (CSOs)? If yes, please describe and/or indicate a website with information on such project or send relevant materials.

6. In your opinion, should citizens, civil society organizations (CSOs) or media be engaged in planning, monitoring and evaluation of your enterprise's/institute's performance and service provision? If no, what not? If yes, in what way?

