


BOSNA I HERCEGOVINA		
VIJE E MINISTARA		
<b>URED KOORDINATORA ZA REFORMU JAVNE UPRAVE</b>		

# 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 APRIL 1<sup>ST</sup> TO JUNE 30, 2008**

JULY 15, 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 June 30, 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 April 1<sup>st</sup> to June 30, 2008. Specified are the changes in relation to the condition previously recorded through the previous Quarterly Report on progress of implementation of the AP1, which covered the period from January 1<sup>st</sup> to March 31<sup>st</sup> 2008. It is obvious that **in this reporting period the progress in implementation of the measures from the Action Plan 1 by reform areas is very small or nonexistent in relation to the previous period.** One of the reasons, besides decreased volume of activities on implementation of the measures from the AP1, lies in the fact that **the PARCO, although asked, was not submitted the data on the progress from the entity levels and from the Brčko district of BiH, while from the state level, data were submitted only for two reform areas** (Policy Making and Coordination Capacities and Institutional Communication). **It can happen that without the appropriate data** (the PARCO officially requested the information on June 10, 2008 and set the deadline of July 1<sup>st</sup>, 2008) **this quarterly report, in the sense of degree of implementation, does not contain all the updated data. However, without data from the entity levels and from the Brčko District of BiH, as well as because of lack of most of the data from the state level, using only data at disposal of the reform area coordinators from the PARCO, it is not realistic to expect from this report to show full and realistic condition of implementation.**

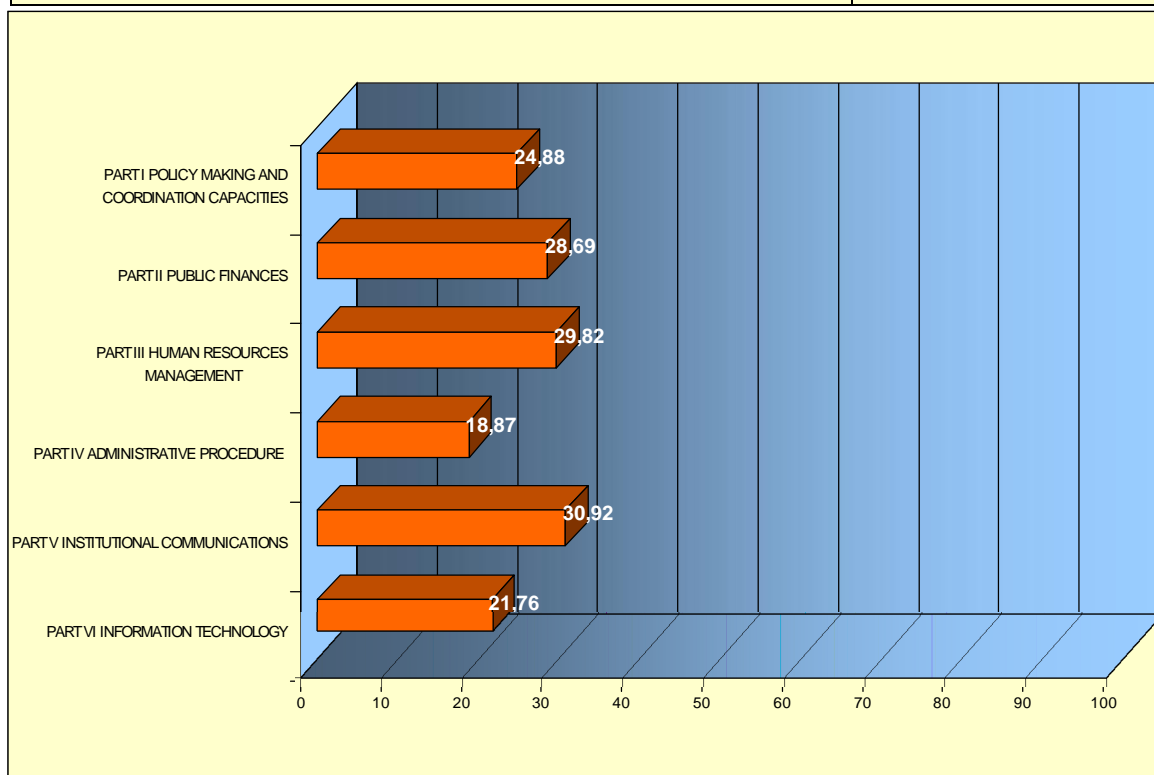
## 2 Overall overview of the activities in the reporting period

Total implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, by June 30, 2008, amounts to **25.82 per cent**.

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

<b>ACTION PLAN 1 OF THE STRATEGY OF THE PUBLIC ADMINISTRATION REFORM IN BIH</b>	<b>Implemented</b>
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>24.88</b>
<b>PART II PUBLIC FINANCES</b>	<b>28.69</b>
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>29.82</b>
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>18.87</b>
<b>PART V INSTITUTIONAL COMMUNICATIONS</b>	<b>30.92</b>
<b>PART VI INFORMATION TECHNOLOGY</b>	<b>21.76</b>

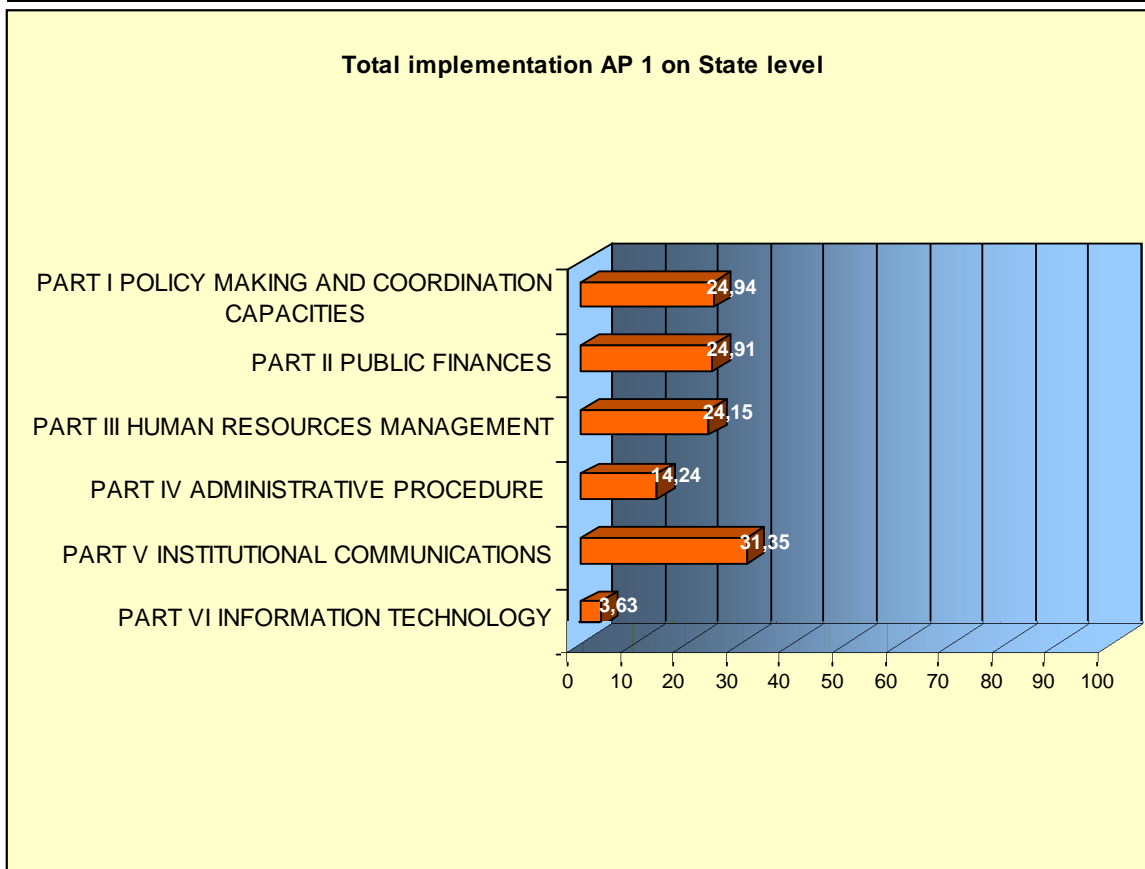


\* Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

The following tables show the total achieved level of implementation on the state level, entity level and the Brčko District of BiH level of authority, by June 30, 2008.

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

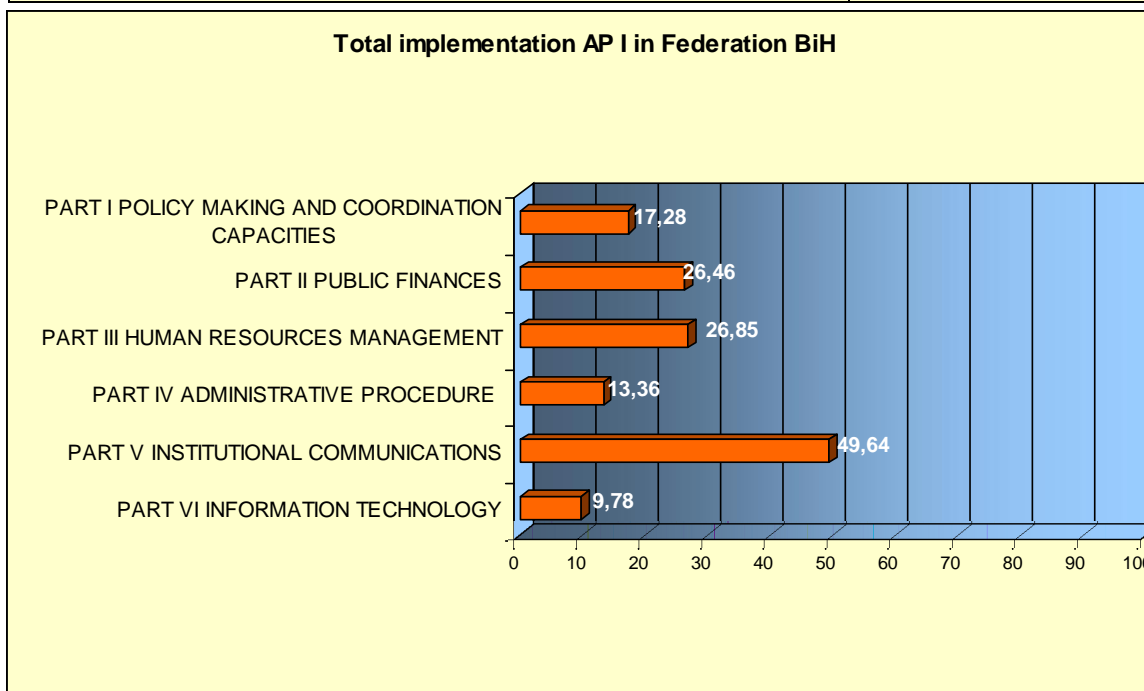
BiH nivo	Implemented
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>24.94</b>
<b>PART II PUBLIC FINANCES</b>	<b>24.91</b>
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>24.15</b>
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>14.24</b>
<b>PART V INSTITUTIONAL COMMUNICATIONS</b>	<b>31.35</b>
<b>PART VI INFORMATION TECHNOLOGY</b>	<b>3.63</b>



\* 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

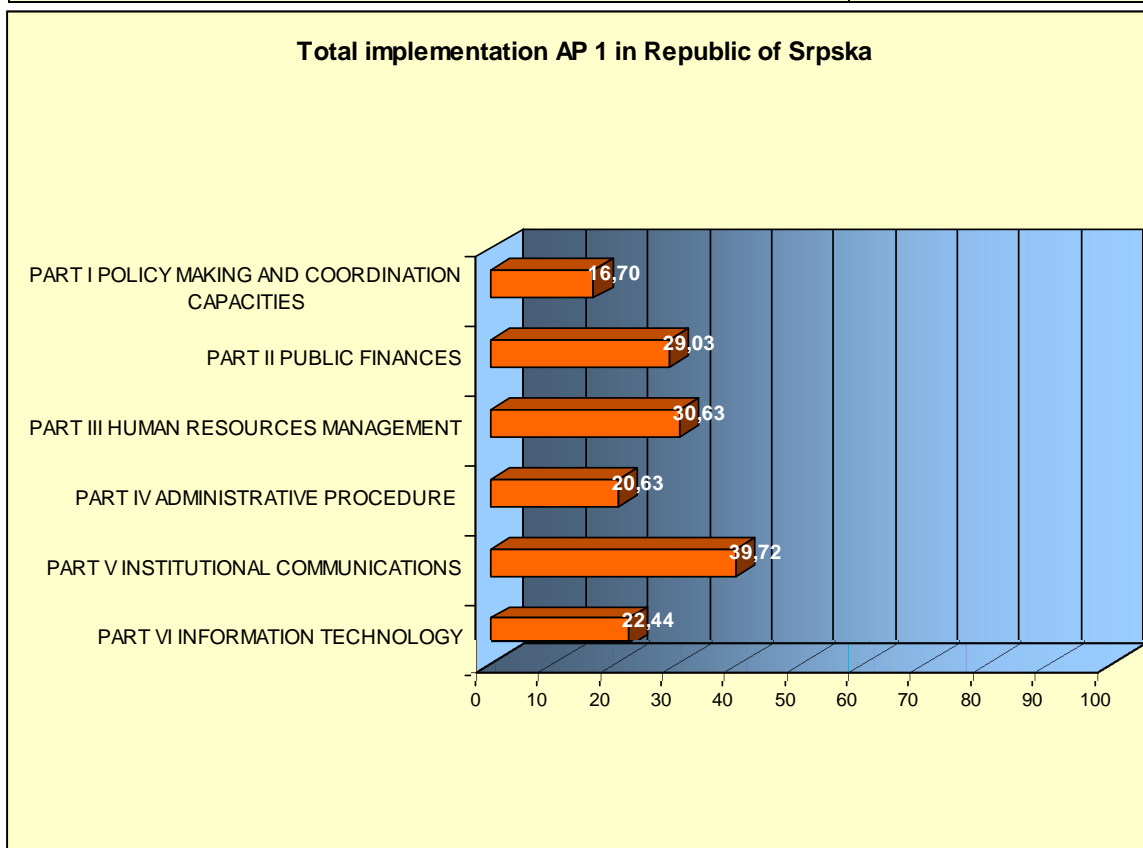
the FBiH level	Implemented
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>17.28</b>
<b>PART II PUBLIC FINANCE</b>	<b>26.46</b>
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>26.85</b>
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>13.36</b>
<b>PART V INSTITUTIONAL COMMUNICATIONS</b>	<b>49.64</b>
<b>PART VI INFORMATION TECHNOLOGY</b>	<b>9.78</b>



\* 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
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>16.70</b>
<b>PART II PUBLIC FINANCES</b>	<b>29.03</b>
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>30.63</b>
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>20.63</b>
<b>PART V INSTITUTIONAL COMMUNICATIONS</b>	<b>39.72</b>
<b>PART VI INFORMATION TECHNOLOGY</b>	<b>22.44</b>

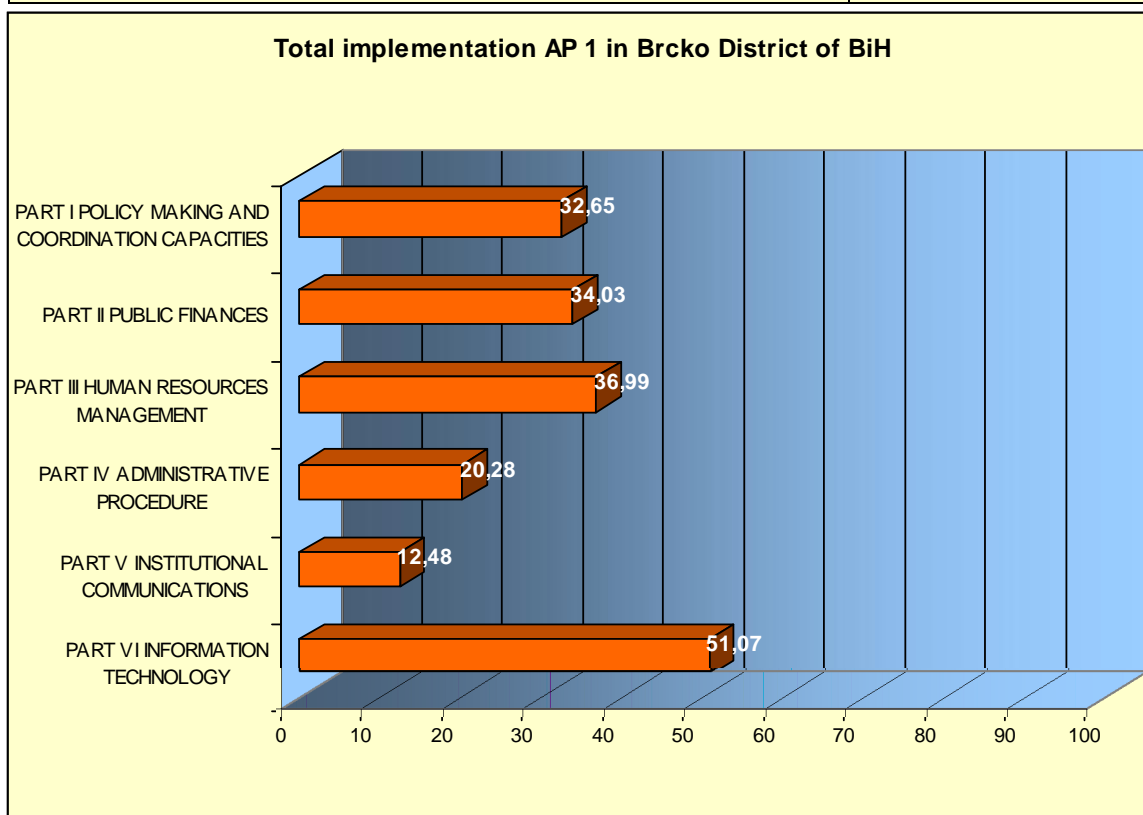


\* Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report .



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

the BD BiH level	Implemented
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>32.65</b>
<b>PART II PUBLIC FINANCES</b>	<b>34.03</b>
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>36.99</b>
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>20.28</b>
<b>PART V INSTITUTIONAL COMMUNICATIONS</b>	<b>12.48</b>
<b>PART VI INFORMATION TECHNOLOGY</b>	<b>51.07</b>



\* 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

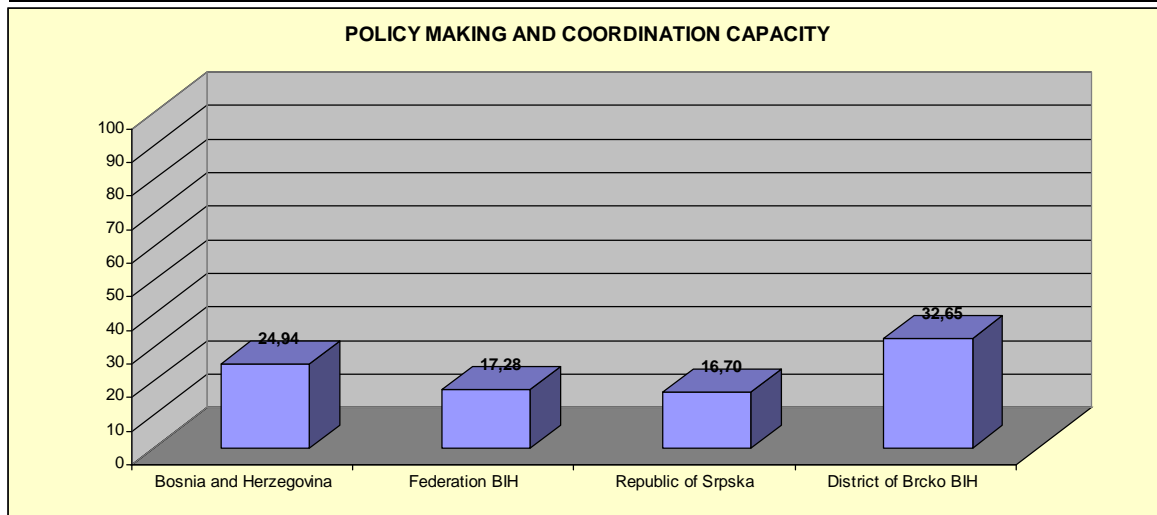
In the reporting period, the implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in the area of Policy Making and Coordination Capacities on the state, entity and the level of the Brčko District of BiH amounts to **24.88 per cent**. In relation to the previous reporting period, the increase is 0.81 per cent.

During second quarter of 2008 activities on development of key projects for this area have continued: “Blueprint for the Development of Centres of Governments in BiH”, “Strengthening BH Capacities for Strategic Planning and Policy Development - SPPD”, “Improvement of rules and procedures for legal and other regulation drafting in BiH”.

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
<b>Bosnia and Herzegovina</b>	<b>24.94</b>
<b>the Federation of BiH</b>	<b>17.28</b>
<b>the Republic of Srpska</b>	<b>16.70</b>
<b>the Brčko District of BiH</b>	<b>32.65</b>



### “Blueprint for the Development of Centres of Governments in BiH ”

During April 2008 the Public Administration Reform Coordinator’s Office finalised the project fiche, logical framework and the terms of reference for implementation of the first phase of the adopted model “Blueprint for the Development of Centres of Governments in BiH ”.

Currently, negotiations are ongoing with the representatives of the DfID (the United Kingdom Department for International Development) and the European Commission Delegation in BiH on the possibilities, manner and the amount of assets for financing of this Project. At the meeting of the representatives of the PARCO and the representatives of the DfID and the European Commission Delegation in BiH, which was held on June 24 in the facilities of the PARCO, framework agreement has been achieved that the first phase of the project is to be financed by

the DfID, and that the financing of the second phase is to be proposed from the assets of the IPA 2008/2009.

#### “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD”

Representatives of domestic institutions from the state level, besides the PARCO, also the Directorate for European Integration and the Secretariat General continued with active participation in monitoring and improvement of the UNDP project “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD”, so, in the second trimester of 2008 as well, they held series of work-consultative meetings with the representatives of the UN DP BiH.

Representatives of the PARCO and of other domestic institutions directed significant number of objections and suggestions to the draft document “SPPD - Diagnostic study and detailed proposal of programme activities for the period July 2008 – December 2010”, which was submitted by the UNDP on April 21<sup>st</sup>, 2008, for the purpose of improvement of this Project proposal.

In the final document, which the UNDP BiH submitted on June 12, 2008, almost all the stated objections and suggestions were put in, so baring in mind the significance of project activities, the PARCO, on June 30, 2008, sent to the Council of Ministers of BiH the proposal of conclusions for approval of implementation of the first phase of the project “Strengthening of BiH Capacities for strategic planning and policy development – SPPD”.

#### “Harmonisation of rules and procedures for legal and other regulation drafting in BiH”

In the reporting period, drafts of logical framework and project fiche “Improvement of rules and procedures for legal and other regulation drafting in BiH” were prepared. This project fiche will cover the reform measures from the first part of the Action Plan 1 of the Strategy of the Public Administration Reform, which are related with harmonisation of rules and procedures for legal and other regulation drafting in BiH.

#### Other business

In accordance with the Decision of the Council of Ministers of BiH on establishment of the workgroups for harmonisation of legal regulations of BiH with the *acquis communautaire* (“Official Gazette of BiH” No. 52/05), 8 workgroups has been formed of 14 stipulated by the Decision. Since these groups are of key importance for implementation of the Stabilisation and Association Agreement, the DEI organised on April 9, 2008, a one-day training for all the members of the established work groups, which was attended by 102 civil servants. During the training, the fact has been pointed out that harmonisation of the legal system of BiH with the *acquis* became the obligation since the moment of signing the Agreement (Article 70.), which meant automatic activation of the established work groups. The fact that there was a need for changes and amendments to the Decision from 2005, in the sense of existence of new work groups (e.g. for the area of agriculture, veterinary science, food safety, health etc.), has also been pointed out. The DEI has been put in charge of unifying all the proposals of the BiH institutions and to submit to the Council of Ministers of BiH the proposal for changes and amendments of the aforementioned Decision. This activity is ongoing.

When it comes to implementation of the Decision on the procedures in the process of harmonisation of the BiH legislation with the *acquis communautaire* (“Official Gazette of BiH” No. 44/03), the DEI, in the reporting period, drafted 22 opinions on harmonisation of the legal regulations with the *acquis*.

#### **Problems during implementation**

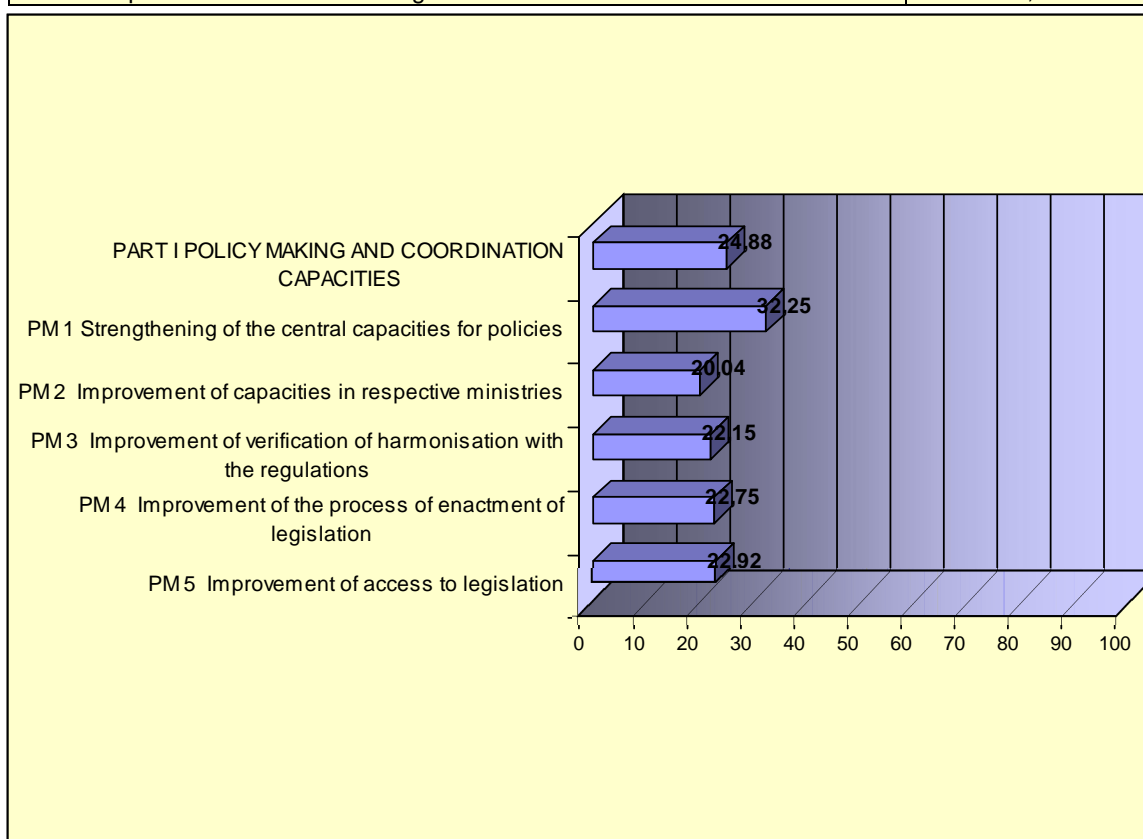
Since in spite the support by the PMC (Project Management Committee) to the project “Blueprint of Development of Central Bodies of Governments in BiH” this project still was not on the list of projects for financing through the IPA 2007 programme, and further postponement would jeopardise the achieved agreement of all the participants to participate in the joint project, the PARCO started the initiative for the purpose of finding other sources for financing of this project. All of the aforementioned significantly complicated and slowed down the

implementation of the project, and by that, also the implementation of the reform measures covered by the project.

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
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>24,88</b>
PM 1. Strengthening of the central capacities for policies	32,25
PM 2. Improvement of capacities in respective ministries	20,04
PM 3. Improvement of verification of harmonisation with the regulations	22,15
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

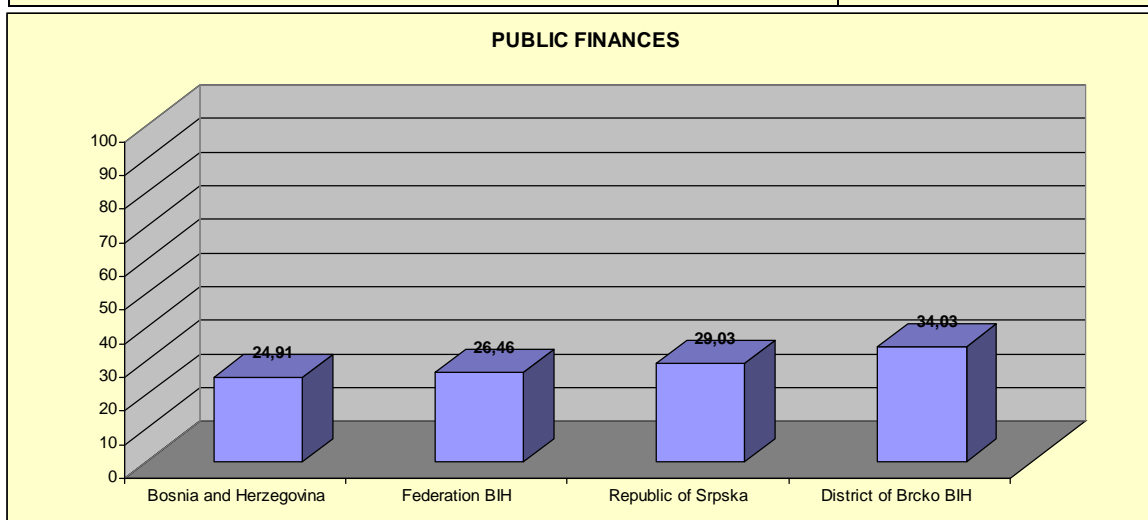
In the reporting period there was no further progress in implementation of the AP1 in the area of public finances on the state level, entity level and the level of the Br ko District of BiH. Total implementation amounts, as in previous report, to **28.69 per cent**.

Entity coordinators, the Coordinator for the Br ko District of BiH, as well as the members of the Supervisory Team for the area of public finances from the state level, did not submit the progress reports for the reporting period, although the PARCO requested from them to submit them within a set deadline. Data from other sources, obtained by PARCO, related with the area of public finances, show that in this area certain moves happened in two areas, but those changes did not influence the degree of implementation of the measures from the Action Plan 1.

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 Public Finances.

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

<b>PUBLIC FINANCES</b>	<b>Implemented</b>
<b>Bosnia and Herzegovina</b>	<b>24.91</b>
<b>the Federation of BiH</b>	<b>26.46</b>
<b>the Republic of Srpska</b>	<b>29.03</b>
<b>the Br ko District of BiH</b>	<b>34.03</b>



The first change is related with the Law on Salaries and Remunerations in institutions of BiH. The Parliamentary Assembly of Bosnia and Herzegovina, at the 29<sup>th</sup> session of the House of Representatives, held on May 14 and June 4, 2008, and at the 18<sup>th</sup> session of the House of Peoples, held on June 17, 2008, adopted this law. The PARCO recorded the move in this area when the Law on Salaries was drafted. However, this measure is not completely fulfilled, because the laws on salaries are not harmonised on all the levels. The AP 1 stipulated establishment of the workgroup which would consist of experts in human resources and representatives of the ministry of finances which would analyse the existing condition, explore future demands, and propose the new salary scheme acceptable to all the levels of authority. According to the AP1, the intergovernmental commission should have, further on, discuss and harmonise the future salary system, and propose new laws which would be adopted by the governments. Joint work group was never established. The RS, the Br ko District, and now the state level, adopted separate laws on salaries. On the level of the Federation, separate law on salaries was not adopted, but that area is regulated by the Law on Civil Servants. The problem that laws on salaries are not harmonised still remains.

Second change is related with the Law on Fiscal Council, which is still in the parliamentary procedure. The Law on Fiscal Council of BiH was adopted by the Council of Ministers of BiH

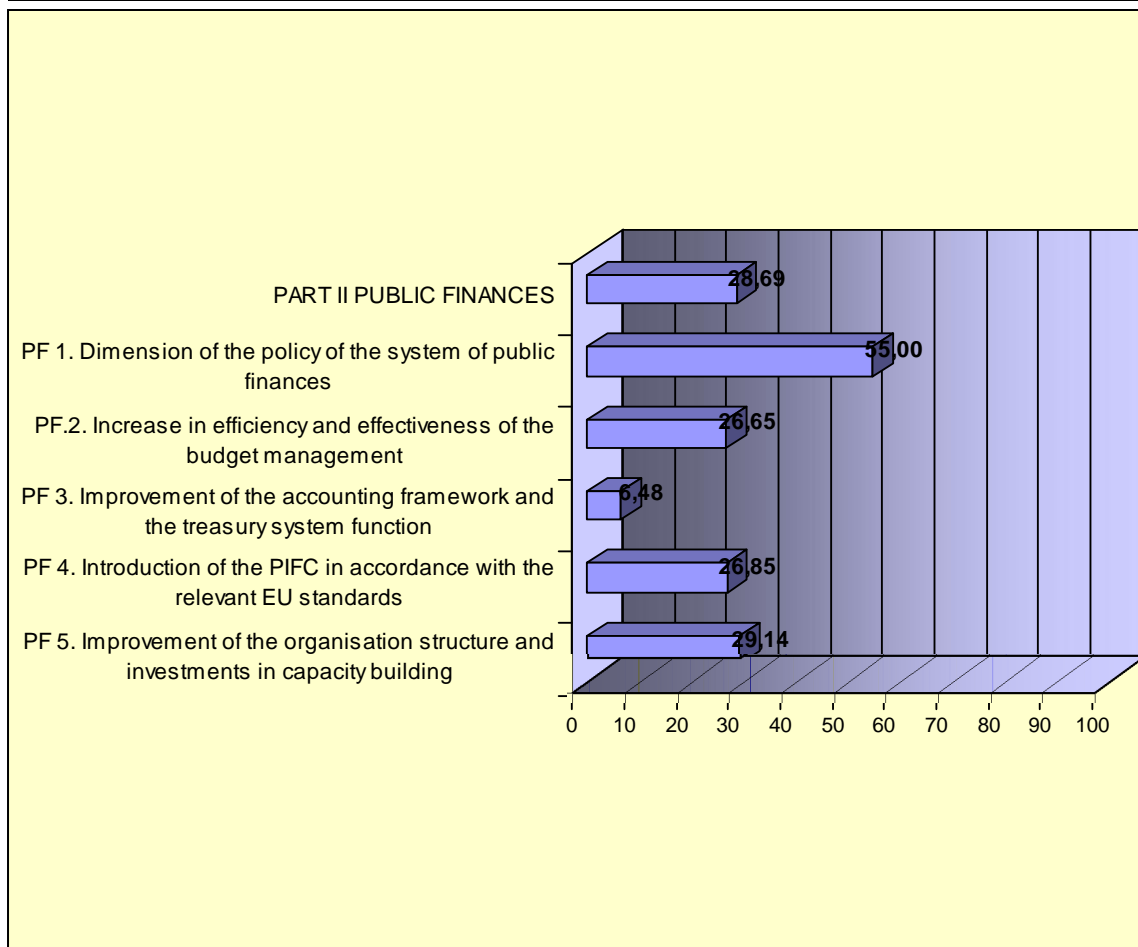
on February 21<sup>st</sup>, 2008 at the 40<sup>th</sup> session. The law has been adopted by both Houses of the Parliamentary Assembly of BiH, however, they were not adopted in identical text, so joint commission for harmonisation of the text has been established. The commission should submit its report at the 32<sup>nd</sup> session of the House of Representatives of the Parliamentary Assembly of Bosnia and Herzegovina, which will be held on July 9, 2008.

The members of the Supervisory Team for the area of Public Finances adopted the proposal "Budget Management Information System" (BMIS). Implementation of this project will contribute to increase in efficiency and effectiveness of the budget management, and concretely to realisation of the activity PF 2.1.6 (Develop software for budget drafting, which is compatible with the treasury system.)

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
<b>PART II PUBLIC FINANCES</b>	<b>28.69</b>
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.

### **Problems during implementation/deviations from the AP 1**

Deviations from the AP 1 were recorded in relation to deadlines set by the Action Plan 1. The Law on Fiscal Council is late with the adoption. According to the Action Plan 1, that Law was supposed to be adopted by the end of 2006.

Adoption of the Law on Fiscal Council is expected in the following period. Upon enactment of the Law, conditions will be met for establishment of the Secretariat of the Fiscal Council, as well as for enactment of the Rulebook on work and systematisation of work places in the Secretariat of the Fiscal Council.

Submitting of the PIFC strategy is also expected as well as start of its implementation in the entire BiH.

Deviations were also recorded in the part when, according to the Action Plan 1, logical order before adoption of the laws on all levels was supposed to be establishment of work group which would agree the goals and work plans for the purpose of adopting harmonised laws, and then adoption of laws on all levels. In the case of the Law on Salaries, every level adopted laws for itself, without previous agreeing and harmonisation.

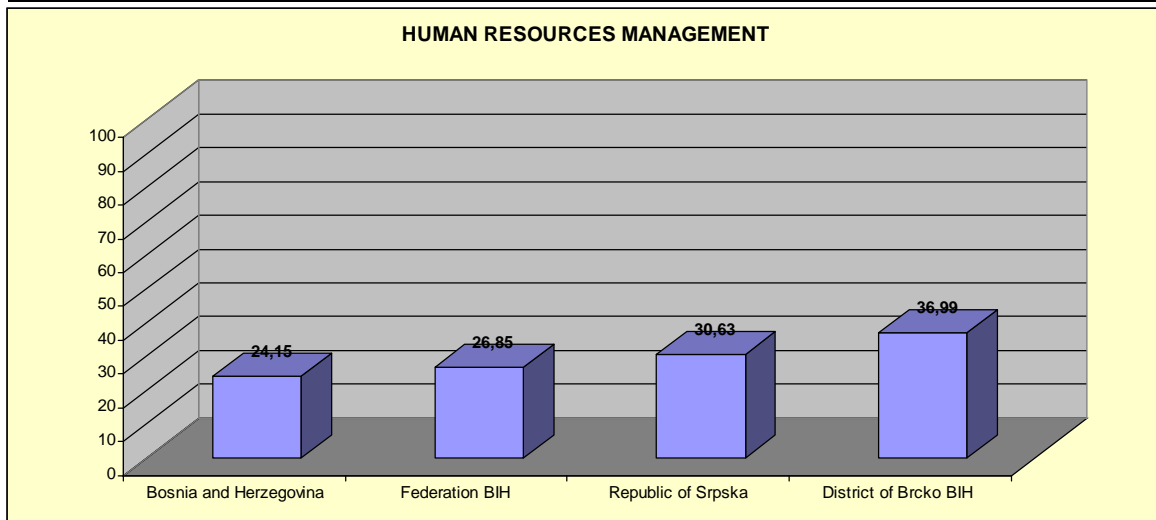
### 2.1.3 Human Resources Management

The degree of implementation of the AP1 in the reform area of Human Resources Management, in accordance with the defined methodology of monitoring and evaluation, amounts **29.82** per cent for all four levels combined, and that is an increase of 0.23 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

<b>HUMAN RESOURCES MANAGEMENT</b>	<b>Implemented</b>
<b>Bosnia and Herzegovina</b>	<b>24.15</b>
<b>the Federation of BiH</b>	<b>26.85</b>
<b>the Republic of Srpska</b>	<b>30.63</b>
<b>the Brčko District of BiH</b>	<b>36.99</b>



Similar as for the previous reporting period, no bigger changes were recorded which would lead to quantitative increase of the progress indicators, based on the degree of fulfilment of the measures from the Action Plan 1, according to the established methodology which evaluates the progress in implementation by reform areas. By the moment of drafting of this report, in accordance with the set deadlines for submission of information for the quarterly progress report, by the entity coordinators and the Public Administration Reform Coordinator of the Brčko District of BiH, as well as by the competent institutions from the level of BiH, none of the requested data were submitted, so in preparation of this quarterly report, possibly achieved progress based on individual reports could not be taken into consideration.

Activities in the field of reform in the area of human resources management were predominantly directed to operative realisation of previously initiated projects and to generating and identifying new project proposals for support to reform activities.

The most important activities in the reporting period were related with:

- The proposal of the new Law on Civil Servants in the Federation of BiH was withdrawn from the parliamentary procedure.
- The Government of the Federation of BiH adopted the "Strategy for Training and Improvement of Civil Servants in the Federation of Bosnia and Herzegovina for the period 2008 – 2010".
- The work was continued on implementation of the project of introduction of the Human



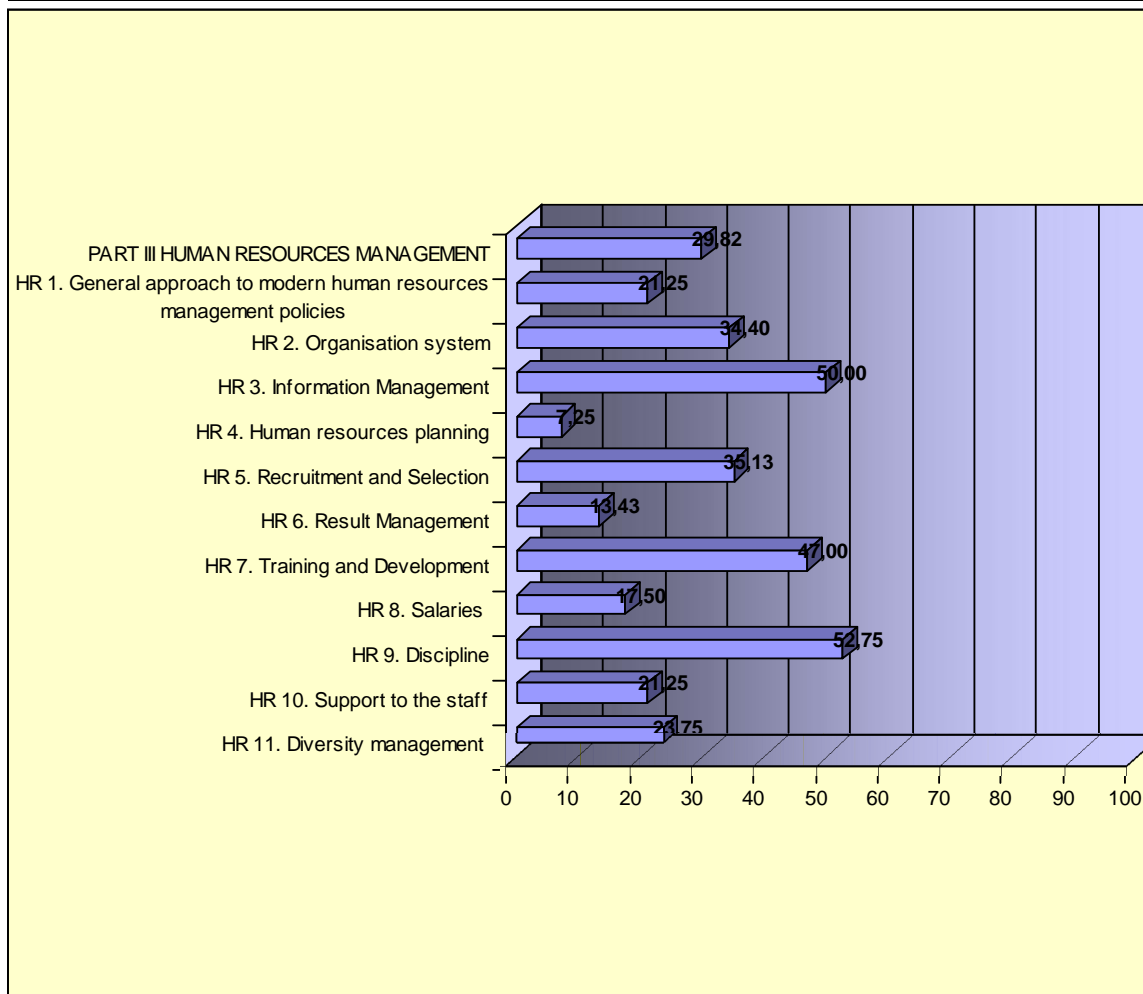
Resources Management Information System (BH HRMIS).

- Parliamentary Assembly of Bosnia and Herzegovina adopted the Law on Salaries and Remunerations in Institutions of BiH.

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
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>29.82</b>
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	47.00
HR 8. Salaries	17.50
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 .

## **Realisation of the Action Plan 1 – area Human Resources Management**

Draft new Law on Civil Servants in the Bodies of State Administration in the FBiH, after adoption by the Government of the Federation of BiH and its submission in the parliamentary procedure, was withdrawn. The European Commission Delegation in BiH and the Special Representative of the EU for BiH sent to the representatives of the Parliament of the Federation of BiH and of the Government of the Federation of BiH objections to the proposed draft of the aforementioned law in which they pointed deviations stipulated by certain legal regulations in relation to the objectives of the public administration reform in the area of human resources management.

Draft new law on civil servants in the Republic of Srpska is in the work phase of harmonisation with the republic bodies of administration, and according to information which were submitted by the public administration reform coordinator from the Republic of Srpska and with the end of this reporting period its delivery to the session of the Government of the RS is expected. On the level of institutions of BiH, the work group of the Ministry of Justice of BiH and of the Civil Service Agency of BiH continued with the work on changes of the Law on Civil Service in Institutions, and as continuation, the work is planned on harmonisation with provisions of the newly adopted Law on Salaries and Remunerations in Institutions of BiH.

Supervisory Team for the reform area of human resources management (ST HRM), after appointment of the missing member and deputy member of the ST in front of the Federal Ministry of Justice, during the reporting period held a session in which the rules of Procedure was adopted and the chairperson for the first three-month period was elected.

Representatives of the Technologica LTD company from Bulgaria, which was selected implementer of the BH HRMIS project, presented the inception report in the first meeting of the project management board which was, organised by the European Commission Delegation in BiH and by the Civil Service Agency of BiH, held in Sarajevo, on April 17, 2008. Next, the implementer of the project, in cooperation with the Civil Service Agency of BiH, on June 12, 2008, held a presentation of the work version of the information system for the representatives of the institutions of BiH and at the same time presented the activities which ended since the beginning of implementation of the project, i.e. since March this year.

Project **“Improvement of recruitment and selection procedure of employees in the civil service”**, which includes activities related with the chapters HRM 4. “Planning” and HRM 5. “Recruitment and selection” of the Action Plan 1, in the reporting period entered the phase of practical implementation. Implementation team of the project was established consisting of civil servants nominated by the institutions/bodies of administration from the state level, entity/canton level and the Brčko District of BiH level. This Team on June 12, 2008, in Sarajevo, held a work meeting with the representatives of the PARCO and the implementers of the project – representatives of the UNDP BiH and the National School of Government from the Great Britain (NSG). Next, in cooperation with the members of the Supervisory Team, proposal was established of institutions/bodies of administration from the level of institutions of BiH, the Federation of BiH – cantonal level, the Republic of Srpska and the Brčko District of BiH, which will be included in the project activities of implementation of the analysis of jobs/analytic evaluation of work places and development of competency/ability frameworks according to the needs of certain levels of administration. Training programme was prepared for the staff of institutions which will be included in the project and which in the following period should in their home institutions analyse the work places of the employed civil servants for the purpose of obtaining improved job descriptions and profiles of executors for those work places.

The PARCO prepared the project fiche “Implementation of the result management system” which is related with implementation of the reform activities from the part of the Action Plan 1 – HRM 6. “Result management”. After harmonisation and approval of the project fiche on the level of the Supervisory Team for the reform area of Human Resources Management, it will be sent to the Joint Management Board of the PAR Fund for discussion and approval of financial resources for its implementation.

The Government of the Federation of BiH, at its 58<sup>th</sup> session, which was held on June 4, 2008, discussed and adopted the “Strategy for training and improvement of civil servants in the Federation of Bosnia and Herzegovina for the period 2008 – 2010”, which was, during the previous reporting period, developed by the Civil Service Agency of the FBiH, with technical assistance of the National School of Government of the UK, which was engaged within the SEPARB project.

Revised draft “**Feasibility Study for Establishment of the Public Administration Institute**” was discussed at the session of the Supervisory Team for the for the reform area of Human Resources Management, which was held on June 25, 2008 in Sarajevo. This draft document came as a result of an intensive consultative process and a series of meetings with stakeholders, which were organised after the presentation of the first work draft of the document in the meeting in February this year. Within new version of this document, two options were presented related with fulfilment of reform objectives from the Strategy of the Public Administration Reform and the Action Plan 1, which are related with strengthening the quality of training of civil servants and establishment of institution which would deal with matters of training:

- 1) “Independent Centre of Excellence of Training with regional offices (centres)” and
- 2) “Strengthening of the existing Civil Service Agencies and the Subdivision for Human Resources of the Br ko District of BiH and their mutual cooperation”.

Members of the Supervisory Team for the area of Human Resources Management could not agree on unanimous acceptance of one of the proposed options, which exhausted possibilities for further continuation of work on development of this document, and in accordance with the framework of project activities which were defined by the terms of reference developed by the UNDP in coordination with the PARCO. This, at the same time, points to impossibility of implementation of strategic priority and group of measures from the Action Plan 1, which are related with establishment of institution for training of civil servants for whole BiH.

In this reporting period, the Parliamentary Assembly of Bosnia and Herzegovina adopted the Law on Salaries and Remunerations in Institutions of BiH, whose application should start from July 2008. By the Provisions of the Law, among other things, establishment of special **inter-departmental work body** was stipulated, and that body is supposed to prepare criteria and procedures for evaluation of work places and establishment of internal pay grades, analyse the fiscal sustainability and prepare document Policy of salaries in institutions of BiH for certain time period. These activities have a direct link with implementation of specific reform measures in the area of human resources management, so in future it will be needed to ensure coordination of these activities with the ongoing and planned reform initiatives and projects in this reform area.

In the reporting period, the PARCO received two individual project fiches for the reform area of Human Resources Management, with the request that assets for their implementation are ensured by the Public Administration Reform Fund. The Projects are:

- “**Training of civil servants for application of information technologies – ECDL**”, submitted by the Civil Service Agency of the Federation of BiH,
- “**Training of civil servants by the ECDL standard**”, submitted by the Civil Service Agency of the Republic of Srpska.

After a discussion at the session of the Supervisory Team, the proposal of the PARCO, considering that these were projects with similar contents and outcomes, to unite these project initiatives, to discuss the needs and involvement of institutions of BiH and the Br ko District of BiH and after that to direct a common project fiche for deliberation by the Joint Management Board of the PAR Fund, was accepted.

### **Problems during implementation**

Problems identified through the previous reports on progress in implementation of the Action Plan 1, present a challenge in this reporting period as well:

- Insufficient volume of vertical and horizontal coordination in implementation of reform and planned activities between certain levels of administration and between institutions/bodies of administration.
- Disaccord in a sense of planning and proposing changes of legal and procedural solutions in relation to deadlines and contents of reform measures from the Action Plan 1, together with the lack of initiatives on harmonisation of regulations on civil service (stressed through demands and reports of the European Commission within the reform process monitoring meetings in BiH).
- Limited involvement of the PARCO is in the work on changes of regulations in a domain of civil service.
- Inadequate exchange of information and quality of data on progress, submitted by the bodies of administration in charge of implementation of reform measures in the area of Human Resources Management.

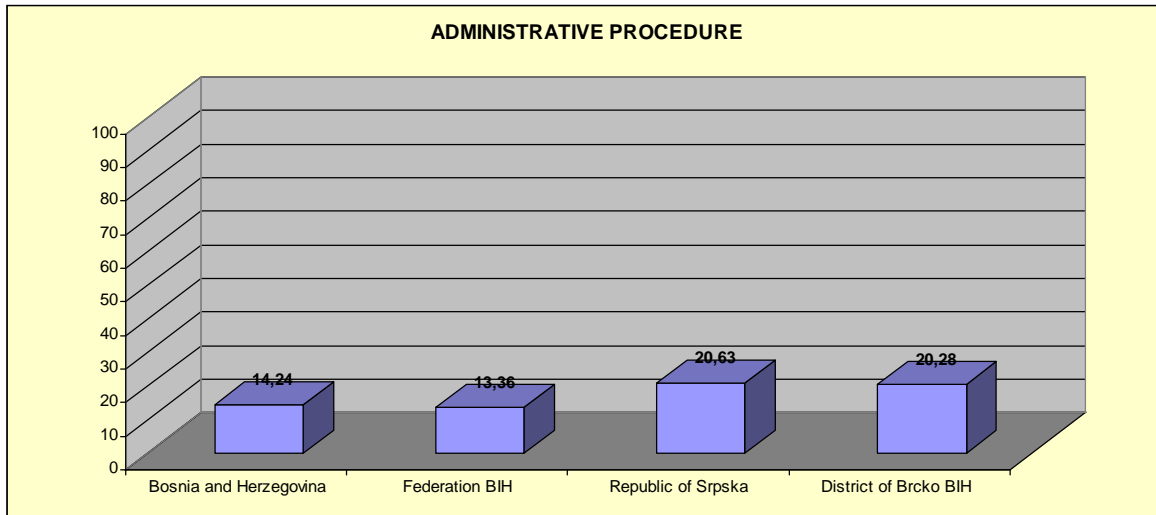
#### 2.1.4 Administrative Procedure

The achieved progress in implementation of the measures and activities from the Action Plan 1 of the Strategy of the Public Administration Reform in the area of Administrative Procedure, on all levels of authority in BiH by June 30, 2008, is **18.87** per cent, with remark that there were no changes on any of the levels of administration in relation to the previous reporting period, i.e. **the PARCO did not receive any data on the achieved progress in this reporting period for the area of Administrative Procedure from any of the levels of administration.**

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

<b>ADMINISTRATIVE PROCEDURE</b>	<b>Implemented</b>
<b>Bosnia and Herzegovina</b>	<b>14.24</b>
<b>the Federation of BiH</b>	<b>13.36</b>
<b>the Republic of Srpska</b>	<b>20.63</b>
<b>the Brčko District of BiH</b>	<b>20.28</b>



In the reporting period, after receiving framework agreement from all the members of the Supervisory Team for the area of Administrative Procedure for the draft project fiche, final version of the project fiche and the terms of reference “Draft of Administrative Decision Making in Bosnia and Herzegovina Quality Improvement Programme” were prepared for implementation of activities from the Action Plan 1 of the Strategy of the Public Administration Reform from the area of Administrative Procedure, which were stated in the Action Plan 1 in the chapter AP.1.1. Simplification Strategy of Administrative Procedure for the whole State, and it has been accepted by the Supervisory Team at the session held on May 22<sup>nd</sup>, 2008.

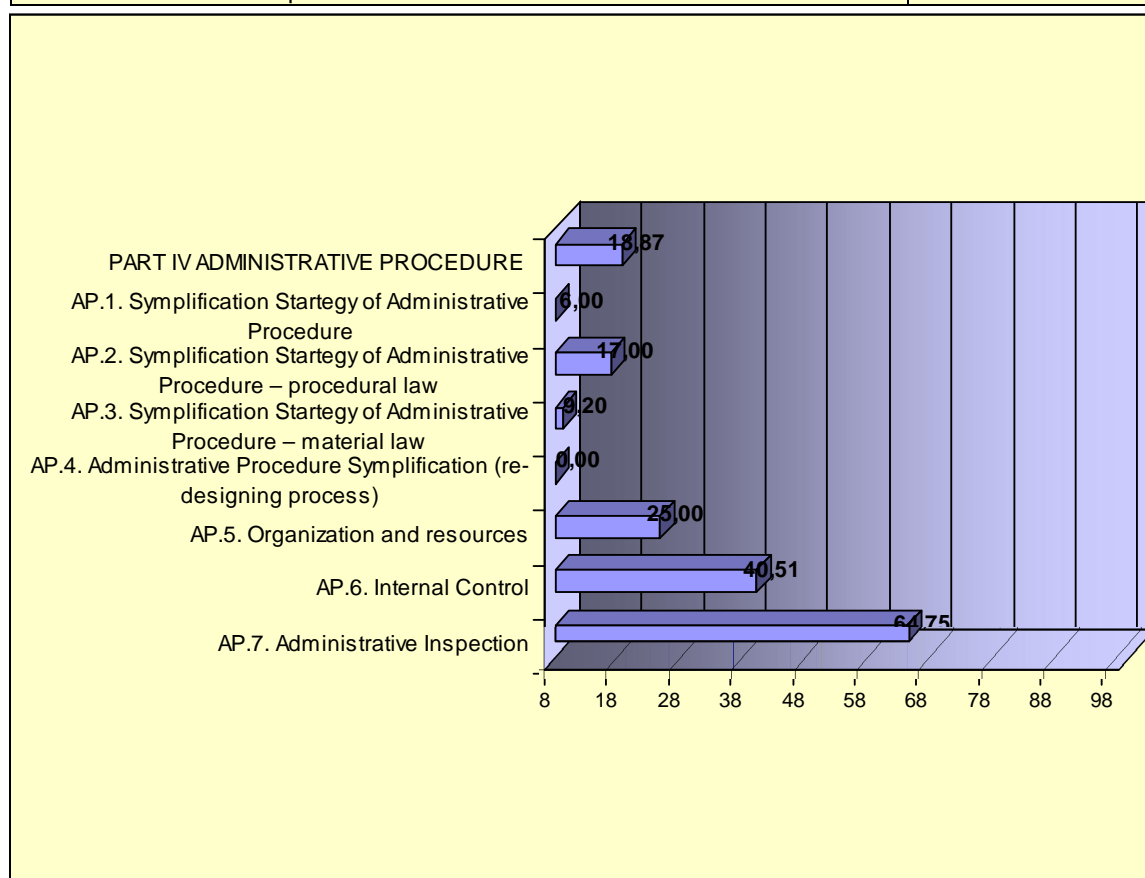
Realisation of the aforementioned Project will have as a result ordered Administrative Decision Making in Bosnia and Herzegovina Quality Improvement Programme, in accordance with the modern European standards of administrative decision making, which will contain legislation, organisation, IT measures and measures for capacity strengthening. Its implementation will contribute to quality improvement of administrative decision making on all the levels of authority in Bosnia and Herzegovina and to establishment of more quality, more efficient and simpler practice of administrative decision making, in accordance with modern European standards of administrative decision making on all the levels of authority in BiH, and oriented to beneficiaries of services. Activities are ongoing on preparation of the meeting of the Joint Management Board of the Public Administration Reform Fund, during which financing of the aforementioned project from the Fund will be discussed.

Also, activities are ongoing on preparation of tender documentation for procurement of consultancy services for the purpose of realisation of the aforementioned project , as well as the activities related with preparation of logical frameworks and project fiches for harmonisation and improvement of the existing laws on administrative procedure on all administrative levels in Bosnia and Herzegovina, and education of administrative procedure leaders and administrative inspectors.

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 1	Implemented
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>18.87</b>
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



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

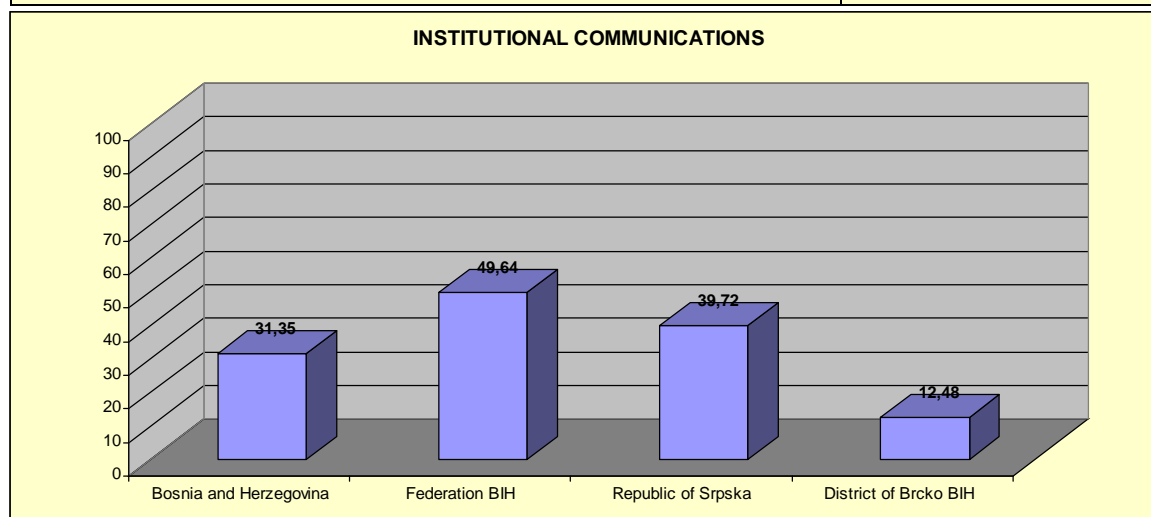
## 2.1.5 Institutional Communication

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 June 30, 2008 amounts to **30.92 per cent**, which is an increase by 1.14 per cent in relation to the previous reporting period.

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

<b>INSTITUTIONAL COMMUNICATIONS</b>	<b>Implemented</b>
<b>Bosnia and Herzegovina</b>	<b>31.35</b>
<b>the Federation of BiH</b>	<b>49.64</b>
<b>the Republic of Srpska</b>	<b>39.72</b>
<b>the Brčko District of BiH</b>	<b>12.48</b>



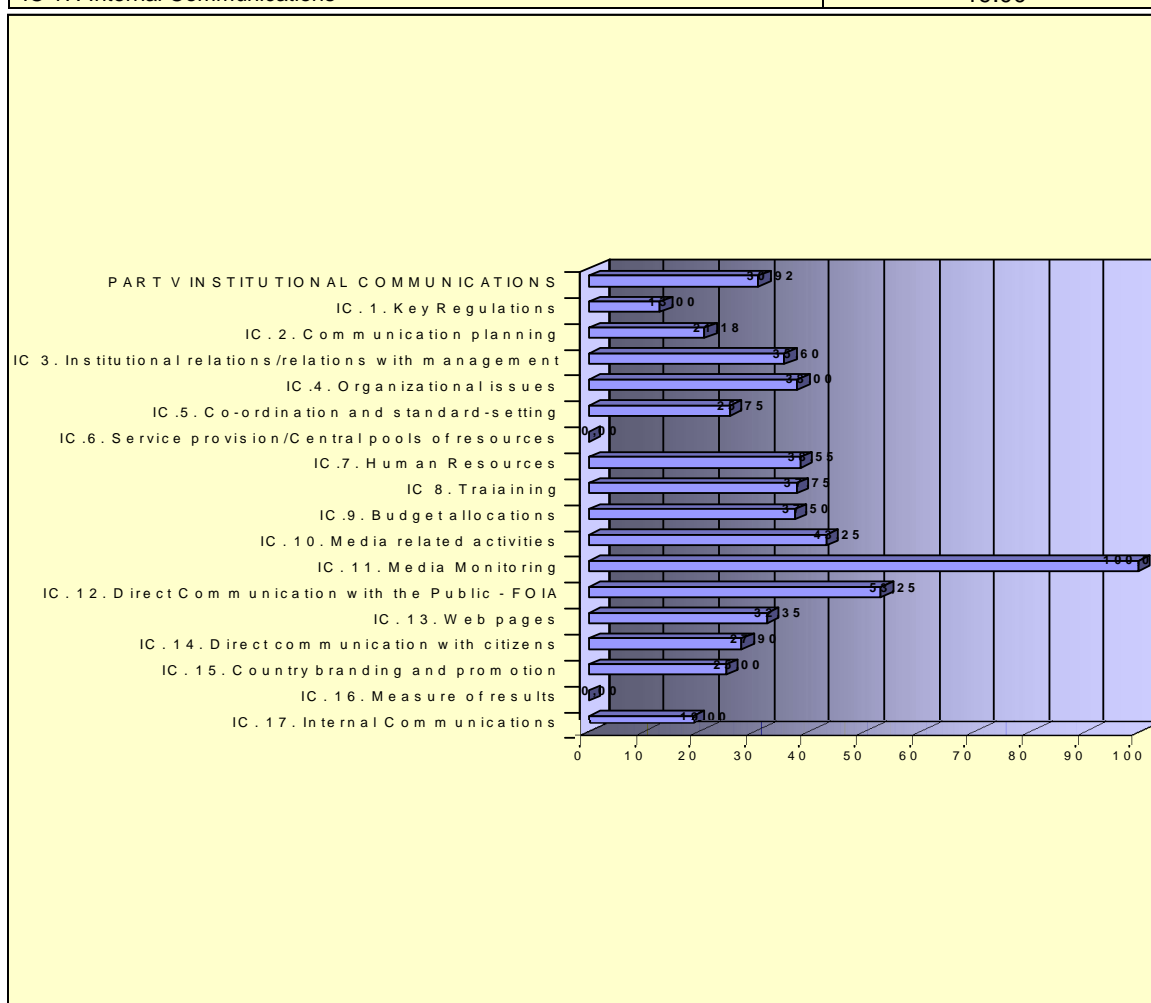
**On the level of BiH** in this quarter, in relation to previous quarter of 2008, progress is recorded of 2.2 per cent. The progress is related with activities stated in the chapters of the Action Plan 1 IC 1 – Key Regulations; IC 4 – Organisational Issues and IC 7 – Human Resources. **On the level of the Republic of Srpska, the Federation of BiH and the Brčko District of BiH, the report in this quarterly period in relation to the previous one did not record any progress, because the public administration reform coordinators on the level of the Republic of Srpska, the Federation of BiH and the Brčko District of BiH did not submit within the set deadline to the PARCO the reports on implementation of measures of the Action Plan 1.** Based on that, the degree of implementation of the AP 1 in the area of Institutional Communications, at the end of this quarterly period, on the level of BiH amounts to 31.35 per cent, the FBiH 49.64 per cent, the RS 39.72 per cent, and the BD BiH 12.48 per cent.

In this reporting period, the phase of prequalification has ended in the procedure of public procurement of consultancy services for the projects "Establishment of Network of Info Stands" and "Training of Information Officers" for the purpose of realisation of activities IC 8, 12 and 14 of the AP1 (PR training, direct communication with the public and direct communication with the citizens). The PARF JMB will, at the next session, discuss the project "Strategic Communications", intended for all the administration levels and for realisation of the measures from the chapter IC 2 of the Action Plan 1 – Communication Planning. Also, there will be a discussion on the individual project fiche of the Republic of Srpska "Financing of publication of the Modern Administration magazine" for the purpose of realisation of the activity IC 14 – Direct communication with citizens.

Supervisory Team for implementation of the measures of the Action Plan 1 of the Strategy of the Public Administration Reform for the Area of Institutional Communication, on June 20, 2008, adopted the Rules of Procedure and became fully operational.

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

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART V INSTITUTIONAL COMMUNICATION</b>	<b>30.92</b>
IC 1. Key Regulations	13.00
IC 2. Communication Planning	21.18
IC 3. Institutional Relation/Relations with Management	35.60
IC 4. Organisational issues	38.00
IC 5. Coordination and Standard Setting	25.75
IC 6. Service Provision/Central Pools of Resources	0.00
IC 7. Human resources	38.55
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 Technologies

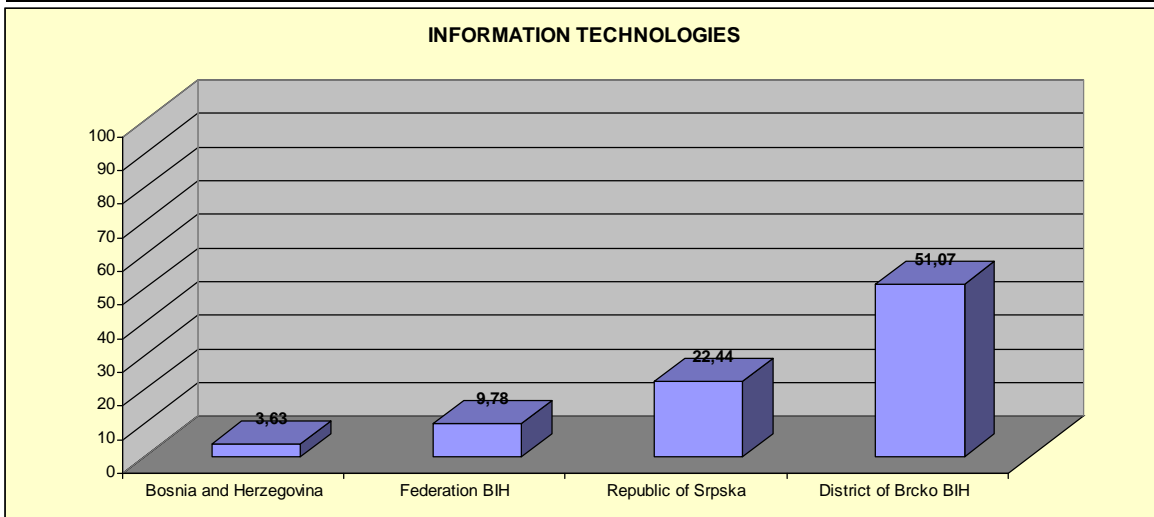
In the reform area of Information Technologies, overall progress in implementation of measures and activities from the Action Plan 1 of the PAR Strategy in BiH, on all the levels of authority in BiH, is unchanged in relation to the previous reporting period and amounts to **21.76 per cent**.

**The report in this quarterly period, in relation to the previous one, did not record any progress because the public administration reform coordinators from the Federation of BiH, the Republic of Srpska and the Brčko District of BiH, as well as the competent institutions from the level of BiH did not submit to the PARCO periodic reports on implementation of measures of the Action Plan 1.**

The degree of realisation of the Action Plan 1 of the PAR Strategy, 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 TECHNOLOGIES	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



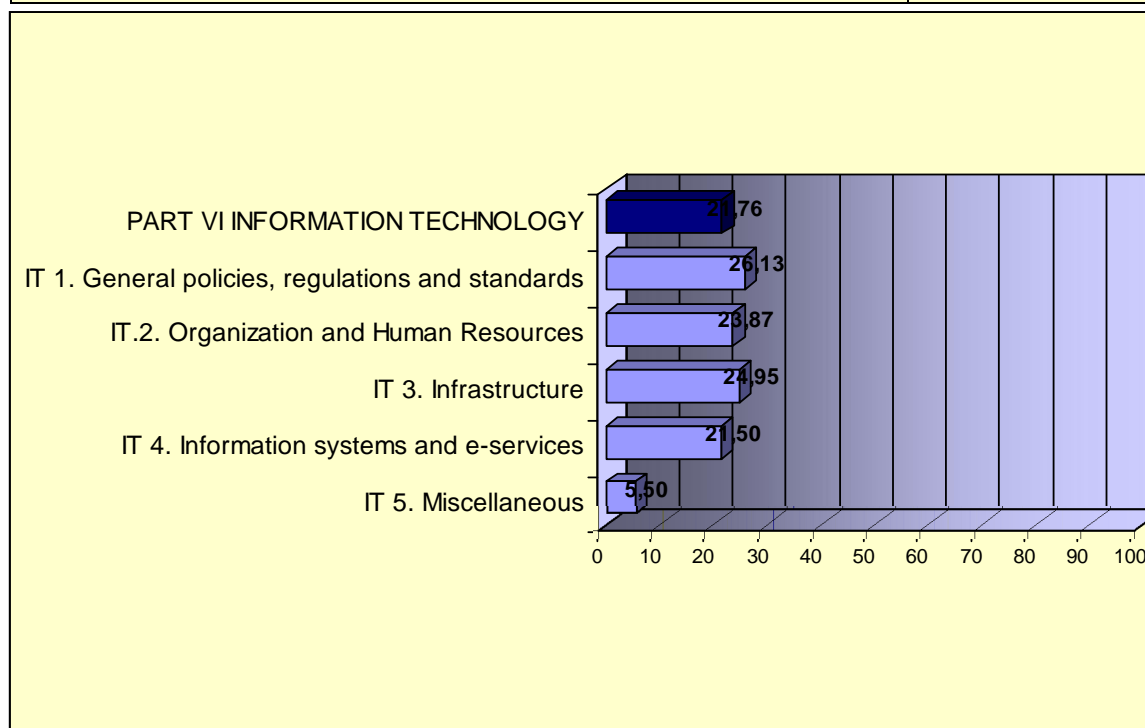
In accordance with the earlier set priorities, activities for implementation of the Action Plan 1 continued. In the area of Information Technologies, after analysing condition and priorities for the IT area, realisation of the project fiche, and the terms of reference **“Design and Establishment of Interoperability Framework and Standards for Data Exchange”** continued. Finalised terms of reference was sent to the members and deputy members of the Supervisory Team for the area of Information Technologies, and at the first joint meeting of the Supervisory Team for the area of Information Technologies it has been unanimously supported, so it will be sent in the further procedure to the PARF JMB.

**“One Stop Shop” (pilot project of the BD BiH):** After bidding of this project by the administration level of the BD BiH, drafting of logical framework, project fiche and the terms of reference started. Finalized project documents were sent to the members and deputy members of the Supervisory Team for the area of Information Technologies, so the second meeting of the Supervisory Team was scheduled, and one of the items of agenda will be declaration on this terms of reference, so all the conditions could be fulfilled for sending of this terms of reference to the PARF JMB.

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

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

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART VI INFORMATION TEHNOLOGY</b>	<b>21.76</b>
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. Miscellaneous	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

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

Overall coordination in implementation of measures of the Action Plan 1 is being done by the **Public Administration Reform Coordinator's Office**, which still does not have a sufficient human resources fulfilment for effective execution of tasks. Activities related with the change of the status of the PARCO (establishment of the Directorate for Public Administration Reform as a permanent expert body of the Council of Ministers of Bosnia and Herzegovina) are still in the procedure in the competent institutions of BiH. For this reason, the PARCO, in the previous reporting period started the activities on changing and amending the existing Rulebook on Internal Organisation and Systematisation of the PARCO. The Council of Ministers accepted the proposed changes, i.e. at the end of April 2008 it adopted the **Rulebook on Changes and Amendments of the Rulebook on Internal Organisation and Systematisation of the Office of the Chairperson of the Council of Ministers of BiH**, which stipulated 15 new work places. Amended Rulebook provided for establishment of the Unit for Material – Financial and General Affairs of the PARCO, which will be in charge of preparation of the proposal of an annual budget and monitoring of its execution, affairs of translation and interpretation, administrating, maintenance, improvement and development of the computer network and network services, relations of the PARCO with the public, as well as regular insurance and update of information, continued monitoring of expert development and progress of all the employees, giving of proposals for expert improvement of employees in accordance with the needs of the PARCO, taking care of servicing and maintenance of official vehicles and technical appliances, and execution of other jobs.

The accepted changed and amended Rulebook systematised 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 management of the Public Administration Reform Fund in accordance with the domestic legislation and the requests of the donors, and the affairs for establishment and maintenance of databases of projects financed by the Public Administration Fund, as well as databases of other projects 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 Br ko District of BiH** has been improved, but difficulties are still present in the sense of timely reception of information and gathering of documentation basis. **For this reporting period, in spite the fact that the PARCO in timely manner officially requested from the entity and the Public Administration Reform Coordinator of the Br ko District of BiH, as well as from the competent institutions from the level of BiH, to submit to the PARCO, within the given deadline, the requested data, these data were not submitted, so when preparing this quarterly report, possibly achieved progress based on individual reports could not be taken into consideration. Only for two reform areas (Policy Making and Coordination Capacities and Institutional Communication) data were submitted from the level of BiH.**

Baring in mind the situation in which the PARCO found it self in this reporting period, when it did not receive the requested information and the documentation basis for the quarterly report, once again it has been confirmed that it is necessary to work on development of internal mechanisms of informing and reporting on the levels of the Federation of BiH, the RS and the Br ko District of BiH. The recommendation of the PARCO to entity governments to define the position of the public administration reform coordinator on the level of entities as a separate work place, although contained in the previously adopted Common Platform as well, was not realised in this reporting period as well. When it comes to the state level, it is needed that members and

deputy members of the supervisory teams involve themselves more actively in these problems and to support the PARCO in its activities on implementation of the AP 1 and the PAR Strategy.

**The Public Administration Reform Fund:** After approving at the previous session two projects from the area of Institutional Communication, the Joint Management Board of the PAR Fund, at its third session, approved also the tender documentation for procurement of consultancy services for these two projects – “Establishment of Network of Info Stands” and “Training of Information Officers”. The PARCO started the procedure of public procurements for these projects. The phase of prequalification is completed, and after the PARF JMB approves the short list from the prequalification phase, the second phase of tender procedure will ensue in which the qualified tenderers will be invited to submit their offers. At the same session the PARF JMB also approved the project fiche from the area of Information Technologies “Design and Establishment of Interoperability Framework and Standards for Data Exchange”. The project is common for all the institutions on the level of BiH, the Federation of BiH, the Republic of Srpska and the Brčko District of BiH and presents the priority since it defines the architectural grounds for development and linking of present and future software components.

In May and June 2008, the PARCO, with the help of the consultant engaged by the DfID, worked on preparation of Guidelines for usage of the assets of the Public Administration Reform Fund and the form for submission of projects for financing from the PAR Fund. The following documents were prepared: Guidelines for usage of the assets of the Fund, format of logical framework, format of project fiche, format of terms of reference, opinion of the PARCO for the projects from the PARF and guidelines for preparation of logical framework. These documents, in mid June, were presented to the members of the PARF JMB, to the members and deputy members of the supervisory teams, and to the entity PAR coordinators and the PAR Coordinator of the Brčko District of BiH. Final adoption of the documents by the PARF JMB is expected at the next session planned for second half of July 2008.

During this reporting period, the **supervisory teams** by reform areas adopted the **Rules of Procedure of the Supervisory Teams** (every supervisory team respectively adopted the Rules of Procedure). One of two supervisory teams for the area of Policy Making and Coordination Capacities (Supervisory Team for Improvement of Quality and Procedures of Drafting and Enactment of Regulations) still did not adopt the Rules of Procedure, because the members and deputy members of the Supervisory Team could not agree on the text of the Rulebook. Also, the Supervisory Team for the area of Public Finances did not adopt the Rules of Procedure, although its adoption was planned for June 16, 2008, because the meeting was not attended by the member of the ST in front of the Council of Ministers of BiH. In the following period, the members of the supervisory teams are expected to take a leading role and responsibilities entrusted to them by their governments and the Council of Ministers of BiH.

In this reporting period the matter of remunerations for the members of the PARF JMB and the members of the supervisory and implementation bodies was still not solved, which presents an additional burden for full operability of these bodies. As stated in the previous quarterly progress report of the PARCO, in relation to the matter of remuneration for the work of domestic members of the PARF JMB, there will be a start of procedure for payment of remunerations from the budget, on which the Council of Ministers of BiH should adopt a final decision.

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

(TABLES OF REALISATION OF THE MEASURES FROM THE AP 1 OF THE PAR STRATEGY  
ARE ON THE CD ROM ATTACHED TO THIS REPORT)