


BOSNA I HERCEGOVINA		
VIJE E MINISTARA		
URED KOORDINATORA ZA REFORMU JAVNE UPRAVE		

QUARTERLY PROGRESS REPORT

(MONITORING OF THE IMPLEMENTATION OF THE ACTION PLAN 1
OF THE PUBLIC ADMINISTRATION REFORM STRATEGY IN BIH)

**PUBLIC ADMINISTRATION REFORM COORDINATOR'S
OFFICE**

FOR THE PERIOD FROM JANUARY 1ST TO MARCH 31ST, 2008

MAY 2008

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Abbreviations

AP1	Action Plan 1
BD BiH	Brčko District of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CSA	Civil Service Agency
DEP	Directorate for Economic Planning
DFID	Department for International Development of the Government of the United Kingdom
DMA	Department for Macroeconomic Analysis
ECD	European Commission Delegation
ECDL	European Computer Driver's Licence
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
HRMIS	project of establishment of Human Resources Management Information System
IPA	Instrument of Pre-Accession Assistance
IMF	International Monetary Fund
NSG (UK)	National School of Government of the United Kingdom
PIFC	Public Internal Financial Control
PAR	Public Administration Reform
RS	Republic of Srpska
SEPARB	project of support to the public administration reform in BiH on the level of state and entities
SIGMA	Support to development of administration and management
SPPD	Strengthening National Capacities for Strategic Planning and Policy Development
TEMPUS	programme of international cooperation in the area of higher education and regional cooperation
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

1 Introduction

According to the annual work plan of the Council of Ministers of BiH for 2008, the Public Administration Reform Coordinator's Office (hereinafter: the PARCO) obligated itself to the Council of Ministers of BiH to deliver regular reports on the progress in implementation of the Strategy of the Public Administration Reform and donor activity, as well as on monitoring and evaluation, quarterly and annually, in accordance with the Strategy of the Public Administration Reform in BiH. The reports should provide for suitable and regular flow of information toward the Council of Ministers of BiH on the undertaken activities.

This report shows in detail total degree of implementation of the measures from the Action Plan 1 of the PAR Strategy (in percentages) by March 31st, 2008, for every one of the six reform areas respectively (on the state level, entity level and the level of the Brčko District of BiH), and in the special annex to the report is a detailed presentation of a degree of implementation by respective measures for every one of the six reform areas with relevant comments. Progress in implementation of the reform measures is being monitored by the means of "objectively verifiable indicators" (OVIs), which for this purpose were developed by the PARCO, and which present measurable parameters with the help of which the implementation of concrete measure is followed and evaluated.

Information contained in the narrative part of the report, are related to the period from January 1st to March 31st, 2008. Specified are the changes in relation to the condition previously recorded through the first Annual Progress Report on Implementation of the AP1 for 2007. That way, this Quarterly Report, in the sense of contents, presents a kind of upgrade of the previous Annual Report, so the information contained in the rest of the Report should be observed in that context.

Remark:

In preparation of the Quarterly Report, besides recording significant changes in the first trimester of the current year, in certain number of cases taken into consideration were also the data on implementation of the reform measures submitted by the competent institutions retrospectively, being left out during compiling of the Annual Progress report for 2007. Same methodology as well as sources of data were used, but also, relevant information were taken over from the individual progress reports on implementation of the AP1, which were submitted by the entity public administration reform coordinators, the public administration reform coordinator of the Brčko District of BiH and respective institutions – bearers of implementation activities.

In individual progress reports (submitted by the entity coordinators and the Coordinator of the Brčko District of BiH), which were used as one of the basic sources of data, in certain cases **stating of documentation basis** (which is being used for verification of implemented activities and statements from the reports) **was omitted** or submitted information were of no significance for implementation of certain measure. Where it was possible, additional verifications of sources of data were made with a goal of obtaining objective confirmation of implemented measures and, depending on available information, established was estimation of the degree of implementation as a percentage (1/4, 1/3 or 1/2) of the **primarily established value of the progress indicator** (values established for the measure as a whole). For cases where original formulation of the measure from the AP1 unambiguously states that it is to be realised as a "joint activity" or as a product of a work of a work group which includes representatives of all levels of authority, individual progress (result which might have been shown through individual reports) was not quantified.

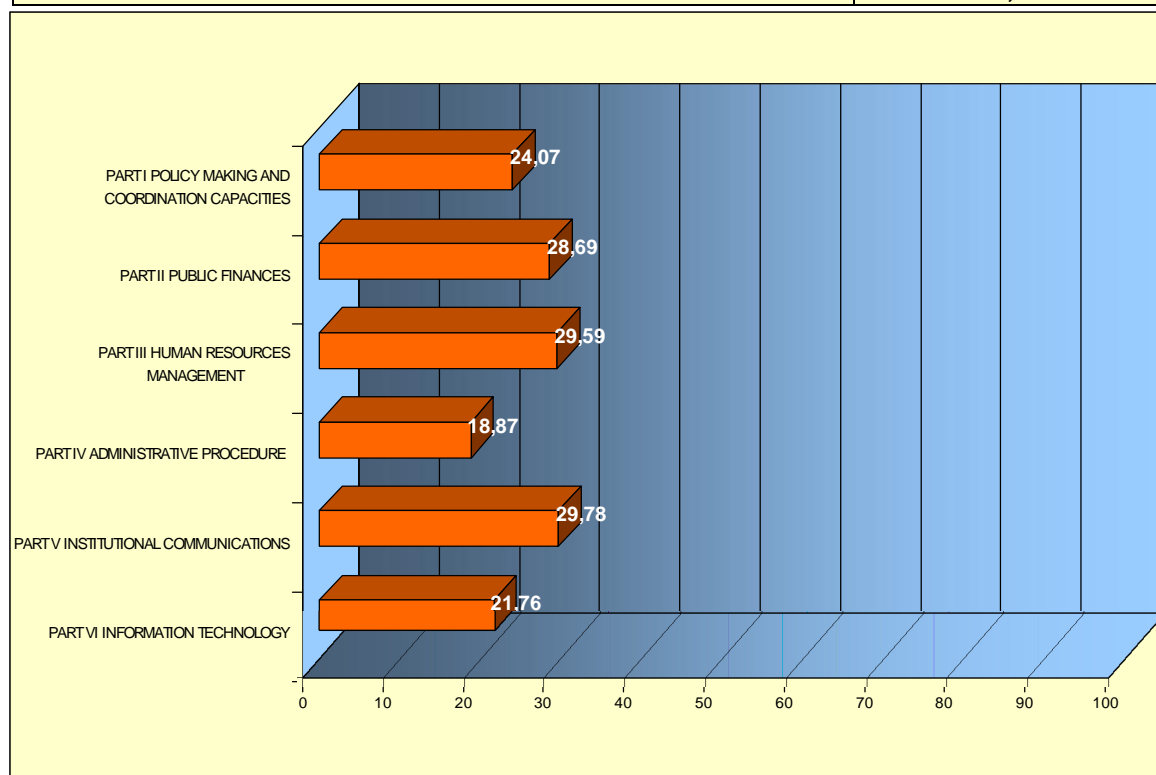
2 Overall overview of the activities in the reporting period

Total implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, by March 31st, 2008, amounts to **25.46 per cent**, which is an increase of 7.03 per cent in relation to the previous reporting period.

The table below shows the cumulative progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, jointly for all the levels of authority (BiH, the FBiH, the RS and the BD BiH).

Table 1: Cumulative implementation of the Action Plan 1 of the PAR Strategy in BiH by reform areas

ACTION PLAN 1 OF THE STRATEGY OF THE PUBLIC ADMINISTRATION REFORM IN BIH	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	24,07
PART II PUBLIC FINANCES	28,69
PART III HUMAN RESOURCES MANAGEMENT	29,59
PART IV ADMINISTRATIVE PROCEDURE	18,87
PART V INSTITUTIONAL COMMUNICATIONS	29,78
PART VI INFORMATION TECHNOLOGY	21,76

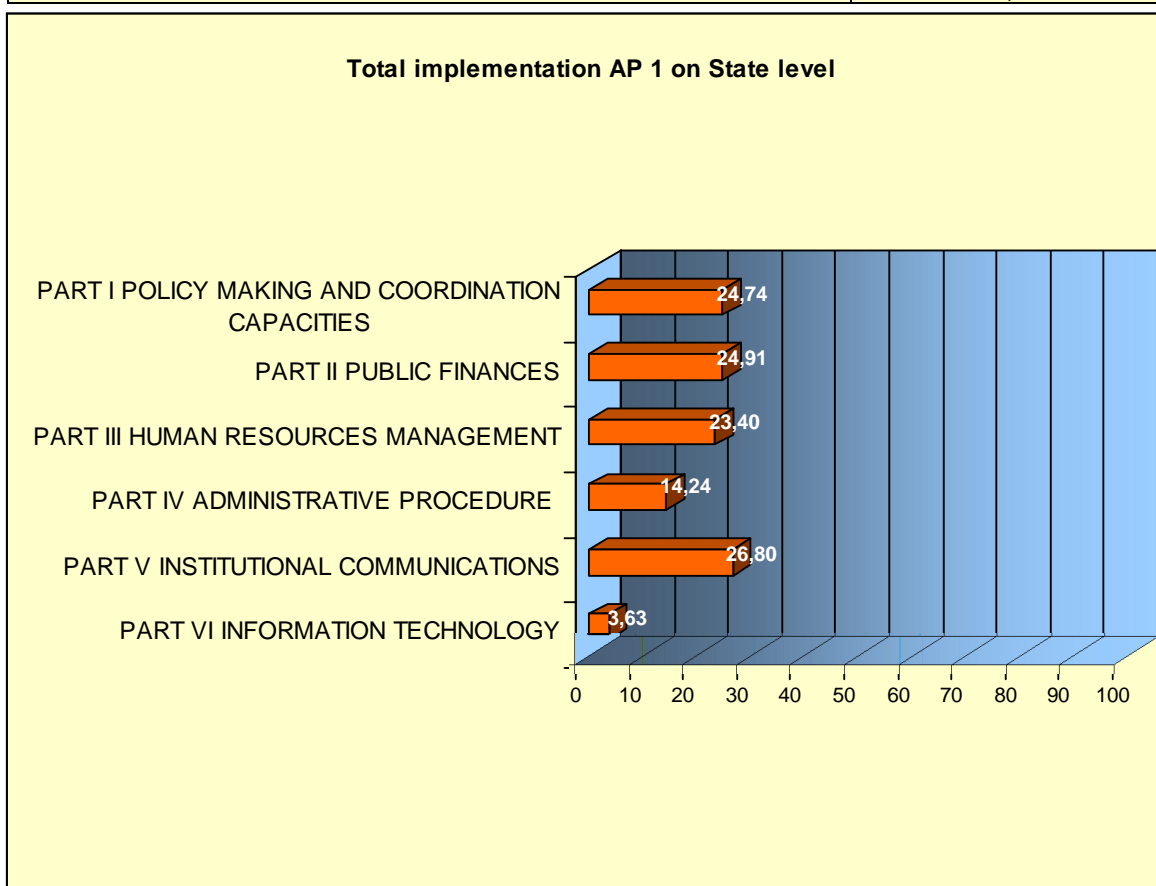


*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

The following tables show the achieved level of implementation on the state level, entity level and the Brčko District of BiH level of authority, by March 31st, 2008.

Table 2: Cumulative implementation of the Action Plan 1 of the PAR Strategy in BiH by reform areas – state level

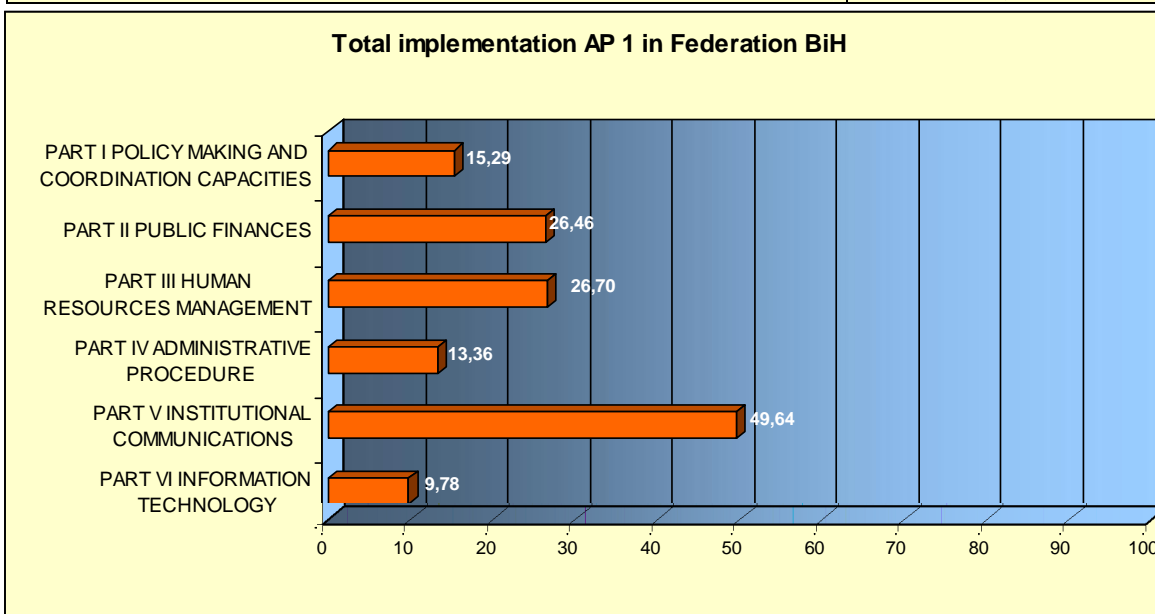
BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	24,74
PART II PUBLIC FINANCES	24,91
PART III HUMAN RESOURCES MANAGEMENT	23,40
PART IV ADMINISTRATIVE PROCEDURE	14,24
PART V INSTITUTIONAL COMMUNICATIONS	26,80
PART VI INFORMATION TECHNOLOGY	3,63



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

Table 3: Cumulative implementation of the AP 1 of the PAR Strategy in BiH by reform areas – the FBiH level

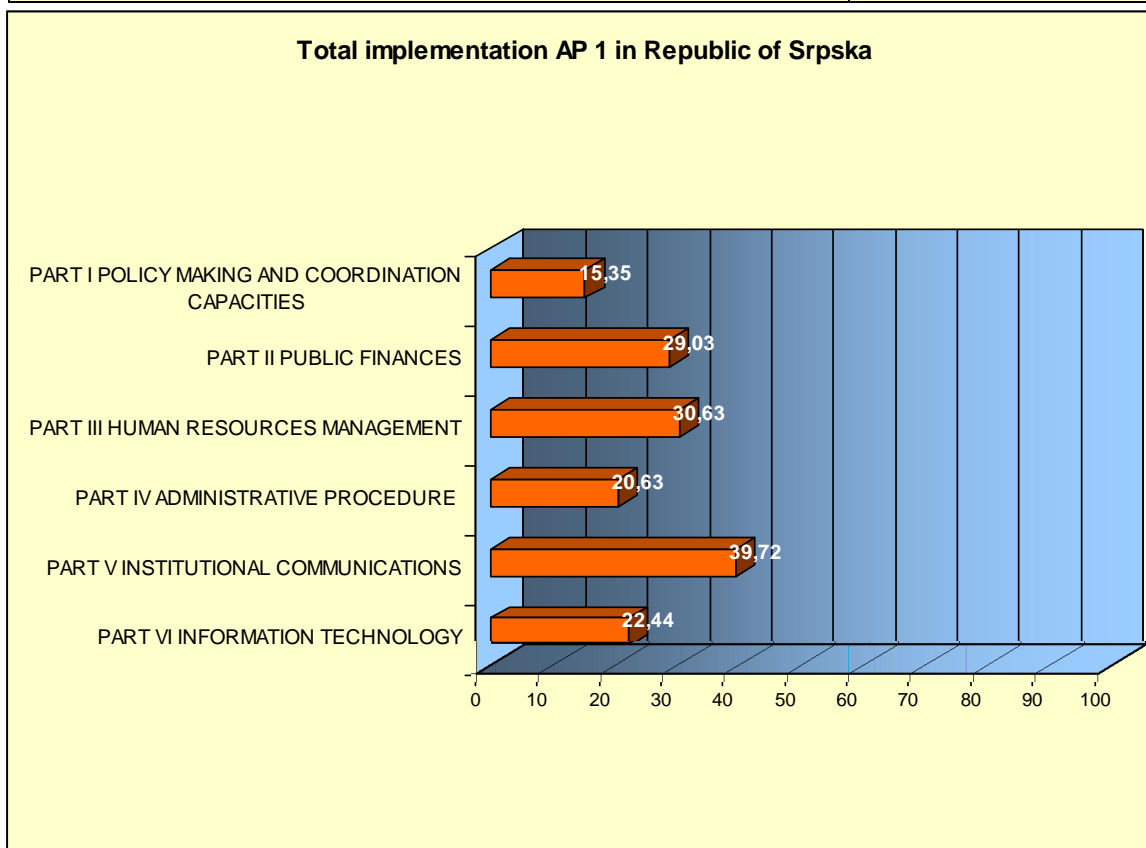
the FBiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	15,29
PART II PUBLIC FINANCES	26,46
PART III HUMAN RESOURCES MANAGEMENT	26,70
PART IV ADMINISTRATIVE PROCEDURE	13,36
PART V INSTITUTIONAL COMMUNICATIONS	49,64
PART VI INFORMATION TECHNOLOGY	9,78



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

Table 4: Cumulative implementation of the AP 1 of the PAR Strategy in BiH by reform areas – the RS level

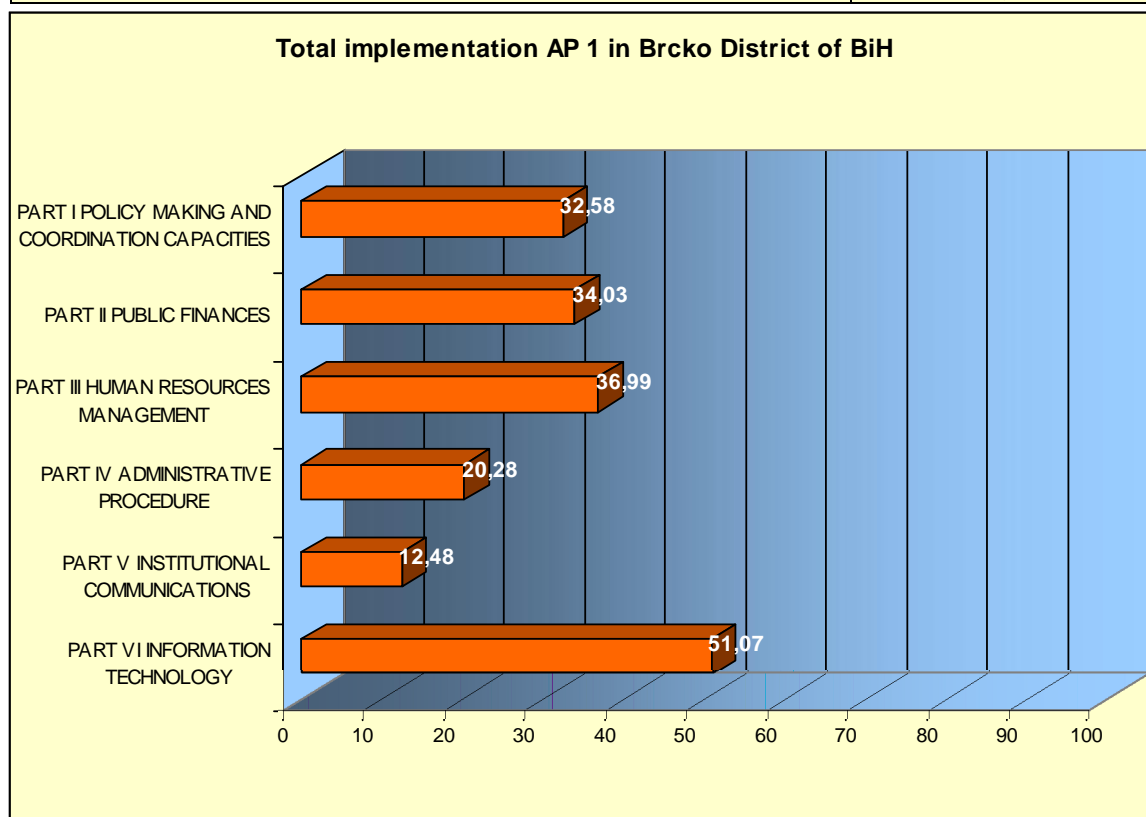
the RS level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	15,35
PART II PUBLIC FINANCES	29,03
PART III HUMAN RESOURCES MANAGEMENT	30,63
PART IV ADMINISTRATIVE PROCEDURE	20,63
PART V INSTITUTIONAL COMMUNICATIONS	39,72
PART VI INFORMATION TECHNOLOGY	22,44



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

Table 5: Cumulative implementation of the AP 1 of the PAR Strategy in BiH by reform areas – the Brčko District of BiH level

the BD BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	32,58
PART II PUBLIC FINANCES	34,03
PART III HUMAN RESOURCES MANAGEMENT	36,99
PART IV ADMINISTRATIVE PROCEDURE	20,28
PART V INSTITUTIONAL COMMUNICATIONS	12,48
PART VI INFORMATION TECHNOLOGY	51,07



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

2.1 Overall overview of the activities in the reporting period by reform areas (realisation of the Action Plan 1 of the PAR Strategy in BiH)

2.1.1 Policy Making and Coordination Capacities

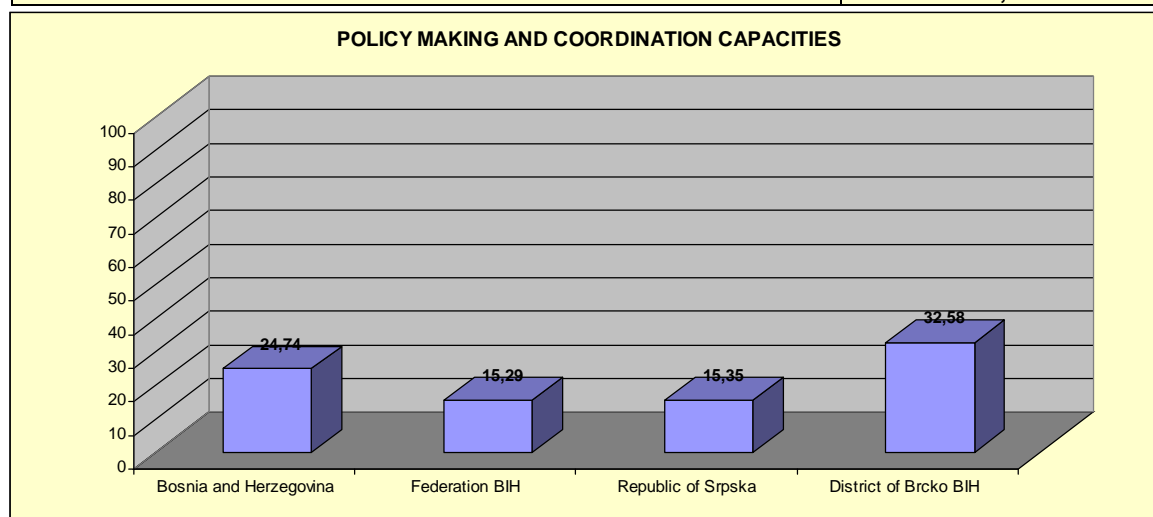
In the reporting period, the implementation of the Action Plan 1 in the area of Policy Making and Coordination Capacities on the state, entity and the level of Brcko District of BiH amounts to **24.07 per cent**. In relation to the previous reporting period, the increase is 4.52 per cent.

During the first three months of 2008, the activities on development of the projects: "Blueprint for the Development of Centres of Governments in BiH", "Strengthening BH Capacities for Strategic Planning and Policy Development - SPPD", "Harmonisation of Rules and Procedures for Legal and Other Regulations Drafting in BH" have continued.

Table below shows the total progress in the implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Policy Making and Coordination Capacities.

Table 6: Implementation of the AP1 of the PAR Strategy in BiH – reform area Policy Making and Coordination Capacities

POLICY MAKING AND COORDINATION CAPACITIES	Implemented
Bosnia and Herzegovina	24,74
the Federation of BiH	15,29
the Republic of Srpska	15,35
the Brcko District of BiH	32,58



"Blueprint for the Development of Centres of Governments in BiH"

After the Council of Ministers of BiH, the Government of the RS, the Government of the FBiH and the Government of the Brcko District of BiH gave their support to the Model of development of central bodies of Governments ("Blueprint for the Development of Centres of Governments in BiH"), which covers a part of activities from the first part of the Action plan 1 of the Strategy of Public Administration Reform in BiH, the Public Administration Reform Coordinator's Office prepared the project fiche for the implementation of the adopted model "Blueprint for the Development of Centres of Governments in BiH". Since the Programming Management Committee (PMC) did not include the project fiche for the implementation of "Blueprint for the Development of Centres of Government in BiH" in the list of IPA 2008, which was one of the preconditions for funding a part of this project by the DfID (Department for International Development), the funding of the whole project came into question. However, through subsequent consultations with the representatives of the Directorate for European Integrations

and the European Commission Delegation in BiH, the Public Administration Reform Coordinator's Office succeeded in ensuring inclusion of the project fiche "Blueprint for the Development of Centres of Governments in BiH" in the list of IPA 2007. That is to say, at the meeting of the Programming Management Committee (PMC), which was held on March 14, 2008, it was decided to support this Project fiche from the financial assets of the IPA 2007. It has not yet been decided on the final amount of the allocation of the assets, i.e. whether it will be the amount of 500,000 or 1,000,000 Euros. Final amount of the allocation of the assets depends on the outcome of talks with the officials of the European Commission. These assets will be spent for implementation of the first phase of the "Blueprint for the Development of Centres of Governments in BiH". Since the representatives of the DfID already expressed their readiness to finance a part of this project, the representatives of the Public Administration Reform Coordinator's Office will have to have talks with the representatives of the European Commission Delegation in BiH and the DfID on possibilities, manner and amount of the assets which will be spent for funding of the project. In the meantime, the Public Administration Reform Coordinator's Office is preparing the draft terms of reference for the implementation of the phase I of "Blueprint for the Development of Centres of Governments in BiH".

"Strengthening National Capacities for Strategic Planning and Policy Development"

The Public Administration Reform Coordinator's Office proposed to the Council of Ministers of BiH the UNDP project proposal "Strengthening National Capacities for Strategic Planning and Policy Development", considering that project implementation could contribute to progress of the public administration reform. Namely, this project could help considerably the implementation of the activities of measures from the Action plan 1 in the part I – Policy making and coordination capacities (PM 2. Improvement of capacities in respective ministries). At the same time, the Report on the progress of Bosnia and Herzegovina in 2007 points out the significance of initiating this reform measure: "Besides the lack of staff, structures within the ministries are in need of significant improvement in the sense of delegating, division and execution of authorities, mechanisms of cooperation and capacities of strategic planning."

The representatives of local institutions from the state level, besides the PARCO, also the Directorate for European Integration and the Secretariat General of the CoM of BiH, held numerous meetings with the representatives of UNDP BiH in the period from May 2006 until present. In the beginning, the meetings were bilateral, representatives of the local institutions and representatives of the UNDP, and then the representatives of the local institutions took a standpoint that the meetings should be organized on the principle of all local institutions with the UNDP BiH. It is also important to mention that the representatives of the local institutions brought out a great number of suggestions and comments to the project proposal in the sense of its improvement, but those suggestions and comments did not have a significant influence on any of the newer versions of the project proposal. With an objective of improvement of this project fiche, the representatives of the Public Administration Reform Coordinator's Office, the Secretariat General of the Council of Ministers and the Directorate of European Integrations addressed joint letter to the UNDP BH, in which the basic objections are stated:

- Because of delay of the UNDP in preparing the diagnostic study, the PARCO is late towards the Council of Ministers of BiH with presentation of the results of the diagnostic study, after which the project might be approved.
- The manner of selection of the sector for the first phase of the project is one of the strategic questions for the project. Of eight proposed sectors, only three of them do not have some kind of technical assistance. In some sectors, projects of technical assistance are ongoing, and for the others the European Commission Delegation is planning a technical assistance in the time period which overlaps with the first phase of the SPPD project. Coordination of project activities with other donors could be improved in a way of avoiding possible overlapping and duplication of activities.
- The representatives of the local institutions were not included in the procedures of the

selection of experts up till now, which should be changed, and all for the purpose of improvement of transparency of the selection and efficiency of the work of experts.

- Second phase of the project is questionable for several reasons. Objectives, activities and realization of the second phase are unclear. There are no detailed indicators in the document when we could expect a complete realization of the Terms of Reference. Project proposal does not contain measurable results in the first phase and those must be included. Without these assumptions, the unconditional support for the second project phase cannot be expected.
- The overall result that should be operational after the completion of the project is established and functional system of SPPD on the level of the Council of Ministers of BiH and the governments of the entities. The support to the project proposal expected from the local governments implies the support for the unspecified period of time although detailed information was given only for the first phase of the project (the next two and half years). Throughout the draft report, it was not responded in which way the project would contribute to the sectors in the second phase (e.g. in the Justice sector where the function of the SPPD has already been established and organizationally defined and where activities on adoption of sector strategy are in the final phase). It is, therefore, not visible what will be added value of the SPPD in similar situations.

In summary, in order to improve the contents of the of the Project fiche, and ensure the sustainability of activities initiated through the project, the following was proposed:

- Clearly define function of the SPPD in the ministries (through the changed Rulebooks on internal organization and systematization) in substantial and organisational sense.
- Employ certain number of civil servants in the ministries for execution of this function. Draft report has not offered a concrete solution for employment of additional staff in the ministries from the point of sustainability, i.e. their future keeping in the ministries
- Developed and harmonised training programme for the SPPD in cooperation with CSAs on all the levels. Bearing in mind, as mentioned in the report, that the UNDP has already been providing training to the civil servants about the SPPD, we consider that through the project a training programme for the area of the SPPD should be developed, which could be used later on through the activities of the CSAs on all the levels and for future trainings. Instead of investing in trainings of trainers who do not have any connection with the civil service after the ending of the project, it is needed to consider the possibility of training local trainers from the civil service who would be able to continue with trainings after the completion of the project (in cooperation with CSAs of all levels).
- Formalise mechanisms and instruments of cooperation and consultations within the institutions and between them as well as between different administrative levels which also assumes changes or adoption of acts which regulate the procedures. Copying of good practice and learned lessons will not contribute to establishment of the SPPD system on its own.
- Develop IT tools for their implementation (policy making software). Development of software application (such as those existing on the market) which would follow previously defined SPPD process methodology and provision to the beneficiaries of the project would completely provide the long term and full sustainability of learned lessons and more importantly, their exact application.
- Produce Manual for practical application. From the aspect of sustainability, we consider purposeful to focus on creating the Manual for practical application which would be distributed to the beneficiaries and whose effects could be significantly bigger in comparison to the materials collected and published on the internet.

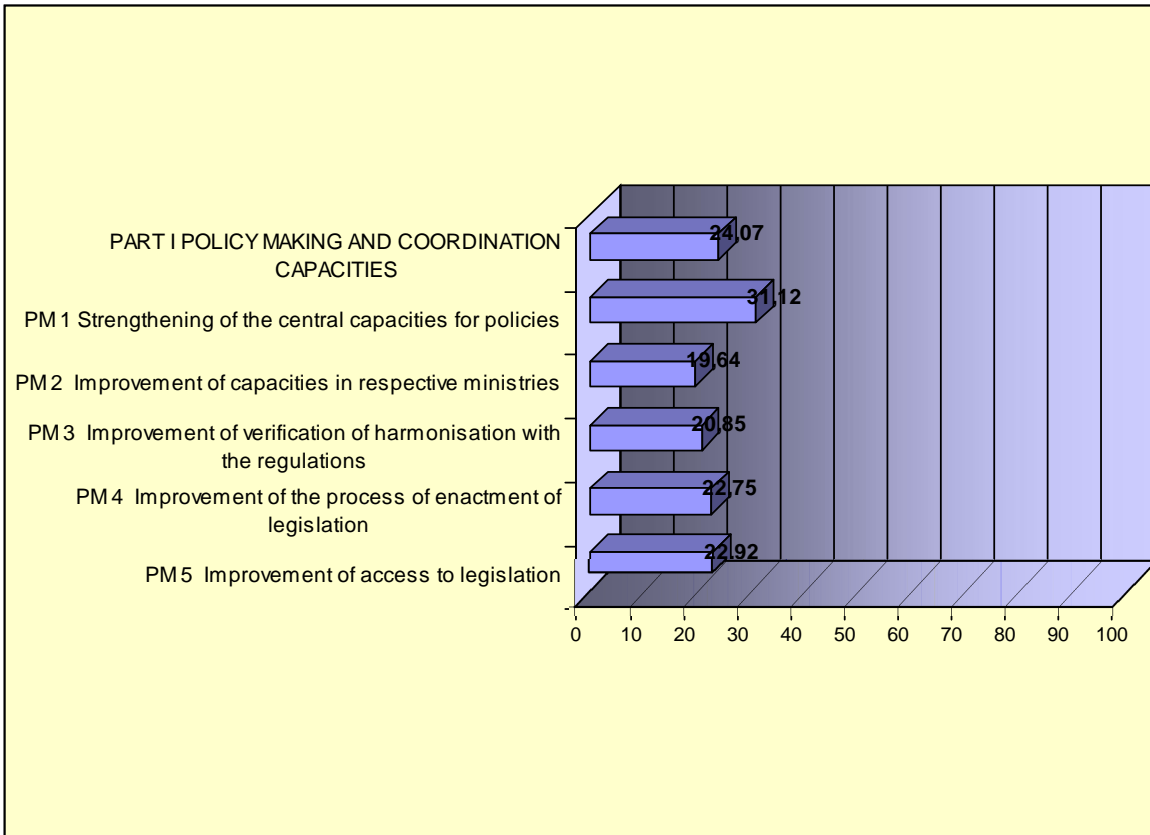
“Harmonisation of Rules and Procedures for Legal and Other Regulation Drafting in BiH”

The Public Administration Reform Coordinator's Office in BiH has completed preparatory activities and started with development of the Logical Framework and the Project Fiche “Harmonisation of Rules and Procedures for Legal and Other Regulation Drafting in BiH”, which will cover the reform measures of harmonisation of rules and procedures for legal and other regulation drafting in BiH (Part I of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH)

The Table below gives the overview by chapters for the reform area of Policy Making and Coordination Capacities.

Table 7: Overview of the activities and measures for the reform area of Policy Making and Coordination Capacities

COMPONENT OF THE ACTION PLAN 1	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	24,07
PM 1. Strengthening of the central capacities for policies	31,12
PM 2. Improvement of capacities in respective ministries	19,64
PM 3. Improvement of verification of harmonisation with the regulations	20,85
PM 4. Improvement of the process of enactment of legislation	22,75
PM 5. Improvement of access to legislation	22,92



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

2.1.2 Public Finances

The progress in the implementation of AP1 in the area of Public Finances has been noted in reporting period on the level of BiH, the entities and the BD BiH. The overall implementation was **28.61 per cent**, which is the increase of 8.06 per cent in comparison to the previous period.

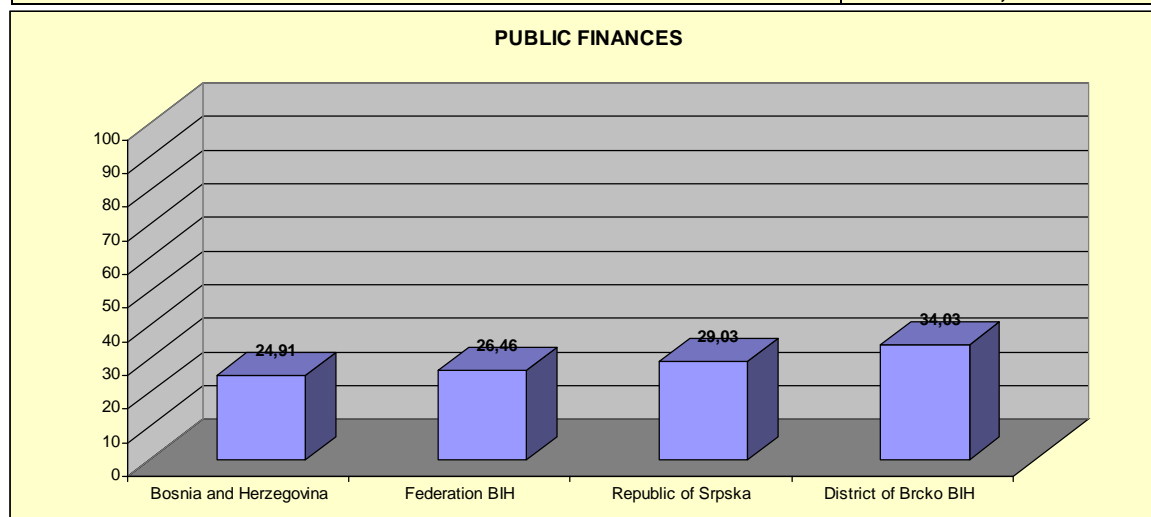
The biggest implementation is on the level of the Br ko District of BiH and is 34.03 per cent. The percentage of implementation progress on the level of the RS is 29.03 per cent, on the level of the FBiH is 26.46 per cent and on the level of BiH is 24.19 per cent.

International community is still present in the area of public finances. Many projects were proposed, financed or coordinated by the World Bank, the IMF, the UNDP, the European Commission, the USAID, the DfID, the SIGMA and other donors.

The table below shows the overall progress in the implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Public Finances.

Table 8: Implementation of the AP1 of the PAR Strategy in BiH – reform area Public Finances

PUBLIC FINANCES	Implemented
Bosnia and Herzegovina	24,91
the Federation of BiH	26,46
the Republic of Srpska	29,03
the Br ko District of BiH	34,03



The organizational structure in the ministries of finances has been improved in the reporting period. Rulebooks on organization and systematization of workplaces has been drafted or prepared on almost all levels of government, where it has been planned to employ new employees. The Br ko District of BiH has adopted the Rulebook on Internal Organization of the Directorate for Finances of the BD BiH. Also, the Human Resources Department of the BD BiH drafted the long term employment programme and programme of training.

Progress in the area of accounting improvement and treasury system function was very modest. Accrual accounting model has not been introduced in the public administration. This model is currently applied in business community, and even many European countries do not have accrual accounting. For that, it will be necessary to draft project plan to seek donors support.

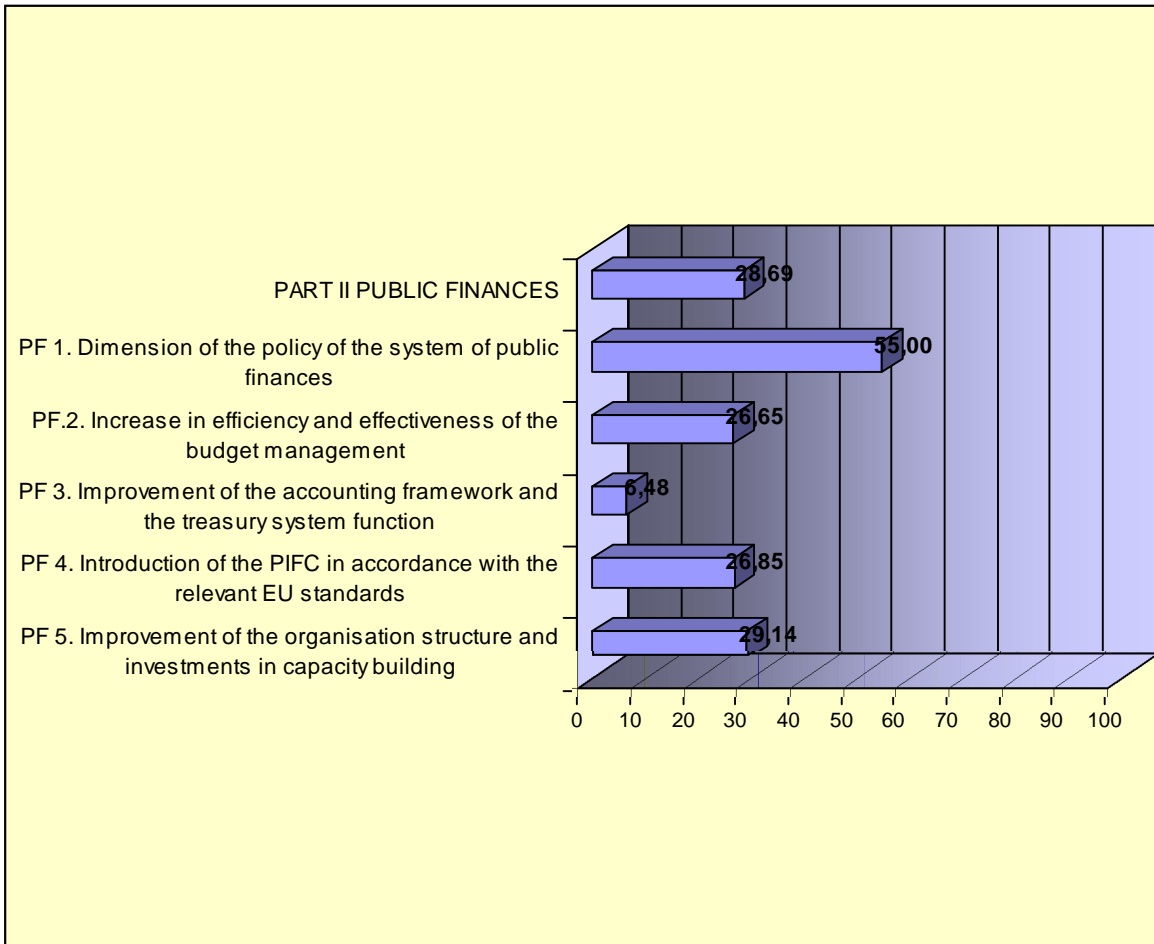
In the reporting period, work group for drafting strategy document, which would plan in detail introduction of the PIFC (public internal financial control), its main principles and structure, made no progress.

Implementation of internal control was partial and different in various institutions. In this period progress has been made in the sense of adopting rulebooks on establishment of internal controls or issuing procedures and guidelines.

Table below gives the overview by chapters for the reform area of Public Finances.

Table 9: Overview of the activities and measures for the reform area of Public Finances

COMPONENT OF THE ACTION PLAN 1	Implemented
PART II PUBLIC FINANCES	28,69
PF 1. Dimension of the policy of the system of public finances	55,00
PF.2. Increase in efficiency and effectiveness of the budget management	26,65
PF 3. Improvement of the accounting framework and the treasury system function	6,48
PF 4. Introduction of the PIFC in accordance with the relevant EU standards	26,85
PF 5. Improvement of the organisation structure and investments in capacity building	29,14



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

The biggest problem in the previous period was omission to adopt the Law on Fiscal Council. According to the Action Plan 1, that law was supposed to be adopted by the end of 2006. The Council of Ministries has adopted the Law on Fiscal council on February 21st, 2008 on its 40th session. It is expected that the Parliamentary Assembly will adopt this Law in the first reading in April 2008, and its final adoption is expected by the end of June 2008 at the latest.

According to the Law on Fiscal Council the Secretariat of Fiscal Council should be established. It also stipulates that the Fiscal Council will adopt the Rules of Procedure of the Fiscal Council 30 days after the law came into power. The Rules of Procedure will regulate in more detail the work of the Secretariat. The adoption of the Law on Fiscal Council will have a strong impact on the reform of public finances.

The lack of information systems in the area of public finance is also a big problem. Budget management information system does not exist on any government level. The treasury information system exists, but in the most basic form. There is not enough IT staff in ministries of finance.

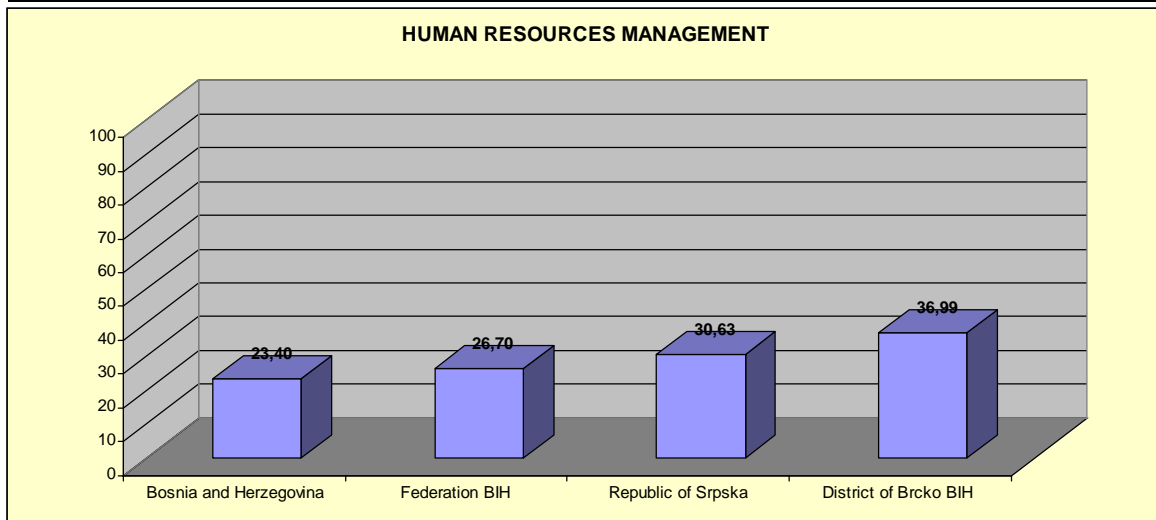
2.1.3 Human Resources Management

The level of implementation of the AP1 in the reform area of Human Resources Management, in accordance with the defined methodology of monitoring and evaluation, amounts to **29.59%** for all four levels combined, which represents an increase of 7.46 per cent in comparison to the previous reporting period.

The table 10 shows the total progress in implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Human Resources Management (HRM).

Table 10: Implementation of the AP1 of the PAR Strategy in BiH – reform area of Human Resources Management

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	23,40
the Federation of BiH	26,70
the Republic of Srpska	30,63
the Brčko District of BiH	36,99



General observation in relation to the level of the achieved progress in the reporting period is that there were no significant changes in the sense of reform activities in comparison to the previous reporting period. Quantitative increase in indicators of the achieved progress is primarily the result of update of the monitoring and evaluation table with the missing information which were not taken into consideration while compiling the Annual Progress Report for 2007. Additionally, in some levels more quality flow and exchange of information between the Public Administration Reform Coordinator and the competent institutions was ensured.

Activities in the field of the reform in the area of Human Resources Management were mainly directed to continuation of work on the initiated processes and realisation of previously launched projects.

Detailed information on individual activities are in the text to follow, while from the general aspect it is important to emphasize:

- In relation to legislative activities, in the reporting period, on the level of the Federation of BiH and the Republic of Srpska, previously initiated activities were continued on draft preparation of "new laws on civil servants" which are in the final stage/sent to procedure.
- The Civil Service Agency of the FBiH, in cooperation with the National School of Government from the UK (NSG), under the project SPERAB, prepared the draft Strategy for the civil servants training in the Federation of BiH for the period 2008-2010.
- Project of establishing the Human Resources Management Information System (HRMIS)

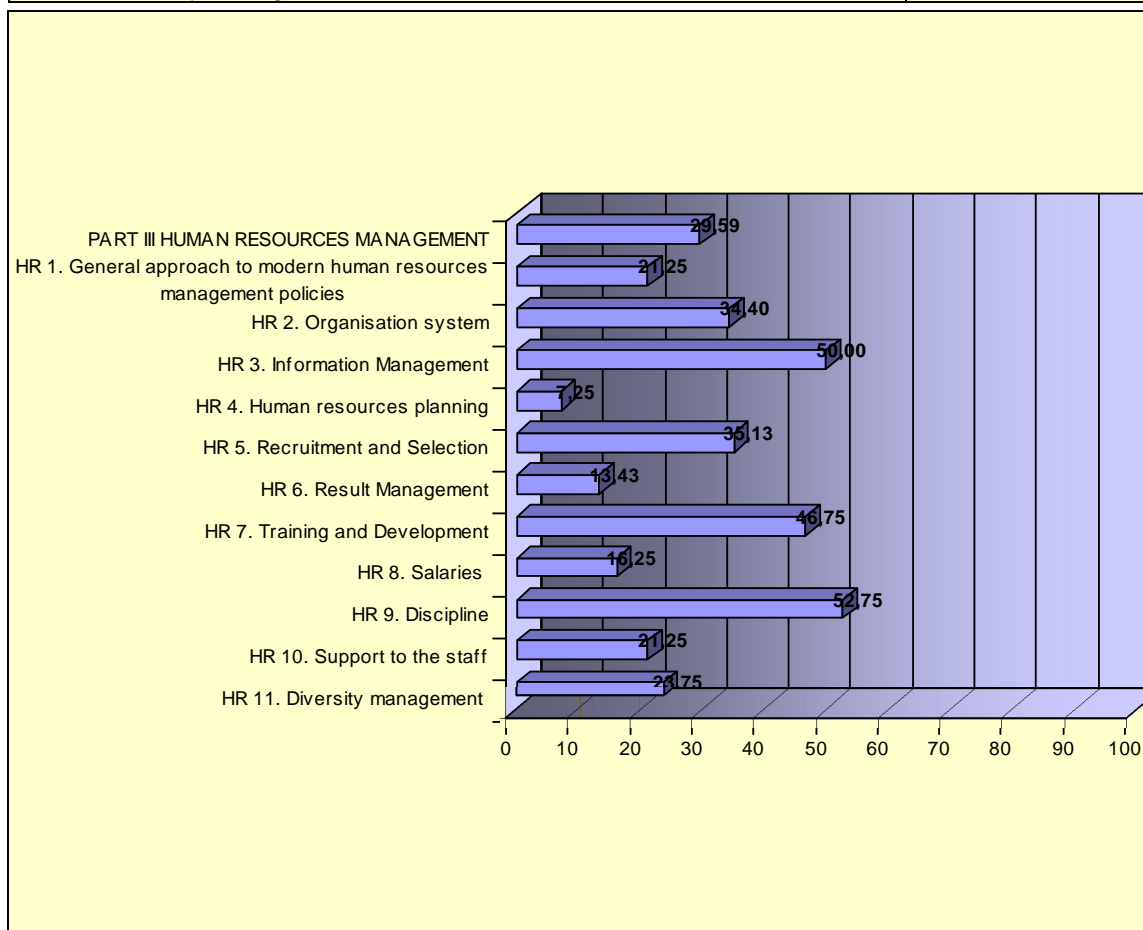
entered the stage of implementation of the software solution, which officially commenced on March 10, 2008.

- Training in European Integration was successfully implemented, being attended by close to 1200 civil servants from the BiH institutions, the entities and the Brčko District of BiH in the cycle of 38 three-day terms.
- State Administration Agency of the RS published the first issuer of the magazine “Modern Administration”.

The table below gives the overview by chapters for the reform area of Human Resources Management.

Table 11: Overview of the activities and measures for the reform area of Human Resources Management

COMPONENT OF THE ACTION PLAN 1	Implemented
PART III HUMAN RESOURCES MANAGEMENT	29,59
HR 1. General approach to modern human resources management policies	21,25
HR 2. Organisation system	34,40
HR 3. Information management	50,00
HR 4. Human resources planning	7,25
HR 5. Recruitment and selection	35,13
HR 6. Result management	13,43
HR 7. Training and development	46,75
HR 8. Salaries	16,25
HR 9. Discipline	52,75
HR 10. Support to the staff	21,25
HR 11. Diversity management	23,75



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

HR 1. General approach to modern human resources management policies

In the reporting period on the level of the Federation of BiH the new draft Law on Civil Servants in the Civil Service Bodies in the FBiH was prepared, and after being reviewed by the FBiH Government submitted to further parliamentary procedure. According to the information from the quarterly report submitted for the level of the RS, draft of the new Law on Civil Servants in the RS is in the last stage and it is expected to be directed to further procedure. Activities on changing the Law on Civil Service also commenced on the level of the BiH institutions, where the Ministry of Justice, in charge of the activities, through the working meetings together with the Civil Service Agency, worked on adjusting the working version of the Law on Amendments to the Law on Civil Service in the BiH institutions. The OHR Supervisor for the Brčko District issued a Decree on Amendments to the Law on Civil Service in Administrative Bodies of the Brčko District of BiH in February 2008.

Preliminary draft of the new Law on Civil Servants for the level of the Federation of BiH was submitted to the Public Administration Reform Coordinator's Office, where, as previously stated, comments were given on the issue of harmonisation with the reform objectives in this area. Draft of the new Law on Civil Servants in the Republic of Srpska was not submitted in the reporting period.

No activities were noted on horizontal or vertical harmonisation of legislation on civil service, or on further development and adoption of policy documents in the area of Human Resources Management by administrative levels in relation to the previous reporting period. Certain improvements were made in making operational the functioning of the working bodies for monitoring and evaluation of the reform process, by holding plenary sessions of supervisory teams for all reform areas. Also, the text of the Rules of Procedure of Supervisory Teams was prepared and adjusted, and its adoption has commenced successively on the level of supervisory teams for specific reform areas.

HR 2. Organisation system

It is again noted through the individual quarterly progress reports that on the level of the RS and the FBiH, through the drafts of the new laws, solutions were suggested to change the role of the central units for human resources management and for establishing special units for human resources management on the level of individual institution.

Referring to solutions envisaged in the new draft Law on Civil Servants in the FBiH, together with suggested solutions which are adjusted with the strategic priorities of strengthening capacities for human resources in individual institutions, certain legislative solutions were suggested which reduce the role and competency of the Civil Service Agency and which are not in accordance with proposed set of reform measures in the area of the Action Plan 1 – HRM 2.1 The role of central units.

Besides trainings conducted for HRM specialists and line managers which were noted in the previous reporting period (through donor projects and individual activities on specific administrative level), on all levels new annual plans and training programmes were established and they encompass components of horizontal trainings from the scope of human resources management. On the level of the RS and the FBiH, through the support of the project SEPARB which was conducted by the NSG/DfID, trainings were completed of internal trainers/experts for training which are in the coming period supposed to be engaged for the purpose of conducting certain trainings in the civil service institutions. Through the same project, training modules for senior civil servants "Shaping the future" were implemented, and conducted on the level of BiH, the FBiH and the RS. On the level of BiH institutions, preparatory activities were implemented on identification of personnel which is supposed to be involved in the "Project of enabling of training managers in the BiH institutions" (it is envisaged to have the project funded by the assets provided by the European Commission Delegation from the programme IPA 2008).

HR 3. Information management

Implementation of the HRMIS project entered its second stage which implies making the software solution operative in the form of integral information system for human resources management. The project officially started on March 10, 2007 and it will last 27 months in total (including the testing phases and user support) with successive installation and delivery by levels of authority. Representatives of the company Technologica LTD from Bulgaria, which was selected implementer of the information system, will present its inception report at the first Project Management Board meeting, planned for mid April 2008.

Insurance of long term support to beneficiaries at the end of the project was planned in the form of special contracts on maintenance and modification of the system. Services ensured through the implementation of the information system are supposed to support development of other functions of human resources management and create preconditions for conducting suitable number of reform measures in this area .

HR 4. Human Resources Planning

In relation to the previous reporting period, job analysis activities were continued and partially completed on the level of federal civil service bodies with the support of the UNDP (submitted data for 10 per cent of institutions which completed analysis and changed the Rulebooks on internal organisation). The Civil Service Agency of the FBiH also worked on education of personnel from respective institutions for the needs of job analysis.

Activities on development of job analysis methodology are ongoing through the realisation of the activities from the first phase of the project "Recruitment and selection of employees" which is being implemented by the PARCO/the UNDP/the NSG with an objective of using the results for the needs of improvement of job descriptions and candidates selection within the selection process for the work in the civil service. Development of competency framework and job analysis activities were planned within the project on limited number of institutions from the level of BiH, the FBiH/cantons, the RS and the Br ko District of BiH, which with upgrade on existing achievements and results in this area, should commence practical implementation in the next quarter.

New plan of human resources needs is established in the Br ko District of BiH, and Decision on realisation of the employment plan for 2008 was brought , with the adjustment of this plan with budget plans for the current year, which continued good practice in the area of continuous human resources planning.

HR 5. Recruitment and selection

As previously stated, commenced realisation of the first phase of the project "Recruitment and selection of employees" is aiming at improvement of existing job descriptions for the employed in civil service/administration and usage of results gained through the job analysis and competency framework development (new specification of jobs/executors) for the needs of more efficient testing and selection of candidates in recruitment procedures .

Regarding the set of measures which are related with development of internship programmes and interns employment in civil service, in accordance with previous conclusions/decisions from the Governments, employment of young candidates for the needs of civil service is conducted on all levels.

In relation to the other measures from this area, in the reporting period on the level of BiH institutions, the Civil Service Agency of BiH adopted the new Rulebook on procedures of advertising, selection, transfer, and appointment of civil servants in the case of transfer or taking over the competencies by the BiH institutions (Official Gazette of BiH No. 27/08) which set certain improvements in comparison to the previous regulation and which regulates this area, and there was harmonisation with the new Decision on the manner of taking the public and professional exam (Official Gazette of BiH No. 96/06).

HR 6. Result management

During the reporting period, analysis of annual evaluation was conducted in the Brčko District of BiH and previously adopted Plan of annual evaluation of officers and employees for 2007 in the Government of the Brčko District of BiH was implemented. According to information from the submitted quarterly report, on the level of the Brčko District of BiH activities on changing the Rulebook on evaluation are ongoing, and at the same time new trainings are planned for senior officials and task managers for evaluation of civil servants and employees.

There are no relevant information on the progress in implementation of reform measures in this area on other levels, apart from the information that on the level of the RS and the FBiH preparation of the training programme for the newly employed and interns is ongoing, and it was supposed to be conducted by certified training instructors from civil service/administration.

HR 7. Training and development

Regarding training plans, on all levels they are defined for the current year and ensured by civil service/administration agencies (mainly horizontal training). Decision on professional development of officers for 2008 was prepared on the level of the Brčko District of BiH. On the level of the FBiH, the Civil Service Agency, with technical support from the National School for Government from UK within the project SEPARB, prepared draft Strategy for the training for the period 2008-2010, whose adoption is expected in the next quarter.

In relation to the measures which imply coordination of common development needs between the CSAs and special demands for specialized training, Project of training of civil servants from the BiH institutions, entities and the Brčko District of BiH in the area of European integration was successfully completed. Within the cycle of 38 three-day terms, 1152 civil servants attended the training, namely: 981 from the State level, 52 from the Republic of Srpska, 86 from the Federation of BiH and 33 from the Brčko District of BiH.

Within the project "Feasibility study for establishment of the Institute for Public Administration in BiH", the meeting was held in the form of a round table where "working draft" of the named Study was prepared and presented by international consultants engaged in this project. After having discussion with the representatives of the relevant institutions from all levels, it was not possible to ensure agreement regarding research results and proposed models which were presented through the Study document. Participants were invited to submit their comments on the draft document, which would, after the analysis and consolidation, together with the content of oral discussions from the round table, serve for defining possibilities for further directions in project realisation and implementation of this set of reform measures.

HR 8. Salaries

No changes in comparison to information on progress which were noted for the previous reporting period, apart from the information that draft Law on salaries and compensations in BiH institutions entered the parliamentary procedure.

HR 9. Discipline

Through the individual progress reports of the RS and the FBiH, and data gathered in the reporting period, information was submitted that the civil service boards for complaints submit regular annual reports on their work (which encompass overviews of reviewed cases). No reference to documentation basis was ensured for the purpose of verification of these activities.

HR 10. Support to the Staff

No activities were noted on the preparation of special handbooks for existing and newly employed staff. In March, there was promotion of the first issue of the magazine "Modern administration" whose publishing was initiated by State Administration Agency of the RS. The initiative was aimed at the support to the public administration reform in the RS and BiH, and building professional civil service through the exchange of experience and professional articles

dealing with current issues of public administration.

HR 11. Diversity management

The Civil Service Agency of the FBiH submitted information on starting the initiative for adopting the law on the state level which would in unified way regulate the issue of proportional representation of constituent people and others in the civil service/administration on all levels in BiH. In practical realisation of this initiative, special commission was formed for the purpose of drafting working version of the law which would regulate this area. Data that appropriate reports on the work of this body were prepared and the draft law were submitted as well .

2.1.4 Administrative Procedure

The overall progress in the implementation of measures and activities from the Action Plan 1 of the Public Administration Reform Strategy in the Administrative Procedure Area on all levels of the government in BiH, by the end of this reporting period is **18.87 per cent**. In Comparison to the previous reporting period the increase is 5.17 per cent.

After acquirement of the principle approval of the draft Project Fiche from all the members of the Supervisory Team for the Administrative Procedure area, the final version of the Project Fiche "Drafting of Administrative Decision Making Quality Improvement Programme in BiH" and corresponding Terms of Reference have been prepared. This project will realise the activities from the Action Plan 1 of the Strategy of the Public Administration Reform from the area of Administrative Procedure which in the Action Plan 1 have been stated in the chapter: AP. 1.1. Strategy of Simplification of Administrative Procedure for the whole country. Once the Supervisory Team members for this reform area give their approval, the Terms of Reference will be sent to the PAR Fund Joint Management Board. After their approval, tender procedure for the procurement of the consultant services in order to realize the project will follow. Expected result of realisation of this project will be presented by the Administrative Decision Making Quality Improvement Programme in BiH, in accordance with the modern European standards of administrative decision making, which contains legislative, organisational, IT measures, and measures for strengthening of capacities. The implementation of this project will contribute to the improvement of quality of the administrative decision making on all levels of government in BiH and establishment of the more quality, more efficient and simpler practice of administrative decision making in accordance with the modern European standards of administrative decision making, on all levels of government in BiH, which will be user oriented.

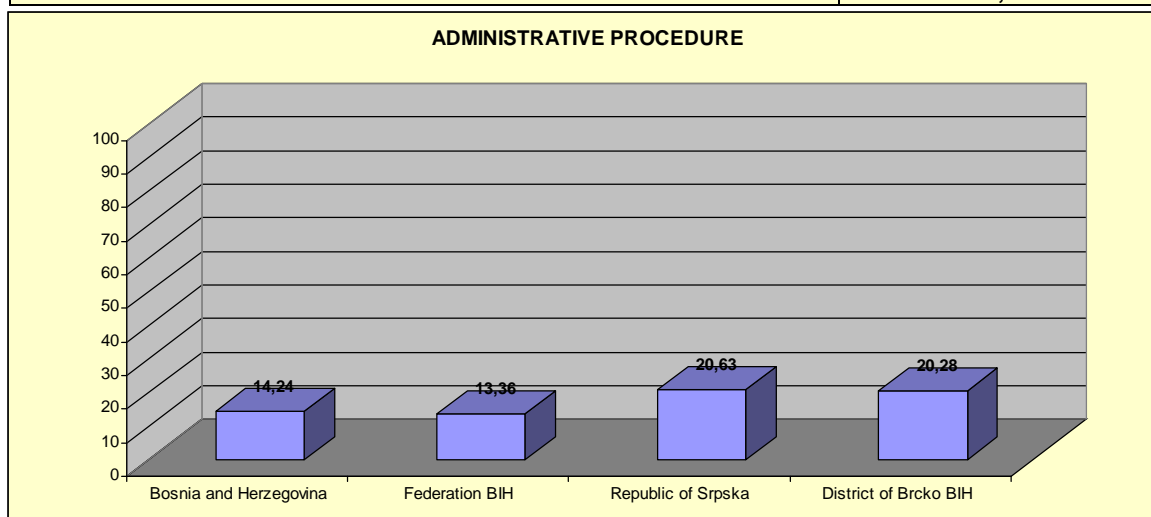
Activities for the preparation of the meeting with the Supervisory Team for the Administrative Procedure Area are ongoing. At this meeting, it is planned to adopt the prepared and harmonised Rules of Procedure of the Supervisory Team for the Administrative Procedure Area, to adopt the Project Fiche and Terms of Reference of the "Drafting of Administrative Decision Making Quality Improvement Programme in BiH" project, to form the Implementation Team for realization of the stated project and to plan further activities in this reform area.

Also, activities on preparation of the Tender documentation for the procurement of consultancy services for the purpose of realization of the stated project are ongoing, as well as activities on preparation of the Logic Framework and the Project Fiches for the harmonization and improvement of existing Laws on Administrative Procedure on all levels of government in Bosnia and Herzegovina and education of the administrative procedure case leaders and administrative inspectors.

Table 12 gives the overall overview of implementation of the Action Plan 1 of the PAR Strategy for the reform area of Administrative Procedure.

Table 12: implementation of the AP1 of the PAR Strategy in BiH – reform area of Administrative Procedure

ADMINISTRATIVE PROCEDURE	Implemented
Bosnia and Herzegovina	14,24
the Federation of BiH	13,36
the Republic of Srpska	20,63
the Brčko District of BiH	20,28



On the level of **Bosnia and Herzegovina** (state level) of government, realized progress in implementation of the measures and activities from the Action Plan 1 of the Public Administration Reform Strategy in the Administrative Procedure Area until March 31st, 2008 totals **14.24 per cent.**

In the reporting period Rulebook on the Amendments of the Rulebook on the Internal Organization of the Ministry of Justice of BiH has been adopted. According to the new Rulebook five job positions for the administrative inspectors on the state level of government have been systematised, which represents significant progress in the administrative inspection in relation to the previous period. In addition, the Rulebook regulates performance of activities of monitoring, analysis and reporting on administrative decision making practices in the institutions of Bosnia and Herzegovina.

In the **Federation of Bosnia and Herzegovina**, realized progress in implementation of the measures and activities from the Action Plan 1 of the Public Administration Reform Strategy in the Administrative Procedure Area until March 31st, 2008 totals **13.36 per cent.**

In the Federation of Bosnia and Herzegovina until the end of March 2008, in the Administrative Inspection area, the Law on Organization of the Administrative Bodies in FBiH prescribed, competency and position of the federal administrative inspection and principles for the organization of the cantonal, cities' and municipalities' administrative inspections. Next to the aforementioned, this Law organizes the basic regulations on administrative inspection, and they are being applied on all inspections in the Administrative bodies, as well as to inspections organized in the framework of the special laws. In the FBiH, special Law on inspections has been adopted as well. Administrative inspection is within the Ministry of Justice of FBiH, and in the following period it is necessary to continue increasing its human resources and material and technical capacities. Activities of the administrative inspection on the FBiH level of government are being performed by four inspectors, and employment procedure for the Chief Federal Inspector is ongoing.

In **Republic of Srpska**, realized progress in implementation of the measures and activities from

the Action Plan 1 of the Public Administration Reform Strategy in the Administrative Procedure Area until March 31st, 2008 totals **20.63 per cent**.

The National Assembly of the RS adopted the Conclusion in which it requires from RS Government issuance of the law which would reorganize the Government, ministries, administration and other government organisations, with the objective of more efficient organisation and achievement of better results. The RS Government nominated inter-department Work Group for the purpose of drafting the Law on Ministries in the RS Government, the Law on Public Administration and the Law on Public Servants, and which in the reporting period prepared drafts of the above mentioned laws, and their forwarding to the adoption procedure is expected soon.

Drafting of the Law on the Administrative Inspection in the RS is currently ongoing process. Administrative inspection in the Republic of Srpska is established on the territorial principle of the inspectors' formation. Also, in the RS all systemized job positions for the administrative inspectors are filled. All inspectors are assigned with cars, computers and other necessary equipment.

In the **Br ko District of BiH**, realized progress in implementation of the measures and activities from the Action Plan 1 of the Public Administration Reform Strategy in the Administrative Procedure Area until March 31st, 2008 totals **20.28 per cent**.

In the BD BiH the issue of organization of the administrative inspection is adequately solved. Optimal number of the administrative inspectors is employed and technical conditions for the work of the administrative inspection are improved maximally. The trainings of the administrative inspectors are intensified as well. Also, with new law solutions the importance of the administrative inspector's function in the BD BiH area has been increased. The composition of the Appellate Commission of the BD Government has been changed in the way that it was provided that the members of the Appellate Commission have the necessary knowledge for decision making on the second instance of the administrative procedure. The Law on the Administrative procedure (LAP) of the BD BiH prescribed penalties for the violations of the LAP regulations, and the implementation of these was conditioned by adoption of the new Law on Violations of the BD BiH. As a result, system of disciplinary responsibility has been strengthened.

Next to the above mentioned, and related to all four levels of the government in the BiH, it is necessary to mention the following:

- Certain progress in the area of internal control has been accomplished. Periodical and annual reports on performance are prepared and forwarded to the competent institutions; however adequate system of monitoring has not been established yet. Each prepared act is controlled several times by the immediate supervisor, Head of Department and Head of Sector before forwarding it to the adoption procedure. Standard structure of reporting is used and respected during preparation of the reports, and good practice of reporting is established. The agreement on the unique standards of reporting for each level of government is not reached yet.
- The Law on Administrative Procedure of BiH, the Law on Administrative Procedure of the FBiH and the Law on Administrative Procedure of the BD BiH prescribe penalties for violations of the LAP regulations for both institutions and official personnel on BiH, the FBiH and the BD BiH level of government. On BiH level the issue of disciplinary responsibility is regulated by the Law on Public Service of BiH and by the Rulebook on Disciplinary Responsibility of the Civil Servants in the BiH Institutions, while this issue on the FBiH level is regulated by the Law on the Public Service of the FBiH and by the Directive on the Rules of the Disciplinary Procedure for the Disciplinary Responsibility of the Public Servants in the Public Service Bodies of the FBiH. In the RS the system of disciplinary responsibility is strengthened as well, and the issue is regulated by the Law on Public Service in the

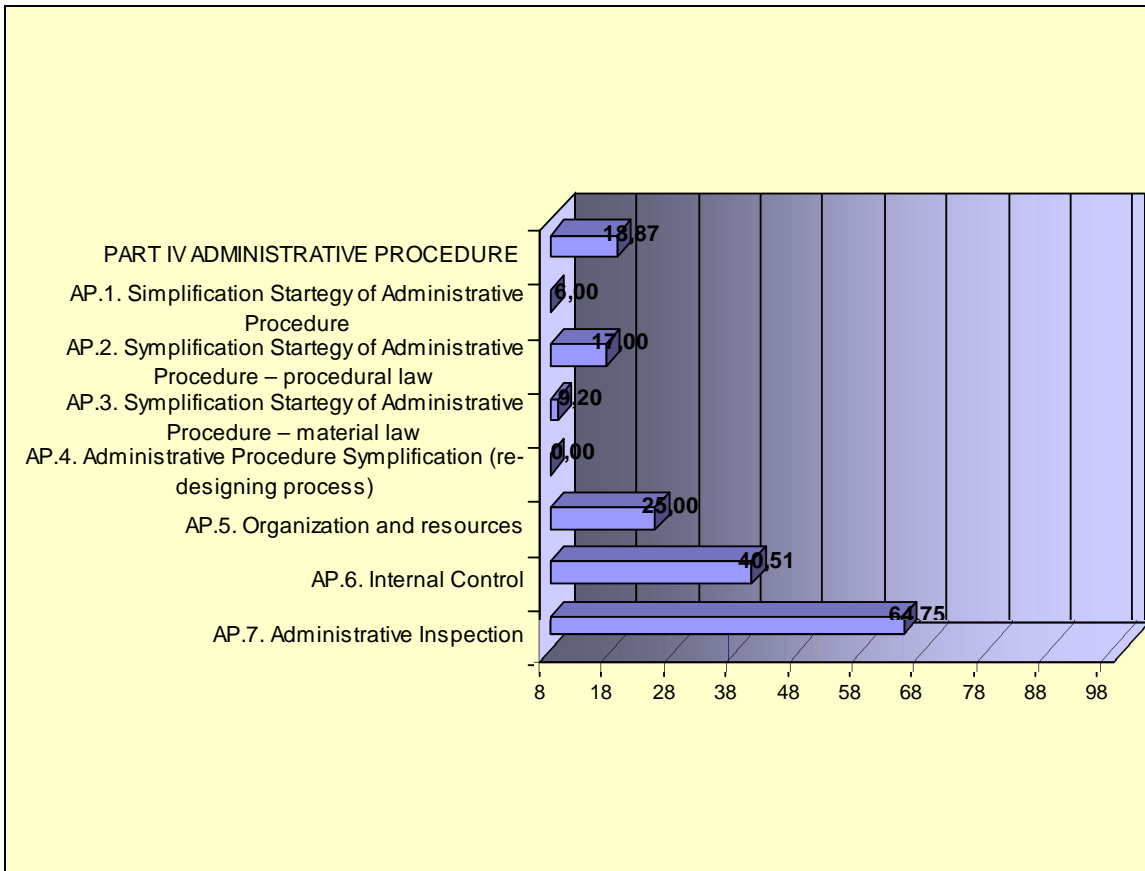
Administration of RS and by the Rulebook on Disciplinary and Material Responsibility of the Public Servants.

- Essential needs for the training of both recently employed and public servants with work experience, in relation to conduct of the administrative procedure have been identified. In cooperation with the Civil Service Agency of BiH, the Civil Service Agency of the FBiH, the Civil Service Agency of the BD BiH and Civil Service Agency of the RS, depending on the level of government, the plan and the programme of the trainings are adjusted regularly. Certain number of trainings of the public servants is completed, while the organization of the new forms of trainings is ongoing. The completed trainings cover one part of the identified needs. Certification system for the key roles in the administrative decision making is partially established.

Table below gives the overview by chapters for the reform area of Administrative Procedure.

Table 13: overview of the activities and measures for the reform area of Administrative Procedure

COMPONENT OF THE ACTION PLAN	Implemented
PART IV ADMINISTRATIVE PROCEDURE	18,87
AP.1. Simplification Strategy of Administrative Procedure	6,00
AP.2. Simplification Strategy of Administrative Procedure - procedural law	17,00
AP.3. Simplification Strategy of Administrative Procedure - material law	9,20
AP.4. Administrative Procedure Simplification (redesigning process)	0,00
AP.5. Organisation and Resources	25,00
AP.6. Internal Control	40,51
AP.7. Administrative Inspection	64,75



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

2.1.5 Institutional Communications

Total implementation of the AP 1 in the area of Institutional Communications on the state level, entity level and the level of the Brčko District of BiH, by March 31st, 2008, amounts to **29.78 per cent**, which is an increase by 8.66 per cent in relation to the previous reporting period.

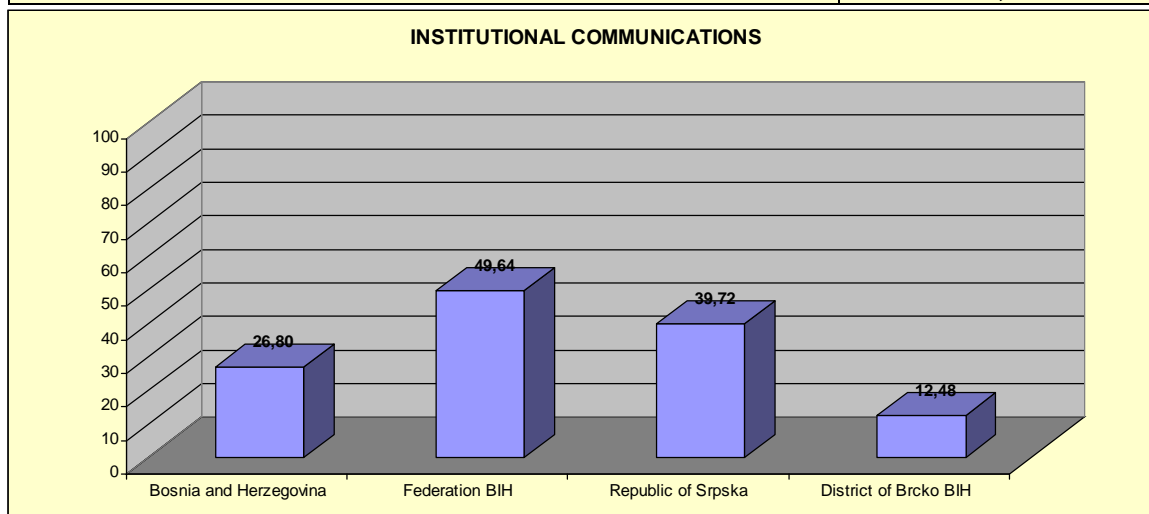
The Joint Management Board of the Public Administration Reform Fund approved in March 2008 financing of two projects for the purpose of realisation of activities IC 8, 12 and 14 of the AP1 (PR training, direct communication with the public and citizens). It is expected that the PARF JMB will in the first week of May 2008 adopt the tender documentation for implementation of the procurement procedure from the framework of this project.

In this period, with the members of the Supervisory Team for the IC and the public administration reform coordinators in entities and the Brčko District of BiH six bilateral work – consultative meetings were held.

Table 14 shows the total progress in implementation of the Action Plan 1 of the PAR Strategy for the reform area of Institutional Communications.

Table 14: implementation of the AP1 of the PAR Strategy in BiH – reform area of Institutional Communications

INSTITUTIONAL COMMUNICATIONS	Implemented
Bosnia and Herzegovina	26,80
the Federation of BiH	49,64
the Republic of Srpska	39,72
the Brčko District of BiH	12,48



On the level of BiH, the Republic of Srpska and the Brčko District of BiH, in this quarterly period in relation to the annual report for 2007, average progress of 1.6 per cent was noted in the area of Institutional Communication. Progress by levels is: BiH – 1.14 per cent, the RS – 2.9 per cent and the BD BiH – 1.02 per cent. The progress is related with the activities stipulated in the chapters IC.1, IC.4, IC.7 and IC.8 (Key regulations, Organisational issues, Human resources and Training). Degree of implementation of the AP 1 in the area of Institutional Communications, by the end of this quarterly period on the level of **BiH** amounts to **26 per cent**, on the level of the **RS 39.72 per cent** and on the level of the **BD BiH 12.4 per cent**.

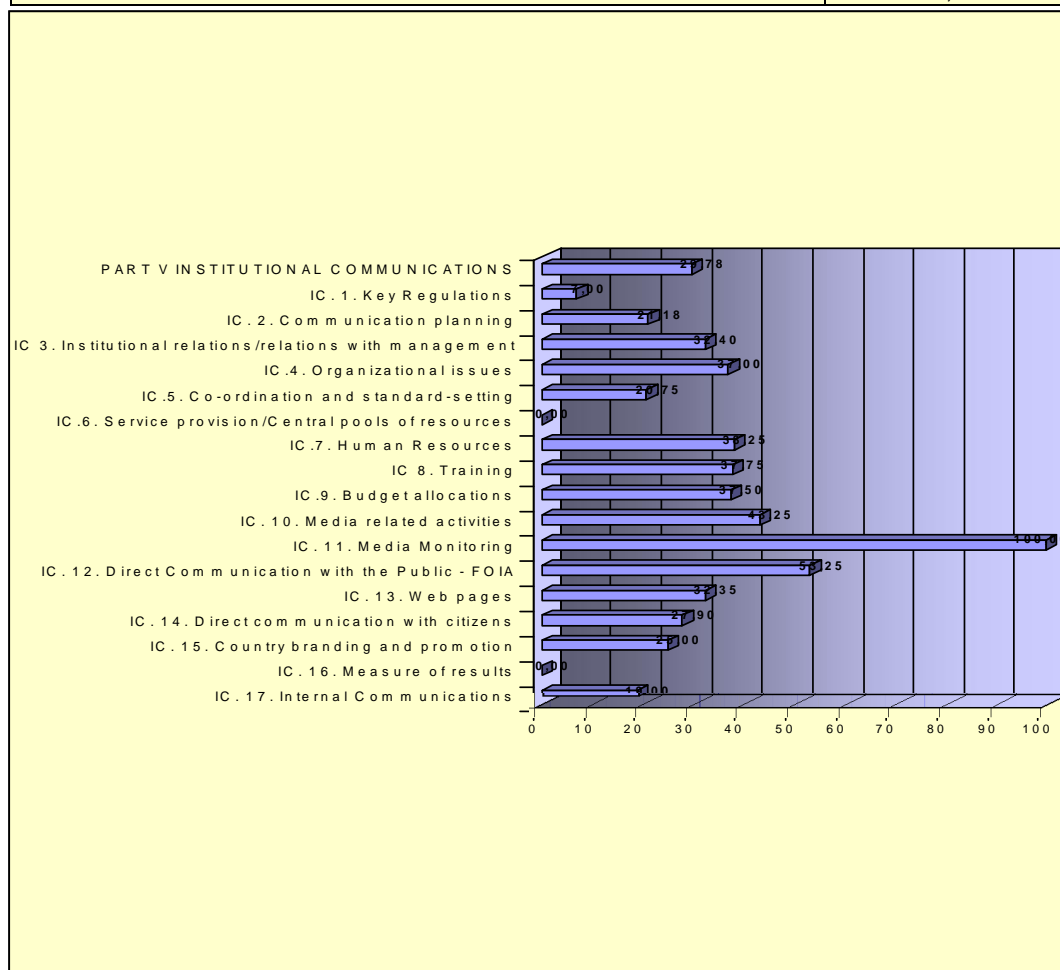
On the level of the FBiH, 49.64 per cent of the activities of the AP 1 was realised in the subject area. The biggest part of the progress, however, is the result of submission of data and documentation basis for the implemented activities from the area of Institutional Communications, which were not the subject of the Annual Progress Report for 2007. Changes on the level of the FBiH were noted in 15 out of 17 chapters of the AP 1 in the area of

Institutional Communications (see the monitoring table in the Annex, all chapters of the IC except IC.6 and IC.16).

Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

Table 15: Overview of the activities and measures for the reform area of Institutional communication

COMPONENT OF THE ACTION PLAN 1	Implemented
PART V INSTITUTIONAL COMMUNICATION	29,78
IC 1. Key Regulations	7,00
IC 2. Communication Planning	21,18
IC 3. Institutional Relation/Relations with Management	32,40
IC 4. Organisational issues	37,00
IC 5. Coordination and Standard Setting	20,75
IC 6. Service Provision/Central Pools of Resources	0,00
IC 7. Human resources	38,25
IC 8. Training	37,75
IC 9. Budget Allocation	37,50
IC 10. Media Related Activities	43,25
IC 11. Media Monitoring	100,00
IC 12. Direct Communication with the public - FOIA	53,25
IC 13. Web Pages	32,35
IC 14. Direct Communication with Citizens	27,90
IC 15. Country Branding and Promotion	25,00
IC 16. Measure of Results	0,00
IC 17. Internal Communications	19,00



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

2.1.6 Information Technology

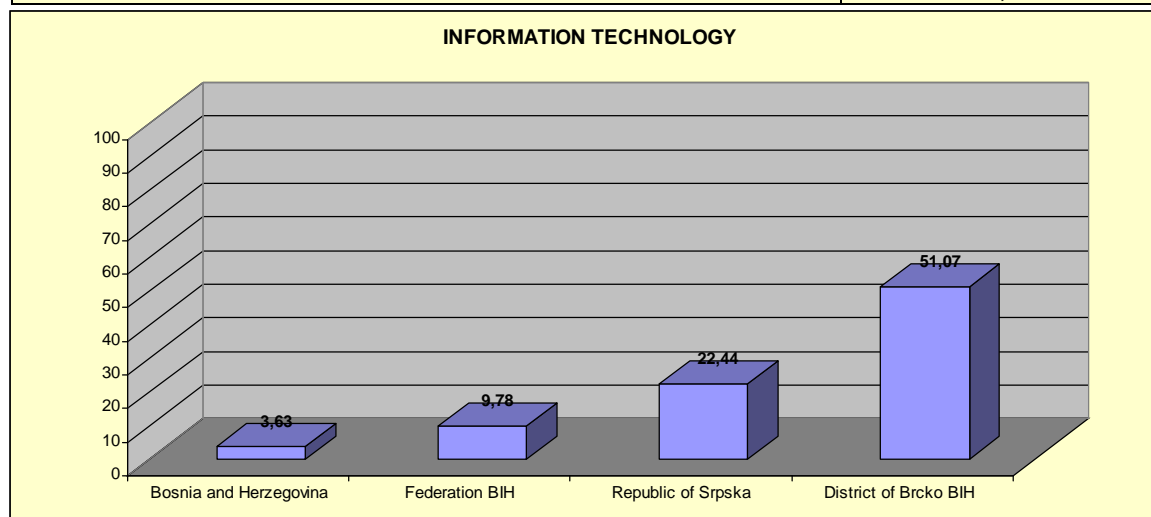
In the reform area of Information Technologies, general progress in implementation of measures and activities from the Action Plan 1 of the Strategy of the Public Administration Reform in Bosnia and Herzegovina, on all levels of government in Bosnia and Herzegovina is **21.76 per cent**. In relation to the previous report, this progress is increased by 8.32 per cent.

In accordance with earlier set priorities, activities have started related to implementation of the Action Plan 1. After the analysis for establishing the situation and priorities for Information Technologies, from three project fiches, realisation have started of the project fiche and Terms of Reference for **Design and establishment of Interoperability framework and standards for data exchange**. The finalised project fiche was sent to the members and deputy members of the Reform Area Supervisory Team for Information Technologies, and after their acceptance was received, the Terms of Reference (ToR) were drafted. It is now finalised and will be sent to further procedure towards the Joint Management Board of the Public Administration Reform Fund, following its approval by the Supervisory Team.

The degree of realisation of the Action Plan 1 of the Strategy of the Public Administration Reform, by levels of government in Bosnia and Herzegovina is showed in the table below .

Table 16: implementation of the AP1 of the PAR Strategy in BiH – reform area of Information Technology

INFORMATION TECHNOLOGY	Implemented
Bosnia and Herzegovina	3,63
the Federation of BiH	9,78
the Republic of Srpska	22,44
the Brčko District of BiH	51,07



On the level of **Bosnia and Herzegovina**, in the Ministry of Transport and Communication, Commission for regulation drafting of the E-Government was established. According to the “Quarterly report on the progress of the Public Administration Reform on the level of institutions of Bosnia and Herzegovina”, activities that are being carried out are:

- tender publishing in progress for the equipment of e-Government, and it is being calculated that the part of the project called “Electronic Government” be finalised by July or August 2008;
- Working group for regulation drafting on functioning of the information system was established;
- Currently, drafting of Policy and Strategy for the period until 2011 is ongoing and it will encompass digitalisation of Bosnia and Herzegovina, as well as computerisation in general.

According to the “Quarterly report on progress of the Public Administration Reform on the level of the Republic of Srpska”, in **the Republic of Srpska** were carried out preparation and organisation activities for establishment of the Agency for Information Society. According to the Decision of the Government of the Republic of Srpska, this Agency was established and its base is within the Ministry of Science and Technology in the new administration centre of the Government of the Republic of Srpska in Banja Luka. Also, the needed activities were carried out for the adoption of legal regulations in the segment of electronic signature. The Government of the Republic of Srpska adopted the Proposal of the Law on Electronic Signature and sent it to the National Assembly for adoption.

According to the “Quarterly report on progress of the Public Administration Reform on the level of the Brcko District of Bosnia and Herzegovina”, in the **Brcko District of BiH** the following strategic documents related with development of information society in BD BiH were adopted:

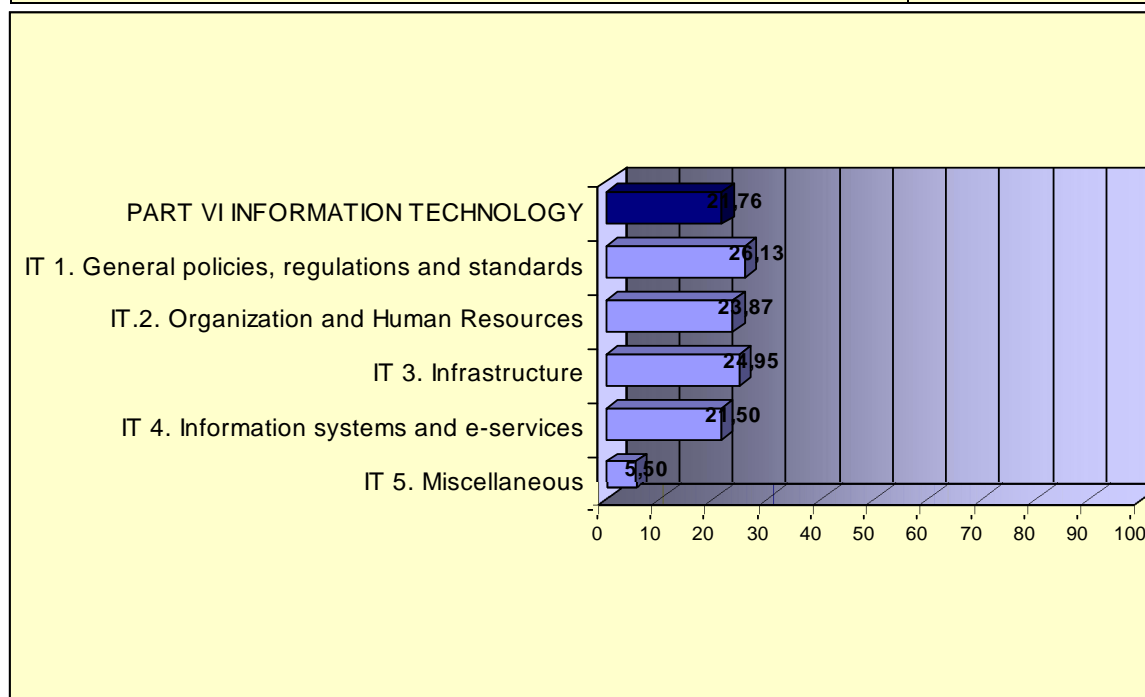
- Internal policy of development of information society of the BD BiH;
- Strategy of development of information society of the BD BiH;
- Action plan for development of the e-Administration of the BD BiH.

According to the “Quarterly report on progress of the Public Administration Reform on the level of the Federation of Bosnia and Herzegovina”, in the **Federation of BiH** the project “Paperless sessions” was completed. The first government session with this IT solution was held on January 31st, 2008 in Sarajevo.

Table below gives the overview by chapters for the reform area of Information Technology.

Table 17: Overview of the activities and measures for the reform area Information Technology

COMPONENT OF THE ACTION PLAN 1	Implemented
PART VI INFORMATION TEHNOLOGY	21,76
IT 1. General policies, regulations and standards	26,13
IT.2. Organisation and human resources	23,87
IT 3. Infrastructure	24,95
IT 4. Information systems and e-services	21,50
IT 5. Other business	5,50



*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

2.2 Implementation of the Action Plan 1

In this reporting period there were no changes in relation to the previous report, which means that in relation to the measures and activities defined by the Action Plan 1 in all the reform areas are still present same deviations which are related with the dynamics of execution and contents of the reform measures.

Since the overall coordination in implementation of the measures of the Action Plan 1 is being done by **the PARCO**, and in order to provide for its full human resources fulfilment, during 2007 additional budget assets were provided for the work of the PARCO. However, existing 23 work places are not enough for quality, expert and operational execution of the set tasks. Because of that, at the end of 2007, the PARCO started drafting the new "Rulebook on Internal Organisation and Systematisation of Jobs", according to which, in 2008 employment of 22 new officers was planned. Since the activities related with the change of the status of the PARCO are still in the procedure, and because of the urgency of additional employment caused among other things by the fact that since January 1st, 2008 the PARCO gained the status of independent budget user, in the reporting period proposed were **changes of the existing Rulebook on Internal Organisation and Systematisation of Work Places** of the PARCO. Proposed changes and amendments of the Rulebook would systematise the needed work places for implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in Bosnia and Herzegovina, work places for draft and implementation of the Action Plan 2 (sector reforms), as well as work places for the affairs of managing the Public Administration Reform Fund in accordance with the domestic legislation and donor requirements. It would also cover the work places for establishment and maintenance of databases of projects financed from the Public Administration Reform Fund as well as of other databases necessary for the needs of implementation of the Public Administration Reform in Bosnia and Herzegovina.

Operation cooperation with the appointed public administration reform coordinators of the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH was improved, but there are still difficulties present in relation to timely acquirement of information and gathering of documentation basis.

Although in relation to donor activity coordination the progress has been made, the problem the PARCO is still facing in cooperation with greater number of donors is their irregular reporting on their ongoing and future activities on different levels of authority.

Same as for the previous Report, the activities implemented for gathering information and documentation basis for this Report confirmed the need for further development of internal mechanisms of informing and reporting on the levels of the Federation of BiH, the RS and the Brčko District of BiH. The recommendation of the PARCO to the entity governments is that position of the public administration reform coordinator on the level of the entities is defined as a separate work place; although contained in the previously adopted Common Platform as well, it was not realised in the reporting period.

The Public Administration Reform Fund is, after the adoption of the Rules of Procedure of the Joint Management Board of the fund, operational. In the reporting period, two project fiches from the area of Institutional Communications (Establishment of the Network of Info Stands and Training of Information Officers) were accepted for financing by the Fund. The PARCO initiated activities on drafting of tender documentation related with the two adopted terms of reference.

After long-lasting procedure of harmonisation of the Rules of Procedure of the **Supervisory Teams**, in the reporting period agreement has been reached on the procedures of work and decision making of the Supervisory teams. In the next period, the Supervisory Teams members are expected to take over the leading role and responsibilities which were entrusted to them by their governments and the Council of Ministers of BiH.

Operability of the Joint Management Board of the Public Administration Reform Fund and Supervisory and Implementation Teams is additionally burdened by requests for remunerations

to the members of these bodies . On that occasion, provisions setting remunerations vary from level to level and it is hard to find the common ground . At the same time, it is certain that no remuneration for this work is going to be financed from the Public Administration Reform Fund . As far as the question of remuneration for the work of domestic members of the PARF JMB, procedure will be started for payments from the budget, on which the Council of Ministers of BiH should reach the final decision .

3 ANNEX – M&E table of realisation of the measures from the AP1 of the PAR Strategy

3.1 ANNEX – Policy Making and Coordination Capacity

3.2 ANNEX – Public Finance

3.3 ANNEX – Human Resources Management

3.4 ANNEX – Administrative Procedure

3.5 ANNEX – Institutional Communication

3.6 ANNEX – Information Technology