



ANNUAL REPORT ON WORK

**of the Public Administration
Reform Coordinator's Office**

January - December 2014

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1. SUMMARY

- During the year, the PARCO was preparing further directions of the reform development. In cooperation with the technical assistance project, the document "Public Administration Reform: a Way Forward" was prepared, stipulating further reform of the general administrative capacities and the reform of administrative services in various fields of policies. The document proposes completion of the activities from the Revised Action Plan 1.
- The public administration reform sector received the highest evaluation among the countries of the region, through the project Sector Strategy Mapping, implemented by the EU Delegation. This evaluation means that it is ready for sector approach in programming of the pre-accession assistance.
- In early 2014, the SIGMA prepared an evaluation of the public administration reform and the coordination of the reform process. Further development of the reform documents and strengthening of the reform coordination system have been recommended.
- In the second half of the year, the baseline measurement of the condition in administration in BiH began, based on the Principles of Public Administration published by the SIGMA. These principles are development of six key issues from the Enlargement strategy and the key challenges 2014 - 2015. In late 2014, the PARCO, in cooperation with the public administration reform coordinators of the entities and the Brčko District of BiH, started the process of data collection necessary for the SIGMA analysis.
- At the beginning of the year, the public administration reform structures harmonised the list of the priority projects for 2014. The list contained four projects - *Legislation Database*, and the projects *Design of Software for Support in Legal and Other Regulations Drafting*, *Functional Overview of IC Capacities in the Civil Service of BiH* and the *Document and e-Sessions of the Governments Management Systems*. The project documentation is in the process of being drafted.
- In the reporting period, two projects have been completed - *Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska* and *Gender Responsible Budgeting*.
- Within the project *Blueprint of Development of Central Bodies of Governments in BiH*, a set of documents was developed from the field of strategic planning, including the methodologies for strategic planning and preparation of reports, methodology for impact assessment, and strategic documents for the trainings for the civil servants on the topics related with the strategic planning. At some levels of government, the documents have already been adopted.
- Within the project *Training of Administrative Procedures Managers*, around 600 officers were trained, the trainings are still being implemented. The project *Modernisation of Human Resources Management System*, prepared by the Supervisory Team members for the area of HRM, in cooperation with the PARCO and the SIGMA, successfully started with presentation "Draft Policy Framework for Development of Human Resources Management in the Civil Service Structures in BiH". These projects are financed by the IPA funds.
- During the year, the process of public procurement was initiated for nine projects, but some were already annulled, because the bidders failed to meet the requirements or the legally stipulated competition was not achieved.
- Since the Public Administration Reform Fund was established, the donors paid BAM 25,059,796, of which the amount of BAM 7,213,285, VAT included, was withdrawn for implementation of 13 projects. The local authorities paid so far in the PARF the amount of BAM 925,000.
- The PARCO, in early January, adopted its own action plan to combat corruption. Open communication channels have been established for corruption reporting. The PARCO also drafted the Plan of Integrity.

- In early 2014, the Annex IV to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund was signed, through which the PARF received a new donor - the Ministry of Foreign Affairs of Denmark. At the end of the year, the procedure to sign the Annex V to the MoU was initiated which ensured the funds for the planned projects of the PARF.
- The Agreement on Implementation of the Phase II of the Programme of Strengthening of Public Institutions in BiH was signed. The cooperation with the German Society for International Cooperation (GIZ) will be continued by 2016. Within the Programme, the project "Roadmap to ensure sustainable dynamics of introduction of quality management model in public administration in BiH" was initiated, and also a continuation of the project "Establishment of BH portal" was agreed.

2. INTRODUCTION

The Public Administration Reform Coordinator's Office continued, in 2014 as well, coordinating the public administration reform process in Bosnia and Herzegovina, and implementing the activities in accordance with the functions stipulated by the Decision on Establishment of the PARCO¹, the Strategy of Public Administration Reform² in BiH and the Common Platform on the Principles and the Manner of Implementation of the Action Plan 1 of the PAR Strategy³.

During the year, within the reform implementation structures, a discussion was opened on further development of the reform process, in the context of the Revised Action Plan 1 deadlines expiration, the need for update of the strategic document, and the introduction of new reform interventions.

During the year, the PARCO, in cooperation with the public administration reform coordinators of the

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The functions of the PARCO from the Strategy: coordination, direction of the reform process and monitoring of the results of implementation of the Strategy and the AP. Common Platform: The PARCO leads the overall coordination of implementation of the measures from the RAP 1 in six reform areas - *Strategic Planning, Coordination and Policy Making, Public Finance, Institutional Communication, Human Resources Management, Administrative Procedures and Administrative Services and e-Administration*. The Decision: The coordinator is in charge of "coordination of activities regarding preparation, enacting and implementation of Strategy of PAR in BiH" and "providing opinion to the chairperson of the Council of Ministers of BiH on the most important matters regarding the reform".#

entities and the Brčko District of BiH, and within the technical assistance project, financed by the European Union Delegation in BiH from the IPA programme, prepared the document PAR: a Way Forward, which stipulated continuation of the reform in horizontal reform areas of the RAP 1, and introduction of new measures in the policy areas, primarily in the part of administrative services improvement. In the second half of the year, the European Commission, within the Enlargement and Key Challenges Strategy 2014 - 2015, stressed the importance of the public administration reform as one of the three pillars of the enlargement process, and stressed the six key topics in that field. At the end of the year, based on the key issues from the enlargement strategy, the SIGMA prepared and published the document Principles of public administration, in which they developed a set of principles the enlargement countries need to reach in order to achieve a progress in the process of European integration. The SIGMA requested the PARCO's assistance in preparation of the assessment of the condition in public administration of BiH, based on the published set of principles. Late last year, with the help of the entity and the Brčko District of BiH public administration reform coordinators, data collection for the baseline measurement of the condition in public administration in BiH was initiated (see chapter 3).

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In 2014, the PARCO, in cooperation with the reform structures, continued implementation of measures from the Revised Action Plan 1, primarily through project preparation and implementation, in accordance with previously established plans. Earlier this year, a list of priorities has been established, which incorporated four projects, and during the year, a project

¹ Decision of the Council of Ministers of BiH from 2004
² The Council of Ministers of BiH, the Government of the FBiH, the Government of the Republic of Srpska and the Government of the Brčko District of BiH adopted the PAR Strategy and the Action Plan 1 in 2006.
³ The Common Platform was signed by the Council of Ministers of BiH, the Government of the RS, the Government of the FBiH and the Government of the RS in 2007

documentation was being prepared for these projects. In 2014, two projects have been successfully implemented - "Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska" and "Gender Responsible Budgeting". There is ongoing public procurement for six projects, and several project documentations have been prepared as well. Detailed overview of the key activities in the reform process, as well as the overview of the projects and the project activities is given in the chapters 3 and 4.

In the first half of the year, the Annex IV to the Memorandum on Establishment of the Public Administration Reform Fund has been signed, and in the second half of 2014 the activities necessary for conclusion of the Annex V have been completed. In December, the Council of Ministers of BiH established the Proposal to the Annex V to the Memorandum of Understanding for Establishment of the PAR Fund with bases for conclusion, and signing of this document should take place in the first quarter of 2015 (see chapter 5).

Of eight programme tasks stipulated by the Work Programme of the Council of Ministers of BiH for 2014, the PARCO completely met six, it prepared the documents the CoM adopted. One programme task was implemented after the end of the reporting period. It is the Biannual Progress Report in implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform, which the Council of Ministers of BiH adopted in early January 2015. One programme task - adoption of the proposal of the updated strategic framework for implementation of the public administration reform (update of the Revised Action Plan 1) remained unfulfilled.

Cooperation of the PARCO with the German Society for International Cooperation⁴ continued in 2014 as well, through the Programme of Strengthening of Public Institutions. The first phase of this programme was successfully completed, and the PARCO and the GIZ, in early September, signed the Agreement on Implementation of the II phase of the Programme of Strengthening of Public Institutions. In addition to the PARCO, the Programme included additional eight state institutions. Within the Programme, a series of various activities has been implemented, and several projects have been prepared, including the project "Roadmap to ensure sustainable dynamics of introduction of a quality management model in public administration of BiH" (chapter 3).

3. COORDINATION

This chapter provides the overview of the activities of the structure for public administration reform in the reporting period. The PARCO is in charge of overall coordination of the public administration reform process in the country, with the help of the mechanism for implementation of the reform measures, established by the Common Platform on the Principles and the Manner of Implementation of the Action Plan 1 of the Strategy of Public Administration Reform in BiH. According to the Platform, a political coordination of the reform is the competency of the Coordination Board for Economic Development and European Integration. Overall coordination is maintained by the PARCO, and coordination within each level of authority is within the competence of the entity and the Brčko District of BiH coordinators. Monitoring over implementation of measures from the action plan is being done by the Supervisory Teams, seven of them, in the six reform areas. A practical implementation of measures is within the competence of the implementation teams, which are established for the needs of implementation of individual projects. The next part gives the overview of their activities.

Political Coordination

The body in charge of political coordination of the reform process - the Coordination Board for Economic Development and European Integration did not meet in this reporting period either.

⁴ „Deutsche Gesellschaft für Internationale Zusammenarbeit

Coordination of Work of the Public Administration Reform Coordinators

In 2014, the public administration reform coordinators dedicated the biggest attention to the following:

- improving the reform process coordination system (through regular coordinator meetings, within the Steering Committee of the project "Support to Coordination and Implementation of the Public Administration Reform", which was financed from the IPA programme, and through a series of workshops organised by this project, participating, inter alia, in identifying shortcomings within the reform implementation structures),
- activities regarding implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH and the Action Plan 2, modification of the monitoring and evaluation system (focus of the reporting in the next period is to be directed to the effects of what has been implemented),
- defining the directions of the public administration reform in the coming period (in accordance with the SIGMA priorities, the Principles of Public Administration, which at the end of the year were published by the SIGMA, as well as other relevant documents, regional strategies and EU documents),
- preparation of the sessions of the Joint Management Board of the Public Administration Reform Fund,
- process of IPA II programming in the part related to the sector Public Administration Reform, and preparation of the necessary documents for use of the IPA II funds.



Coordination of Work of the Supervisory Teams

Obligation of the Supervisory Teams members from the Common Platform:

- Supervision over operative implementation of the measures from the AP 1,
- Monthly reporting to the administrative level on implementation of the measures from the AP 1,
- Establishing priorities in the reform area,
- Harmonisation of progress indicators,
- Initiation and proposing project proposals,
- Supervision over work of implementation teams,
- Ensuring timely implementation of the measures from the AP 1.#



In early 2014, the PARCO, in cooperation with the seven Supervisory Teams from the six reform areas, established a list of priority projects for financing by the Public Administration Reform Fund in that year. These are four projects, including two new project ideas: "Design of Software for Support in Legal and Other Regulations Drafting", "Legislation Database", "Functional Review of IC Capacities in the BiH Civil Service" and "Systems for Document and e-Sessions of the Governments Management". In March⁵, the PARF JMB adopted the list of priority projects for 2014. Two projects are from the area Strategic Planning, Coordination and Policy Making, one is from the area Institutional Communication, and one is from the area e-Administration, and it replaced the earlier project "Establishment of Permanent Process of IT Risk Analysis in BiH", which was a priority for 2013, but because of complexity it was removed from the list of projects. In any case, the indicative budget requires around BAM three million for financing of these four priority projects.

At the same time, the overall list of the projects, which would be financed by the PARF, was updated, and now contains 25 projects. During 2014, the PARCO, in cooperation with the supervisory teams, worked on preparation of the necessary project documentation for the agreed priority projects. A project proposal for the project "Design of Software for Support in Legal and Other Regulations Drafting" was prepared, which the Supervisory Team for the area SPCPM already adopted, and in the same area a draft project proposal was prepared for the project "Legislation Database". During the year, the Supervisory Team for e-Administration worked on preparation of the project proposal for the project "Systems for Management of Documents and e-Sessions of the Governments", which was harmonised, and the terms of reference is being prepared.

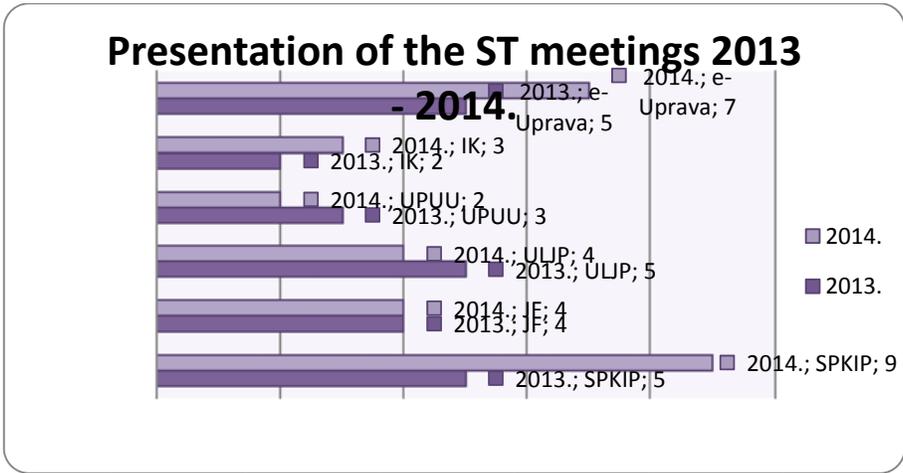
The updated overall list of the projects for support to implementation of the RAP 1, which were identified in cooperation with the Supervisory Teams is provided in the table. The list contains the priority projects for 2014 and the previous years, as well as the current status of these projects.

NO	TITLE OF THE PROJECT	PRIORITY	NOTE	NO.	TITLE OF THE PROJECT	PRIORITY	NOTE
STRATEGIC PLANNING, COORDINATION AND POLICY MAKING				ADMINISTRATIVE PROCEDURES AND ADMINISTRATIVE SERVICES			
1	Strategic Planning and Public Policy Development II (SPPD II)	2012.	Harmonisation of the amended terms of reference	16	Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Obstacles	2012.	The public procurement procedure is ongoing
2	Design of Software for Support in Drafting Laws and Other Regulations	2014.	project proposal approved				
3	Legislation Database	2014.	Harmonisation of the project proposal				
PUBLIC FINANCE				INSTITUTIONAL COMMUNICATION			

⁵ At the 39th session of the Joint Management Board of the Public Administration Reform Fund, held on 31st March 2014.

4	Public-Private Partnership (PPP)	2012.	public procurement procedure	17	Best European Practices of Institutional Communication	2013.	project proposal is being revised
5	Strengthening of Management of Extra-Budgetary Funds			18	Functional Overview of IC capacities in the Civil Service of BiH	2014.	-
6	Introduction of the Treasury Function in the Municipalities at the Level of the FBiH		-	19	Strategic Communication – Phase II	2013.	Project proposal is being prepared
7	Development / Procurement of Information System for Public Debt Management		Project idea updated	20	Approximation of Administration to the Citizens – Set of Activities		-
HUMAN RESOURCES MANAGEMENT				E-ADMINISTRATION			
9	Simplification and Improvement of the Process of Employment for the Job in the Civil Service [sic]	2013.	-	21	Business Registration Reform Road Map	2012.	PRB annulled the procurement procedure, the PARF JMB adopted the new terms of reference
10	Project of Harmonisation of the Teaching Programmes with the Needs of the Civil Service and Further Development of the Traineeship Programmes			22	Implementation of Common Services for eServices	2012.	The public procurement is ongoing
11	Widening of the Information System for Human Resources Management by Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska	2012.	Project completed	23	Specialist Education Programme for IT Managers	2013.	public procurement procedure annulled
12	Development of Electronic Trainings for the Needs of the Civil Service / Administration in BiH	2013.	The PARF JMB adopted the project proposal	24	Establishment of Public Registers Catalogue in BiH	2013.	The PARF JMB adopted the terms of reference
13	Improvement of the Process of Needs Analysis and Evaluation of Effects of Training	2013.	-	25	Systems for Document and e-Sessions of Governments Management	2014.	Project proposal harmonised, terms of reference is being drafted
14	Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers	2013.	The repeated public procurement procedure is ongoing				
15	Improvement of the Salary System in the Federation of BiH		-				

During 2014, the Supervisory Teams held a total of 29 meetings. In relation to the previous year, 2013, a total number of meetings of the Supervisory Teams increased by five, and it has been increased in most of the reform areas.



Graph 2: Comparative overview of the number of Supervisory Teams meetings in 2014 and 2013.

A successful work of the supervisory teams requires them to work in a full capacity. In order to ensure this manner of work, the Council of Ministers of BiH was requested to appoint one member of the Supervisory Team (area Human Resources Management) and one deputy member (Institutional Communication), but their appointment is still pending.

Coordination of Work of the Implementation Teams



Implementation (from the Common Platform):

- Practical and operational execution of respective measures of the AP 1 is being done by the implementation teams in a concrete reform area.
- Implementation Team is established after the Supervisory Team approves the terms of reference.
- It reports monthly and quarterly to the Supervisory Team on the progress in execution of the terms of reference.



The members of the Implementation Team for the project "Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska" were involved in execution of the project activities, they participated in preparation of the exit results of the projects and reports on implementation of the project, and they were ensuring coordination between the project implementers and the beneficiary institutions.

In any case, with the operational implementation of the measures from the RAP 1, the implementation teams, according to the Common Platform, are also competent for reporting on implementation of the projects to the Supervisory Teams, as well as for expert preparation and drafting of regulations or their amendments in accordance with the project, and submission of final proposals to the Supervisory Teams.

Cooperation in the Field of European Integration

The representatives of the Public Administration Reform Coordinator's Office, in this reporting period as well, continued participating in the work of the work groups for European integration, and preparation of contributions of the institutions of BiH for the regular annual report on progress of the country in the process of European integration. In the first half of 2014, the representatives of the PARCO participated in the work of the following work groups:

<i>Work group / meeting</i>	<i>Period</i>	<i>Activities of the PARCO</i>	<i>Results</i>
Workgroup for Energy, Transport, Environment and Regional Development	May	Participation in the work of the work group and monitoring of the activities in the said areas	Workgroup prepared the work document as a basis for the meeting of the subcommittee
Work Group for Trade, Industry, Customs, Taxation and Cooperation with Other Candidate Countries	January	Participation in the work of the work group and monitoring of the activities in the said areas	Workgroup prepared the work document as a basis for the meeting of the subcommittee
Workgroup for Economy, Finance and Statistics	March	Participation in the work of the work group and monitoring of the activities in the said areas	Workgroup prepared the work document as a basis for the meeting of the subcommittee
Workgroup for Innovations, Information Society, Social Policy and Public Health	November December	Participation in the work of the work group and monitoring of the activities in the said	Workgroup prepared the work document as a basis for the meeting of the subcommittee

The PARCO continued to fulfil the obligations of reporting on the progress achieved in the process of European integrations. The Directorate for European Integration received the following report:

<i>Report</i>	<i>Period</i>	<i>Activities</i>	<i>Results</i>
Contribution of the institutions of BiH for the regular Annual Progress Report of BiH in the Process of European Integration	April	Prepared contribution on achieved progress in the process of public administration reform in cooperation with the public administration reform coordinators of the entities and the BD BiH for the reporting period September 2013 - April 2014.	Report completed and submitted to the DEI BiH within the set deadline.
Amendment to the Contribution of the institutions of BiH for the regular Annual Progress Report of BiH in the Process of European Integration	August	Prepared amendment to the contribution on achieved progress in the process of public administration reform in cooperation with the public administration reform coordinators of the entities and the BD BiH for the reporting period April - August 2014.	Report completed and submitted to the DEI BiH within the set deadline.

Activities within the IPA II Programming

Programming of the IPA 2014 started in May. At the request of the DEI, the European Commission and the EU Delegation in BiH, the PARCO, in cooperation with the EC consultant, prepared a draft action document (project proposal) for the key priority for the IPA 2014 - Public Administration Reform - Improve the implementation of the plan for public administration reform. Because of the floods, the European Commission, in mid-June revised the priorities, so the public administration reform and the proposed project proposal were left for the following programming cycles.

After several versions of the strategic document for Bosnia and Herzegovina, which was prepared by the European Commission, the Indicative Strategic Document for BiH 2014 - 2017 was adopted by the Commission on 15 December 2014. The document contains also the indicative annual allocations for the IPA for BiH for the said period, which are considerably smaller than the allocations in the previous cycle of the IPA. The document provides support for four sectors of which "democracy and governance" is one.

Preparation of the sector planning documents was the topic of the introductory meeting of the representatives of the European Commission and the Institutions in BiH, which was held on 10 December. The meeting, in addition to the representatives of the European Commission, was attended by the IPA coordinators of all the levels of authority, the project managers and the representatives of the institutions in BiH, as well as the representatives of the civil society organisations.

The European Commission expects BiH to focus on two sectors in planning of the pre-accession assistance from the IPA 2015: **Democracy and management, and rule of law and basic rights**. The sectors are defined in the Indicative strategic document for BiH 2014 - 2017, which was prepared by the European Commission, and which was adopted by the IPA Committee on 6 November 2014.

Additionally, parallel with the programming of the IPA assistance, the PARCO was engaged in implementation of three projects financed by the previous package of the assistance instrument - IPA 2011, within the public administration reform sector. The Projects are these: "Education of Administrative Procedures and Inspectors"[sic] (worth 800 thousand Euro), "Modernisation of Human Resources Management System" (project worth two million Euro), and the project "Support to Coordination and Implementation of the Public Administration Reform in BiH", which was completed on 3rd October 2014, and took 15 months. Representatives of the PARCO participate in the work of the Steering Committees of these projects, and as beneficiaries of the project in a direct implementation of certain project activities that are taken within their implementation.

Mapping of sector strategies

A study, Mapping of sector strategies in the West Balkans and Turkey, has been completed at the beginning of the reporting period within the project of the European Commission. Objective of the project was to give findings on the capacity and the needs of the countries that apply for the sector approach within the IPA II, and to give recommendations to the Directorate General for Enlargement (DG ELARG) and to the beneficiary countries for improvement of programming and use of the IPA II. Sectors covered by the analysis are: justice and internal affairs, public administration reform, environment, transport, private sector development and the social sector including education. Maximum number of points one sector could have won is 56, and the results of the sector analysis in BiH are given in the table:

OVERALL ASSESSMENT		
SECTORS / SUB-SECTORS	ADJUSTMENT OF THE SECTOR APPROACH / MATURITY	LEVEL OF MATURITY
Justice Sector	45.17	Ready for sectoral approach
Internal affairs	15.67	No progress towards sector approach
Public Administration Reform sector	47.92	Ready for sectoral approach
Sector of Social Development	13.00	Not ready
Transport	27.17	No progress towards sector approach
Environment	10.75	Not ready
Private Sector Development	5.50	Not ready

The results indicated that two sectors: justice and public administration reform were evaluated as ready for the sector approach, while the other sectors are in the early phase of the progress according to the sector approach. The sector "public administration reform" was awarded a score of **47.97 of 56 points** and won the highest score of all the analysed sectors. Taking into account the assigned rating, the recommendation of the study is that improvements should be directed to preparation of the new action plan, more trainings regarding strategic planning, and improvement of reporting and monitoring systems.

Multibeneficiary IPA II

The Instrument for Pre-Accession Assistance (IPA) II⁶ will continue to provide support to the beneficiaries (Albania, Bosnia and Herzegovina, Island, Kosovo, Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey) on their path to the EU membership.

The adopted Strategic document under the multibeneficiary IPA II for the period 2014-2020 (MCSP) provides opportunities to the beneficiary countries to use in the next period as well the possibilities of the IPA programme. So from the IPA II programme for 2014, in the area of public administration reform, in the next three years (starting from the third quarter 2015), the SIGMA will implement the project through which the performance of the beneficiary countries in the key horizontal areas of public administration reform would be improved.

Regional and International Cooperation

At the beginning of the year, the PARCO coordinated the SIGMA assessment mission in preparation of the Assessment Report for BiH for 2014, including collection of various documents and organisation of meetings with representatives of the institutions in BiH. The report was published in April, and its focus was on public administration reform and coordination of that process in BiH.

Cooperation with the SIGMA continued intensified during the year by a series of meetings, where the priority areas of support in the next period were identified, the concept of public administration reform by 2020 was presented, and the support of the SIGMA was requested in further development of the reform activities for the coming period.[sic] In the second half of the year, the SIGMA, at the request of the European Commission, developed the Principles for Public Administration, a document covering the key issues listed in the Strategy of Enlargement and Key Challenges 2014-2015. That is, the European Commission, with its Report on the progress of Bosnia and Herzegovina in 2014, published also the new Enlargement Strategy, in which the focus was placed on the public administration reform, as one of the three pillars of enlargement. Within this document, six key issues have been identified, on the basis of which the SIGMA developed a set of principles, within each key issue. The European Commission and the SIGMA presented the elaborated principles in November, first in Brussels, to the ministers and other officials of the Western Balkans and Turkey, and then in Sarajevo, at the workshop where the representatives of BiH institutions from all levels of authority were invited. The conference in Brussels was attended by the public administration reform coordinator in BiH, the representatives of the Directorate for European Integration of BiH and the BiH Mission in Brussels, while the workshop in Sarajevo was attended by the representatives of local institutions of all levels of government.

At the request of the SIGMA and the EU Delegation in BiH, the PARCO, at the end of the year, began coordinating the activities regarding data collection for assessment of the condition in the public administration in BiH, which would be done by the SIGMA, in accordance with a set of the established principles. This estimate represents the baseline measurement of the condition in the public administration of the country in accordance with the principles, and it will be used in the coming years to measure the progress BiH has made in the segment of public administration development.

In 2014, cooperation continued with the ReSPA as well, through participation in the work of the Management Board of this organisation at the level of senior officials, in which, in addition to the Ministry of Justice of BiH, the participants were also the representatives of the PARCO, well as coordination and participation in individual activities and programmes implemented within the ReSPA. In 2014, there were four regular and one extraordinary meeting of the management Board of the ReSPA at the level of senior officials, one meeting of the Management Board at the ministerial level, one development workshop for the members of the Management Board at the ministerial, as well as the level of senior officials. Representatives of the PARCO participated in the initial meeting of the newly established network of public administration reform, which was organised by the

⁶ Regulation of the Council (EC) No. 31/2014 of 11 March 2014 establishing instrument for pre-accession assistance (IPA II), replacing the Regulation No. 1085/2006 of 17 July 2006 establishing instrument for pre-accession assistance (IPA)

ReSPA in June in Tirana (Albania) on the topic "PAR Strategies - common challenges and opportunities for regional cooperation in the framework of the IPA II and the SEE Strategy 2020". With the State PAR Coordinator, the meeting was attended also by the PAR coordinators of the Republic of Srpska and the Federation of BiH. The second meeting of this network was scheduled for December, but because of objective reasons, the term had to be postponed, and it was scheduled to be held in late January 2015 in Sarajevo. The PARCO, at the request of the ReSPA, coordinated data collection activities from the competent institutions involved in the work of the implementation and coordination structures for the PAR in BiH, related with the area - "Effective public services" of the pillar Governance for Growth" within the Strategy for South Eastern Europe 2020, for whose monitoring the ReSPA is competent.

Representatives of the PARCO participated in the two-day regional conference "Efficiency and effectiveness of public administration", which was held in April in Ankara. The conference is a continuation of project activities that the organiser, Association of experts from Turkey, implements in the field of establishing a more efficient and productive public administration. The conference presented the experiences of the Western Balkans countries and Turkey on the best practices of implementing the e-Administration, better regulation and administrative simplifications and reduction of administrative barriers.

In 2014, the PARCO continued cooperation also with the World Bank, the project "Capacity Development for Monitoring and Evaluation for West Balkans and Turkey", financed by the European Commission. At the regional workshop held in the ReSPA (January), the representatives of the PARCO presented the activities so far in the process of defining the performance indicators. Work on development of indicators in the field of civil service continued through active participation of the Supervisory Team members for the reform area of HRM and with the help of the World Bank experts within the thematic workshop in March. The proposal of the performance and result indicators has been made in the field of civil service and HRM reform, which was presented at the Final Conference of the project held in late April in Vienna. Defined indicators should be used in the process of preparation of sector action documents (project proposals) for the programme IPA II, and should enable the progress monitoring at the regional level.

Cooperation with the GIZ

The cooperation with the German Society for International Cooperation⁷ continued in 2014 as well. The Council of Ministers of BiH adopted⁸ the Final Report on Implementation of the Implementation Agreement on Implementation between the "Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)" and the Public Administration Reform Coordinator's Office for the Programme of Strengthening of Public Institutions in Bosnia and Herzegovina. The agreement on implementation of the phase II of the Programme of Strengthening of Public Institutions in BiH was signed on 3rd September 2014⁹, when the individual memoranda of understanding were signed with the beneficiary institutions of this programme and operational and institutional plans were prepared for implementation of the support activities, and these are: the Civil Service Agency of BiH, the Directorate for European Integration, the Public Procurements Agency of BiH, the Central Bank of BiH, the Statistics Agency of BiH, the Procurement Review Board, the Agency for Pre-School, Elementary and High School Education of BiH, and the Agency for Development of Higher Education and Quality Assurance in BiH.

Phase II of the Programme of Strengthening of Public Institutions puts the focus on the work in the inter-institutional thematic working groups, which were formed of the representatives of the beneficiary institutions: the Group for HRM, the Group for Communication and Knowledge Management, the Group for e-Administration and Public Procurements and the Group for Quality Management. The work of the groups is based on monitoring and implementation of thematic packages, i.e. areas of work of the working groups. During the year, the meetings were held where

⁷ „Deutsche Gesellschaft für Internationale Zusammenarbeit

⁸ At the 79th session of the Council of Ministers of BiH, held on 15 January 2014.

⁹ The proposal for conclusion of the Agreement on Implementation between the Public Administration Reform Coordinator's Office and the Deutsche Gesellschaft für Internationale Zusammenarbeit for the Programme of Strengthening of Public Institutions in BiH - Phase II was previously adopted by the Council of Ministers of BiH at the 105th session, held on 23rd July 2014.

the work packages were made and harmonised for all four thematic groups, and the groups were working also on implementation of a large part of the activities envisaged by the individual work packages. The group for the HRM and the Group for Quality Management held two meetings, the Group for Communications and Knowledge Management - three and the Group for e-Government and Public Procurements - one.

The meeting of the Advisory Committee of the Programme of Strengthening of Public Institutions, held in 2014, resulted in the conclusions and the agreement on harmonisation of the Guidelines for the work of the Advisory Committee, exchange of information on developments within the programme within the individual beneficiary institutions, relevant stakeholders in the field of public administration reform, and possible candidates for cooperation in this field.

Detailed data on implementation of plans of capacities strengthening of the institutions included in the SPI programme, as well as on cooperation with the GIZ, the PARCO provides in special reports on implementation of the Agreement, submitted to the Council of Ministers of BiH, and they are incorporated also in the reports on work of those institutions.

The implementation of the Operational Plan of strengthening of the capacities of the PARCO resulted in a large number of implemented, as well as initiated activities. There is ongoing implementation of the project "Online information system for collection, processing and management of monitoring and evaluation data of public administration reform in BiH", the project "Road Map for ensuring sustainable dynamics of introduction of quality management models in public administration of BiH", implemented by the European Institute of Public Administration that focuses on creating a strategic basis for introduction of quality management in public administration institutions in BiH, and development of the DMS / Intranet system, which envisaged a redesign of the website / development of the PAR portal.

Within identification of adequate models for total quality management (TQM) and capacity development to implement them, and with the support of the Programme of Strengthening of Public Institutions in BiH and the EIPA (European Institute for Public Administration) participation of the representatives of the PARCO and the Civil Service Agency of BiH on a three-day specialised training "Strengthening the performance of the organisation with the updated Common Assessment Framework: CAF 2011" in Barcelona was provided for. The training was based on the introduction to the CAF (Common Assessment Framework) model and the process of its implementation in the organisation.

The PARCO finalised in this year the Medium Term Strategic Plan of the PARCO for the period 2014-2016, and the Annual Operating Plan of the PARCO was prepared as well. The project activities of promotion of the public administration reform were successfully completed, which will contribute to increasing the visibility of reform through promotional materials and website intended solely for the public administration reform in BiH.

The employees of the PARCO dealing with public procurement procedures participated in specialised trainings on public procurements, which directly contributed to building the capacities of the PARCO in that field. An expert was engaged to implement an analysis of the public procurement system of the PARF and to give recommendations for its improvement.

4. STRATEGY IMPLEMENTATION

4.1. Implementation of the Revised Action Plan 1

Implementation and development of projects, especially those on the list of priorities for 2014, contributing to fulfilment of the measures from the Revised Action Plan 1 of the Public Administration Reform Strategy, was during this reporting period as well one of the key activities of the PARCO. In 2014, two projects have been successfully implemented - "Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska" and "Gender Responsible Budgeting", both financed by the Public Administration Reform Fund.

At all administrative levels, the results of the projects the PARCO proposed for financing by the IPA programme are already visible. These are following three projects: "Blueprint of Development of Central Bodies of Governments in BiH", within which a set of documents was developed, related to strengthening of the strategic planning and policy development system, "Education of Administrative Procedures managers" - a project within which already about 600 managers of administrative procedures was trained, and "Modernization of Human Resources Management System", which would contribute to the strengthening of the capacities in the human resources management segment. Representatives of the PARCO are the members of the management boards of these projects.

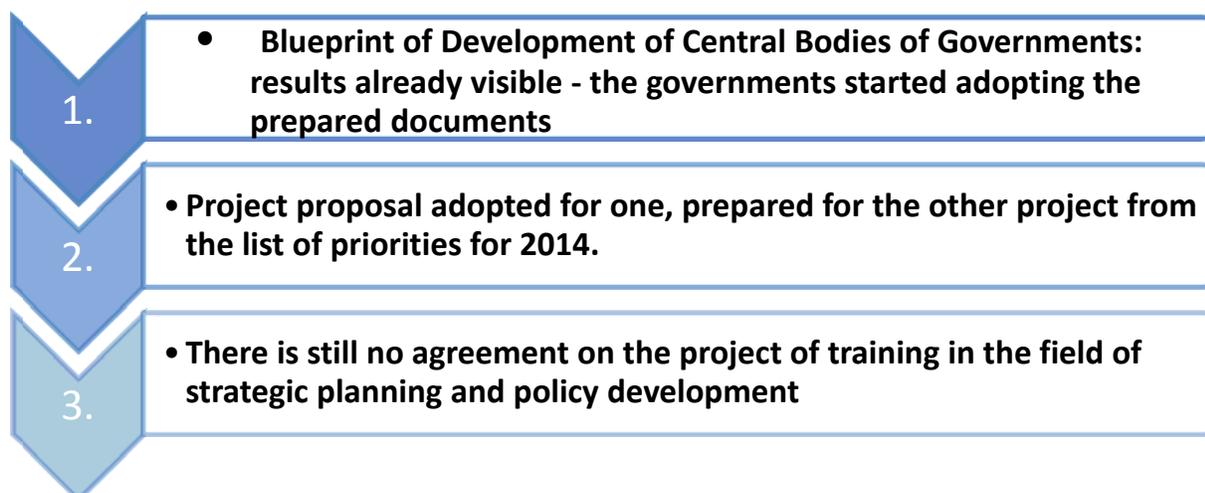
During the year, public procurement procedures for nine projects were initiated, but some of these procurements were unsuccessful, and were annulled. Procurement was annulled for one project, and for two projects, it is in the phase annulment, within which the PARF JMB enacted the decisions on annulment, but they will enter into force in the first quarter of 2015. For the remaining six projects (two in the area of Public Finance, two in the area of Human Resources Management and one in each of the areas of Administrative Procedures and e-Administration), the procurement phase is still ongoing, having in mind that for two projects the tender was announced for the first time, while in the case of three projects, the procurement procedures were already announced and annulled during 2014, but during the same year the tenders were announced for the second time. One project, from the area of Human Resources Management, is in the procedure of procurement since 2012, and for its completion, it would be necessary for the Council of Ministers of BiH to declare.

During the year, the PARCO officials continued to prepare the project documentation for a series of projects, before the projects, which were, at the beginning of the year, declared priorities or were on the list of priorities for the previous two years, but did not see their implementation due to the harmonisation procedures, which, in some cases, take more than a year. At the beginning of the reporting period, the PARCO, within the Annual Progress Report (monitoring of implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH) for 2013 prepared the assessment of implementation of the Revised Action Plan 1 by the end of 2014, when the deadlines for implementation of measures from this document would expire. The assessment has shown that the RAP1 will not be possible to implement fully by the end of the year, and that the process of reform of general administrative capacities would need to be continued in the coming period as well. In mid- year, the PARCO prepared also a special information on the state of implementation of the reform through projects that are financed by the PARF funds, which was adopted by the PARF JMB at the 41st session, held on 5 September 2014. This information is also gave an overview of the dynamics of implementation of the projects proposed for funding by the PARF funds, aimed at supporting the implementation of measures and objectives of the PAR Strategy and the RAP1.

The PARCO, in cooperation with the technical assistance project, prepared a proposal for further continuation of the public administration reform, and at the end of the year, at a meeting of coordinators of all the levels of government, it was agreed that the Council of Ministers of BiH / the governments of other levels of government would be requested to support the continuation of the reform activities from the RAP 1, primarily through implementation of the agreed projects.

A detailed review of the projects and the activities within six reform areas is given in continuation of this chapter.

4.1.1. REFORM AREA - STRATEGIC PLANNING, COORDINATION AND POLICY MAKING



Implementation of the project "**Blueprint of Development of Central Bodies of Governments in BiH - Phase II**", which started in January 2013, continued during the reporting period as well. There were three meetings of the Steering Committee of the Project and four progress reports of project were drafted.

Within the project, an initial design of the Community of Practitioners in the field of policy design and planning was prepared, as well as expert proposal "Options for Community of Practitioners for Policy making and Planning in BiH" describing possible scenarios for the possible creation of such a Community.

The Report on training needs analysis, the proposal of the general design of the training programme (planning and evaluation), the training curriculum for planning for the state and the entities, and the training curriculum for impact assessment for the state level and the entities were completed as well. In the reporting period, five two-day workshops in the field of regulatory impact assessment were implemented at the state level and in the RS, and nine two-day workshops from the field of planning for the state level and the FBiH level.

Apart from the workshops, there were also additional consultations and meetings with the relevant actors at all the levels on the issue of planning, monitoring and reporting, policy making, legal acts drafting and impact assessment, as well as the matter of training during project implementation.

In this period, the PARCO continued harmonising the project documents for the project "**Strengthening of Capacities for Strategic Planning and Public Policy Development - phase II (SPPD II)**". The terms of reference for this project was adopted by the Supervisory Team for this area in late 2013, but this document, at the end of the same year, was not adopted by the PARF JMB due to the standpoint of the representative of the Ministry of Finance of BiH that the role of the Ministry of Finance of BiH in implementing the project should be considered.

In 2014, the Ministry of Finance and Treasury of BiH submitted the opinion on the terms of reference twice (in January and April), and the PARCO, based on the submitted opinions corrected document, which the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination adopted for the second time in April. The project proposal with the tender documentation was submitted for adoption to the PARF JMB, but due to the standpoint of the representative of the Ministry of Finance and Treasury of BiH "that the terms of reference and the tender documentation were not harmonised, and that there were no conditions for their approval", the documents were withdrawn from the agenda. After consultations with the representative of the Ministry, the PARCO submitted the amended terms of reference and the indicative project budget to the Ministry of Finance and Treasury of BiH for declaration¹⁰. In late October, the Ministry submitted the opinion, which, inter alia, suggested to analyse the need to develop software at the level of the entities and the BDBiH. The

¹⁰ Documents submitted to the Ministry of Finance on 15 September

PARCO requested the members of the Supervisory Team to have consultations at their levels, and obtain comments and suggestions for improvement of the terms of reference. Opinions are submitted from the RS, and the BDBiH, and the Federal Institute for Programming and Development, and the PARCO expects that the opinion would be delivered by the Federal Ministry of Finance as well. After receiving all the necessary opinions, the PARCO will organise a meeting of the Supervisory Team, where a final position on the terms of reference for for this project would be adopted.

Supervisory Team approved the project proposal and the budget structure of the project **"Design of Software for Support in Legal and Other Regulations Drafting"**¹¹. Drafting of the terms of reference is ongoing. In cooperation with the reform area of Administrative Procedures and Administrative Services, the tender documentation for the project **"Establishment and/or Strengthening of the Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Barriers"** was prepared. The first public procurement procedure was annulled due to insufficient number of qualified bidders, and the procedure of the repeated procurement procedure is ongoing.

In the reporting period, the first draft of the project proposal for the project "Legislation Database" was prepared, which was presented to the members of the Supervisory Team for the area of Improvement of Quality and Procedures of Draft and Enactment of Regulations. The position of the representatives of BiH and the BD BiH in the ST is that it is necessary to consider the needed preconditions in terms of provision of personnel, the facilities and the equipment prior to project implementation. Harmonisation of standpoints with the members of the Supervisory Team is ongoing.

The PARCO, in cooperation with two Supervisory Teams from this reform area, supervised and directed project implementation and other activities in order to ensure fulfilment of the objectives set by the PAR Strategy. The projects proposed to be financed by the PAR Fund and the IPA, were selected based on priorities set by the supervisory teams. In 2014, there were nine meetings of two Supervisory Teams (five meetings for the ST Improvement of Quality and Procedures of Draft and Enactment of Regulations and four meetings of the ST Development of Capacities for Policy Making and Coordination).

Overview of the projects and implemented activities in this reform area is given in the table below:

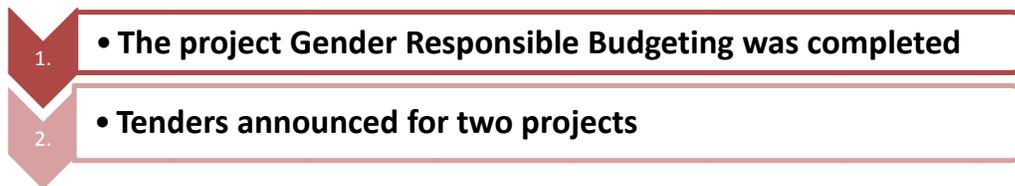
NO	PROJECTS	ACTIVITIES	COMMENT
1.	Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of the Phase II	<ul style="list-style-type: none"> - There were three meetings of the Steering Committee of the EU DECEB project, one meeting was postponed due to natural disasters, but the 4 progress report was approved in written correspondence. - Prepared methodology and expert draft of the "Decision for annual planning, monitoring and reporting at the state level". The decision was adopted on 18 November 2014. - Prepared methodology and expert proposal of the text of "The decision for impact assessment at the state". - Prepared methodology and expert proposal of the text of "The Regulation for (mid-term and annual) planning in the FBiH", which was adopted on 23rd October 2014. - The improved methodology for impact assessment for the FBiH was prepared and completed, and adopted by all the partners - Provided expert assistance to finalisation of the IFC proposal for amendments to the Regulation for Impact Assessment in the FBiH, - Prepared methodology and expert proposal of the text of "The decision for (mid-term and annual) planning, monitoring 	<ul style="list-style-type: none"> - Implementer of the project is the European Profiles S. A. Greece in consortium with the Ecorys South East Europe, Hungarian National Institute for Public Administration and European Public Law Organization. The CoM BiH adopted the Decision on 18 November 2014. The Government of the FBiH adopted the Regulation on 23rd October 2014. On 2nd July 2014, the Government of the FBiH adopted the amendments to the Regulation. On 30 January 2014, a workshop was held for the state level

¹¹ At the meeting held on 23rd December

		<p>and reporting in the RS.</p> <ul style="list-style-type: none"> - Prepared and approved improved methodology for impact assessment for the RS. - Proposal of amendments to the Decision for impact assessment in the RS was prepared and approved. - Completed Report on training needs analysis, as well as the proposal of the general design of the training programme (planning and impact assessment). - Prepared training curriculum for planning and impact assessment for the state level and the entities. - Prepared initial design of the Community of Practitioners in the field of design and policy planning, and the expert proposal of the "Options for the Community of Practice for Policy making and Planning in BiH". - Prepared new bylaw for planning in the BDBiH. - Provided expert assistance to draft of other bylaws and to related issues (e.g. the amendments to the Rules of Procedure of the Government of the FBiH and establishment of a new unit in the Secretariat General of the Government of the RS for coordination of planning and policies) - Eleven workshops implemented - Consultations and coordination with the representatives of the bodies at various levels 	<p>(in cooperation with the Ministry of Justice of BiH and other institutions)</p> <ul style="list-style-type: none"> - There were five workshops in the RS (11 February - two, 19 March - two, and 12 May - one workshop.) - Workshop held in the FBiH on 14 July 2014. - Workshop held in the BD BiH on 28 February. - Three joint workshops were held for BiH and the entities 6 March, 17 - 18 September and 22nd - 23rd September 2014. - Implemented trainings in the field of regulatory impact assessment for the relevant institutions of the Government of the RS, the Ministry of Finance of the RS and the CoM BiH. - Implemented trainings in the field of planning for the relevant institutions of the CoM BiH and the Government of the FBiH.
2.	Strengthening of Capacities for Strategic Planning and Public Policy Development - phase II (SPPD II)	<ul style="list-style-type: none"> - Corrected Terms of Reference and the budget structure in line with the comments of the Ministry of Finance and Treasury of BiH - Terms of Reference harmonised and adopted at the ST meeting - second time - Tender documentation prepared - The terms of reference and the tender documentation sent to the 40th session of the PARF JMB on 26 May 2014. - Additional harmonization with representatives of the MFT BiH 	<ul style="list-style-type: none"> - The ST agreed and adopted the terms of reference for the second time on 24 April 2014. - The terms of reference and tender documentation withdrawn from the agenda of the session, at the request of the representatives of the MFT in the PARF JMB
3.	Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Obstacles	<ul style="list-style-type: none"> - Finalisation of project documentation - The first public procurement procedure implemented - The repeated procedure of procurement of services for this project is ongoing 	<p>Joint project with the reform area Administrative Procedures and Administrative Services.</p> <p>The first public procurement procedure was annulled because the number of qualified candidates was less than three, and a real competition was not satisfied.</p>
4.	Design of Software for Support in Legal and Other Regulations Drafting	<ul style="list-style-type: none"> - Prepared project proposal and the budget structure of the project 	<ul style="list-style-type: none"> - After collecting the comments of the ST members and additional consultations, the project proposal was adopted at a meeting of the NT of 23rd December 2014.

5.	Legislation Database	- Draft project proposal was prepared	<p>The position of the representatives of BiH and the BD BiH in the ST is that it is necessary to consider the needed preconditions in terms of provision of personnel, the facilities and the equipment prior to project implementation.</p> <p>Harmonisation of standpoints with the members of the Supervisory Team is ongoing.</p>
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4.1.2. AREA – PUBLIC FINANCE



After the PARF JMB enacted the decisions on accepting the project proposal and the terms of reference for the project "Gender Responsible Budgeting" (widening of the Budget management Information System - BMIS by a software component for gender responsible budgeting), a public procurement procedure was enacted, and on 11 April, a contract was signed with the best bidder on the basis of agreement of the PARF JMB regarding the Report of the Commission for Public Procurements and the proposal of the Decision on Award of the Contract. The project was completed as planned, on 1st July 2014. The Report on implemented widening of the BMIS by a software component for GRB was adopted by the Supervisory Team for the reform area of Public Finance on 15 July 2014, and by the Joint Management Board of the Public Administration Reform Fund at the session of 5 September 2014.

The PARCO, in cooperation with the representatives of the Directorate for Finance of the Brčko District of BiH revised the Terms of Reference for the project "**Treasury Information System of the Brčko District**" in accordance with the new guidelines for the use of the PAR Fund. The Terms of Reference and the tender documentation for the project "Treasury Information System of the Brčko District" was adopted by the PARF JMB¹². The tender for Procurement of Consultancy Services was published in April, and the final deadline for application was 2nd June 2014, when the Public Procurement Commission held a meeting and opened the bids. The tender for procurement of consultancy services was annulled, because none of the interested bidders fulfilled the conditions from the tender. The tender was published again on 3rd November and the deadline was left by 5 December 2014 to submit the requests to participate.

The Information on the project "**Public Private Partnership**" with the proposal of conclusions including the Terms of Reference was sent for declaration to the Council of Ministers of BiH, together with the opinions of the Legislation Office, the Ministry of Finance and Treasury of BiH and the Ministry of Foreign Trade and Economic Relations. The Secretariat General of the Council of Ministers of BiH, on 10 March 2014, submitted a Notice on the Conclusion of the Council of Ministers of BiH, in which they said that at the 85th session, held on 6 March 2014, at the proposal of the Minister of Finance and Treasury, the discussion and adoption of the information on the project "Public Private Partnership" was postponed with the indication to exclude the Ministry of Finance and Treasury of BiH from active participation in implementation of project activities of the PPP with the suggestion to have the project implemented only in the entities. Considering that the PARCO alone cannot correct the terms of reference, the declaration of the Ministry of Finance and Treasury of BiH was requested again. The representatives of the Ministry of Finance and Treasury of BiH, at the meeting held on 17 June 2014, expressed the view that the conclusion of the Council of Ministers of BiH should be respected. The

¹² At the 39th session of the Joint Management Board of the Public Administration Reform Fund, held on 31st March 2014.

project proposal and terms of reference for the project "Public Private Partnership" have been corrected in accordance with the standpoint of the Ministry of Finance and Treasury of BiH, and the Supervisory Team for PF adopted these documents at its session of 17 September 2014. The project proposal, the terms of reference and the tender documentation have been adopted by the Joint Management Board of the Public Administration Reform Fund on 7 November 2014. The tender for procurement of consultancy services was published on 24 November, and the deadline was set by 26 December 2014 to submit the requests to participate.

In the reporting period, the Supervisory Team held four meetings (20 February, 14 March, 15 July and 17 September). At the meetings, it was discussed on: implementation of the projects from the IPA funds, update of the list of the projects from the reform area Public Finance in accordance with the Revised Action Plan 1 and establishment of the list of the priority projects for 2014, as well as on the project documents for the projects "Treasury Information System of the Brčko District", "Public Private Partnership" and "Gender Responsible Budgeting".

Overview of the projects and project activities in this area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	Gender Responsible Budgeting (widening of the Budget Management Information System - BMIS by a software component for gender responsible budgeting)	<ul style="list-style-type: none"> - The public procurement procedure implemented - Contract concluded with the best bidder - All project activities completed. <ul style="list-style-type: none"> - The report on implemented widening of the BMIS by the software component for GRB was adopted. 	<p>The contract was signed on 11 April.</p> <p>The project was completed on 1st July, in accordance with the plan.</p> <p>- The ST adopted the report on 15 July, and the PARF JMB on 5 September.</p>
2.	Treasury Information System of the Brčko District of BiH	<ul style="list-style-type: none"> - Draft revised terms of reference was prepared; - The Notice on procurement of consultancy services was published (Official Gazette of BiH, 33/14). - Notice on annulment was published (Official Gazette of BiH, 85/14) as well as the Notice on the New Procurement. - Commission for procurement opened the bids on 5 December 2014. 	<p>The PARCO, in cooperation with the representatives of the BD BiH, revised the terms of reference in accordance with the new Guidelines for Use of the PARF Funds.</p> <p>- The terms of reference and the tender documentation were adopted at the 39th session of the PARF JMB of 31st March 2014.</p> <p>The tender for procurement of consultancy services was published on 28 April 2014. The deadline for application was 2nd June 2014, when the commission for public procurement held a meeting.</p> <p>The tender for procurement of consultancy services was annulled, because none of the interested bidders fulfilled the conditions from the tender. The tender was published again on 3rd November 2014.</p>
3.	Public-Private Partnership	<ul style="list-style-type: none"> - The project proposal and the terms of reference have been adopted - The project proposal and the terms of reference have been corrected 	<p>The terms of reference was sent for declaration to the Council of Ministers of BiH, with the opinions of the Legislation Office, the Ministry of Finance and Treasury of BiH and the Ministry of Foreign Trade and Economic Relations.</p> <p>On the recommendation of the Minister of Finance and Treasury of BiH, the terms of reference was removed from the agenda and returned for correction to the PARCO.</p>

		<ul style="list-style-type: none"> - Adopted corrected project proposal and the terms of reference - Published tender for procurement of consultancy services 	<p>The project proposal and the terms of reference for the project "Public Private Partnership have been corrected in accordance with the standpoint of the Ministry of Finance and Treasury of BiH, which referred that the project was not to be implemented at the state level but only at the level of the Entities and the Brčko District of BiH, and that the Ministry of Finance and Treasury of BiH was to be excluded as one of the beneficiaries of the project.</p> <p>The corrected project proposal and the terms of reference were adopted by the Supervisory Team at the meeting held on 17 September 2014.</p> <p>The tender for procurement of consultancy services has been published on 24 November 2014 (Official Gazette, 91/14).</p>
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Other Activities

A representative of the PARCO was engaged as an observer in the steering committees of the projects "Strengthening of Public Finance Management in BiH" and "Strengthening the national planning process in BiH", and as a member of the steering committee "Strengthening of Capacities of Public Debt Management". Also, a representative of the PARCO attended the II meeting of the PPP network, which was held in Luxembourg from 19 to 20 November 2014.

4.1.3. AREA – HUMAN RESOURCES MANAGEMENT

1. • Successfully completed project to expand the information system in the RS
2. • Tendering procedure for the project to strengthen the capacity for anti-corruption was annulled

In the reporting period, implementation of the project **"Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska"** was successfully completed. Implementation of the project funded by the IPA 2011, **"Modernisation of the Human Resources Management System in the Structures of the Civil Service of BiH"** started in January, while the project financed by the PARF, **"Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computer"**¹³ is in the phase of public procurement. For the project "Capacity Building for Combat Against Corruption in the Structures of Civil Service", the PARF JMB, at its session of 23rd December 2014, enacted a decision on annulment of the public procurement procedure.

During 2014, the members and the deputy members of the Supervisory Team for this area had three regular sessions, and they also took part in the workshop "Introduction of quality management in public administration in BiH - significance, models and sustainability", which was held on Vlačić on 28 - 29 April. In this period, the member and deputy member of the Supervisory Team from the Civil Administration Agency of the Republic of Srpska, have been appointed, as well as the deputy member of the Supervisory Team from the Sub-Department for Human Resources of the Government of Brčko District of BiH.

Overview of the present projects and project proposals in this reform area is given in the table below:

NO.	PROJECTS	ACTIVITIES	COMMENT
1.	Establishment of Modern Departments for Human Resources Management in the Bodies of Administration in BiH	<p>- The PARCO had consultations on the procurement procedure with the Public Procurement Agency of BiH and the Office for Audit of the Institutions of BiH, and prepared the information for the PARF JMB, which was discussed at the session of March 28, 2012.</p> <p>- Proposal of the Decision on Annulment of the public procurement procedure has been prepared, which was discussed at the PARF JMB session of May 17, 2012.</p>	<p>At the PARF JMB session, the agreement of all the members on the Proposal of the Decision on annulment of the procurement procedure was not reached.</p> <p>The Council of Ministers of BiH, in accordance with the conclusion from the 28th session of the PARF JMB of 4 July 2012, received the information on the status of the project "Establishment of Modern Departments for Human Resources Management in Administration Bodies in Bosnia and Herzegovina". At the 22nd session of the CoM BiH, held on 10 October 2012. The CoM BiH had a discussion on the Information, with the proposed conclusion, and they tasked the PARCO to acquire the opinion of the Ministry of Finance and Treasury of BiH prior to adoption of the information.</p> <p>The Ministry of Finance and Treasury of</p>

¹³ The Council of Ministers at its 94th session, of 8 May 2014, adopted the Information on the project "Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computer", with the proposal of conclusions.

			<p>BiH submitted to the CoM BiH the declaration on the Information, after which the PARCO submitted to the CoM the declaration on the allegations of the PARF JMB member from the Ministry of Finance and Treasury of BiH.</p> <p>The CoM BiH, in the period by the end of preparation of this Report, did not enact a final decision.</p>
2.	<p>Building of Capacities for Combat against Corruption in the Structures of Civil Service in BiH</p>	<ul style="list-style-type: none"> - The PARF JMB adopted the proposal to annul the procedure. 	<p>On 19 March 2014, one of the candidates in the procedure objected the request to participate by another candidate in the procedure of public procurement of consultancy services for the project "Building of Capacities for Combat Against Corruption in the Structures of the Civil Service in BiH".</p> <p>On 24 March 2014, the PARCO enacted the Decision on the Objection, rejecting the objection as unfounded.</p> <p>On 31st March 2014, the same candidate filed an appeal to the Decision on the Objection to the Procurement Review Board.</p> <p>The Procurement Review Board, on 8 April 2014 submitted to the PARCO the instruction, which ordered the case to be delivered to the PRB.</p> <p>The PARCO, on 16 June 2014, received the specific decision of the PRB which annulled the Decision on the Objection, and returned the case for a repeated procedure.</p> <p>The PARF JMB received the proposal to annul the procedure, which was adopted at the session held on 23rd December 2014.</p>
3.	<p>Modernisation of the Human Resources Management System in the Structures of Civil Service in BiH</p>	<ul style="list-style-type: none"> - The project was initiated in the reporting period. - the Inception conference of the project was held. - There were three meetings of the Steering Committee of the project. - Adopted documents are: The inception report, the first interim report. - Three workshops were held for all administration levels, and one workshop for the level of the RS and the FBiH each. - There was a study visit in Portugal. - Initiated activities at all the levels by the foreseen dynamics of the project. - Second Interim Report adopted 	<p>The project officially began on 24 January 2014</p> <p>Inception conference was held on 14 April 2014.</p> <p>Meetings of the Steering Committee of the project were held on: 10 April 2014, 18 September 2014 and 11 November 2014.</p> <p>Prepared draft methodology for job analysis, and at all administration levels in certain institutions job analyses are being implemented, after which the project team would propose improved job descriptions.</p> <p>A document "Modernization of practice of human resources planning in public administration structures in BiH" was drafted, which provides guidelines for</p>

			<p>development of planning at all levels in BiH.</p> <p>The project team drafted the document "Organisation of HRM units in Administration of all the Levels of Governance in BiH" (basic standards and criteria)".</p> <p>Prepared Draft Competency Framework for the Civil Service in BiH.</p>
4.	Widening of the Information System for Human Resources Management by Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska	<p>- Project completed.</p> <p>- Final Report of the Project was adopted.</p>	<p>The project was completed on 4 March 2014.</p> <p>The Implementer on 14 March 2014 submitted in an electronic form the Final Report with supporting documents, and on 7. April, they submitted this report in hard copy.</p> <p>The PARF JMB, at its session of 26 May 2014, adopted the final report.</p>
5.	Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers	<p>- Terms of reference adopted.</p> <p>- Procurement Notice was published (Official Gazette of BiH, 46/14 of 16 June).</p> <p>- Procurement procedure annulled</p> <p>- Project in the phase of public procurement, Procurement notice published in the Official Gazette 82/14.</p> <p>- Commission for procurement opened the bids, evaluation is in progress.</p>	<p>The PARF JMB members, at the session held on 28 February 2014, adopted the terms of reference.</p> <p>The final deadline for submission of bids was 28 July 2014.</p> <p>The Commission prepared the Report on evaluation of bids, and the PARF JMB, at its session of 5 September 2014, enacted the conclusion to annul the procedure, because the competition was not satisfied.</p> <p>Repeated call to submit the bids was published on 20 October 2014 in the Official Gazette of BiH, and the final deadline for submission of bids was 1st December 2014.</p> <p>The Commission opened the bids on December 1st.</p>
6.	Development of Electronic Trainings for the Needs of the Civil Service / Administration in BiH	<p>- The project proposal was prepared and adopted.</p>	<p>The Supervisory Team for HRM adopted the project proposal at the session held on 18 November 2013.</p> <p>The PARF JMB members, at the session of 28 February 2014, adopted the project proposal.</p>

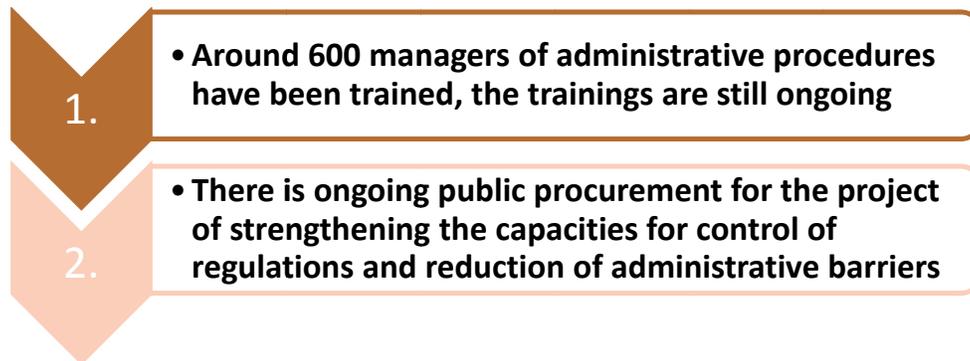
Other Activities

At the inception conference of the project "Modernisation of the Human Resources Management System in the Structures of the Civil Service of BiH" the document "Draft policy framework for human resources management development in the civil service structures in BiH" was presented (a prerequisite for implementation of one of the objectives of the RAP1 from this field). The document was submitted to the relevant ministries and to the Department for professional and administrative affairs of the Brčko District, who will send it to the Governments for approval.

In the reporting period, the GIZ, in cooperation with the PARCO, organised two meetings of human resources management managers from the institutions of the beneficiaries of the programme "Strengthening of Public Institutions in BiH" (HRM group). At the meeting held in November 2014, a framework plan of activities for this group for the following period was agreed. In the same organisation, there was also a meeting of the group for e-Learning, where new directions of cooperation between the institutions in this area have been agreed.

The activities that lead to implementation of the objective HRM 10. Total Quality Management (TQM) have been initiated, and the activities of the project of preparation "Road Map for ensuring sustainable dynamics of introduction of quality management model in public administration in BiH" have been implemented. As a part of these activities, the PARCO, in cooperation with the GIZ SPI programme, organised a special workshop for the members of the Supervisory Team for HRM and for the PAR coordinators **"Introduction of Quality Management in Public Administration in BiH - significance, models and sustainability"**, held on 28 and 29 April 2014 on Vlačić.

4.1.4. AREA - ADMINISTRATIVE PROCEDURES AND ADMINISTRATIVE SERVICES



Initial conference of the project **"Education of Managers of Administrative Procedures and Inspectors"**, which is financed from the IPA 2011 was held in February when the future activities of the project were presented. The Steering Committee of this project, at the second meeting (March) adopted the Quarterly Report, training needs analysis, Analysis of the process of management and decision making in administrative procedures, and the Methodology and the implementation plan of the training. Trainings for the officers of the Brčko District of BiH and the Republic of Srpska have been completed. So far, the training has been, in the period 7 March - 11 April 2014, attended by 80 officers of the Brčko District of BiH, and 498 officers of the Republic of Srpska in the period 7 April - 10 October 2014. In October, the trainings started for the officers from the Federation of BiH, and for the state level, the trainings will start in 2015. The third meeting of the Project Steering Committee was held in May, in Banja Luka and the first six-month report of the project was presented and adopted there. At the fourth meeting of the Steering Committee in November, the second six-month report and the Third quarterly report on the progress of the project have been adopted.

After preparation of the tender documentation for the project **"Establishment and/or Strengthening of the Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Barriers"**¹⁴, the PARF JMB adopted the Decision giving agreement to the tender documentation for the contract on procurement of consultancy services¹⁵. The first Procurement Notice for the project was published in April¹⁶, but the contracting authority, at the proposal of the Commission for procurement and based on the agreement of the PARF JMB, on 8 September 2014, enacted the Decision on annulment of the procurement procedure, since the number of qualified candidates was less than three and the real competition for the planned contract was not satisfied. The Decision on annulment of the procurement procedure and the new Procurement notice were simultaneously published in the Official Gazette of BiH, No. 83/14, of 27 October 2014, and the project is currently in the public procurement procedure.

Cooperation of the PARCO and the International Financial Corporation (IFC) continued for the purpose of synchronisation of project activities in the field of regulatory reform the IFC implements within the project "Improving the business environment and strengthening competitiveness in BiH".

In the reporting period, there were two meetings of the Supervisory Team for this reform area, on 6 February, and 31st October. The first meeting analysed the situation in the reform area and the implementation of measures from the RAP 1 in 2013, based on the data from the Annual Report on the progress of the RAP 1 in 2013 and the measures foreseen for 2014. At the second meeting, held in Brčko, there was a discussion, inter alia, on the new project idea, whose implementation would implement two objectives from the reform area of Administrative Procedures and Administrative Services.

¹⁴ The information on the project "Establishment and/or strengthening of capacities for control of regulations and establishment of the system of reduction of administrative barriers with the proposal of conclusions was adopted by the Council of Ministers of BiH at the 81st session, held on 29 January 2014.

¹⁵ At the 38th session of the PARF JMB, held on 28 February 2014.

¹⁶ Official Gazette of BiH, No. 26/14

The Supervisory Team for this area, together with the Supervisory Teams from the area of Strategic Planning, Coordination and Policy Making, participated in a study visit to the institutions of the Federal Republic of Germany, organized by the Program of Strengthening of Public Institutions, implemented by the GIZ. The objective of the activity was to familiarise the participants with the practices of work, decision making and cooperation in the German administration, especially in the areas such as strategic and budget planning, policy development, the RIA, reducing administrative barriers, the legislation process and cooperation between different levels of government.

In the reporting period a member of the Supervisory Team from the FBiH was appointed.

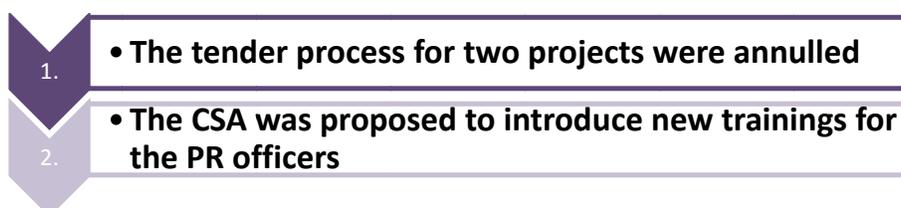
Overview of the projects in this reform area is given in the table below:

NO.	PROJECTS	ACTIVITIES	COMMENT
1.	Education of Managers of Administrative Procedures and Inspectors	- Project in the Phase of Implementation	<p>- There were four meetings of the project SC, 20 December 2013, 11 March 2014 and 28 May 2014 and 14 November 2014.</p> <p>- Adopted documents are the Inception Report, the Quarterly report, the Training Needs Analysis, the Analysis of the process management and decision-making in administrative procedures, Methodology and implementation plan of training and the First six-month report of the project, the Second six-month report and the Third quarterly report on progress of the project</p> <p>- Trainings in the BDBiH and the RS were completed.</p> <p>- Trainings at the level of the FBiH began.</p>
2.	Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Obstacles	<p>- Procurement notice for the project was published on 7 April 2014 in the "Official Gazette of BiH", no. 26/14.</p> <p>- The decision on annulment of the procurement procedure and the new Procurement Notice were published on 27 October 2014 ("Official Gazette of BiH", No. 83/14).</p> <p>- The Commission for procurement held the first meeting on the occasion of opening of the requests to participate in the repeated procedure the Commission for procurement opened the bids on 9 December 2014.</p>	<p>- At the 38th session of the PARF JMB, the Decision on giving agreement to the tender documentation for the contract on procurement of consultancy services for the project was adopted. The project was annulled because the competition was not satisfied / the number of qualified bidders was less than three).</p> <p>.</p> <p>The first meeting of the Commission and the bid opening took place on 9 December 2014.</p>

Other Activities

A representative of the PARCO attended the Regional Conference on the topic "EU administrative law and its impact on public administration reform process and the integration of South-east European countries in the European Administrative Space", which was held on 4 - 5 September 2014 in Zagreb, organised by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the South East European Law School Network (SEELS).

4.1.5. AREA – INSTITUTIONAL COMMUNICATION

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1. • **The tender process for two projects were annulled**
 2. • **The CSA was proposed to introduce new trainings for the PR officers**

This year, there were two regular and one thematic session of the Supervisory Team from this reform area (February / Banja Luka, July / Sarajevo, October / Brčko). There was a discussion especially on the topics related to the development of the priority projects, the results of the implemented campaign of promotion of the public administration reform, and the activities in this reform area after 2014. Through the meetings that took place, the items which that team would advocate in its future work were pointed out; the significance of strategic planning in the field of communication, capacity building and development, planning and continuous implementation of trainings for the purpose of constant improvement of public relations officers.

The tender procedures for procurement of consultancy services for the projects **"Training of Information / Public Relations Officers - Phase II"** and **"Building of Capacities for Combat Against Corruption in the Structures of the Civil Service in BiH"**, due to the decision of the Procurement Review Board of BiH and the appeals and objections of the bidders, were annulled. At the meeting of the Supervisory Team in October, it was concluded to re-initiate the public procurement procedure for the project "Training of Information / Public Relations Officers - Phase II". Supervisory Team will subsequently declare on the purposefulness of the project "Building of Capacities for Combat Against Corruption in the Structures of the Civil Service in BiH" and on the possible reinitiation of the tender procedure. At the meeting in February, the Supervisory Team agreed to have the project **"Functional Review of IC capacities in BiH Civil Service"** included in the list of priority projects for 2014. Work on development of this project was planned for the first half of 2015, together with development of the projects **"The Best European Practices of Institutional Communication"** and **"Strategic Communication - Phase II"**.

The Information Service of the Council of Ministers of BiH published in 2014 four new issues of the bulletin "INFO of the Council of Ministers of BiH", seventeenth, eighteenth, nineteenth and twentieth, which is a direct continuation of the activities of the project "Establishment of Network of Info Stands", one of the three successfully completed projects in this reform area. The PARCO actively participated in preparation of the contents of the bulletin.

Within the Inter-Institutional Working Group on Communication and Knowledge Management of the Programme of Strengthening of Public Institutions in BiH, the representatives of the PARCO actively participated in coordination of the work of the group, and in development and harmonisation of the work package of this work group, draft of the plan of communication activities of the group for the period 2014-2016, draft of the Manual "Communication Planning", a questionnaire for assessment of the condition in communications, and development of a short-term plan of activities for the period October 2014 - March 2015. In addition to participation in the regional PR conference, which was held in March in Sarajevo, the members of the Group for Communication and Knowledge Management participated also in the working lunch on strategic communications in public institutions with the executive director of government communications in the government of Great Britain, and in the workshop on the

Partnership for Open Governance, i.e. the coordination of the activities of this working group with the work so far of the civil society organisations on the said topic.

The Information Service of the Secretariat General of the Council of Ministers of BiH, as an associate member, was included during the year in the work of the inter-institutional work group for communication and knowledge management. To this end, a Memorandum of Understanding with the Secretariat General of the Council of Ministers of BiH was signed. Also, discussions were held with the representatives of the Agency for Prevention and Coordination of Combat Against Corruption in BiH on their involvement in the work of the group, which would contribute to development of capacities and competences for communication in these institutions, as well as sustainability and effectiveness of fulfilment of the reform objectives in the area of Institutional Communications.

In Organisation of the Civil Service Agency of BiH, in accordance with the chapter 4 of the area of Institutional Communication of the RAP 1 and at the initiative of the PARCO representative, the trainings for public relations officers in the institutions of the Council of Ministers of BiH were organised and held, which included topics such as "Using the Internet and social networks in public relations of the institutions of BiH", "How to communicate at a higher level (advanced communication skills)", "Importance of public relations in the work of the institutions of Bosnia and Herzegovina", and "Modern business communication".

As a part of the campaign promoting the public administration reform, the PARCO was implementing during the year in cooperation with the GIZ and the engaged project implementer, the representatives of the reform area were involved in development and implementation of the plan of activities of this project. In addition, the employees in this reform area continued to perform the role of coordination of the Programme of Strengthening of Public Institutions in the part related to the PARCO and the Programme management.

Overview of the projects from this reform area is given in the table below:

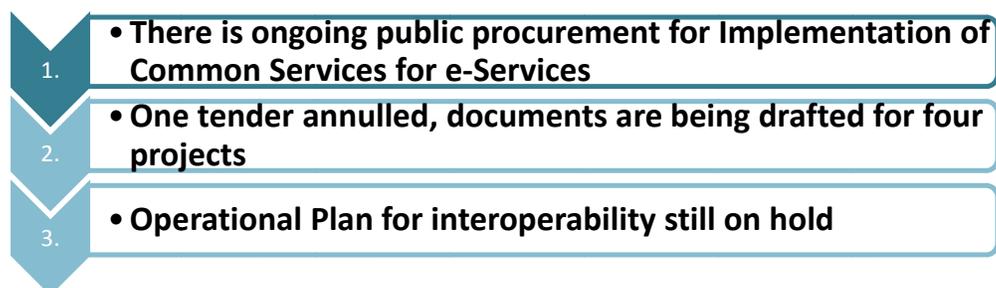
NO	PROJECTS	ACTIVITIES / RESULTS	COMMENT
1.	Training of Information / Public Relations Officers – Phase II	- The tender procedure was annulled	<p>The PARCO on 25 May 2014 enacted the decision on award of the contract for procurement of consultancy services.</p> <p>After one of the bidders submitted an objection to the Decision on award of the contract, and then the appeal the Decision on the objection, the PARCO submitted the case to the Procurement Review Board, after which (on 26 June 2014) it received a specific decision of the PRB, which annulled the procurement procedure.</p>
2.	Building of Capacities for Combat against Corruption in the Structures of Civil Service in BiH	- The tender procedure was annulled	<p>After one of the candidates objected the request to participate by another candidate in the procurement procedure, and appealed to the Procurement Review Board regarding the decision of the PARCO on the objection, the PARCO was instructed to submit the case to the Procurement Review Board, after which, on 16 June 2014 it received a specific decision annulling the decision of the PARCO, and returning the case to a repeated procedure.</p> <p>The PARF JMB, at its session of 23 December 2014, enacted the decision on annulment of the procedure of public procurement of consultancy services for implementation of this project.</p>
3.	Best European Practices of	- There is currently revision of the project proposal in accordance	The ST adopted the project proposal by written declaration / letter of the PARCO

	Institutional Communication	with the Guidelines on Amendments to the Guidelines for the use of the PARF funds	No. 04-07-2-227-1/11 of 13 July 2011
4.	Strategic Communication – Phase II	- the project proposal is being drafted	The project idea was adopted at the ST meeting of 4 November 2011 in Sarajevo.

Other Activities

The representatives of the PARCO participated in the Conference on Open Government Partnership, organized by the Transparency International of BiH, the regional PRO.PR conference on management and models of communication and the conference "Evaluation of BiH Strategy of Combat against Corruption", organized by the Transparency International. The representatives of the PARCO participated in the work of the working group for development of procedures for Open Government Partnership and in other activities in this area at the level of the BiH institutions.

4.1.6. AREA - e-ADMINISTRATION



With the objective of quickening the activities on adoption of the outputs of the project "Design and Establishment of Interoperability Framework and Standards for Data Exchange", in March, the PARCO sent a letter to the chairman of the Council of Ministers of BiH, to the entity prime ministers and to the mayor of the Brčko District of BiH, in which they stressed the significance and urgency of adopting the documents prepared within the project.

Acting on the conclusion of the House of Representatives of the Parliamentary Assembly of BiH and the adopted Resolution on e-Administration, as well as the Conclusion of the Council of Ministers of BiH, the PARCO prepared, and sent to the Council of Ministers of BiH for adoption the Operational Plan for Establishment of the Interoperability Framework at the Level of the Institutions of the Council of Ministers of BiH. The Council of Ministers of BiH¹⁷ adopted the Information on Implementation of the Conclusion of the CoM BiH from the 61st session but the discussion of the Operational Plan was deferred. The PARCO was put in charge, to conduct additional harmonisation with the entity governments and the Government of the BD BiH within 15 days. The PARCO, after the analysis of the activities of the Operational Plan, found that only the activity related to the adoption of the Memorandum of Understanding for enactment of the Interoperability Framework implied inclusion of other levels of government as well. All other activities of the Operational Plan are related exclusively with the institutions of the Council of Ministers of BiH and are related to their competencies and functions.

During the preparation of the documents, there were consultations with the experts, members of the Supervisory Team from the area of e-Government - the representatives of the Ministry of Transport and Communications of BiH, the Secretariat General of the CoM BiH and the Agency for Identification Documents, Registers and Data Exchange (IDDEEA). These institutions are also the bearers of the activities on implementation of the Operational Plan together with the other institutions.

¹⁷ At the 105th session, held on 30 July 2014.

Given the fact that the first version of the Operational Plan was made in early 2014, but due to procedural reasons was not adopted, the deadlines were corrected in the Operational Plan, and the materials were re-submitted¹⁸ to the Council of Ministers for discussion and adoption.

In the reporting period, there was an intensive work on drafting and adoption of the project documentation for the priority projects from 2012, 2013 and 2014.

In February, at the meeting of the Supervisory Team, the project proposals were harmonised and approved for the projects **"Implementation of Common Services for e-Services"** and **"Design of Catalogues of Public Registers in BiH"**, as well as the terms of reference for the project **"Specialist Programme of Trainings for IT Managers"**. At the same meeting, it was proposed to redefine the documentation for the project **"Business Registration Reform Road Map"**, which was annulled in December 2013 by the Procurement Review Board of BiH. Since this project stipulated implementation of the activities related to three administration levels, the Council of Ministers of BiH, the FBiH, and the BD BiH, the Supervisory Team members from the RS gave agreement for implementation of the activities, with the condition of proposing two individual projects, related with procurement of the missing equipment for data backup of the existing system and draft of the feasibility study for on-line registration of businesses in that entity. The priority project idea for 2014, **"Document and e-Sessions of the Governments Management Systems"** was adopted at the meeting. Also, it was agreed to give up drafting the project documentation for the priority project idea from 2013, **"Establishment of Permanent Process of IT Risk Analysis in BiH"** because of complexity of defining the documentation for that project. At the session of the PARF JMB in February, decisions were enacted on adoption of the project proposals for the projects "Implementation of Common Services for e-Services" and "Design of Catalogues of Public Registers in BiH".

In March, the ST adopted the terms of reference for the project "Implementation of Common Services for e-Services", and on the terms of reference "Design of Catalogues of Public Registers in BiH" the members of the Supervisory Team declared after the meeting, in writing. The PARF JMB enacted¹⁹ the decisions on accepting the terms of reference for three projects: "Specialist Programme of Trainings for IT Managers", "Implementation of Common Services for e-Services" and "Design of Catalogues of Public Registers in BiH". Because of the need to inform the Council of Ministers of BiH on these projects, the PARCO prepared the information on the projects and requested opinions from the relevant institutions. The Ministry of Communication and Transport of BiH gave a negative opinion on the project "Specialist Programme of Trainings for IT Managers", while the IDDEEA submitted comments and suggestions for the projects "Implementation of Common Services for e-Services" and "Design of Catalogues of Public Registers in BiH". Representatives of both institutions are also the members of the Supervisory Team who participated in defining and gave support to the project documentation.

In May, the PARCO had a meeting with the management of the IDDEEA, where it was concluded to have the submitted proposals and the comments incorporated in the information, and not in the project documentation, because that would require additional harmonisation.

Considering the submitted opinion, the PARCO conducted additional consultations with the Ministry of Communication and Transport of BiH, after which the said institution delivered a positive opinion on the Information on the project "Specialist training program for IT managers".

The Council of Ministers adopted²⁰ information documents on three projects "Implementation of Common Services for e-Services", "Specialist Training Programme for IT Managers" and "Design of Catalogues of Public Registers in BiH". Parallel with these activities, the PARCO prepared the tender documentations for the said projects, which were adopted by the PARF JMB²¹.

In this period, there was seven meetings of the Supervisory Team (6 February, 19 March, 11 April, 18 June, 11 September, 14 October and 17 December). In June, the members of the Supervisory Team held a meeting with the public administration reform coordinators, and in September they met with the PARF JMB members. At the meetings, there were discussions on the activities in the reform area as well as on the dynamics of project implementation.

¹⁸Materials submitted to the CoM BiH on 12 December 2014

¹⁹At the 39th session of the PARF JMB, held on 31st March 2014.

²⁰At the 106th session, held on 30 July 2014.

²¹At the 41st session, held on 5 September 2014.

At the meeting of the Supervisory Team, held in April, there was a discussion on the documentation for the project "Document management systems and government e-sessions systems". The project objective was to enable the institutions to do business in a more transparent and faster manner while ensuring ease of monitoring, management and control over cases and documents. The project implies automation of the process of documents reception, electronic processing, distribution, approval, review and final archiving, as well as increase in transparency and efficiency through implementation of a stable, efficient and safe system for management and monitoring of the government sessions. The project was designed in two components. For the state level and the level of the FBIH, the system for document management will be implemented in certain number of institutions, and for the administration levels of the RS and the BD BiH, an upgrade of the system for efficient and secure management and monitoring of the sessions of the governments. The project proposal was finalized, and harmonisation of the terms of reference is in progress.

At the same session, the documentation for the renewed project "Business Registration Reform Road Map" was harmonised for three administration levels, and the members of the PARF JMB enacted²² decisions on accepting the project proposal and the terms of reference for the said project, with conclusion that the RS level would propose two individual projects - feasibility study for on-line registration of businesses and project of procurement of equipment for data backup of the current information system.

Within the procedure of referring the Information on the project to the session of the Council of Ministers of BiH, on 23rd June 2014, the opinion of the competent institutions was requested. The Ministry of Finance and Treasury of BiH, following a number of urgencies, submitted an opinion²³ in which they suggested conceptual changes in the project documentation. The PARCO, after clarification of allegations and suggestions from the Opinion of the Ministry of Finance and Treasury of BiH, submitted the Information on the project to the Council of Ministers of BiH²⁴ for consideration and adoption. However, the information was withdrawn from the agenda of the 112th session of the Council of Ministers of BiH²⁵ at the request of the Ministry of Finance and Treasury of BiH. Meanwhile, the Foreign Trade Chamber of BiH pointed out the importance and gave support to implementation of this project.

In the reporting period, the PARCO, in cooperation with the Secretariat General of the Council of Ministers of BiH - Department for Maintenance and Development of the System of Electronic Operations and e-Government, defined the documentation for the second phase of the project "**Establishment of the BH Portal**", whose purpose was to make the BH portal operational and ready for publication by filling the contents, and provide new tools for presentation of the portal. It was planned that the second phase, as it was the case with the implementation of the first phase, will be supported by the GIZ. The monitoring of implementation of the first phase of the project was completed. The meaning of the project is to make all the electronic information available by the concept "one-stop-shop". This means that citizens and enterprises will have in one place the information on the services provided by the state institutions, who has the right to the service, under which circumstances, where the service can be obtained, which documents are needed, how much is the fee, what the submission form looks like, and how it can be obtained if it exists). The portal will, initially, be informative and will represent a second level of development of electronic services - provision of information and possibility of download of a form, while in the future, following the progress of the information technology and developing complementary projects, it would strive to reach the fifth level of sophistication of services, or full electronic service.

Overview of the projects and project activities in this area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	Design and Establishment of Interoperability Framework and Standards for Data	- The PARF JMB at the 32nd session of 7 March 2013 adopted the Final Report of the Project	Acting on the adopted Resolution on e-Administration by the House of Representatives of the PA BiH and the Conclusion of the CoM BiH, the PARCO, in cooperation with the ST members

²² At the 40th session of the Joint Management Board of the Public Administration Reform Fund, held on 26 May 2014.

²³ Opinion delivered on 30 September 2014.

²⁴ Information submitted on 29 October 2014.

²⁵ The session was held on 13 November 2014.

	Exchange		<p>from the state level, submitted to the CoM BiH the Operational Plan for establishment of the Interoperability Framework at the level of the institutions of the CoM BiH. On several occasions, positive opinions of competent institutions, in accordance with the Rules of Procedure of the CoM BiH, were not obtained. At the 105th Session, the Council of Ministers of BiH adopted the Information on implementation of the conclusion, but postponed the discussion on the Operational Plan. The PARCO, after updating the Information and changing the deadlines in the Operational Plan, sent again the material to the session of the CoM BiH. A letter was sent to the chairman of the CoM BiH, to the entity prime ministers and to the mayor of the BD BiH on the urgency and significance of confirming the exit results of the project by the governments.</p>
2.	Business Registration Reform Road Map	<ul style="list-style-type: none"> - During the public procurement procedure, the Objection and the Appeal have been submitted regarding the tender documentation. - On 11 December 2013, the Procurement Review Board enacted a Specific Decision on Annulment of the Procedure. - The ST declared on the project proposal and the terms of reference, and the PARF JMB members, at the 40th session, held on 26 May 2014, enacted the decision on adoption of these documents. - Sending the information on the project for adoption to the CoM BiH, and drafting of the tender documentation is in progress. 	<ul style="list-style-type: none"> - The final Decision on Annulment of the Public Procurement Procedure, was submitted to the PARCO by the Procurement Review Board on 25 December 2013, which was communicated to the participants in the procedure and to the ST. During harmonisation with the ST members, it has been concluded, because of dynamics of the reform activities in the field of business registration reform in the RS, to amend the project documentation for three administration levels, CoM BiH, FBiH and BDBiH, and to propose, instead of the activities in the project, two individual projects from this field for the level of the RS. The PARF JMB adopted the project proposal and the terms of reference. Although the opinion on the Information on the project was requested from the competent institutions, the CoM BiH has not yet been discussing the Information because of the comments and suggestions of the Ministry of Finance and Treasury of BiH.
3.	Implementation of Common Services for eServices	<ul style="list-style-type: none"> - The project documentation was adopted at the 38th and 39th session of the PARF JMB, and the tender documentation, at the 41st session of the PARF JMB. - The information on the project was adopted at the 106th session of the CoM BiH. - The public procurement procedure of services for implementation of the project activities is currently in progress. The Procurement Notice was published in the Official Gazette of BiH No.: 79/14. - The Procurement Commission opened the bids, evaluation is in 	<p>The Common Services for e-Services is a foundation for all future electronic services. The ST members, for each administration level, submitted proposals of pilot e-service and specified the missing hardware infrastructure for its implementation.</p>

		progress.	
4.	Establishing BH portal	<ul style="list-style-type: none"> - The site of the BiH portal was designed and located on a test link. - The CMS, on which the current system of e-Government is based, has been changed so it would be applicable for the BiH portal. - Completed verification of harmonisation of the requested functionalities with the delivered system. - The PARCO, in cooperation with the representatives of the Secretariat General of the CoM BiH - Department for Maintenance and Development of the System of Electronic Operations and e-Government, drafted the project proposal for the II phase of the project "Establishment of the BiH Portal". 	Implementation of the second phase was agreed with the GIZ. Implementation of the second phase would make the BiH portal operational and ready for publication through filling the necessary contents, and providing new tools for presenting the portal.
5.	Specialist Education Programme for IT Managers	<ul style="list-style-type: none"> - Supervisory Team adopted the terms of reference. - PARF adopted the Decision on accepting this terms of reference. - The PARF adopted the tender documentation. - The Procurement Notice was published in the Official Gazette of BiH, 79/14 of 6 October. - During the procedure of public procurement of services for implementation of project activities no bids have been received, so the PARF JMB, at the proposal of the Public Procurement Commission, enacted the decision on annulment of the public procurement procedure. 	<p>The terms of reference was adopted on 6 February.</p> <p>Adopted at the 39th session of 31st March.</p> <p>At the 41st session, held on 5 September</p> <p>The decision on annulment enacted at the 43rd session, held on 23 December 2014.</p>
6.	Establishment of community of IT practitioners in BiH	<ul style="list-style-type: none"> - Implementation of the project was agreed with the GIZ through the activities of the Work group for public procurements and e-Administration. 	Project idea from 2013. The objective is, through the forum of IT experts, from the public administration institutions, the academic community and private sector, to exchange knowledge and experiences regarding implementation of information systems in the administration, to find solutions, generate innovation, harmonise views on issues of common interest, which would contribute to greater professionalism of IT staff, more

			support of management of the institutions to the activities of the IT staff, development of joint projects and harmonisation of standpoints when presenting at regional and international conferences. It is planned to finance the project by bilateral donor funds, and that certain activities are implemented by participation of relevant organisations, companies and academia.
7.	Establishment of Public Registers Catalogue in BiH	<ul style="list-style-type: none"> - The project proposal and the terms of reference were adopted (at the ST meetings on 6 February and 19 March). - PARF JMB enacted decisions on accepting these project proposal and terms of reference - The CoM BiH adopted the Information on the project. - Drafting of the tender documentation of the project is in progress. 	<p>Supervisory Team adopted the documents on 6 February and 19 March</p> <p>Decisions of the PARF JMB of 28 February and 31st March</p> <p>Information was adopted at the 106th session, held on 30 July</p>
8.	Systems for Document and e-Sessions of Governments Management	<ul style="list-style-type: none"> - Supervisory team discussed the project proposal and the directions of further development of project documentation. - Due to the complexity of the project, harmonisation of the Annex I (sub-component for the institutions of the CoM) was completed in September. - Harmonised project proposal between the members of the ST, harmonization of the terms of reference is in progress. 	The ST meeting was held on 11 April.

Other Activities

Within the Working Group on Public Procurements and e-Administration of the GIZ programme "Strengthening of Public Institutions in BiH", the representatives of the PARCO initiated a number of ideas that would be implemented through the work of the group: Establish a repository of generic business processes of public administration, and the actual business processes of the institutions of the CoM BiH, the Register of ICT projects; Establish a Catalogue of administrative tariffs / fees for initiating and implementing administrative and other procedures. That would be a direct continuation of the project Implementation of Interoperability Framework and Standards for Data Exchange and the represent the activities on implementation of the Interoperability Framework or support its implementation.

Organised by the Civil Service Agency of BiH and the GIZ, participants attended the training by the CEH programme, which was held in Zagreb, and the two-day training: Procurement and agile development of information systems, which was held in Sarajevo, 15-16 December 2014.

Representatives of the PARCO, took part in May in the presentation of the programme of distance learning, e-learning training system for civil servants of the institutions of BiH, organized by the Civil Service Agency of BiH and the GIZ, where they presented new types of trainings of civil servants (webinar, e-learning and e-learning on demand) as well as information system for electronic management of the process of training (Training Management System - TMS), which will provide for full automation of the process of implementing the training.

In March, there was a meeting with the representatives of the World Bank in BiH and of the IFC, where information was exchanged on the planned projects in implementation, with the objective of avoiding possible overlapping of the activities. The representatives of the PARCO participated in the activities of the working body regarding drafting the proposal of procedures for accession of BiH to the Initiative "Open Government Partnership".

4.2. Development of the Action Plan 2

In 2014, the PARCO continued cooperation with the technical assistance project "Support in Coordination and Implementation of Public Administration Reform in BiH", funded by the IPA programme, through development of new documents, which were aimed at initiating the reforms in the field of policies. The project, in fact, consisted of two components, the first, in which there was a work to strengthen the horizontal capacities through support to implementation of the Revised Action Plan 1, and the second, within which the activities were planned to strengthen the capacities for sector reforms, through preparation of the second action plan.

In the previous period, the PARCO, in fact, prepared and offered to the governments the document *Fundamentals of development of the second Action Plan for Public Administration Reform*. This concept, based on the analyses of administration organisation at all the levels, should have served primarily to improve the micro and macro organisation of the administration, and further capacity building in the areas of policies, but the document has not received the support of decision makers in the entities. The Government of the Federation of BiH did not discuss the document at all, while the Government of the Republic of Srpska, in late 2013, adopted a conclusion in which it was proposed to "hold the activities of drafting the Second Action Plan, until the standpoint of the competent bodies of all levels of government in BiH is harmonised on the issue of coordination mechanism"²⁶, and the same conclusion required to assess the implementation of the Revised Action Plan 1, and it was suggested that the strategy document would expire at the end of 2014. Because of this standpoint, the representative of the Republic of Srpska in the Project Steering Committee did not support the Inception report of the project, in the part related to preparation of the second action plan.

At the recommendation of the technical assistance project, the PARCO decided to create a new proposal to initiate the reforms in the areas of policies, which starts from the needs of end-users of administrative services (citizens and businesses) and is focused on increasing the efficiency and quality of service delivery. In the first half of the year, a set of documents was developed, which are aimed at initiating the reforms in the areas of policy, but, because of a deadline for implementation of the Revised Action Plan 1, which relates to the reform in six horizontal areas of public administration, the Project Steering Committee in March²⁷ requested the implementers to prepare a document that would include further directions of the reform both in the horizontal reform areas and in the policy areas, through measures to improve the administrative services. At the same meeting it was agreed that a document would be prepared containing an overview of the current state of the reform, the immediate next steps including the plan for continuation of the reform activities that are ongoing and related to the RAP1, and give directions for new interventions key to approximate the public administration reform to the citizens, companies and the society as a whole, through development of e-services, improvement of service delivery, increase in transparency, reduction in bureaucracy, etc. It was also agreed that the document would present the principle of drafting the operational programmes, as used by the EU member states to withdraw money from the structural funds, as well as the countries in the pre-accession period.

Based on these guidelines of the Project SC, a document *PAR: The Way Forward* was developed, which the members of the Project Steering Committee discussed again in July, when it was agreed that the document should be presented also to the representatives of the institutions participating in the structures for public administration reform implementation²⁸. As an integral part of the document, the proposal of recommendations for improvement of the work of the existing system of coordination and implementation of public administration reform was prepared.

²⁶ Conclusion of the Government of the RS adopted at the 35th session, held on 8 November 2013

²⁷ At the meeting of the Project Steering Committee, held on 21st March

²⁸ In accordance with the Common Platform on the Principles and Manner of Implementation of the Action Plan 1 of the Strategy of Public Administration Reform in BiH.

The document *PAR: The Way Forward*, was presented to the members of the seven supervisory teams and to the donors at the workshops held in September (two workshops), after which a final meeting of the Project Steering Committee was held²⁹, at which they discussed the overall achievements of the project and the project results. The project was completed in early October 2014, but the document has not received the final approval of all the public administration reform coordinators.

During the year, in addition to the document *PAR: The Way Forward*, a number of other documents has been prepared as well, such as notes on the future vision and directions of the reform, a document on development of capacities for future reform programmes, the document on capacity development of the key actors involved in the reform process. Consultations with key stakeholders have taken place within several workshops regarding all the documents. The workshop "Functional platforms for effective development and implementation of operational programmes for administrative reforms" was held in March, while workshops "PAR 2020: Future directions" were held in May and June. Two workshops "PAR: The Way Forward" were held in September.

In December, the PARCO, at the meeting of coordinators³⁰, initiated informing the decision-makers on the activities that have been carried out or were taking place in the process of public administration reform, including the activities and responsibilities that were related with the accession process, and requesting the support of the Council / Governments for further continuation and development of public administration reform.

During 2014, cooperation continued with the institutions in the field of environment, through participation in the project " Strengthening Institutions for Environmental Protection of BiH and preparation to use the pre-accession funds" (EnVIS BiH). The project was financed under the IPA programme, and around 50 documents were developed within it, of which the most important are related with the progress of the process of EU approximation and acquiring the right to use the IPA II funds in the environmental sector, the draft text of the Strategy of alignment of regulations with the EU *acquis communautaire* on the environment, the examples the draft texts of the Plans for implementation of the directives and the theoretical model of the system for preparation of a database on investment projects in the environment. The PARCO participated in the work of the Steering Committee, and the work within the working groups established for the needs of the project. The project started in November 2011, and ended in early December 2014.

²⁹ The meeting of the project SC was held on 3 October 2014.

³⁰ The meeting held on 22nd and 23rd December in Sarajevo

5 PUBLIC ADMINISTRATION REFORM FUND MANAGEMENT

The Public Administration Reform Fund is managed by the Joint Management board composed of representatives of the BiH institutions of four levels of government and the donors. In accordance with the Memorandum of Understanding for Establishment of the PARF, the PARCO is preparing documents for the session of the PARF JMB, is in charge of identification, review, creation and draft of project specifications, and monitoring and evaluation of the projects financed from the PARF. In 2014, as well as in previous years, the PARCO was implementing public procurements for the projects, it informed the PARF JMB on the matters relevant for implementation of the PAR Strategy and the projects, and prepared reports giving overview of the activities of the PARF, overview of the condition of the projects, and the condition of the PARF finances.

Activities of the Joint Management Board of the Public Administration Reform Fund

The PARF JMB, since the the start of work until the end of this reporting period approved a total of 26 projects, including 24 projects prepared for the four administrative levels, as well as two individual projects - "Treasury Information System of the Brčko District of BiH" and "Widening of the Human Resources Management Information System by Software Modules for Personnel Planning and Management of the Internal Labour Market in the Republic Bodies of the Republic of Srpska".

Of the 26 projects approved so far, thirteen was completed, six projects are in the public procurement procedure, while for three projects the PARF JMB approved annulment of the public procurement procedure. The PARCO prepared, and the PARF JMB approved the terms of reference for two projects, while for two projects the project proposals have been prepared and approved.

During this year, there were six sessions of the PARF JMB, where the the current and planned projects were discussed and decided on. At these sessions, a total of twenty-nine decisions and six conclusions have been enacted. The PARF JMB implemented in the reporting period six procedures of written harmonization, and enacted five decisions and one conclusion.

The following part provides a table presentation of the projects approved by the PARF JMB. The first table contains the completed projects, as well as information on the money spent, the VAT return and duration of projects.

IMPLEMENTED PROJECTS - PHASE I					
Projects approved by the PARF JMB	Contracted budget in BAM VAT included	Implemented budget in BAM VAT included	Implemented VAT Return (for payments made)	Date of Signing of the Contract	Date of Completion of the Activities
Establishment of Network of Info Stands (IC)	155,610.00	148,395.21	21,561.69	4 March 2009	4 December 2009
Strategic Communication (IC)	149,526.00	145,579.32	21,152.55	24 August 2009	24 February 2010
Training of Public Relations Officers (IC)	128,285.88	128,198.10	18,627.09	15 January 2010	15 June 2010

Draft of Administrative Decision making in BiH Quality Improvement Programme (APAS)	444,600.00	404,580.84	58,785.26	21st December 2009	21st December 2010
Development of Performance Management System in the Structures of Civil Service in BiH (HRM)	760,383.00	744,150.82	108,124.49	4 January 2010	31st October 2011
Transposing EU Legislation in the Legal System of BiH (SPCPM)	395,752.50	394,201.08	57,277.08	8 December 2010	7 February 2012
Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH (SPCPM)	786,041.57	674,979.88	98,073.99	9 June 2010	9 April 2012
Training of Civil Servants for Application of Information Technologies and Work on Computers (HRM)	1,213,424.95	1,207,751.11	175,485.15	28 December 2010	28 May 2012
Budget Management Information System - procurement of consultancy services (PF), including additional services of the BMIS project	916,649.41	877,693.68	127,528.14	27 July 2011	16 June 2013
Procurement of Equipment within the Project Budget Management Information System (PF)	339,428.41	339,428.28	49,318.65	27 September 2012	30 November 2012
Design and Establishment of Interoperability Framework and Standards for Data Exchange (e-Administration)	191,571.12	177,379.53	25,773.10	23rd May 2011	31st October 2012
Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I – procurement of services (SPCPM)	1,610,978.05	1,539,925.03	223,749.78	20 July 2010	20 November 2012
Procurement of Equipment within the Project Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I (SPCPM)	191,951.78	191,951.78	27,890.43	24 May 2012	13 July 2012
Widening of the Information System for Human Resources Management by Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska (HRM)	57,587.40	57,587.40	8,367.40	4 July 2013	4 march 2014
Gender responsible budgeting (PF)	181,483.87	181,483.87	26,369.45	11 April 2014	1 July 2014
Total for implemented projects - Phase I :	7,523,273.94	7,213,285.93	1,048,084.25		

The following table provides an overview of other projects (in public procurement procedure or preparation of project documentation) that will be funded under the Phase I of the Public Administration Reform Fund. Under Phase I, the PARCO implies the money invested in the PARF by the first donors - the founders of the PARF.

PROJECTS IN THE PROCEDURE OF PROCUREMENT - PHASE I			
Projects approved by the PARF JMB	Framework Budget in BAM, VAT included	Planned Start of Implementation	Duration of the Project in months
Establishment of Modern Departments for Human Resources Management in the Bodies of Administration in BiH (HRM)	1,594,710.00	Declaration of the CoM BiH to the submitted Information is pending	18
Treasury Information System of the Brčko District of BiH (PF)	648,000.00	The public procurement procedure was re-initiated	24
Building of Capacities for Combat against Corruption in the Structures of Civil Service in BiH (HRM / IC)	500,000.00	The public procurement procedure was annulled	12
Training of Public Relations Officers – Phase II (IC)	120,000.00	The public procurement procedure was annulled	8

Total for the Projects in the Procedure of Procurement - Phase I:	2,862,710.00		
PROJECTS IN THE PROCEDURE OF PREPARATION OF PROJECT DOCUMENTATION / PROCUREMENT PROCEDURE - PHASE I (UNSPENT FUNDS OF THE PAR FUND - PHASE I)			
Projects approved by the PARF JMB	Framework Budget in BAM, VAT included	Planned Start of Implementation	Duration of the Project in months
Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers (HRM)	728,430.30	II quarter of 2015.	12
Establishment of Public Registers Catalogue in BiH (e-Administration)	804,375.00	III quarter of 2015.	12
Total for the projects in the procedure of preparation of project documentation / procurement procedure - Phase I (unspent funds of the PARF)	1,532,805.30		

The last table contains seven projects that are in the process of public procurement or development projects documentation, for which the PARF JMB approved financing from the second phase. It is the money invested by the current donors of the PARF and the local authorities.

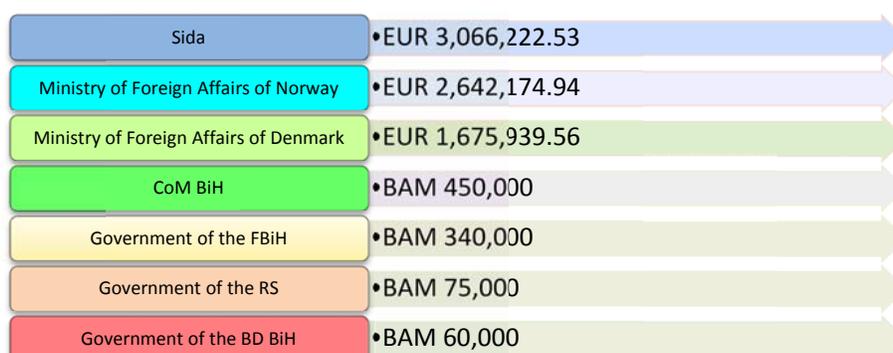
PROJECTS IN THE PROCEDURE OF PREPARATION OF PROJECT DOCUMENTATION / PROCUREMENT PROCEDURE - PHASE II			
Projects approved by the PARF JMB	Framework budget in BAM VAT included	Planned Start of Implementation	Duration of the Project in months
Business Registration Reform Road Map (e-Administration)	307,476.00	III quarter of 2015.	6
Strengthening of Capacities for Strategic Planning and Policy Development - phase II (SPPD II)	2,478,411.00	III quarter of 2015.	30
Public-Private Partnership (PPP)	1,945,037.25	II quarter of 2015.	18
Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Barriers (APAS)	1,849,307.85	II quarter of 2015.	24
Specialist Education Programme for IT Managers (e-Administration)	209,283.75	II quarter of 2015.	10
Implementation of Common Services for e-Services (e-Administration)	1,872,000.00	II quarter of 2015.	12
Development of Electronic Trainings for the Needs of the Civil Service / Administration in BiH (HRM)	265,990.14	III quarter of 2015.	12
Total for the projects in the procedure of preparation of project documentation / procurement procedure - Phase II	8,927,505.99		

Finances of the Public Administration Reform Fund

In 2014, the Ministry of Foreign Affairs of Denmark, the new donor to the Public Administration Reform Fund, paid the first instalment of money to the PARF. The money was paid after at the beginning of this year, the Annex IV to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund was signed.

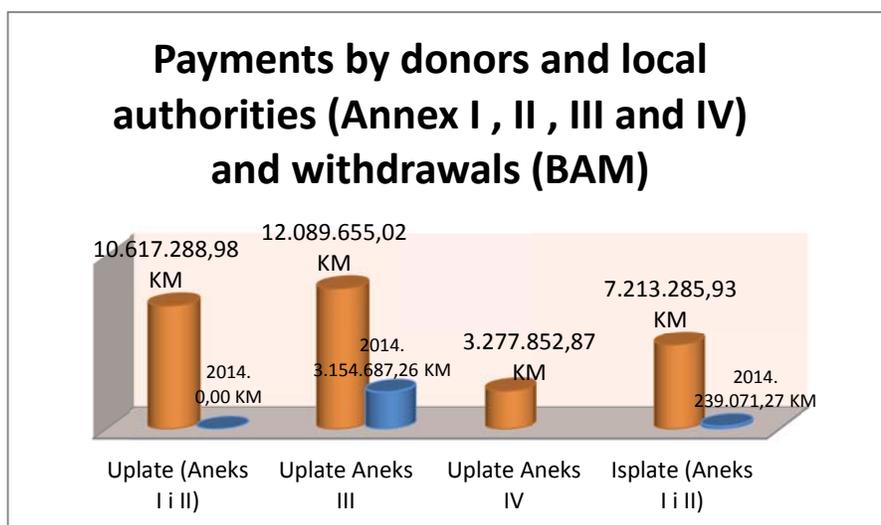
As of 31st December 2014, donors have, in accordance with the Annexes III and IV to the Memorandum, paid in the PARF a total of EUR 7,384,337.03 or BAM 14,442,507.89. In accordance with the Annex III to the Memorandum, the local authorities, by 31st December 2014, paid to the

PARF the total amount of BAM 925,000 (CoM BiH 450,000, the Government of the FBiH 340,000, the Government of the BD BiH BAM 60,000, the Government of the RS BAM 75,000).



Overview of payments of the donors in accordance with Annexes III and IV and payments by the BiH Governments under the Annex III

From establishment of the PARF in 2007 until 31st December 2011 (the period covered by the Memorandum, the Annex I and the Annex II) the Public Administration Reform Fund received BAM 10,617,288.98, of which, for implementation of 13 projects, by 31st December 2014, a total of BAM 7,213,285.93, VAT included, has been withdrawn (of which, in this reporting period BAM 239,071.27, VAT included, has been withdrawn).



Payments of donors (Annex I, II, III and IV) and total withdrawals with withdrawals in 2014

Total VAT return from the completed projects, by the end of 2014, amounts to BAM 1,048,084.25. The VAT returned in this reporting period by the specific decisions of the Indirect Taxation Administration of BiH in 2014 amounted to BAM 34,736.85.

In any case, by signing the Annex III to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund, in 2012, the Norwegian Foreign Ministry obligated itself to make an investment in the total amount of NOK 24 million (approximately EUR 3 million, by the exchange rate on the day of transfer) on an annual basis. That is NOK eight million for 2011, 2012 and 2013 respectively. The donor Sida obligated it self to invest EUR three million on an annual basis, i.e. EUR one million for 2012, 2013 and 2014 respectively. By the Annex IV to the Memorandum, the Ministry of Foreign Affairs of Denmark undertook to invest in the PARF a total of DKK 28.25 million (approximately EUR 3.76 million by the exchange rate on the date of the transfer), starting from 2014, in accordance with the payment schedule approved by the Ministry of Foreign Affairs of Denmark.

In addition to the PARF donors, by signing the Annex III, the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the BD BiH obligated themselves to annually allocate from their budgets the money for financing of the

PARF. In December, the Council of Ministers of BiH enacted the Decision on allocation of funds for co-financing of the Public Administration Reform Fund from the Budget of BiH institutions and international obligations for the period 2015-2017.³¹

Cooperation with the PAR Fund Donors

The Annex IV to the Memorandum of Understanding for establishment of the PARF, by which the Ministry of Foreign Affairs of Denmark joined the PARF, was agreed in the course of 2013 and signed at the beginning of 2014. By this Memorandum, it was agreed that the Ministry of Foreign Affairs of Denmark would invest in the PARF the amount of DKK 28.25 million or approximately EUR 3.76. The Danish donor paid the first instalment.

In accordance with the proposal of the PARCO, which was adopted at the 41st session of the PARF JMB³², the PARCO, in the second half of 2014, undertook the activities necessary for conclusion of the Annex V to the MoU. The Council of Ministers of BiH established the proposal of the Annex V to the Memorandum of Understanding for Establishment of the PAR Fund with the bases for conclusion³³, and adopted the conclusion that the PARCO was to submit the Proposal to the Annex V to the Presidency of BiH for further procedure, with the proposal that the signatory of the Annex V should be the Chairperson of the Council of Ministers of BiH. This way, the Ministry of Foreign Affairs of Denmark would be enabled to make the planned payments to the PARF in the next two years, and it would also facilitate the smooth implementation of the projects approved so far, as well as the new ones that are supposed to be proposed in the next period. The proposal of the Annex V to the MoU has been adopted by both the Government of the Federation of BiH and the Government of the Brčko District of BiH. It is expected that the document will be adopted soon by the Government of the Republic of Srpska as well.

Other Donors

The representatives of the PARCO, in this reporting period as well, participated in the Donor Coordination Forum (DCF), organised by the Ministry of Finance and Treasury / Sector for Coordination of International Economic Aid (SCIA), which in 2014 held two meetings. At the first meeting, on 6 February, the chair, the European Bank for Reconstruction and Development (EBRD) presented a new strategy of the EBRD for BiH, for the period 2014-2017. The objectives were presented, as well as the orientation of the new medium-term strategy, as well as the possibility of cooperation on partnership basis with other donor organizations and institutions of BiH.

The second regular meeting of the Forum, held on 16 October, was dedicated to the rehabilitation programmes after the floods in BiH. The meeting was chaired by the representatives of the Ministry of Finance and Treasury of BiH, the World Bank, the European Union Delegation to BiH and the United Nations Team in BiH, and the goal was the exchange of information between the representatives of the local authorities and the donor community, in order to accelerate the activities and improve coordination of financing of new and existing projects.

³¹ The decision was adopted at the 115th session of the CoM BiH, held on 18 December 2014

³² The session was held

³³ At the 115th session of the CoM BiH, held on 18 December 2014

6. REPORTING AND MONITORING

The Council of Ministers of BiH, during 2014, adopted the Annual Report on Work of the Public Administration Reform Coordinator's Office for 2013³⁴, the Biannual Report on Work of the PARCO for the period January - June 2014³⁵, and the Annual Financial Report of the Public Administration Reform Fund for 2013³⁶. The Annual Progress Report (monitoring of implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH) for 2013, was discussed by the Council of Ministers of BiH in May³⁷, after which this report, with the comments of the Minister of Finance and Treasury of BiH and the Chairman of the Council was returned for revision. The PARCO in line with the comments, made corrections and the corrected Annual Progress Report for 2013 was adopted in September³⁸. In September, the Council delayed the discussion on the Biannual Progress Report (monitoring of implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH) for the period January-June 2014, noting that the report was not accompanied by the opinion of the Ministry of Finance and Treasury of BiH. The PARCO obtained a positive opinion of the Ministry, which was conditioned by the corrections, and the corrected report was sent to the Council of Ministers of BiH for consideration and adoption³⁹.

In addition to monitoring the public administration reform process, the PARCO worked on three evaluations of the projects, financed by the PAR Fund.

Evaluation of the project "Training of Civil Servants for Application of Information Technologies and Work on Computers" - activities began in the last quarter of 2013, completed in the reporting period. The report submitted to the PARF JMB.

Evaluation of the project "Blueprint of Development of Central Bodies of Governments in BiH – phase I". - In cooperation with the GIZ expert, all evaluation activities were completed and the report was prepared. Cooperation with the external expert was primarily focused on further strengthening of the capacity for project evaluation in the PARCO.

Evaluation of the project "Design and Establishment of Interoperability Framework and Standards for Data Exchange in BiH" - in the last quarter of 2014, most of the activities was completed, the report on evaluation of the project should be completed in early 2015.

The reports of the PARCO on work and monitoring of the reform are available at www.parco.gov.ba.

7. ORGANISATION AND BUDGET

Strengthening of the Capacities of the PARCO

The Ordinance on Internal Organisation and Systematisation of Jobs systematised a total of 40 positions in the PARCO, and in 2014, the PARCO had 36 persons employed. In addition to the public administration reform coordinator, there was 29 civil servants and six employees. There are four vacancies, including the post of Deputy Coordinator for Public

³⁴ At the 95th session of 20 May 2014.

³⁵ At the 110th session of the CoM BiH of 23rd October 2014.

³⁶ Report adopted at the 105th session of 23rd July 2014.

³⁷ At the 94th session of the CoM BiH of 9 May 2014.

³⁸ At the 107th session of the Council of Ministers of BiH, held on 10 September 2014.

³⁹ Corrected Biannual progress report for the period January-June 2014 was sent to the CoM BiH on 15 December 2014

Administration Reform. In 2014, the number of employees has not changed compared to the previous 2013.



Graph: The structure of employees and vacancies in the PARCO in 2014.

The PARCO, in this period as well, was strengthening the capacities of the employees through improvement, trainings, workshops and conferences. Improvement lasted during the whole year, by attendance at the trainings organised primarily by the Civil Service Agency of BiH, the Directorate for European Integration, the Regional School for Public Administration (ReSPA) and the German Society for International Cooperation (GIZ).

Budget

Total approved operational budget of the PARCO for the period 1st January - 31st December 2014, after decrease of one per cent compared to the originally approved budget by law, amounted to BAM 1,421,000. Structure of the approved budget is as follows:



Budget Structure of the PARCO for 2014

In the reporting period, the reports on execution of the budget of the PARCO for 2013, the Report on Execution of the Budget for the First Quarter, biannual and for the third quarter of 2014, as well as overview of priorities for the period 2015 - 2017 for the purpose of preparation of the Framework Budget Document of the Institutions of BiH for the period 2015 - 2017, and the budget request of the PARCO for 2015.

In May, the Office for Audit of the Institutions of BiH implemented the final audit of operations of the PARCO for 2013, and gave a positive opinion to the financial reports and the financial operations of the PARCO for 2013.

Public Relations

The PARCO, in the first half of 2014, promoted two new projects in the field of public administration reform, which were funded by the IPA. These are the projects "Education of Managers of Administrative Procedures and Inspectors" and "Modernization of the system of human resource management in the civil service (EUHRM)". There were initial conferences where the project objectives and activities were presented.

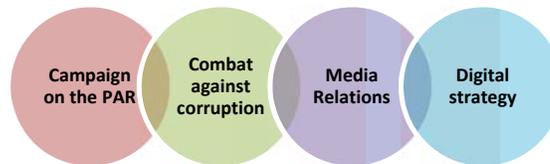
At the web site www.parco.gov.ba there are news on the sessions of the Supervisory Teams, the sessions of the Joint Management Board of the Public Administration Reform Fund, and the information on the projects that will be financed by the PARF. Also, the website of the PARCO contains the news from the region, related with the process of public administration reform.

The PARCO continued cooperation with the spokespersons in the Council of Ministers of BiH, the present information on the public administration reform were presented also through the Info bulletin of the Council of Ministers of BiH.

The PARCO in the first quarter of this year, in line with the Action Plan for Combat Against Corruption, updated the Guide for access to information and the Index register and submitted these documents to the Institution of Human Rights Ombudsman of BiH. The analysis of implementation of the Freedom of Information Act in the PARCO was prepared, which was submitted to the Agency for Prevention and Coordination of Combat Against Corruption BiH.

For the seventh year, the PARCO supports the project "Volontiraj - Kreditiraj". In October, five students from the Second High School and one from the Economic school replaced one school day by the work in the PARCO.

Thanks to the assistance of the German Society for International Cooperation, the PARCO, as a part of the communication campaign, with the aim of increasing the visibility of public administration reform among civil servants, drafted 18 infographics on the topics of public administration reform, and produced an animated video. The infographics and the video will be posted to a new sub-page of the PARCO, which is being prepared. Within the campaign, the Digital Strategy of the PARCO was drafted.



Some of the activities in the field of public relations in 2014

The PARCO continued cooperation with the media in BiH, and the PAR coordinator during 2014, gave several interviews for Federal TV, TV Pink, TV Hema.

The PAR Coordinator spoke on the public administration reform in BiH at the April conference on efficiency and effectiveness of the Balkan countries in public administration, which was held in Ankara. On the occasion of Europe Day, which is traditionally celebrated on 9 May, the coordinator received a thank you note for "The proud - a respected partner of the EU integration process of BiH in 2014". The public administration reform has been in the focus of the October gathering of the members of the Independent Union of civil servants and employees of the Federation of Bosnia and Herzegovina on Bjelašnica. The coordinator also participated in the celebration of the International Day of Women's Entrepreneurship in Sarajevo, and the Ministerial Conference "Strengthening the role of public administration reform in the enlargement process", held in November this year in Brussels.

The PARCO, in early January, adopted its own action plan to combat corruption. As a part of the Action Plan for combat against corruption, the PARCO established an open channel of communication (e-mail), in order to provide incentives to the clients or government officials to report corruption. Irregularity and / or corruption can be reported by e-mail: prijavi.korupciju@parco.gov.ba and by mail addressed to the PARCO marked "do not open - report of irregularity".

Ordinance on report of irregularities and/or corruption, handling of complaints of irregularities and/or corruption and protecting the employee who reported an irregularity and/or corruption in the PARCO was adopted. Also, an officer was appointed for receiving reports of irregularities and/or corruption and for monitor of implementation of the Action Plan of combat against corruption in the PARCO.

The PARCO also drafted and adopted the Plan of Integrity. The plan includes an assessment of all the activities that may affect the system's ability to resist the procedures that could mean a violation of the integrity within the institution. Drafting the Integrity Plan is the obligation from the Action Plan for implementation of the Strategy for Combat Against Corruption (2009-2014).

8. NEXT STEPS

The PARCO in the coming period will focus on continuation of the initiated activities to ensure the continuity of public administration reform after 2014, and further adjustment of administration to the pre-accession criteria. Taking into account the importance of continuing the reform of public administration for the further progress of the country towards the EU, the efforts so far of the structures for public administration reform in the development of the documents as the basis for further progress in the development of public administration reform, and the need to further upgrade through the principles of public administration, the following passages present few of the most important steps planned for the next period:

- Secure a political support to continuation of the public administration reform process necessary for further development of professional, accountable, transparent and efficient civil service at all levels.
- Continue the initiated activities, and/or ensure the continuity of the administrative reform process based on the Public Administration Reform Strategy and the Revised Action Plan 1 - continue work on meeting the goals and measures, which were not achieved in the previous period.
- Prepare a proposal for an updated / new framework for public administration reform, based on the existing documents, as well as the results of the coming analyses of the reform implemented so far and evaluation of the Strategy, the SIGMA assessment, and implemented consultations with stakeholders and in cooperation with the entity coordinators and the coordinator of the Brčko District of BiH.
- Continue efforts on promotion of the public administration reform at all levels and increase the visibility of the reform, as well as cooperation with the civil society organisations.
- Continue the activities to improve the monitoring and evaluation system of the PAR Strategy.
- Continue strengthening the structure for implementation of public administration reform and adaptation to the requirements of the sectoral approach to programming of assistance under the IPA II, in cooperation with the Directorate for European Integration of BiH and the Delegation of the European Union in BiH.
- Continue implementation of the second phase of the Programme of Strengthening of Public Institutions, through monitoring and coordination of the overall activities of the programme in the next period.
- Continue with the activities of preparation of proposals for introduction of quality management models in institutions and public administration bodies in BiH and continuous development of professional capacities and advisory functions of the employees in the PARCO in the domain of application of the CAF model of total quality management.