



QUARTERLY PROGRESS REPORT

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

OF THE PUBLIC ADMINISTRATION REFORM
COORDINATOR'S OFFICE

FOR THE PERIOD JANUARY 1ST – MARCH 31ST, 2009

APRIL 2009

TABLE OF CONTENTS

1	SUMMARY.....	4
2	INTRODUCTION	5
3	OVERALL OVERVIEW OF ACTIVITIES DURING THE REPORTING PERIOD	6
3.1	OVERALL OVERVIEW OF THE ACTIVITIES IN THE REPORTING PERIOD BY REFORM AREAS (REALISATION OF THE ACTION PLAN 1 OF THE STRATEGY OF THE PAR IN BiH)	11
	3.1.1 POLICY MAKING AND COORDINATION CAPACITIES.....	11
	3.1.2 PUBLIC FINANCES.....	14
	3.1.3 HUMAN RESOURCES MANAGEMENT	16
	3.1.4 ADMINISTRATIVE PROCEDURE.....	21
	3.1.5 INSTITUTIONAL COMMUNICATIONS.....	25
	3.1.6 INFORMATION TECHNOLOGIES	28
3.2	IMPLEMENTATION OF THE ACTION PLAN 1	31
4	ANNEX – M&E TABLE OF REALISATION OF THE MEASURES FROM THE AP1 OF THE PAR STRATEGY	34

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
Sida	Swedish Agency for International Development and Cooperation
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 Summary

- **Progress** in implementation of the measures from the Action Plan 1 of the Strategy of the Public Administration Reform by reform areas in relation to the previous report (January - December 2008) is bigger by 1.94 per cent and now amounts to **34.55 per cent**.
- **The biggest progress** in implementation in relation to the previous report is noted in the reform area **Human Resources Management** and amounts to **3.33 per cent**, while the **smallest** is in the area **Information Technologies; 0.42 per cent**. In the area Policy Making and Coordination Capacities, the percentage of implementation is bigger by 1.36 per cent; in the area Public Finances 2.09; per cent; in the area Administrative Procedure 2.86 per cent and in the area Institutional Communication 1.56 per cent.
- Overall, **since the start of implementation** of the Action Plan 1 of the Strategy of the PAR in BiH until March 31st, 2009, **the biggest progress** in implementation is achieved in the reform area **Human Resources Management: 41,93%**, and **the smallest** is in the area **Information Technologies: 27,19 per cent**.
- Level and quality of cooperation of the PARCO with the representatives of the Government of the Federation of BiH, the Government of the Republic of Srpska and the Government of the Brčko District of BiH, and with the institutions of BiH is improved, but difficulties still exist. The biggest difficulties are in insufficient informing and failure to include the PARCO in the activities of changes of the legal and bylaw acts, which directly influence the fulfilment of the agreed reform measures. Second difficulty is seen in untimely provision of information needed for monitoring and reporting on the reform processes.
- Efficiency of operative structures for implementation of the reform measures of the Action Plan 1, although they are active, is diminished because on numerous failures of members of the teams to appear at the joint meetings, and because of unsolved matter of remuneration for work in the supervisory and implementation teams.
- To the Public Administration Reform Coordinators of the Government of the FBiH and the Government of the RS this job is still an additional engagement, which has a negative influence to their efficiency.
- Political coordination, established by the Common Platform on the Manner and Mechanisms of Implementation of the Action Plan 1 of the PAR Strategy did not happen. The Coordination Board for Economic Development and European Integrations neither in 2008 nor in the first quarter 2009 discussed implementation of the Strategy of PAR in BiH.
- The Public Administration Reform Coordinator's Office, in the first quarter of this year started implementing the first project which will be financed from the Public Administration Reform Fund. The PARF JMB, by the end of the last year, approved 11 projects in total of total value of **7.574.278,12 KM** (without the VAT). The approved projects include all four administrative levels (the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH) and they cover all 6 reform areas from the Action Plan 1. Implementation of one project is ongoing, while other 10 are in the procedure of public procurements, in the phase of preparation of tender documentation or in the phase of preparation of project proposals and terms of reference.
- In the first quarter of 2009, the **Public Administration Reform Coordinator initiated the activities on changes and amendments to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund**. Changes and amendments are mostly related with the period of duration, i.e. extension of duration of the PAR Fund, in order to provide for unhindered and secure financing of the approved projects, having in mind different principles and procedures of donors when approving assets of donation and support to the PAR Fund.

2 Introduction

According to the annual work plan of the Council of Ministers of BiH for 2009, 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 (hereinafter: the PAR Strategy) 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.

This report shows in detail total degree of implementation of the measures from the Action Plan 1 (hereinafter: AP 1) of the PAR Strategy (in percentages) from January 1st to March 31st, 2009, 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.

The Report covers the most important activities realised during period January - March 2009 and it presents development to the previous Annual Report on Progress in Implementation of the AP 1 of the PAR Strategy for 2008.

Specified are the changes in relation to the condition recorded through the previous report on progress in implementation of the AP1, which covered the period January - December 2008. **The progress in implementation of the measures from the AP 1 of the PAR Strategy, by the reform areas, in relation to the previous period (Annual Report for 2008) is bigger by 1.94 per cent and now amounts to 34.55 per cent. In relation to the same period of 2008, the progress is 9.09 per cent.**

The biggest progress in implementation in relation to the Annual Report is noted in the reform area **Human Resources Management** and amounts to **3.33 per cent**, while **the smallest** is in the area **Information Technologies, 0.42 per cent.**

Table below gives the comparative overview of the total achieved progress for the I quarter in the last two years by reform areas from the AP 1 of the PAR Strategy.

Table 1: Comparative overview of implementation of the AP 1 in I quarter of 2008 and 2009 by reform areas

REFORM AREA BY THE AP 1 OF THE STRATEGY OF THE PUBLIC ADMINISTRATION REFORM IN BIH	I quarter 2008 (%)	I quarter 2009 (%)	Difference in %
POLICY MAKING AND COORDINATION CAPACITIES	24.07	35.96	11.89
PUBLIC FINANCES	28.69	36.57	7.88
HUMAN RESOURCES MANAGEMENT	29.59	41.93	12.34
ADMINISTRATIVE PROCEDURE	18.87	30.79	11.92
INSTITUTIONAL COMMUNICATIONS	29.78	34.87	5.09
INFORMATION TECHNOLOGIES	21.76	27.19	5.43

Overall, **since the start of implementation** of the Action Plan 1 of the Strategy of the PAR in BiH until March 31st, 2009, **the biggest progress** in implementation is achieved in the reform area **Human Resources Management, 41.93 per cent**, and **the smallest** is in the area **Information Technologies, 27.19 per cent.**

In preparation of the Annual Progress Report, as well as on the occasion of preparation of the periodic reports, different sources of information available to the PARCO were used, including: data from the progress reports submitted by the entity coordinators and the Public Administration Reform Coordinator of the Brčko District of BiH as well as by the members of the supervisory teams from the state level, overviews of the adopted regulations significant for the reform area, monitoring of implementation of donor projects and initiatives in which the

PARCO is involved, external data from the donors, and information on the activities and projects whose initiator and bearer is the PARCO.

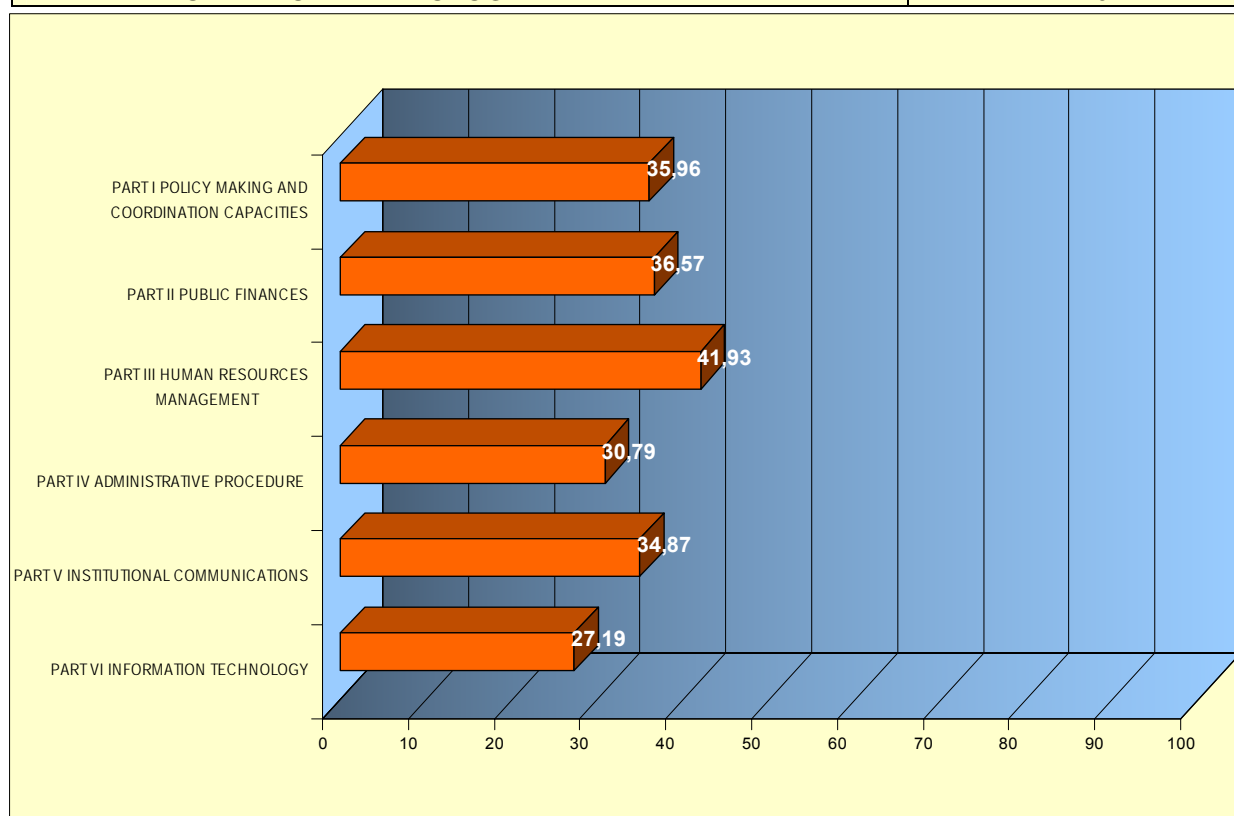
3 Overall Overview of Activities during the Reporting Period

Overall implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH by March 31st, 2009, amounts to **34.55 per cent**.

Table below shows the overall progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, for all levels of authority combined (BiH, the FBiH, the RS and the BD BiH).

Table 2: 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	35.96
PART II PUBLIC FINANCES	36.57
PART III HUMAN RESOURCES MANAGEMENT	41.93
PART IV ADMINISTRATIVE PROCEDURE	30.79
PART V INSTITUTIONAL COMMUNICATIONS	34.87
PART VI INFORMATION TECHNOLOGY	27.19

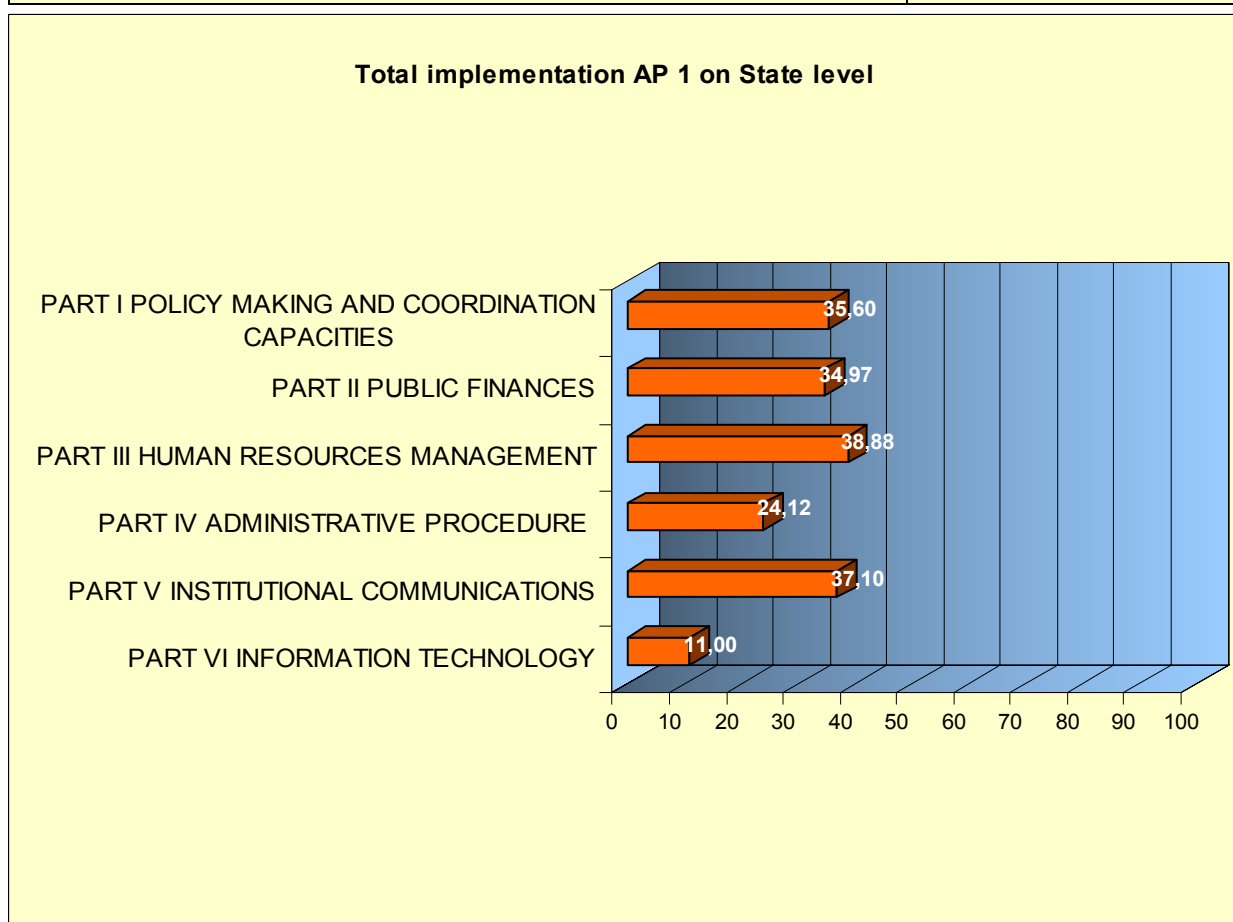


* Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

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 March 31st, 2009.

Table 3: Cumulative implementation of the Action Plan 1 of the PAR Strategy in BiH by reform areas – state level

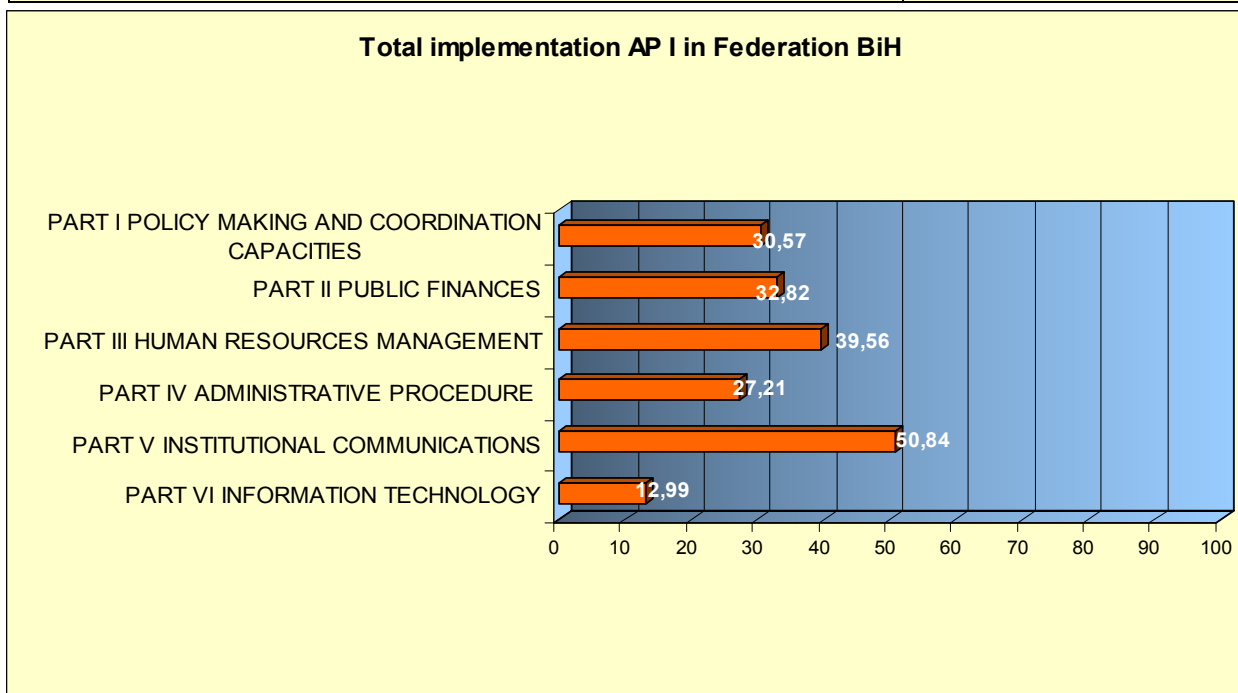
BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	35.60
PART II PUBLIC FINANCES	34.97
PART III HUMAN RESOURCES MANAGEMENT	38.88
PART IV ADMINISTRATIVE PROCEDURE	24.12
PART V INSTITUTIONAL COMMUNICATIONS	37.10
PART VI INFORMATION TECHNOLOGY	11.00



* 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 FBiH level

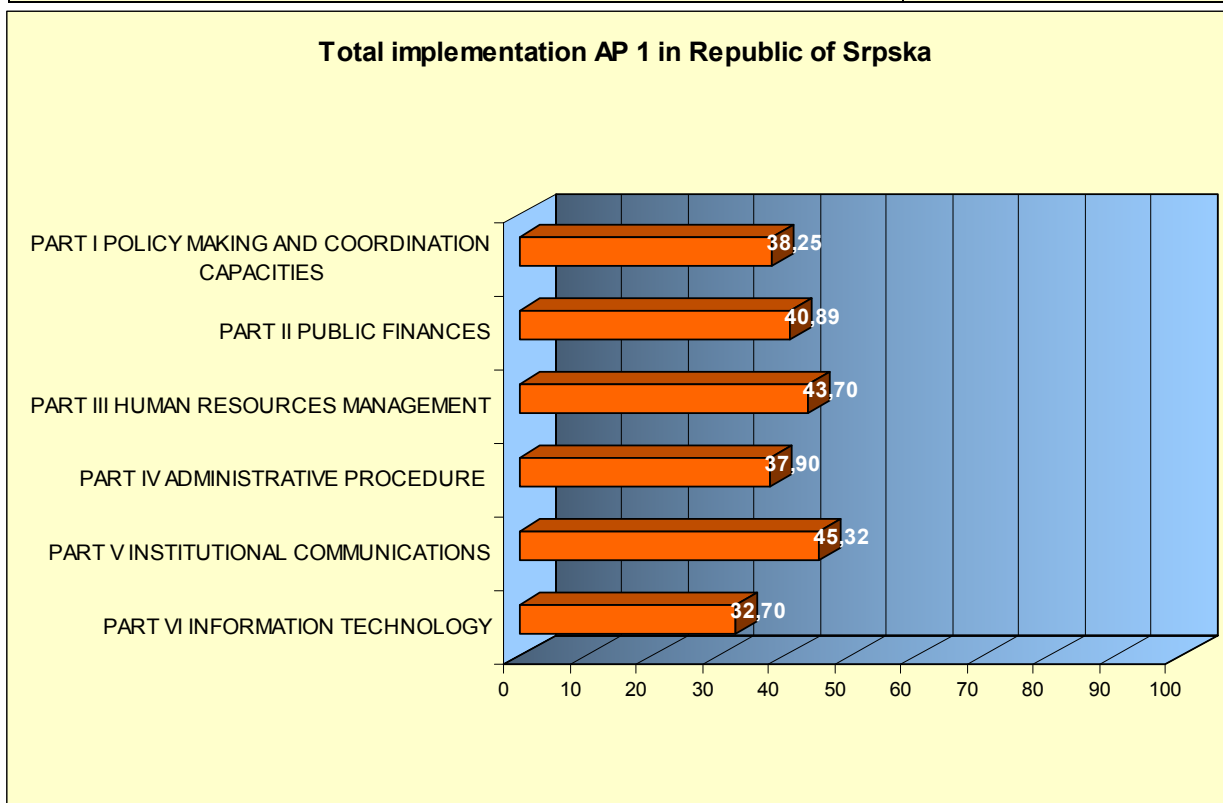
the FBiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	30.57
PART II PUBLIC FINANCE	32.82
PART III HUMAN RESOURCES MANAGEMENT	39.56
PART IV ADMINISTRATIVE PROCEDURE	27.21
PART V INSTITUTIONAL COMMUNICATIONS	50.84
PART VI INFORMATION TECHNOLOGY	12.99



* 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 RS level

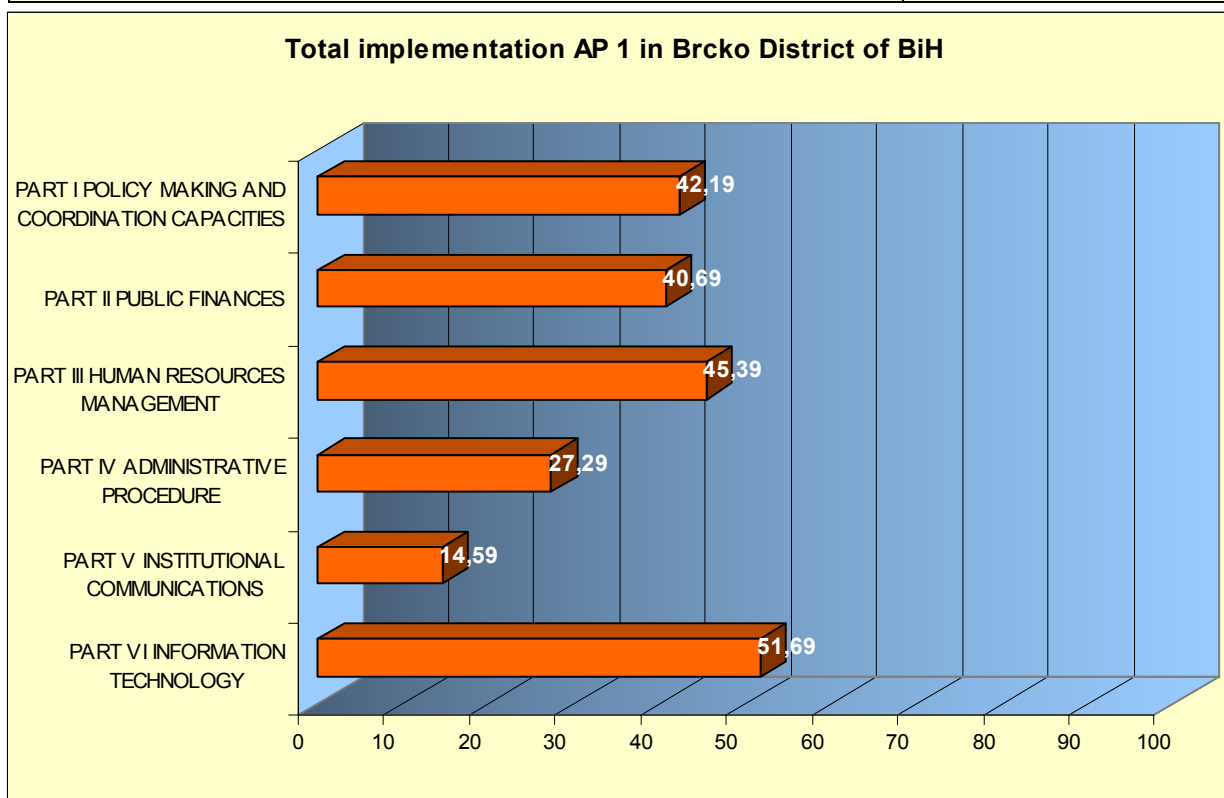
the RS level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	38.25
PART II PUBLIC FINANCES	40.89
PART III HUMAN RESOURCES MANAGEMENT	43.70
PART IV ADMINISTRATIVE PROCEDURE	37.90
PART V INSTITUTIONAL COMMUNICATIONS	45.32
PART VI INFORMATION TECHNOLOGY	32.70



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

Table 6: Cumulative implementation of the AP 1 of the PAR Strategy in BiH by reform areas – Brčko District of BiH level

the BD BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	42.19
PART II PUBLIC FINANCES	40.69
PART III HUMAN RESOURCES MANAGEMENT	45.39
PART IV ADMINISTRATIVE PROCEDURE	27.29
PART V INSTITUTIONAL COMMUNICATIONS	14.59
PART VI INFORMATION TECHNOLOGY	51.69



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

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

3.1.1 Policy Making and Coordination Capacities

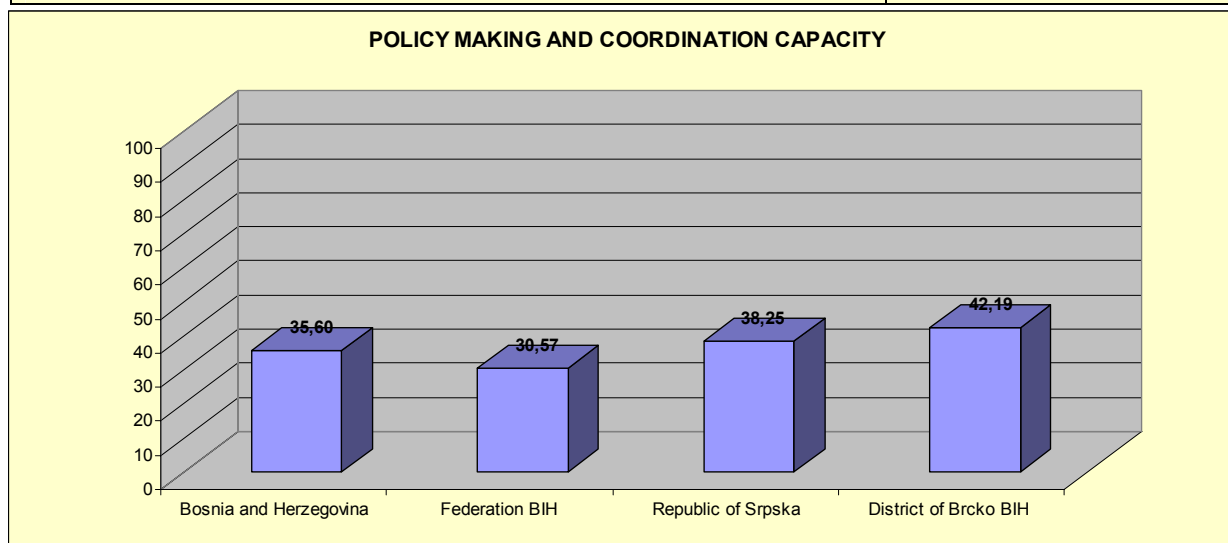
Implementation of the Action Plan 1 in the area of Policy Making and Coordination Capacities on the state entity and the level of the Brčko District of BiH amount to **35.96 per cent**. In relation to the previous report, the increase is **1.36 per cent**.

During first quarter of 2009 activities continued on development and implementation of the key projects for this area: "Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of the Phase I", "Strengthening of BiH Capacities for Strategic Planning and Policy Development - SPPD", "Improvement of Rules and Procedures for Legal, Other Regulation and General Documents Drafting in BiH" and "Legislation Database in BiH".

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

Table 7: Implementation of the AP1 of the Strategy of the PAR in BiH – reform area Policy Making and Coordination Capacities

POLICY MAKING AND COORDINATION CAPACITIES	Implemented
Bosnia and Herzegovina	35.60
the Federation of BiH	30.57
the Republic of Srpska	38.25
the Brčko District of BiH	42.19



After the Supervisory Team for the area Development of Capacities for Policy Development and Coordination adopted the terms of reference "Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of the Phase I", this terms of reference was also adopted at the 7th session of the PARF JMB in February 2009.

During preparation of tender documentation for implementation of the project "Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – implementation of the phase I", the engaged expert for public procurements on two different occasions interpreted differently the criteria for award of the contract in the tender documentation, which caused changes of already adopted terms of reference. Additional opinion has been requested from the Public Procurement Agency, and in accordance with the received opinion the terms of reference has been amended, and re-discussed at the meeting of the Supervisory Team on March 31st, 2009, at which the members of the Supervisory Team on behalf of the Council of

Ministers of BiH, the Government of the Federation of BiH and the Government of the Brčko District of BiH supported the proposed changes to the terms of reference. As this meeting was not attended by the member or deputy member of the Supervisory Team on behalf of the Government of the RS, their declaration on acceptability of the proposed changes to the terms of reference is expected, in accordance with the Rules of Procedure, in the next 15 days.

Also, during this reporting period the logical framework and the project proposal “Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – implementation of the phase II” have been prepared, which were in accordance with the Guidelines of Annual Programming for 2009, proposed by the PARCO for funding from the IPA 2009 assets. Since the committee for approval of the projects favoured infrastructure projects, this project proposal was not put on the primary list for funding from the IPA 2009 assets, so it was proposed for funding through a bilateral aid program of the EU in the framework of the MIPD for 2009.

Implementation of the project “**Strengthening of BiH Capacities for Strategic Planning and Policy Development – SPPD**” started in January 2009 by establishment of an expert team which has a responsibility for implementation of all activities planned by this Project. Expert support to the SPPD project is provided by three permanent members. At the meeting of the Management Board of the SPPD project, which was held on February 17, 2009, the expert team proposed the plan of activities for the first quarter of 2009. The proposed plan of activities was supported by the Management Board of the SPPD project, and they adopted the conclusion by which the SPPD expert team takes the responsibility to prepare, before the next meeting of the Management Board, the Memoranda of Understanding for signing and to give proposal of detailed plans of activities for each ministry, which will be enclosed with the Inception Report on implementation of the SPPD project.

Based on the conclusions of the 56th Session of the Council of Ministers of BiH, the PARCO prepared and submitted to the Council of Ministers of BiH the First Half-Year Report on realization of the project “Strengthening of BiH Capacities for Strategic Planning and Policy Development” with proposal of conclusions. Also, during this reporting period, the PARCO continuously monitored implementation of project activities, to ensure that the SPPD project fully corresponds with the objectives of the Strategy of Public Administration Reform in BiH.

After preparation of the terms of reference “**Improvement of Rules and Procedures for Legal, Other Regulation and General Documents Drafting in BiH**”, the procedure was initiated for declaration of the members of the Supervisory Team on this terms of reference. Supervisory Team for the area of Improvement of Quality and Procedures of Drafting and Enactment of Regulations adopted this terms of reference at its 4th session. Given that a need to harmonise the adopted terms of reference with the opinion of the Agency for Public Procurements of Bosnia and Herzegovina appeared later on, the PARCO prepared the changes to the terms of reference, which were then discussed and adopted at the session of the Supervisory Team on March 24, 2009.

With the aim of fulfilling the requirements placed, on the road of Bosnia and Herzegovina into the European Union, in front of the bodies public administration, the PARCO initiated harmonization of the **Memorandum on Mutual Cooperation between the secretariats of the Council of Ministers of BiH, entity governments and the Government of the Brčko District of BiH**, which aims to improve coordination between different levels of the executive authority. After conducted consultations and harmonisation, the PARCO organised signing of the Memorandum on Mutual Cooperation of the Secretariats of the Council of Ministers of BiH, entity governments and the Government of the Brčko District of BiH, which took place on February 13, 2009.

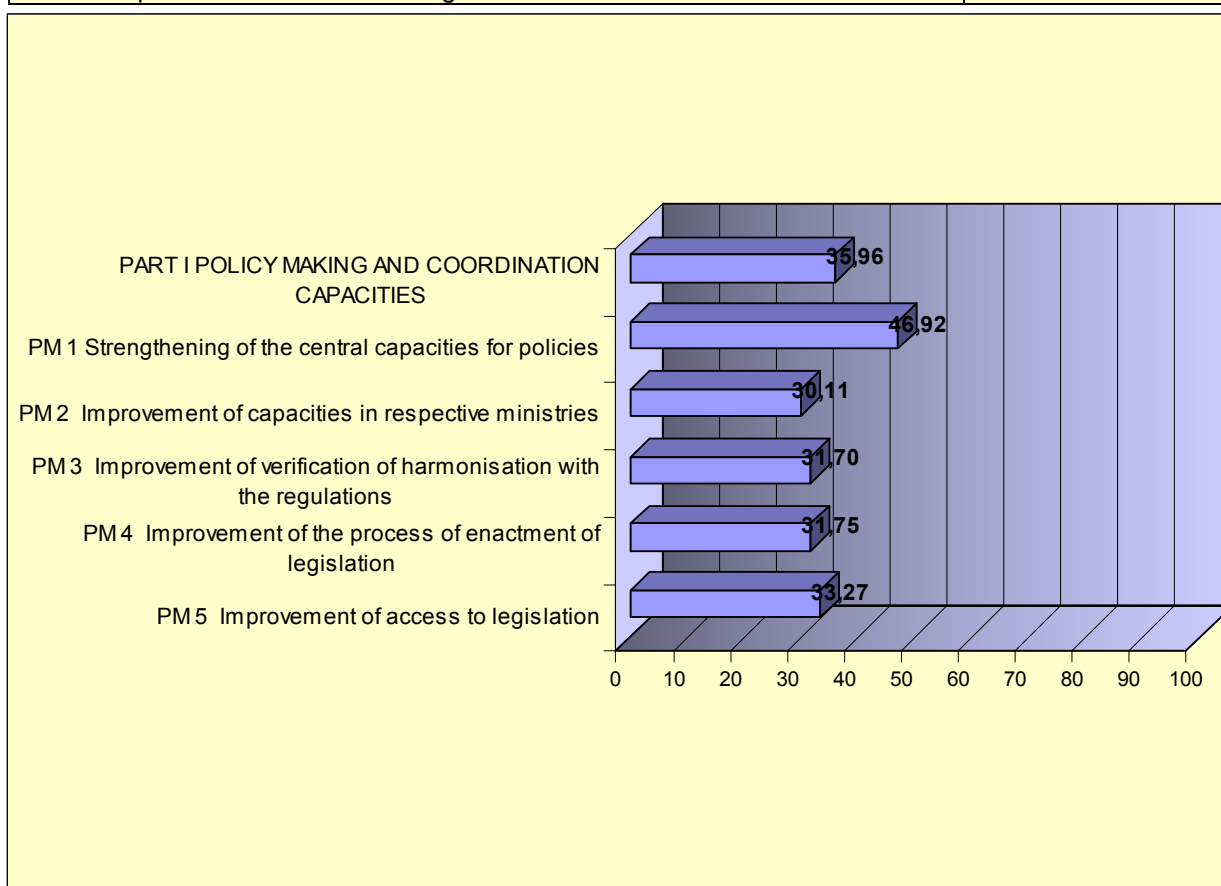
The PARCO, in cooperation with the members of the Supervisory Team for the area of Improvement of Quality and Procedures of Drafting and Enactment of Regulations, continued the activities of ensuring free access to an **integrated Legislation Database (LDB)** during the first quarter of 2009 as well. Update will be the responsibility of the Offices/Secretariats for Legislation of the Council of Ministers of BiH, the entity governments and the Government of the Brčko District of BiH. In that sense, the PARCO signed with the UNDP an annex to the Memorandum of understanding relating to full implementation of LDB project, by which the

PARCO took over the right to transfer the rights to use the LDB software to various institutions willing to establish, use and facilitate access to the BiH laws from one web portal. Also, the PARCO prepared a draft Memorandum of Understanding, on the basis of which the software and licences to use the LDB database could be transferred by the PARCO to the offices for legislation on the state, entity and the Brčko District of BiH levels.

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

Table 8: 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	35.96
PM 1. Strengthening of the central capacities for policies	46.92
PM 2. Improvement of capacities in respective ministries	30.11
PM 3. Improvement of verification of harmonisation with the regulations	31.70
PM 4. Improvement of the process of enactment of legislation	31.75
PM 5. Improvement of access to legislation	33.27



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

3.1.2 Public Finances

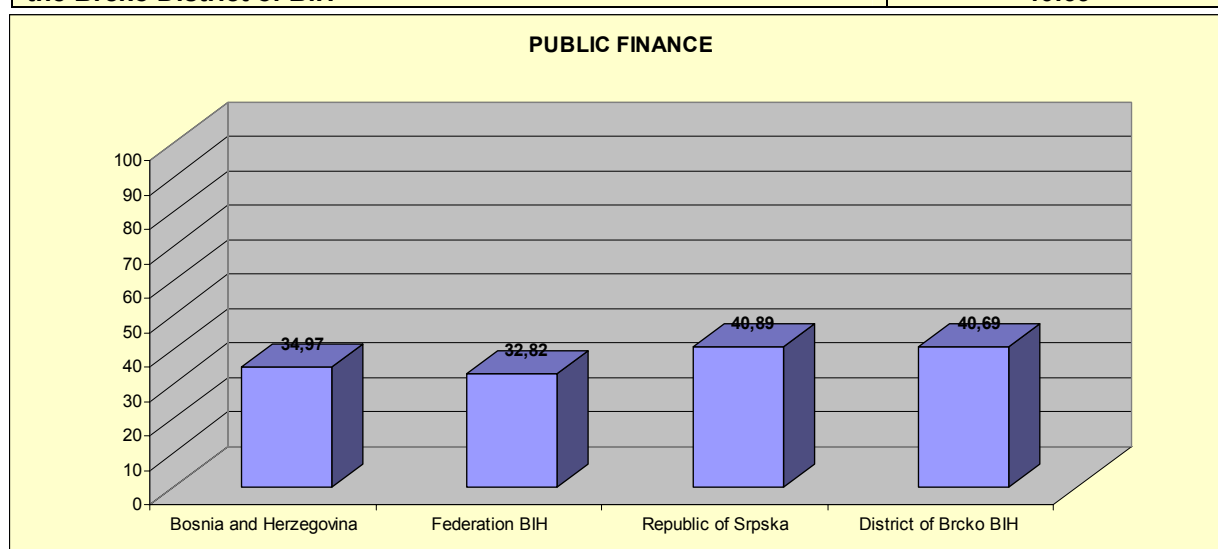
In the reporting period, implementation of the AP 1 in the area of Public Finances on the state, entity and the level of the Brčko District of BiH amounted to **36.57 per cent**. The degree of implementation of the measures of the AP 1 for the area of Public Finances increased in relation to the previous report by **2.09 per cent**.

In the first quarter of 2009 strengthening of mechanisms for fiscal coordination has been continued in the sense that the Fiscal Council of BiH initiated establishment of the Secretariat of the Fiscal Council and some of the members have already been appointed. In the last quarter, the Fiscal Council held three sessions at which, among other, were discussed also the measures for mitigating the consequences of global economic crisis, adopted by the entity governments and the Council of Ministers of BiH, decision was adopted on temporary division of assets of succession between the entities, decision was adopted on initiation of negotiations on possible Stand By arrangement with the IMF.

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

Table 9: Implementation of the AP1 of the PAR Strategy in BiH – reform area Public Finances

PUBLIC FINANCES	Implemented
Bosnia and Herzegovina	34.97
the Federation of BiH	32.82
the Republic of Srpska	40.89
the Brčko District of BiH	40.69



Terms of reference “**Budget Management Information System**” (BMIS), after respected objections by the DfID, was adopted at a joint meeting of the Supervisory Team for the area of Public Finances as well as at the session of the PARF JMB. The PARCO currently works on drafting the tender documentation for this project.

In the last reporting period the progress has been recorded also in the chapter of the AP 1 PF 2.1.5, new unified procedures of budget drafting are already being applied on all levels, although laws on all levels are not adopted.

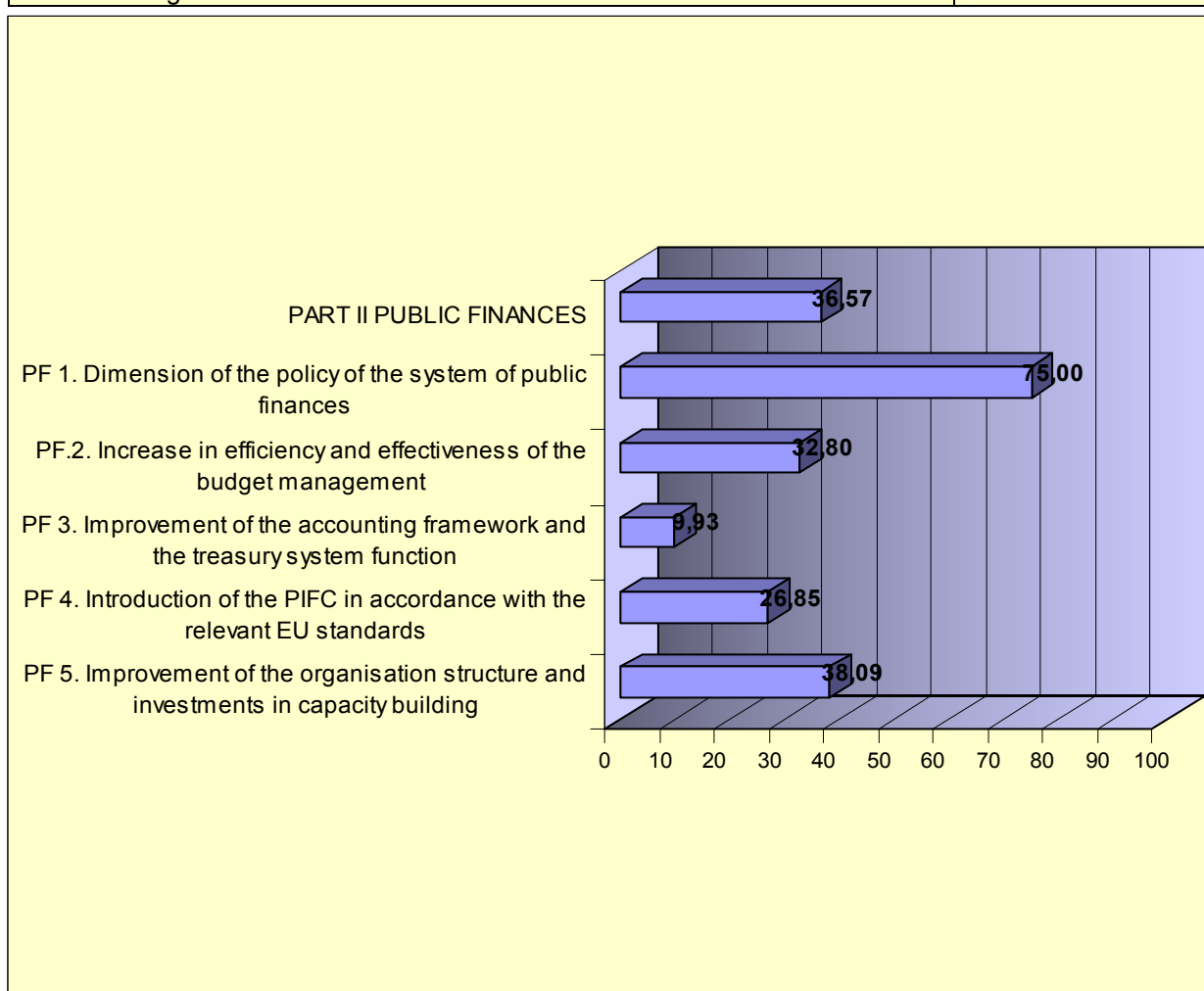
In the Republic of Srpska, by conclusion of this report, treasury system has been established in 37 municipalities out of 63. Further activities on improvement of the function of the treasury are for now stopped because of economic crisis and saving measures of the Government of the RS.

In the Federation of BiH, in the last period, the progress has been recorded in the chapter of the AP 1 PF 2.4.1, where the Sector for Budget in the Ministry of finances and Treasury of BiH has been filled in terms of human resources.

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

Table 10: Overview of the activities and measures for the reform area of Public Finances

COMPONENT OF THE ACTION PLAN 1	Implemented
PART II PUBLIC FINANCES	36.57
PF 1. Dimension of the policy of the system of public finances	75.00
PF.2. Increase in efficiency and effectiveness of the budget management	32.80
PF 3. Improvement of the accounting framework and the treasury system Function	9.93
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	38.09



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

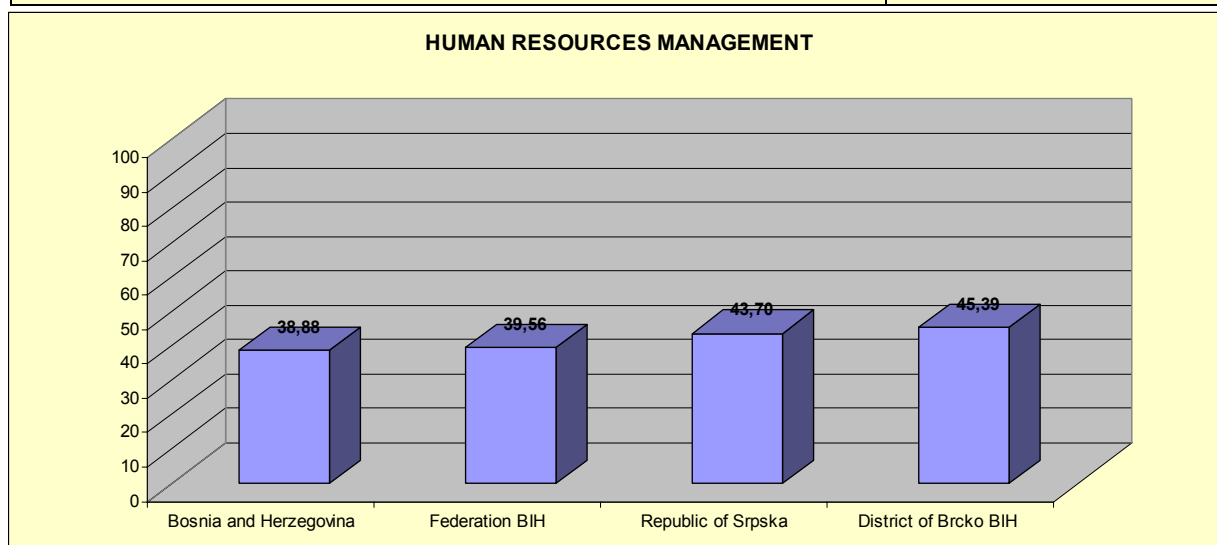
3.1.3 Human Resources Management

Total degree of implementation of the Action Plan 1 of the Public Administration Reform Strategy in the area of Human Resources Management on the level of institutions of BiH, the entity level and the level of the Brčko District of BiH by the end of March 2009 amounts to **41.93 per cent**, which presents an increase of **3.33 %** in relation to the previous reporting period.

Table 11 shows the overall 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 11: Implementation of the AP1 of the PAR Strategy in BiH – reform area Human Resources Management

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	38.88
the Federation of BiH	39.56
the Republic of Srpska	43.70
the Brčko District of BiH	45.39



The most important activities in the reporting period are related with the following:

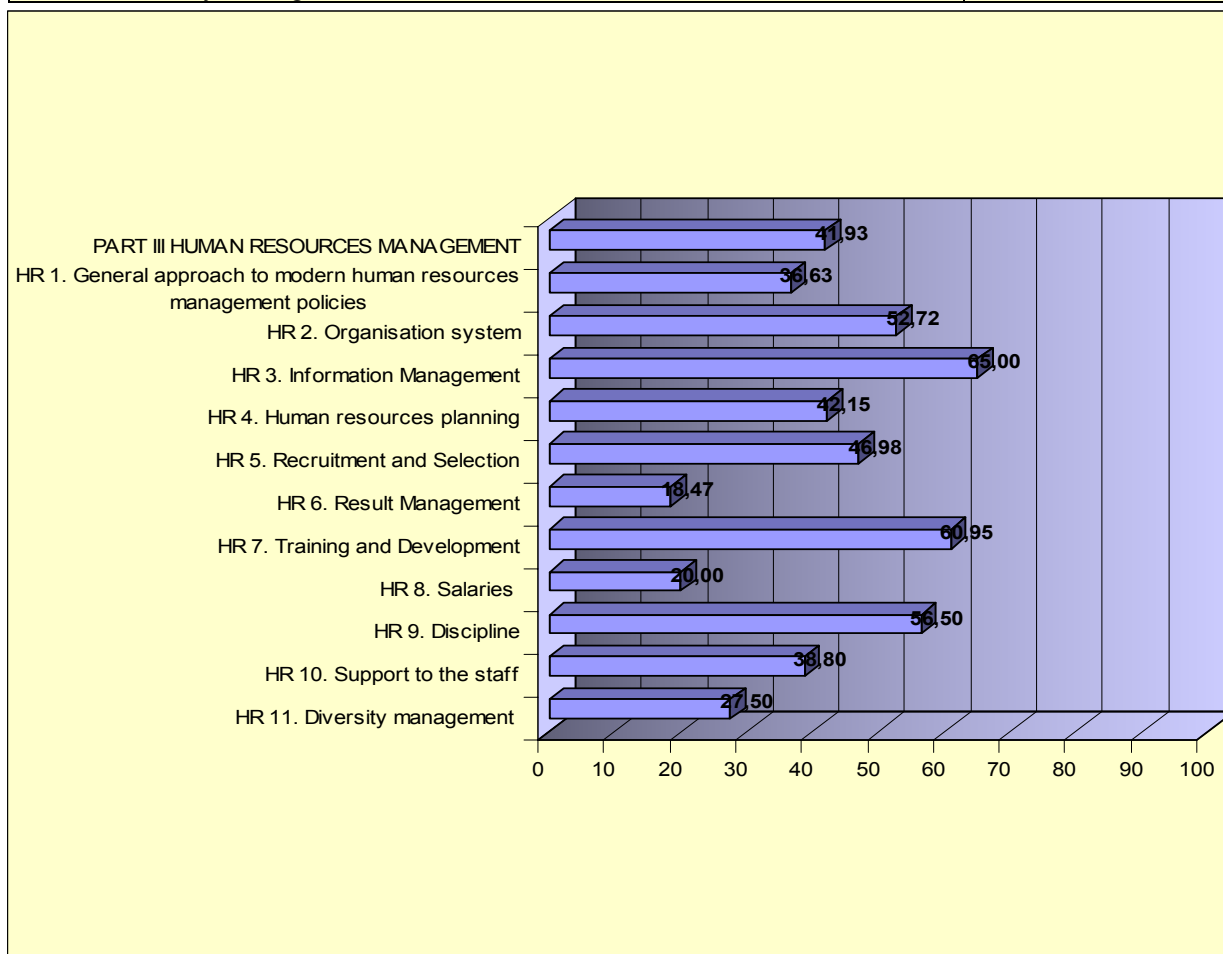
- House of Representatives of the Parliamentary Assembly of BiH, at the session held on March 19, 2009 adopted the Proposal of the Law on Changes and Amendments to the Law on Civil Service of BiH, which were previously established by the Council of Ministers of BiH at its 69th session;
- Government of the Federation of BiH at its 96th session established a Proposal of the Law on Civil Service in the Federation of BiH;
- Government of the Republic of Srpska, at its 113th session enacted certain number of bylaws, which stem from the new Law on Civil Servants in the Republic of Srpska, i.e.: Order on Principles for Internal Organisation and Systematisation of Jobs in the Republic Bodies of Administration of the RS, Order on Categories and Titles of Civil Servants and Order on Jobs of Employees (Official Gazette of the RS, No. 18/09);
- On the level of the Brčko District of BiH new organisation plan of the administration of the Brčko District of BiH was adopted;
- In the Republic of Srpska, new Law on Administrative Inspection was adopted (Official Gazette of the RS, No. 1/09);
- Finalised was implementation of the pilot project "Improvement of Employment and Selection Process in the Civil Service", implemented by the UNDP BiH and the Great Britain National School of Government in cooperation with the PARCO;

- Continued were operative activities on implementation of the project of introduction of the human resources management information system (BH HRMIS);
- The Council of Ministers of BiH, at its 78th session, adopted the Plan and Programme of Education in the area of European integrations which was prepared by the Directorate for European Integrations;
- The Office for Audit of Institutions of BiH implemented the first audit of performance on the topic "Process of Employment of Civil Servants in the Institutions of BiH.

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

Table 12: 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	41.93
HR 1. General approach to modern human resources management policies	36.63
HR 2. Organisation system	52.72
HR 3. Information management	65.00
HR 4. Human resources planning	42.15
HR 5. Recruitment and selection	46.98
HR 6. Result management	18.47
HR 7. Training and development	60.95
HR 8. Salaries	20.00
HR 9. Discipline	56.50
HR 10. Support to the staff	38.80
HR 11. Diversity management	27.50



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

In the reporting period completed was implementation of the pilot project **“Improvement of the Process of Recruitment and Selection in the Civil Service”**, aimed at supporting implementation of measures from the chapter HRM 4 Planning and HRM 5 Recruitment and Selection of the Action Plan 1. At the end of February there were workshops / trainings on the topic of “Conducting Interviews and Use of Competency Framework in the Process of Selection of Candidates” with participation of representatives of institutions and administrative bodies from all four levels of authority involved in the project. In continuation, the report was prepared with the findings and results of the pilot project.

At the end of February the engagement of the UK National School of Government ended, which within the State and Entity Public Administration Reform in Bosnia and Herzegovina – SEPARB project (which was funded by the Government of Great Britain Department for International Development), provided support to administration bodies and institutions from different levels in implementation of reform measures from the area of Human Resources Management.

The PARCO during the reporting period worked on preparation of project documentation for implementation of the public procurement procedure for implementation of two projects in this reform area, whose funding was approved by the Joint Management Board of the Public Administration Reform Fund, i.e.:

- Training of Civil Servants for Application of Information Technologies and Work on the Computers and
- Development of Performance Management System in the Structures of Civil Service in BiH.

Implementation of these two projects is focused on the implementation of specific activities in the reform area of Human Resources Management (HRM 6 Performance Management and HRM 7.3 Special Requests for Technical or Vocational Training) and Information Technologies (IT 2.8 Increase of Computer Literacy of Civil Servants) of the Action Plan 1 of the PAR Strategy.

In implementation of the project BH HRMIS - introduction of information system for human resources management there have been discrepancies in previously planned order of installation of the system by levels of government. Due to delays in the process of renovation of the hall, which is planned to be used as a Center for Testing and Training on the level of BiH institutions and relocation of the Civil Service Agency of BiH, the first installation of the system took place on the level of the Brcko District of BiH. In addition to the installation and configuration of the system, in the Brcko District was completed the training of future users (operators of the information system) and ongoing is the work on input of data from personal files in the system. On the level of BiH institutions the migration of data from the previous register of civil servants is completed and equipment for the data centre for the needs of the BH-HRMIS was installed.

The PARCO cooperated with the UNDP BiH on preparation of the project **“Establishment of Modern Departments for Human Resources Management in the Administration Bodies of BiH”**, which is focused on the implementation of reform measures from the part of the Action Plan HRM 2.1 Role of Peripheral Capacities. Initial project proposal was prepared for the civil service bodies from the level of the Federation of BiH. In continuation of development of the project there was a discussion of the options of involvement of the structures of civil service / administration from other levels and possibility of financing the project by the assets of the PAR Fund.

The House of Representatives of the BiH Parliament adopted a Draft Law on Changes and Amendments to the Law on Civil Service in the Institutions of Bosnia and Herzegovina with minor modifications in relation to the draft that was previously established the Council of Ministers at its session held on December 18, 2008, at the proposal of the Ministry of Justice of BiH. The House of Representatives rejected the amendment by which there would be in the commissions for selection of candidates more members from the institutions in which

employment is conducted, than the members from the Civil Service Agency of BiH. The House of Peoples of the PA of Bosnia and Herzegovina will at the beginning of the next reporting period discuss the proposed text of the Draft Law, when it expected that it will be adopted and enacted.

At the 91st session of the Government of the FBiH, which was held on December 18, 2009, there was a discussion on the Draft Law on Changes and Amendments to the Law on Employees in the Civil Service Bodies, which was discussed and adopted in the House of Representatives of the Parliament of the FBiH, while in the House of Peoples it has not received the necessary majority of votes. The Federal Government concluded that there is a need for improvement of the offered text of the law and its consideration in the package with changes and amendments to the Law regulating the rights and obligations of civil servants in the Civil Service bodies.

At the 93rd session of the Government of the FBiH held on March 4, 2009, the obligation of forming a joint working body of representatives of the Government of the Federation of BiH and the Union was established with the task to carry out analysis of the rulebooks on internal organization and systematization of all budget users, and to propose measures in order to rationalize them, connected with enforcement of measures from the Social Agreement for the period 2009-2010. At the same session, the Government gave approval to signing the agreement with the union, which set forth obligation that the draft Law on Civil Service in the FBiH, the Law on Employees in the Civil Service Bodies of the FBiH and the Law on Salaries in the FBiH, upon completion, are to be sent to the Economic-Social Council for the area of the Federation of BiH.

The FBiH Government, at 94th session, held on March 13, 2009, discussed the Report of the Civil Service Agency of the FBiH on the status of personnel in the bodies of civil service in the FBiH in 2008, which notes that the audit of jobs from 2005 to 2008 was performed in 461 bodies of civil service (98.7 percent of their total number). It has been found that in the controlled bodies there were 6062 civil servants and 13631 employees employed. In the Plan of Work of the Agency for the current year, which was also on the agenda of the session, it was planned to complete the procedure of audit of jobs, improvement of cooperation with the bodies for the purpose of quicker implementation of measures from the Action Plan, and strengthening the role of this Agency in the recruitment process, with modernization of the procedures of employment and evaluation of civil servants in the Civil Service bodies.

At the 96th session, held on March 25, 2009, the FBiH Government established and sent in the parliamentary procedure by an emergency procedure the Draft Law on Changes and Amendments to the Law on Civil Service in the FBiH. Proposed amendments provided for the persons who have gained academic qualifications, after completing the first cycle of studies in accordance with the Framework Law on Higher Education in BiH, to compete equally for jobs in the civil service.

The Government of the Republic of Srpska, at the 113th session, held on February 26, 2009, adopted a part of the bylaws which are necessary for full implementation of the Law on Civil Servants of the RS, which was adopted and came into effect in the previous reporting period: Order on Principles for Internal Organisation and Systematisation of Jobs in the Republic Bodies of Administration of the RS, Order on Categories and Titles of Civil Servants and Order on Jobs of Employees. In accordance with the data submitted through the report of the Public Administration Reform Coordinator from the Republic of Srpska, ongoing is draft of other bylaws, whose enactment is necessary for implementation of the new Law as follows: the Rulebook on Employment of Civil Servants, the Rulebook on Evaluation and Advancement of Civil Servants and the Rulebook on the Manner of Draft of Personnel Plan of Administration Bodies of the Republic of Srpska. Upon adoption of these acts, the conditions will be created for enactment of the Rulebook on Internal Organization and Systematization of Jobs for all bodies of administration. A significant step forward, in terms of legal solutions that should contribute to progress of reform in the domain of Civil Service, is represented by a new institute of Personnel Plan of the Government of the RS within planning of employment of civil servants as well an institute of mandatory training. It is foreseen that the proposal of the

overall Personnel Plan is being made by the Civil Service Agency of the RS on the basis of individual training plans of the republic administration bodies.

On the level of the Brčko District of BiH, the new organization plan of administration of the Brčko District of Bosnia and Herzegovina was adopted, as in the previous period there was second annual evaluation of civil servants and employees on the basis of the new Rulebook and Instructions on Evaluation of Civil Servants and Employees in the bodies of administration of the Brčko District of BiH.

The Council of Ministers of BiH, at the session held on February 26, 2009, discussed and adopted the Information on the Plan and Programme of Education and the Information on Communication Strategy in the Field of European Integration, which was prepared by the Directorate for European Integration. Implementation of education activities in the field of European Integration was approved, which are covered by the curriculum of education. This document represents the basis for the future trainings in European Integration and institutions are responsible to actively participate in its implementation.

The Civil Service Agency of BiH, in mid reporting period implemented two cycles of training for newly employed civil servants.

The Office for Audit of Institutions of BiH in the reporting period prepared the draft report on implemented audit of performance on the topic "The Process of Employment of Civil Servants in the Institutions of BiH". The Draft Report, in mid-February, was submitted to the institutions which were included in the audit sample, and by it in more detail was analyzed the process of employment in 14 institutions on the level of BiH in the period 2005-2007. The report in the form of recommendations contains a set of long-term and short-term measures for the Council of Ministers of BiH, the Civil Service Agency of BiH and individual institutions which carry out employment of civil servants, and additionally accentuates some reform aspects in the field of civil service and human resources management.

Of other activities in the reporting period, the following activities of importance for the public administration reform may be noted, although they have no direct impact on implementation of reform measures of the Action Plan 1:

- The Government of the Federation of BiH, at its 87th session, held on January 29, 2009, adopted the Strategy of Employment in the FBiH, which establishes priorities within the framework of employment policy for the period 2009-2013. A significant part of the strategy relates to employment of young people and representatives of vulnerable groups, as well as linking of education and labour market, elimination of discrimination on the basis of sex and support in employment and vocational direction for the population of youth.
- The Government of the Republic of Srpska, at its 114th session, held on March 5th, 2009 adopted the Draft Strategy of Development of Local Self Governance in the RS from 2009 to 2015 and sent it in public hearing. The Strategy anticipates innovations in the work of local administration and its larger responsibility for the situation in the local area. The strategy also envisages that the local self governance will be closer to the population by strengthening the work of local communities and direction of capacities of local self-governance to be ready to accept European standards in the process of accession to the EU.

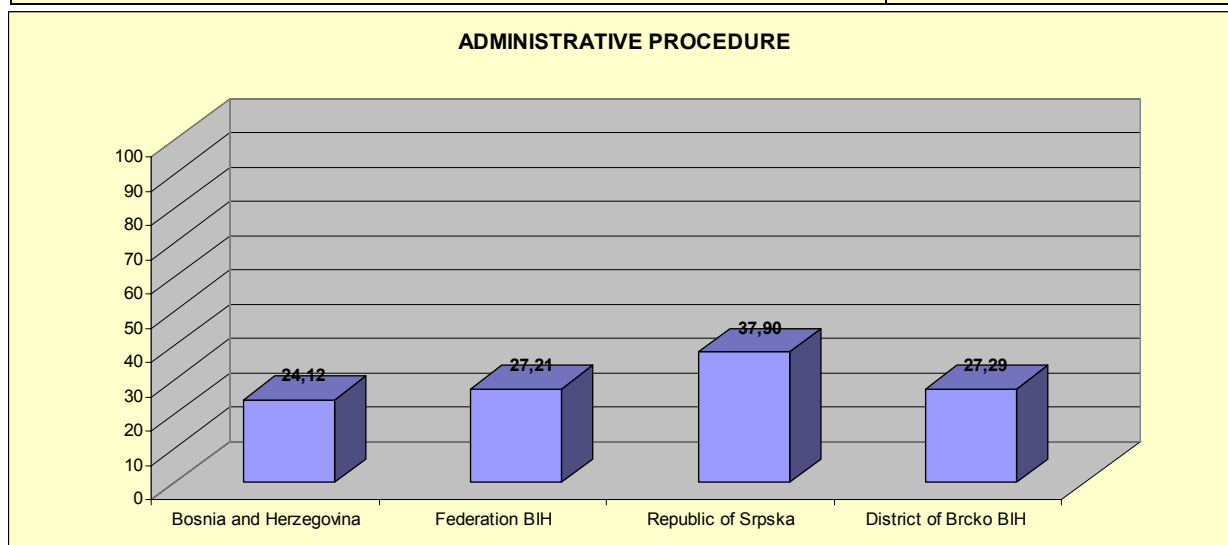
3.1.4 Administrative Procedure

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 March 31st, 2009 amounts to **30.79 per cent**, which presents an increase by **2.86 per cent** in relation to the previous reporting period.

Table 13 gives the overall overview of implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Administrative Procedure.

Table 13: Implementation of the AP1 of the PAR Strategy in BiH – reform area of Administrative Procedure

ADMINISTRATIVE PROCEDURE	Implemented
Bosnia and Herzegovina	24.12
the Federation of BiH	27.21
the Republic of Srpska	37.90
the Brčko District of BiH	27.29



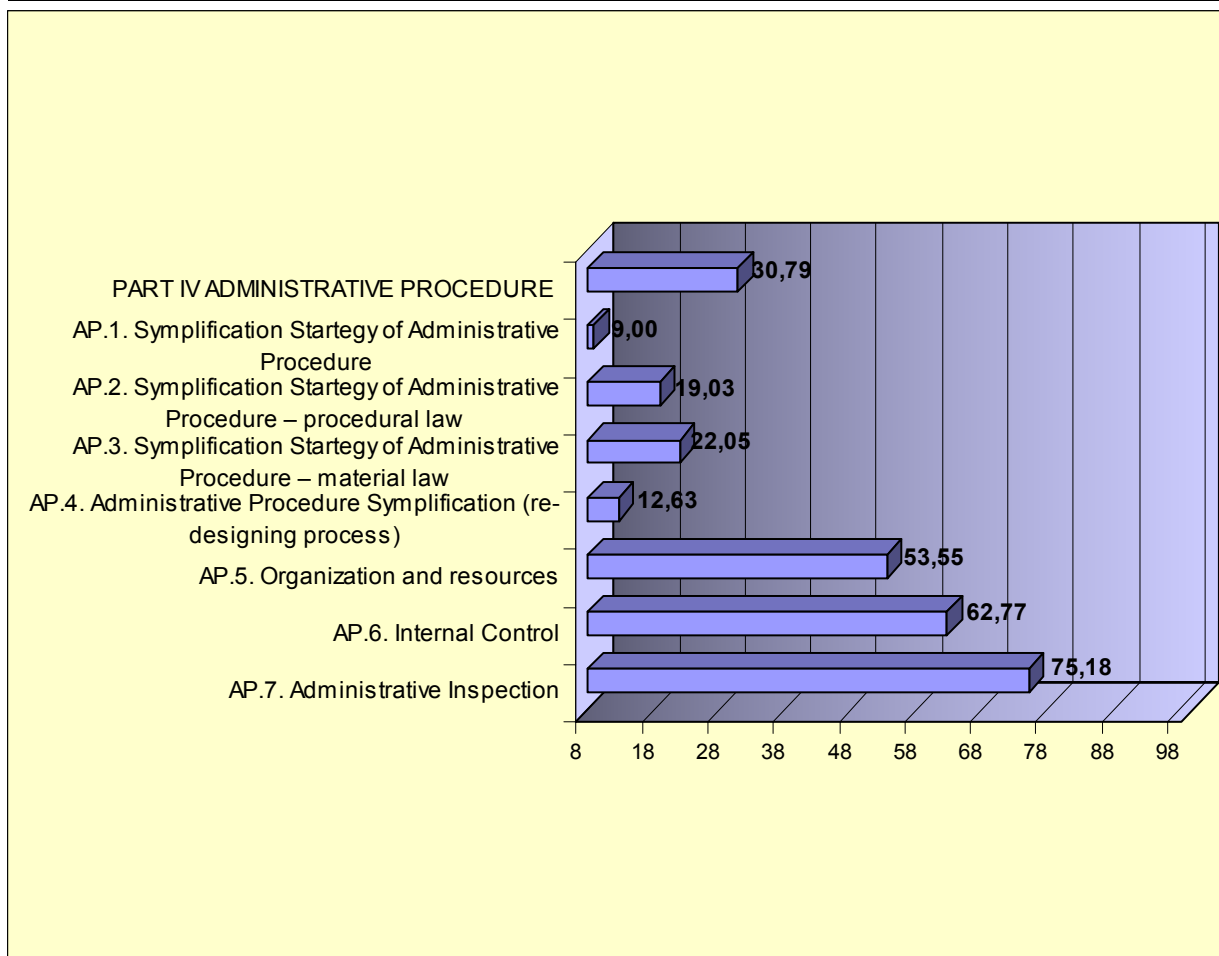
The most important activities in the reporting period are related with the following:

- Decision on annulment ended the public procurement procedure of consultancy services for realisation of the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”. Decision on annulment of the public procurement procedure was adopted at the seventh session of the PARF JMB.
- In this reporting period, there was work on preparation of logical frameworks and project proposals for the following projects: the project “Harmonisation and Improvement of the Current Laws on Administrative Procedure on All Administrative Levels in BiH” and the project “Education of Leaders of Administrative Procedures and Administrative Inspectors”.
- The PARCO, together with the experts of the OECD / the SIGMA (Support for Improvement in Governance and Management in Central and Eastern European Countries) is preparing a workshop for representatives of the legislative authority (the Constitution-Legal Commission of the House of Representatives of the Parliamentary Assembly of BiH, the Constitution-Legal Commission of the House of Peoples of the Parliamentary Assembly of BiH and the Joint Commission for European Integration of the Parliamentary Assembly of BiH), and a workshop for the members and the deputy members of the Supervisory Team from the area of Administrative Procedure, the entity public administration reform coordinators and the coordinator of the Brčko District of Bosnia and Herzegovina in order to acquaint the representatives of the executive and the legislative authorities with the best European practices in the field of administrative decision-making, and make them involved in the reform processes from this field.

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

Table 14: Overview of the activities and measures for the reform area of Administrative Procedure

COMPONENT OF THE ACTION PLAN 1	Implemented
PART IV ADMINISTRATIVE PROCEDURE	30.79
AP.1. Simplification Strategy of Administrative Procedure	9.00
AP.2. Simplification Strategy of Administrative Procedure - procedural law	19.03
AP.3. Simplification Strategy of Administrative Procedure - material law	22.05
AP.4. Administrative Procedure Simplification (redesigning process)	12.63
AP.5. Organisation and Resources	53.55
AP.6. Internal Control	62.77
AP.7. Administrative Inspection	75.18



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

Procedure was completed for public procurement of consultancy services for the implementation of the project **“Draft of Administrative Decision Making in BiH Quality Improvement Programme”**, by a Decision on annulment of the said procedure. The procedure was ended in this manner because only one of six candidates, who have taken the tender documentation, submitted the request for participation in the said process. Commission responsible for conducting the procurement procedure found that the submitted request for participation does not meet the conditions of the tender documentation in respect of years of experience of experts gained in the public administration, and they proposed adoption of the Decision on annulment of the procurement procedure, which was adopted at the seventh session of the PARF JMB, held on February 2nd, 2009. Given that it is necessary to repeat the procedure of public procurement for implementation of this project, the candidates who took the tender documentation but failed to submit the requests for participation were contacted, to learn the reasons of failure to submit the requests for participation in order to avoid the situation that the repeated procedure of procurement for this project ends in annulment of the

procedure. Candidates mostly, as the reason of failure to submit the requests for participation, stated qualifications of experts, which refer to the years of experience gained in public administration. Consulting market is still emerging for projects of this type and there is a small number of consulting companies, which have the capacity for realisation of this project, and there is a real danger that the repeated procedure ends in annulment for reasons of insufficient number of qualified requests for participation if the procedure is repeated under the same conditions as the previous one. In the coming period will be expected the opinion of members of the Supervisory Team for the area of Administrative Procedure in connection with the aforementioned, in order to take further actions on the implementation of this project.

Activities were undertaken on preparation of the logical framework and the project proposal for the project **“Harmonisation and Improvement of the Current Laws on Administrative Procedure on all Administrative Levels in BiH”**.

Activities were undertaken on preparation of the logical framework and the project proposal for the project **“Education of Leaders of Administrative Procedures and Administrative Inspectors”**.

In continuation is the overview of activities and progress by levels of authority.

On the state level the progress in implementation of the AP1 of **3.24 per cent** has been achieved in relation to the previous reporting period:

- An Instruction on Design and Maintenance of the Official Web Sites of Institutions of Bosnia and Herzegovina has been adopted - this Instruction ensures development of web pages by enrichment of its contents with official information that is updated, well written and meets the global audience in terms of a simple access.
- Secretaries of the governments of all levels signed a Memorandum of Mutual Cooperation – for the purpose of establishing full accountability of local authorities for preparation and policy making on all levels of government and improvement of mutual communication.
- At the website of the PARCO, www.parco.gov.ba, application “Interactive Map of Administration” was launched, which gives the users of the internet information on which institution and in what manner provide the services to citizens and to the business community.
- Completed was the Phase I of the project “e-Government” in the Council of Ministers.
- Drafted was the set of rulebooks and legal documents for normal functioning of the project e-Government: Decision on Electronic Operations and e-Government of the Council of Ministers of BiH, Decision on Use of Communication Facilities of the e-Government of the CoM BiH, Decision on Amendments to the Rules of Procedure of the CoM BiH.
- Ministry of Communications and Transportation proposed changes in the Law on Administrative Procedure related with the needs functioning of electronic operations and the project of e-Government.

On the level of the Republic of Srpska the progress in implementation of the AP1 of **5.53 per cent** has been achieved in relation to the previous reporting period:

- Adopted Order on the Principles of Internal Organization and Systematization of Jobs in the Republic Administration Bodies of the Republic of Srpska, from which stems the obligation of all republic bodies of administration to harmonize their rulebooks with this Order, thus establishing appropriate structures and personnel.
- The Law on Electronic Operations passed the procedure in the Government of the RS and was sent to the National Assembly of the RS for adoption.
- Ongoing is draft of bylaws for electronic signature.
- Signed Memorandum of Understanding related with implementation of the GAP project of administrative accountability. This Memorandum sets forth work on improving the legal framework governing electronic data processing. GAP will appoint the mixed WG for the purpose of negotiations with the central authorities, as well as changes and amendments to existing LAPs. Alliance of Municipalities and Cities of the RS and the GAP will cooperate

in providing data from the registries in order to reduce administrative burden of citizens and business entities.

- Law on Changes and Amendments to the Law on Republic Administration – which achieves harmonisation of this Law with the Law on General Administrative Procedure in respect of prescribing possibilities for appeal against first instance administrative acts of the ministries and independent administrative organisations. These modifications provide for more efficient and more cost-effective work in a second instance administrative procedure and avoid ambiguity in the conduct of proceedings.
- The Law on Administrative Inspection, art. 27, prescribes fines for responsible persons in the administrative bodies in case of violation of provisions of the said law. Also, the law stipulates competency of the administrative inspector, which extends their jurisdiction to planning of activities and verification of all aspects of the procedure (art. 7 to art. 12) as well as maintenance of records on inspection supervision. Adopted programme of work of the Administration Inspection for 2009.
- Adopted Rulebook on the Content and Manner of Keeping Records on Inspection Supervisions of administrative inspectors and the Rulebook on the Form, Format, Content and Manner of Publishing of official identification of administrative inspector.
- After adoption of the Law on Civil Servants in November 2008, and pursuant to article 80 of the said the said Law, ongoing is preparation of the Order of the Government of the RS which would in more detail regulate the provisions on initiation of procedure for establishment of professional negligence and other issues of importance for protection of work discipline.
- Adopted project “Simplification of Activity of Issuing Permits and Regime of Inspection”
- Adopted Strategy of e-Government of the RS.

On the level of the Federation of BiH the progress in implementation of the AP1 of **1.6 per cent** has been achieved in relation to the previous reporting period:

- Adopted project “Simplification of Activity of Issuing Permits and Regime of Inspection”.

On the level of the Brčko District of BiH the progress in implementation of the AP1 of **1.2 per cent** has been achieved in relation to the previous reporting period.

3.1.5 Institutional Communications

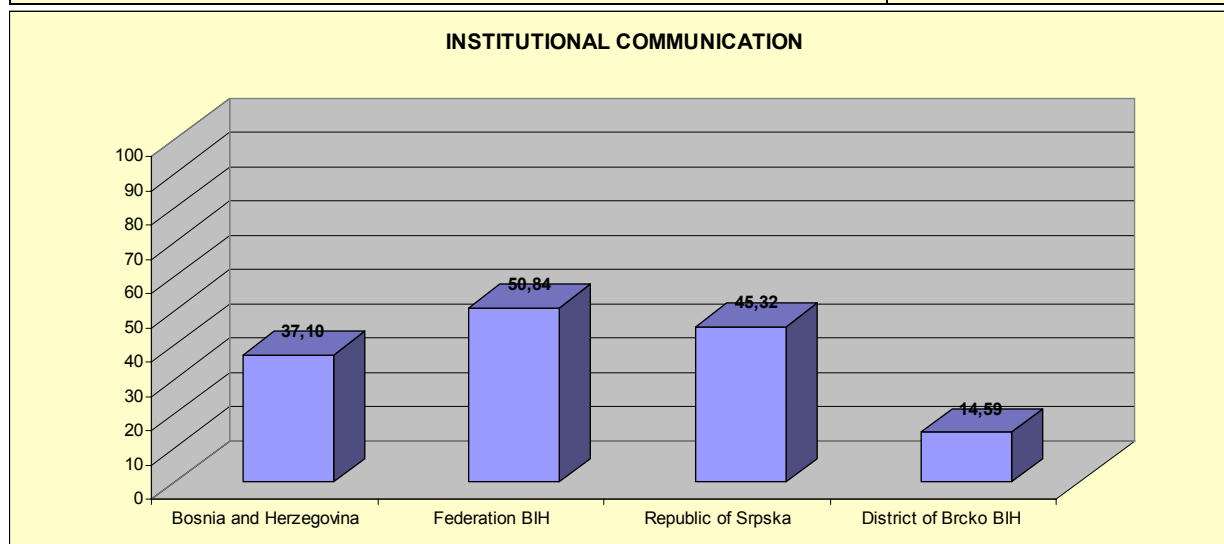
Overall implementation of the AP 1 in the area of Institutional Communications, on the state, entity and the level of the Brčko District of BiH, by March 31st, 2009, amounts to **34.87 per cent**, which is an increase of **1.56 per cent** in relation to the previous report.

Continued were project activities (draft of project proposals / terms of reference, procurement of services and implementation) on four projects. Coordination of work of the Supervisory Team, which in the first quarter of 2009 held two meetings, was intensified. The Government of the Brčko District of BiH, by employing public relations officer strengthened institutional basis for implementation of the measures of the AP 1 from the subject area. Adoption and amendment of key regulations on the level of BiH and the Republic of Srpska, for the purpose of fulfilment of the measures of the AP 1, has been noted.

Table below shows the overall progress in implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Institutional Communications.

Table 15: Implementation of the AP1 of the PAR Strategy in BiH – reform area Institutional Communications

INSTITUTIONAL COMMUNICATIONS	Implemented
Bosnia and Herzegovina	37.10
the Federation of BiH	50.84
the Republic of Srpska	45.32
the Brčko District of BiH	14.59



There has been a start of practical implementation of the project **“Establishment of Network of Info Stands”**. All administration levels appointed their representatives in the Implementation Team for realisation of this project. For the project **“Strategic Communication”**, the phase of prequalification in the procedure of public procurement of consultancy services has ended. For the project **“Training of Information Officers”** the PARF JMB approved the project proposal, while drafting of the terms of reference is ongoing. The PARCO is also preparing the project proposal for the project **“Publication of Information Material”**, common for all administrative levels.

The PARCO, on its website, placed an application **“Interactive Map of Administration”**, which provides information on the manner, type, and place of reception of services of public administration on four administrative levels. The intention of application is to provide to users of services of public administration the initial information on reception of services and indirectly promote the administration in BiH. The PARCO also carried out initial consultations with the officials of the Department for Promotion of the Directorate for European Integration (DEI) on the possibility of organising joint information and promotion campaigns of the PARCO and the DEI. The PARCO assumed an obligation to develop the proposal of the type, duration and cost

of such campaigns and to present it to the DEI.

On the level of BiH, by the end of this reporting period, the degree of implementation of the measures of the AP 1 amounts to 37.1 per cent. The Progress has been noted in the chapter of the AP 1 IC 13 – Web Pages. The Council of Ministers of BiH adopted the Instruction on Design and Maintenance of the Official Web Pages of the Institutions of BiH, which prescribed graphics, contents and security standards of web pages.

In the Federation of BiH, the degree of implementation amounts to 50.84 per cent and in relation to the previous reporting period no changes were noted.

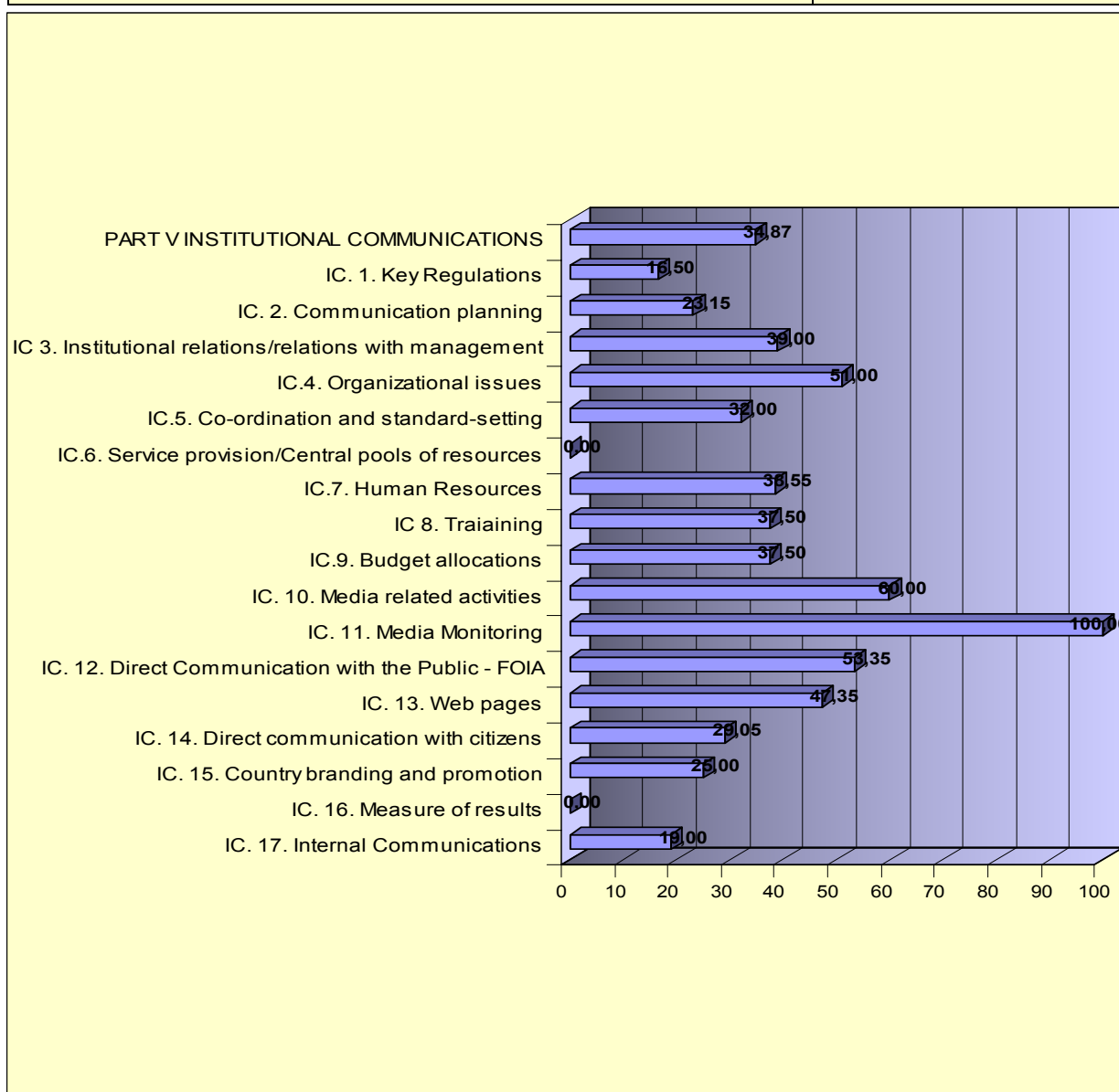
On the level of the Republic Srpska, implementation of the AP 1 amounts to 45.32 per cent. Changes in relation to the previous reporting period are related with the chapters IC 1 – Key Regulations and IC 14 – Direct Communication with Citizens. In the report of the entity coordinator from the RS, it has been stated that the Government of the RS fulfilled almost all the measures foreseen by the Action Plan 1, and that remaining obligations are related with other bodies of administration and administrative organisations of the Republic of Srpska.

The Brčko District of BiH has 26.5 per cent of implementation of the measures of the AP1 in the subject area. The change is related with the chapter IC 4 – Organisational Issues, to be precise filling the position of public relations officer of the Government of the Brčko District of BiH.

Table below gives the overview by chapters for the reform area of Institutional Communications.

Table 16: overview of the activities and measures for the reform area of Institutional Communications

COMPONENT OF THE ACTION PLAN 1	Implemented
PART V INSTITUTIONAL COMMUNICATION	34.87
IC 1. Key Regulations	16.50
IC 2. Communication Planning	23.15
IC 3. Institutional Relation/Relations with Management	39.00
IC 4. Organisational issues	51.00
IC 5. Coordination and Standard Setting	32.00
IC 6. Service Provision/Central Pools of Resources	0.00
IC 7. Human resources	38.55
IC 8. Training	37.50
IC 9. Budget Allocation	37.50
IC 10. Media Related Activities	60.00
IC 11. Media Monitoring	100.00
IC 12. Direct Communication with the public - FOIA	53.35
IC 13. Web Pages	47.35
IC 14. Direct Communication with Citizens	29.05
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.

3.1.6 Information Technologies

In the previous reporting period a progress has been achieved in implementation of the measures and activities from the Action Plan 1 of the Public Administration Reform Strategy in the area of Information Technologies on all levels of authority in BiH, which now amounts to **27.19 per cent** in relation to the Plan, not counting the time frame for implementation of the activities given in the Action Plan 1 of the Strategy of the Public Administration Reform in BiH. This amount presents an increase by **0.42 per cent** in relation to the previous reporting period.

On the level of BiH, the Council of Ministers of BiH carried out the following activities: at the 74th session they adopted the Decision on the Basis of the Use of Electronic Signature of BiH, at the 75th session they adopted the Instruction on Design and Maintenance of Websites of Institutions of BiH. Draft Law on Agency for Development of Information Society of BiH, was adopted at the 44th session of the House of Representatives. On the level of the Republic of Srpska, the Law on Electronic Operations passed the procedure in the Government of the RS and was sent to the National Assembly of the RS for adoption.

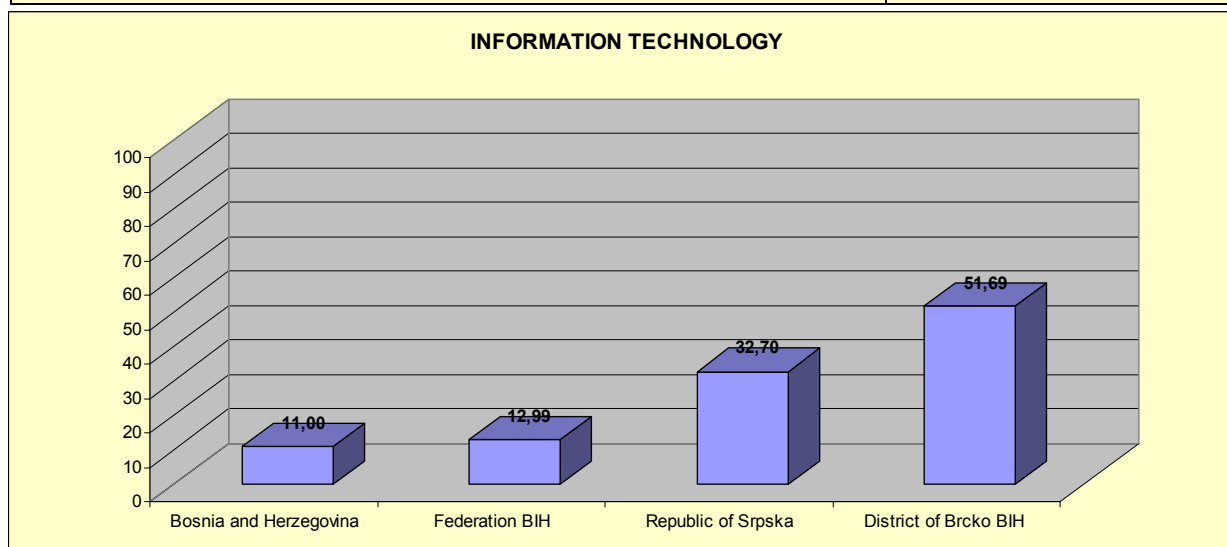
Terms of reference and changed tender documentation for the project **“Design and Establishment of Interoperability Framework and Standards for Data Exchange”** were approved by the PARF JMB.

In the pilot-project **“One Stop Shop – Services for Assistance to Citizens”**, necessary changes were made in the project proposal and the terms of reference, which were requested by the representatives of the European Commission Delegation. The work on draft of the tender documentation is ongoing.

Degree of realisation of the Action Plan 1 of the PAR Strategy, by levels of authority is shown in the table below.

Table 17: Implementation of the AP1 of the PAR Strategy in BiH – reform area Information Technologies

INFORMATION TEHNOLOGY	Implemented
Bosnia and Herzegovina	11.00
the Federation of BiH	12.99
the Republic of Srpska	32.70
the Brčko District of BiH	51.69



After ending of the first phase – prequalification for procurement of consultancy services for the project **“Design and Establishment of Interoperability Framework and Standards for Data Exchange”**, there were no candidates applied for participation in the process of public procurements. In accordance with the Commission's recommendation, the companies which took the tender documentation were contacted and analysis was performed, and the terms of

reference and the tender documentation were amended accordingly. At the joint meeting of the Supervisory Team for the area of Information Technologies the changes in the terms of reference were unanimously supported. At the eighth session of the PARF JMB all members of the PARF JMB approved the changes in the terms of reference and the tender documentation, provided that comments of the representatives of the RS are entered and that the amended documentation is provided for review, which has been done.

Necessary changes were made in the project proposal and the terms of reference of the project **“One Stop Shop – Services for Assistance to Citizens”** (pilot project of the BD BiH) in accordance with the comments of the representatives of EC Delegation in BiH. At the eighth session of the PARF JMB the members of the PARF JMB received signed Decisions on acceptance of the terms of reference “One Stop Shop - Services for Assistance to Citizens”.

E-Government in the Council of Ministers of BiH: The project e-Government in the Council of Ministers of BiH (Phase I), which is being implemented by the UNDP, implies redesign and mutual harmonisation of web pages of all institutions on the level of BiH. Since the PARCO participates in the said project, in the previous period numerous meetings have been held to agree the dynamics of its implementation. In accordance with that, creation of a new design of the web site of the PARCO has been completed, which suits unique requirements and standards of the project. Group and individual training of the administrators of the web site of the PARCO have been implemented, as well as the first testing of the new web site. During testing, it was observed that certain corrections are needed. After these corrections are implemented and the final test completed, it is expected to have it fully functional in the coming period.

On the level of BiH, the following activities have been implemented:

- The Council of Ministers, at the 74th session adopted the Decision on the Basis of the Use of Electronic Signature of BiH.
- The Council of Ministers, at the 75th session adopted the Instruction on Design and Maintenance of Websites of Institutions of BiH.
- Draft Law on Agency for Development of Information Society of BiH, was adopted at the 44th session of the House of Representatives.
- Completed Phase I of the project e-Government of the Council of Ministers of Bosnia and Herzegovina.
- Drafted set of rulebooks and legal documents for normal functioning of the project e-Government:
 - a) Decision on Electronic Operations and e-Government of the Council of Ministers of BiH,
 - b) Decision on Use of Communication Facilities of e-Government of the CoM BiH,
 - c) Decision on Changes and Amendments to the Rules of Procedure of the CoM BiH,
 - d) Instruction on Design and Maintenance of Websites of Institutions of BiH.

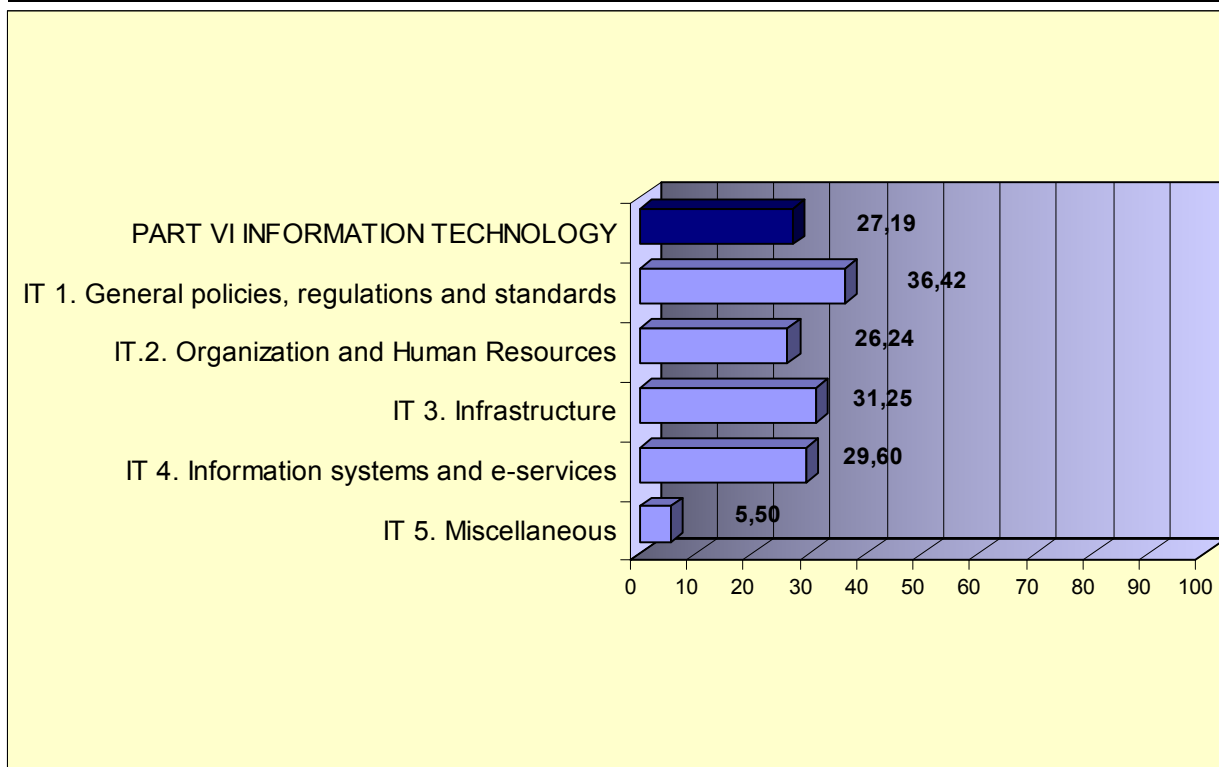
On the level of the Republic of Srpska, we were notified that following activities were being implemented:

- The Law on Electronic Operations passed the procedure of the Government of the RS and was sent to the National Assembly of the RS, for adoption.
- Ongoing is draft of bylaws for the Law on Electronic Signature.
- Ongoing is draft of Strategy of Development of Information Society of the Republic of Srpska 2009-2012.

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

Table 18: overview of activities and measures for the reform area of Information Technologies

COMPONENT OF THE ACTION PLAN 1	Implemented
PART VI INFORMATION TEHNOLOGIES	27.19
IT 1. General policies, regulations and standards	36.42
IT.2. Organisation and human resources	26.24
IT 3. Infrastructure	31.25
IT 4. Information systems and e-services	29.60
IT 5. Miscellaneous	5.50



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

3.2 Implementation of the Action Plan 1

The PARCO continuously develops the system of coordination of all the levels of authority in BiH, donors and others involved in the process of reform, monitoring of implementation as well as evaluation.

Public Administration Reform Fund:

The PARF JMB so far approved 11 projects for implementation of reform measures from the Action Plan 1, for which **7.574.278,12 KM** in total has been reserved, without the value added tax (VAT to this amount is 1.287.627,25 KM). The approved projects cover all four administrative levels (the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH) and they cover all six reform areas from the AP 1. In accordance with the conclusion of the PARF JMB and in agreement with the Ministry of Finance and Treasury of BiH, the PARCO will request from the Indirect Taxation Administration of BiH a refund of the paid VAT, in favour of the PARF.

The PARCO, in this reporting period also, continuously worked on the preparation of project proposals and terms of reference which are directly related with fulfilment of certain measures from the AP1, as well as on preparation of tender documentation and implementation of tender procedures for selection implementers of approved projects, which will be financed from the PAR Fund. Implementation of one project is ongoing, while other 10 projects are in the process of public procurements, in the phase of preparation of tender documentation or in the phase of preparation of project proposals and terms of reference.

In the first quarter of 2009, the PARCO started activities on **changes and amendments to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund**. Changes and amendments are mainly related to the period or duration i.e. period of extension of duration of the PAR Fund to enable unhindered and secure financing of the approved projects, taking into account different principles and procedures of donors when approving assets of donations or support to the Fund.

Problems during Implementation/Deviations from the Action Plan 1

With a certain progress achieved, difficulties noted with every element of implementation structure, related with mechanisms of implementation of the AP1, are still present (political coordination, supervisory function). There is still no solution to the matter of defining **entity public administration reform coordinator as an independent work place** (which from 2007 the PARCO requests from the entity governments).

Through the practice of the PARCO and data submitted through the individual reports of the entity coordinators, it is evident that limitations in implementation of started and planned projects are imposed also by procedures of public procurement for implementation of the projects financed by the assets of the PAR Fund. Duration of tender procedures, specifics of procurements (consultancy services) and an insufficient number of potential and qualified candidates, who apply for participation in implemented public procurement procedures, affect the delay of start of implementation of the projects in the reform areas and implementation of contracts.

When it comes to delivery of reports, it is necessary to stress that timely submitted progress report on implementation of the measures of the AP1 was only the one from the level of the RS, and that there was delay in delivery of progress reports from the levels of BiH, the FBiH and the BD BiH. That greatly affected the quality of information used in drafting of this quarterly report.

Quality of data on progress which are submitted by the administration bodies responsible for implementation of reform measures, from the aspect of verifiability and fulfilment of the essence, defined by the methodology of monitoring of progress of realization of measures from

the AP 1 of the PAR Strategy in BiH, according to past experience based on so far submitted data, is inadequate.

Members of the Supervisory Teams continuously stress the need of finding the way to pay remunerations for their work, and the current condition partially reflects their motivation to work in the Supervisory Teams.

The most quality human resources for work in the implementation teams are human resources who work on direct application of regulations in administrative decision making. Because these officers are overburdened by their regular activities at work, it is hard to find enough room for their quality work also as members of the implementation teams for certain reform areas. Also, inability to pay remunerations for their work outside of working hours will not be in favour of them deciding to work in the implementation teams.

Specific problems in certain reform areas, noted so far are:

- On the level of BiH, failure to adopt the Changes and Amendments to the Rulebook on Internal Organisation of the Secretariat General of the Council of Ministers of BiH complicated employment of a person which would be directly put in charge for cooperation with spokespersons and information officers both on the level of the Council of Ministers of BiH and on the level of the entities and the Brčko District of BiH.
- In the report of the entity coordinator from the level of the RS, the problem of defining competence and involvement of the republic administrations and the republic administration organisations in the activities of the AP 1 has been pointed out, as well as lack of information on the condition of institutional communication in the republic administrations and the republic administration organisations.

Proposals of Measures for Overcoming the Problems

- For successful implementation of the Action Plan 1 of the PAR Strategy in BiH, it is essential that individual institutions include in their work plans concrete activities from the AP 1, for which they are responsible.
- Ensure more functional and more efficient work of interdepartmental and intergovernmental bodies for monitoring and implementation of the reform measures from the Action Plan 1 and the PAR Strategy (supervisory team and implementation teams / work groups on a technical level). Resolve the issue of remuneration to the members of the supervisory and implementation teams.
- Provide timely informing, presence and participation of the representatives of the PARCO in initiatives and activities on change of laws and bylaws relevant to specific reform areas (especially for the area of Human Resources Management).
- Harmonise fields in the area of human resources management that require a common approach and agreement of all levels of government in order to ensure equal development, and ensure systematic and planned work on future changes of regulations.
- Increase flow of information and ensure continuous exchange of data on planned activities of bodies of state administration, as well as on the activities of donors, which are aimed at implementation of reform and implementation of the Action Plan 1 for the purpose of more efficient work, efficient use of resources and avoidance of duplication of effort. Provide better quality of materials, data and information submitted through the reports for monitoring of progress in implementation of the reforms and their timely delivery.
- Improve flow and exchange of information among all the representatives of implementation structures for implementation of the reform. This is especially related with mutual communication between the members of the supervisory team from different levels of authority (but also within the same level of government), the entity coordinators and the coordinator of the Brčko District of BiH, as well as communication towards the PARCO.

- It is necessary that the public administration reform coordinator for the RS establishes coordination with the republic administrations and the republic administration organisations related with implementation of the AP 1 for IC.
- For the purposes of more precise and faster collection of data on the condition in the field of Institutional Communications from as much as possible institutions covered by the public administration reform on all administrative levels, the PARCO will, for the next quarter, develop a questionnaire which could be used by the entity coordinators and the public administration reform coordinator of the Brčko District of BiH to collect information and draft progress reports.

4 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 ATTACHED TO THIS REPORT)