1. Basic information

1.1 CRIS Number:

1.2 Title: "Reinforcement of local democracy"

1.3 ELARG Statistical code: 05. 36 – Political Criteria

1.4 Location: Bosnia and Herzegovina

Implementing arrangements:

1.5 Contracting Authority (EC)  
EC Delegation to Bosnia and Herzegovina

1.6 Implementing Agency:  
Implementing agency will be United Nations Development Programme (UNDP) Mission in Bosnia and Herzegovina, while EC Delegation to Bosnia and Herzegovina will remain as contracting authority.

1.7 Beneficiary (including details of project manager):  
Main beneficiaries of this project will be local non-governmental organisation and municipal authorities. Programme implementing partner will be United Nations Development Programme (UNDP) mission to Bosnia and Herzegovina.

Project manager will be, most likely, Mr. Massimo Diana, from UNDP Mission to Bosnia and Herzegovina. The UNDP office in question is located at Trampina 12 Street in Sarajevo. Contact phone number is +387 33 55 23 30. E-mail: mdiana@undp.ba

Potential partners will be all municipalities of BiH, with particular emphasis on those who have already been involved in previous EU-supported projects, such as SUTRA, and on municipalities which have shown a marked interest for such co-operation. The Federation and RS Associations of Municipalities will be closely associated with the project and will be members of the steering committee. Indirect beneficiaries will be educational institutions, centres for social affairs, CSOs, citizens themselves.

The UNDP Mission in BiH has developed a close working relationship with local authorities over the past 10 years and has Memoranda of Understanding with the relevant entity associations of municipalities as well as with a large number of individual municipalities. This has been gained through a number of projects in general local governance and in support to the return of refugees and internally displaced persons to their places of origin.

Financing:

1.8 Overall cost: not applicable since selected municipalities will be participating financially in overall projects' costs with minimum 10% and maximum 50%. It is hard to foresee what the contributions will be.

1.9 EU contribution: 1, 5 million Euro. The participating municipalities will be expected to contribute 10% of the project costs for their municipality.

1.10 Final date for contracting: N+2

1.11 Final date for execution of contracts: N +4

1.12 Final date for disbursements: N + 5
2. Overall Objective and Project Purpose

2.1 Overall Objective:
To contribute to democratic stabilisation, conciliation and further development of Bosnia and Herzegovina.

2.2 Project purpose:
The purpose of this project is to encourage partnership and permanent dialogue between CSOs and local authorities through attracting municipalities to recognize the role of civil society sector and benefit from the partnership with CSOs and vice versa.

2.3 Link with AP/NPAA / EP/ SAA
The preamble to the draft SAA refers to the role of civil society and democratisation of BiH and the European Partnership document also refers to the PRSP (Poverty Reduction Strategy Paper) since renamed Medium Term Development Strategy as a priority. These are the central themes of the proposed project.

Relevant SAA text says that:
"Considering the commitment of the Parties to contribute by all means to the political, economic and institutional stabilisation in Bosnia and Herzegovina as well as in the region, through the development of civil society and democratisation,…."

European Partnership document states under 2a general priority that the Government will have to "work towards full national responsibility for policy formulation and decision making". In addition, the European Partnership document requires, under chapter 7, from the Government of Bosnia and Herzegovina to "ensure respect of human rights". It has been request from the Government to ensure protection of human rights of all citizens of Bosnia and Herzegovina, particularly of marginalised groups in the society. This project is aiming to contribute to these particular goals.

2.4 Link with MIPD
Civil Society is both a cross-cutting issue and a priority sector under political priorities which notes that "Further capacity building for civil society organisations and administrations at all levels is required to promote the Civil Society Dialogue in Bosnia and Herzegovina." Civil Society will be supported by the IPA financial framework. Civil Society is understood including employer's organisations, trade unions, associations of local self-governments as well as non-governmental organisations etc. The MIPD also refers to "assistance to both, the civil society and the administration, to create and maintain a civil society dialogue which will contribute to democratic stabilisation, to conciliation and further development of the country." This project specifically fits the MIPD requirement towards "Supporting the Civil Society in order to promote the creation of a genuine partnership between authorities and Civil Society in the democratic stabilisation and the economic and social development of the country."

2.5 Link with National Development Plan (where applicable)
N/A

2.6 Link with national/ sectoral investment plans(where applicable)
The project links into the country's MTDS through developing local partnerships between municipalities and civil society organisations designed to address the problems of social exclusion as well as developing local authorities' ability to deliver services effectively.

Bosnia and Herzegovina has the EU integration strategy, where there is a reference for development of civil society: "BiH will confirm this determination through further democratisation and development of its institutions, the rule of law, free and democratic elections, development of civil society by providing conditions for greater political and economic freedoms, and the respect for human and minority rights." Under the necessary measures the Strategy defines it will be necessary to: "Improve functioning and stability of institutions guaranteeing further democratisation of society".

3. Description of project

3.1 Background and justification:
The entire civil society programmes for IPA 2007 is based on two comprehensive analyses of the civil society sector in Bosnia and Herzegovina – first one is "Mapping Study of non state actors" published by the EC Delegation to Bosnia and Herzegovina and the second one "Civil Society Assessment in Bosnia and Herzegovina" (dated 25th of June 2004) is published by USAID. Third source of information for this programme is lessons learned from the past by the designated staff working on Civil Society programmes from the EC Delegation to Bosnia and Herzegovina.

Civil Society in Bosnia and Herzegovina and the Government of BiH do not have, or have very limited, partnership and dialogue.

Bosnia and Herzegovina has “limited” history of development of civil society. Before the war there was a range of public organizations with activities mainly in the areas of culture and sport. After the war there was an “explosion” of NGOs. However, this “explosion” is of quantitative rather than qualitative nature. According to the Mapping Study, there are approximately 8,000 organizations in Bosnia and Herzegovina that can be considered non-profit and non-governmental organizations.

Most NGOs are either donor driven or simply represent extended hand of political parties. Although many NGOs receive funds mostly from the municipal budgets but also from the higher level of authorities’ budgets there is minimum or no transparency in disbursement of funds at all, but also no interim and final reports are required, no audits conducted.

In addition to the above, it is a very rare case that contracting authorities (municipalities, cantons, entities, state) advertise, “Call for proposals”, they have evaluation criteria, etc. In other words, there is no institutionalised mechanism for disbursement of funds foreseen for CSOs and their activities.

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1 EU Integration strategy for Bosnia and Herzegovina; Political criteria for integration – section 2.1.1, page 26. Available at: http://www.det.gov.ba/en/
2 Ibid
3 Available at: http://europa.eu.int/comm/development/body/organisation/docs/guidelines_principles_good_practices_en.pdf
4 Available at: www.usaid.ba
6 Ibid
The formation and development of NGOs is a dynamic process in any country. NGOs will come and go. In BiH, as elsewhere, this process will be impacted by declines in international funding for civil society and the withdrawal of various agencies and INGOs. If this occurs in a gradual and coordinated manner, donors can expect consolidation of the sector – not its collapse. Many organizations that no longer have a reason for being and NGOs motivated by money rather than mission will cease to exist. More likely to survive are those with strong ties to communities, interest groups, or the public, that are deeply committed to their cause, and are capable of producing results. Less serious and opportunistic NGOs have placed a drain on existing resources and have been a drag on the image of the sector. As such, their departure should be welcomed. Increasingly, NGOs will be forced to compete in the marketplace.

To conclude therefore, local authorities and CSOs at municipal level have no or minimum partnership and dialogue – therefore local authorities do not know how to “use” CSOs to fill the gaps where municipal government fails to provide services but also to involve citizens and CSOs in decision and policy making processes.

EC Delegation has funded production of Non-State Actors mapping study where the purpose was to screen the civil society sector vertically and horizontally; to identify strengths and weaknesses and determine position of civil society versus the government/s. Main idea of this project is derived from this document.

Local government is the tier which is nearest to citizens and a number of important initiatives have already been taken by municipalities to improve their relations with NGOs and other civil society organisations. Building on this, the project should seek to establish a complementary partnership to reinforce local democracy and improve the service delivery of municipalities to their citizens, with particular emphasis on the implementation of BiH's Medium Term Development Strategy.

This project will build on previous EC assistance to civil society. The result of previous assistance is that there are several strong and developed civil society organisations in Bosnia and Herzegovina able to draw funds from external sources, out of Bosnia and Herzegovina (from Brussels for example). However, a further logical step is to support better networking of CSOs and cooperation among them in more specialized manner (for example: working tables on human rights, table on gender issues, social inclusion, table on youth, etc). If this is achieved it is an assumption that CSOs will be able to become better partner to the Government in responding to the citizens’ needs, but also to become stronger pressure group/s on the Government to respond more rapidly and more effectively to their citizens’ needs.

It is anticipated that the majority of the municipalities targeted by this project will not be the major urban ones who are relatively well-resourced and have often adopted the type of procedures and practices advocated by this project. Nevertheless their input would be valuable, possibly channeled through the entity associations of municipalities.

Through this programme it is realistic to expect that municipalities will learn how to cooperate with civil society organisations in areas where municipality fails to provide services but also how to involve civil society in policy and decision making process. This will contribute to improvement of social aspects of citizens' lives since they (citizens) will make
better impact (through CSOs) on municipal decision and plans for short, mid and long term development. In addition, CSOs will learn how to cooperate with municipalities in terms of policy making but also funding issues. This will lead to better addressing of local citizens' needs through CSOs-municipality partnerships.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

The project will contribute to municipal authorities better understanding of the role of civil society and vice versa. In addition, the project will contribute to adoption of transparent mechanisms for disbursement of municipal funds for civil society's projects.

3.3 Results and measurable indicators:

Expected results:
- Local governments adopted and applied transparent mechanisms for the disbursement of local funds foreseen for CSOs projects
- Communication and partnership among CSOs and among CSOs and local governments improved
- NGOs/CSOs have more specialised/narrowed their activities – losing “donor-driven” image.
- Improved service delivery by local government engaging CSOs, with particular reference to the MTDS.

Objectively verifiable indicators:
- Number of municipal decisions made on adoption of new mechanisms for CSOs projects.
- Number of MoUs signed.
- Number of meetings between CSOs and municipal authorities.
- Statements by CSOs on their current and future focus.
- Amount of municipal funds utilized through this programme.
- CSOs provide services where municipalities declare lack of municipal interventions.
- CSOs comments on municipal activities and performance.
- CSOs and citizens increase their participation in different public hearings (such as budget, capital investments plan, etc) but also in other hearings organised either by CSOs or municipalities.
- Quality and quantity of services increase as described in the MTDS.

3.4 Activities:

The foreseen contract with UNDP is a grant contract. Size of subgrant contracts will vary from 5,000 Euro to 100,000 Euro, depending on CSOs financial and operational capacities, size of municipal financial contribution, and other relevant factors typical for certain municipalities (number of CSOs, commitment of designated staff to evaluations committees, etc).

Preparatory activities:

A project steering committee will be established comprising the EC Delegation, DEI, DEP (Department of Economic Planning), RS and FBiH Associations of Municipalities, UNDP and civil society representatives, whose first task will be to organise the selection procedure for the municipality.
- Conduct strong campaign and promote this initiative to all municipalities and CSOs.
Before applying for funding with the Delegation, municipalities and CSO sector must:

- Define, jointly, areas of cooperation
- Sign memorandum of understanding
- Municipality pledges own funds for co-financing (minimum 10% maximum 50% of total projects approved number)
- Application form and evaluation criteria are developed
- Call for proposals are published
- Municipality establishes evaluation committee comprising of municipal staff and representatives of civil society organisations (conflict of interest must be avoided).
- Projects are evaluated and sent to the UNDP for re-evaluation.
- Steering Committee re-evaluates the proposals and announces the final awards.
- The UNDP signs bilateral contracts with each municipality on total EC contribution for all approved projects.
- The Delegation’s funds are transferred to selected municipalities, and municipalities sign bilateral contracts with awarded CSOs.
- Municipality is responsible for monitoring of activities. UNDP is also responsible for monitoring activities on ad hoc basis. Delegation will also conduct independent monitoring of activities.
- Awarded organisations report to the municipality. Municipality forwards the reports to the UNDP for approval.

3.6 Conditionality and sequencing:
All conditions necessary for successful implementation of this project are in place.

3.7 Linked activities
The main project which is similar in its nature, as the one described in this fiche, was project SUTRA implemented by UNDP. However, several other projects, funded by the EC Delegation, indirectly targeted cooperation between civil society and municipal authorities. Such projects were: "Responsible Councillor" – implemented by Centre for Civic Initiatives (CCI) "Empowerment Citizens Building good governance" – implemented by BOSPO; "New Role of NGOs in public policy designing in Bosnia and Herzegovina" – implemented by ALDI, etc. Many municipalities are involved in Regional Development Associations supported by CARDS programme.

UNDP already implemented similar project with over 40 municipalities where municipalities have been trained to develop evaluation criteria for project selection, and to use cooperation with CSO on project selection. However, the municipal and CS staff have been trained on selection of projects which were supporting return process (selection of beneficiaries, job creation projects, etc). Therefore, substantial number of municipalities will easily catch up with the new mechanism of "call for proposals" for CSO.

Other two above mentioned projects were focused on citizens' participation in decision and policy making processes at municipal level. Acquired knowledge by municipalities will assist them in understanding easily the "Call for Proposal" concept and philosophy behind it.

3.8 Lessons learned
Both programmes under IPA 2007 targeting civil society are based on two comprehensive analysis of civil society sector. One analysis, "NSA Final Report Mapping Study"\(^8\) has been

done upon the request of the Delegation of the European Commission to Bosnia and Herzegovina, and the second one was made by USAID mission to Bosnia and Herzegovina.9

Briefly the lessons learned from the past are as follows:

- The relationship between government and civil society, at municipal level, exists in some municipalities, although very weak.
- Public awareness and the image of the sector are gradually on the rise, but need to be improved and deepened.
- Domestic funding sources, while in evidence, are extremely limited.
- Domestic funds are distributed in non transparent manner – therefore, no evaluation criteria, no Call for proposals, etc.
- Issue advocacy campaigns and community initiatives have produced notable successes, although the engagement of civil society is limited and uneven.

Arising from the above, there is a need to move away from piecemeal funding of individual projects towards a more strategic approach, which this project is designed to address.

### 4. Indicative Budget (amounts in €)

<table>
<thead>
<tr>
<th>Activities</th>
<th>TOTAL COST</th>
<th>SOURCES OF FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>EU CONTRIBUTION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NATIONAL PUBLIC CONTRIBUTION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Activity 1</td>
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<td>Total</td>
</tr>
<tr>
<td>Capacity building</td>
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</tr>
<tr>
<td>service contract 2</td>
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</tr>
</tbody>
</table>

* expressed in % of the Total Cost

### 5. Indicative Implementation Schedule (periods broken down per quarter)

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Start of Tendering</th>
<th>Signature of contract</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1.1</td>
<td>Q1 2008</td>
<td>Q3 2008</td>
<td>Q4 2010</td>
</tr>
</tbody>
</table>

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA.

### 6. Cross cutting issues (where applicable)

#### 6.1 Equal Opportunity

Since municipalities will compete for the Delegation funds, areas that will be most likely covered through this programme will be: social issues, gender issues, environment issues, human rights issues, etc. The need to properly address gender issues and to take account of

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9 Civil Society Assessment in Bosnia and Herzegovina. Available at: www.usaid.ba
rights of minority groups, in particular Roma, will be an integral part of the selection and evaluation process. The final results should reflect this.

6.2 Environment
Local authorities have an important role to play in environmental protection and civil society groups have been active in co-operating at local level in order to bring about improved practices. It is anticipated that this project would encourage and "systematise" this development.

6.3 Minorities
See 6.1

ANNEXES

1- Log frame in Standard Format

2- Amounts contracted and Disbursed per Quarter over the full duration of Programme

3- Reference to laws, regulations and strategic documents:
### 1: Logical framework matrix in standard format

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project Fiche</th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforcement of local democracy</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contracting period</th>
<th>Disbursement period</th>
<th>Total budget</th>
<th>IPA budget: 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>expires 18 months</td>
<td>expires</td>
<td>1.5 million Euro</td>
<td></td>
</tr>
</tbody>
</table>

#### Overall objective

To contribute to democratic stabilisation, conciliation and further development of Bosnia and Herzegovina.

#### Project purpose

The purpose of this project is to encourage partnership and permanent dialogue between CSOs and local authorities through attracting municipalities to recognize the role of civil society sector and benefit from the partnership with CSOs and vice versa.

- Number of Memorandums of Understanding signed through this programme.
- Number of applications received.
- Number of problems in local community successfully addressed by CSOs projects.
- Number of project applications approved.
- Amounts of co-financing from municipalities.
- Amounts that CSOs acquired from municipalities and possibly other sources (business sector for example).

**Sources of Verification**

- Reports, attendance sheets, field visits, bilateral contacts.

**Assumptions**

- Reports, agreements and memorandums of understanding signed, contributions from CS in defining legal documents, citizens' turnout in public debates.

#### Results

- Local governments adopted and applied transparent mechanisms for the disbursement of local funds foreseen for CSOs projects.
- Communication and partnership among CSOs and among CSOs and local governments improved.
- NGOs/CSOs have more specialised/narrowed their activities – losing “donor-driven” image.
- Improved service delivery by local government engaging CSOs, with particular reference to the MTDS.
- Number of municipal decisions made on adoption of new mechanisms for CSOs projects.
- Number of MoUs signed.
- Number of meetings between CSOs and municipal authorities.
- Number of CSOs specialized in certain sectors.
- Amount of municipal funds utilized through this programme.
- Number of services which CSOs provide in areas where municipalities declare lack of municipal interventions.
- CSOs comments on municipal activities and performance. CSOs and citizens increase their participation in different public hearings (such as budget, capital investments plan, etc) but also in other hearings organised either by CSOs or municipalities.

**Sources of Verification**

- Quality and quantity of services increase as described in the MTDS.
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparatory activities:</td>
<td>This programme requires direct agreement with UNDP since this organisation has necessary experience in partnerships with local authorities in BiH</td>
<td>1.5 million Euro</td>
<td>Pre conditions</td>
</tr>
<tr>
<td>• Set up steering committee</td>
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<tr>
<td>• Conduct strong campaign and promote this initiative to all municipalities and CSOs.</td>
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<tr>
<td>• Prepare implementing provisions</td>
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</tr>
<tr>
<td>Implementing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Prepare calls for proposals package</td>
<td></td>
<td></td>
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<tr>
<td>• Evaluation of projects by the Evaluation Committee and re-evaluation of project by the Steering Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sign bilateral contracts between UNDP and Municipalities and Municipalities and CSOs</td>
<td></td>
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<td></td>
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<tr>
<td>• Transfer funds to Municipalities</td>
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<tr>
<td>• Monitor project’s implementation by Municipalities and UNDP</td>
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</tbody>
</table>
## ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project

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<tr>
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</thead>
<tbody>
<tr>
<td>Contract 1.1</td>
<td>1.5 million</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
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<tr>
<td>Cumulated</td>
<td>1.5 million</td>
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<td></td>
</tr>
<tr>
<td>Contract 1.1</td>
<td>0.8 million</td>
<td>0.4 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.3 million</td>
</tr>
<tr>
<td>Total</td>
<td>0.8 million</td>
<td>0.4 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.3 million</td>
</tr>
<tr>
<td>Cumulated</td>
<td>0.8 mil.</td>
<td>1.2 mil.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.5 mil.</td>
</tr>
</tbody>
</table>
Annex III - Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

Reference to EP

European Partnership document states under 2a general priority that the Government will have to "work towards full national responsibility for policy formulation and decision making". In addition, the European Partnership document requires, under chapter 7, from the Government of Bosnia and Herzegovina to "ensure respect of human rights". It has been request from the Government to ensure protection of human rights of all citizens of Bosnia and Herzegovina, particularly of marginalised groups in the society.

Reference to the draft SAA

Considering the commitment of the Parties to contribute by all means to the political, economic and institutional stabilisation in Bosnia and Herzegovina as well as in the region, through the development of civil society and democratisation,…"

Reference to MIPD

Civil Society is both a cross-cutting issue and a priority sector under political priorities which notes that "Further capacity building for civil society organisations and administrations at all levels is required to promote the Civil Society Dialogue in Bosnia and Herzegovina." Civil Society will be supported by the IPA financial framework. Civil Society is understood including employer's organisations, trade unions, associations of local self-governments as well as non-governmental organisations etc. The MIPD also refers to "assistance to both, the civil society and the administration, to create and maintain a civil society dialogue which will contribute to democratic stabilisation, to conciliation and further development of the country." This project specifically fits the MIPD requirement towards "Supporting the Civil Society in order to promote the creation of a genuine partnership between authorities and Civil Society in the democratic stabilisation and the economic and social development of the country."

Reference to national / sectoral investment plans

The project links into the country's MTDS through developing local partnerships between municipalities and civil society organisations designed to address the problems of social exclusion as well as developing local authorities' ability to deliver services effectively.

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10 EU Integration strategy for Bosnia and Herzegovina; Political criteria for integration – section 2.1.1, page 26. Available at: http://www.det.gov.ba/en/
11 Ibid
ANNEX IV - Details per EU funded contract:

It is expected from the contractor to conduct appropriate campaign in order to inform all municipalities in Bosnia and Herzegovina about the programme. In addition, it is expected from the contractor to ensure that pre-conditions (explained in phase 2) are met and to implement activities from the phase 3. In other words, it is expected that UNDP launches a Call for municipalities where municipalities will compete to participate in the programme. Successful municipalities will have to meet the pre-conditions described under 3.4 Activities.

It is envisaged that the project be awarded to the UNDP for management under a direct agreement (Grant contract). The contractor would then be responsible for overall coordination and implementation of the project under supervision of the Steering Committee referred to previously.

For grants schemes: account of components of the schemes

The beneficiary municipalities will be selected following criteria agreed by the Steering Committee in lines with these terms of reference. Grants to individual or groups of civil society organisations may be made by beneficiary municipalities who agree to implement the rules for transparent awards.

Co financing
Participating municipalities will be expected to contribute 10% of the costs of implementing project on their territory. Additional funds may be obtained from other donors. compliance with state aids provisions

Ownership of assets (current and after project completion)
Any assets acquired will become the property of the municipalities or partner NGOs as appropriate.