



## Annual report

**Report Period – 1.1.2023 - 31.12.2023**

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**Report submitted by:**

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## I. Introduction

During 2023 IREI experienced a transition year but also one in which we expanded our work on local governance internationally and which set the stage for new fundraising success. Highlights of the year included the creation of our first commissioned video on the results of the Ozone project, which concluded in February and the release of a best practices publication on municipal digitalisation and citizen participation.

The year also concluded with a transition from founding President Ivan Barbalić, who resigned at the end of the year due to a new job. Randall Puljek-Shank, previously Programme Director was nominated and unanimously approved to take this place. The same strategic direction remains in place, namely to work together with BiH institutions that actively demonstrate political will for reform by providing expert analysis and sustained support. A main goal for 2024 remains to expand our donor network by adding at least two new donors.

## II. Activities and Results

During Jan-February 2023, phase 3 of the Ozone implementation plan continued, which concerns NPP Implementation and monitoring. The Ozone team conducted field visits to each of six municipalities. These visits focus on detailed meetings to confirm updated information about the implementation steps for each measure and update information on the implementation indicators for each measure. This process became streamlined as the municipalities got used to this form of planning and reporting. The focus so far has remained on the short-term measures.

As during the last reporting period, the time and budget amounts committed by each municipality have continued to increase, based on now reflecting the planning and approval stage for the 2023 budget. Overall implementation of the NPP measures reached **58% by project close**, which we consider a success given the number of long-term and ambitious measures that were included, some of which were projected to take until the end of the present mayors' mandates and even beyond. **In our view, Ozone was able to unlock significant local ownership for municipal reform and improvement.** Implementation proceeded largely as planned, with all expected outputs (GARs, NPPs, implementation reports) **above their targets**, with one exception regarding new communications platforms which were in the end not recommended by the consultants.

Ozone concluded with a final large-scale public event in February, a panel "New Horizons: Going Green and Digital for Cities and Municipalities". In agreement with the donors, Ozone results were presented in a short video which included interviews with staff from each of the municipalities that we worked with. The aim was to focus on two challenging issues and bring together a diverse groups of panelists and, and ca. 80 confirmed attendees in the visually striking White Hall of the BiH Parliament. The event was also an opportunity to raise Ozone's visibility through targeted media outreach, especially a TV appearance on N1. The event was well received and went off without a hitch.

Throughout the Ozone project, the partner municipalities and cities implemented 209 measures including investing **913,350 BAM** and **6.584 hours of staff time**. In addition, a training program was custom developed in accordance with the municipality and city's identified key needs. The outputs and performance section focuses on additional key performance indicators and the trends regarding municipal commitment to improved policies. The lessons learnt uses the opportunity of project completion to review what IREI has learned from the entire process.

In addition to the Ozone quantitative logframe-based M&E framework, IREI also implemented outcome harvesting because it could better capture changes in behaviour and also allow our team to assess how the Ozone project contributed to them, including the possibility for unplanned outcomes. Through several iterations with the staff and one meeting with our contact people, we were able to identify a total of 10 such outcomes. Seven of these were developed through an interactive process with our consultant into completed and SMART descriptions of changed behaviour, which include enough information to be confirmed. The remaining three either hadn't yet developed into a behaviour change or we weren't able to provide the necessary information. The completed outcomes came from 2 categories, stakeholders meeting for the first time and broaching "taboo" topics (e.g. communicating with citizens using a new medium, relevant institutions related to water quality meeting for the first time in Gradiška), and following through on NPP measures (e.g. requesting a budget allocation). In the process, the Ozone team also learned how to go about outcome harvesting in a systematic way.

From January – December 2023, IREI implemented the project, "Strengthening ties and learning between the twinned municipalities of Centar Sarajevo and Reggio Emilia" with a grant from the Central European Initiative Know-how Exchange Programme. This project strengthened ties between the twinned municipalities of Centar Sarajevo (Bosnia and Herzegovina) and Reggio Emilia (Italy). Its objectives were to strengthen democratic political culture through active citizen participation (SO1) and digital transformation of municipal services (SO2).

This project had the following accomplishments:

1. Staff from both municipalities identified practices and policies that Centar Sarajevo Municipality can create or improve in order to increase citizen participation and digitalization of municipal interactions with citizens and in internal processes.
2. From May 9-12, 4 staff persons from Centar Sarajevo and 1 staff person from IREI visited and were hosted by Reggio Emilia. During the full agenda, they had the opportunity to visit and learn in more depth about Reggio Emilia's best practices, eight of which were identified in the trip report as potential practices to be included in the resulting publication
3. From October 2-6, 5 staff from the Reggio Emilia municipality, the E35 Foundation and a private company (which covered their participants' expenses) visited Centar Sarajevo. The visit passed with a rich exchange of experiences and learnings and included a meeting between Centar Sarajevo Mayor Srđan Mandić, Reggio Emilia Deputy Mayor Lanfranco de Franco and the Deputy Head of Mission at the Italian Embassy, Lorenzo Donatelli.
4. Based on the best practices identified during the two visits, IREI staff published the manual, "Digitalization for citizens: Good practices for Municipalities and Cities" in English and

Bosnian/Croatian/Serbian. The manual was distributed to all municipalities and made available on IREI's website and social media.

As noted by exchange participant Haris Sijarić from Centar municipality: Although cooperation between Reggio Emilia and Centar Municipality was established many years ago, this project provided, for the first time, insight on the organizational point of view in partners project and activities. This approach to exchange of good practices was extremely practical and allowed us to understand how some good practices are done. Also, it allowed us to understand differences between these two institutions. Although there are many differences in legislative, institutional organization and jurisdiction, the conclusion was that challenges for both institutions are still very similar.

### III. Annex

#### A. IREI 2023 Expenses

<b>Revenue</b>	<b>BAM</b>
Ozone project	19.479
CEI Know-How	78.000
<b>Total</b>	<b>97.479</b>
<b>Expenses</b>	
Salaries	74.378
Consultants	28.691
Office costs	12.852
Activities	34.685
Other costs, services	4.563
<b>Total</b>	<b>155.169</b>



As required by the Ozone grant, the Ozone financial report was audited. The auditors report state that, "In our opinion, the accompanying financial information on project "Open and Accountable Municipalities (OZONE)" for the year ended 28 February 2023 are prepared, in all material respects, in accordance with the accounting policies described in the notes and comply with all the requirements of the FDFA Standard Terms of Reference date 20 May 2022."