



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 APRIL 1ST – JUNE 30, 2009

JULY 2009

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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
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 in relation to the previous report (January – March 2009) is bigger by 1.91 per cent and now amounts to **36.46 per cent**.
- **The biggest progress** in relation to the previous report is noted in the reform area **Public Finances** and amounts to **6.53 per cent**, while the smallest progress is in the area **Policy Making and Coordination Capacities: 0.20 per cent**. In the area Human Resources Management the percentage of implementation is bigger by 0.84 per cent; in the area Administrative Procedure by 0.72 per cent; in the area Institutional Communications by 2.54 per cent and in the area Information Technologies 0.65 per cent.
- Overall, **since the start of implementation** of the Action Plan 1 of the Strategy of the PAR in BiH until June 30, 2009 **the biggest progress** in implementation is achieved in the reform area **Public Finances: 43.10 per cent**, and **the smallest** is in the area **Information Technologies: 27.84 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 insufficient inclusion of the PARCO in the processes 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.
- Although operative structures for implementation of the reform measures of the Action Plan 1 are active, their efficiency was decreased because of numerous failures of the members of the teams to attend the joint meetings, and because of unsolved matter of remuneration for work in the supervisory and implementation teams. The PARCO initiated the procedure in order to solve the matter of payment of remunerations for the members of the Supervisory Teams. However, the matter of remuneration for work of the implementation teams remains unsolved, because in the budget of the PARCO for 2009 the money was not provided for this kind of remunerations.
- Public administration reform coordinators of the Government of the FBiH and the Government of the RS still have this job as an additional engagement, which has a negative influence on 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 in the second quarter of 2009 as well did not discuss implementation of the Strategy of PAR in BiH.
- The Joint Management Board of the Public Administration Reform Fund so far approved eleven projects worth **7,647,243.93 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 six reform areas of the Action Plan 1. Implementation of one project is ongoing, and by the end of the third quarter of 2009 it is expected to sign the contracts with the selected bidders and to start implementation of 6 projects (which are currently in the phase of public procurements), while other 4 projects are in the phase of preparation of the tender documentation or in the phase of preparation of project proposals and terms of reference.
- The PARCO prepared and harmonised with the donors the Proposal of Changes and Amendments to the Memorandum of Understanding for Establishment of the Public

Administration Reform Fund. The PARCO, in accordance with the instructions of the Joint Management Board of the PAR Fund, prepared an **Annex to the Memorandum of Understanding for Establishment of the PAR Fund**, which extended validity of this document by the end of 2010. Opinions of the Legislation Office and the Ministry of Finance and Treasury were received, and the opinion of the Ministry of Foreign Affairs is still being waited on, so the PARCO could send the Annex in the further procedure stipulated by the provisions of the Law on the Procedure of Conclusion and Execution of International Agreements.

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, quarterly and annual, 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, 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: the AP 1) of the PAR Strategy (in percentages) from April 1st to June 30, 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). In the annex to this report is a detailed presentation of a degree of implementation of all measures from the AP1, 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. The OVIs are measurable parameters with the help of which it is possible to follow and evaluate implementation of concrete reform measure.

Specified are the changes in relation to the condition recorded in the previous report on progress of implementation of the AP1.

The progress in implementation of the measures from the AP 1 of the PAR Strategy in relation to the previous period (Quarterly Report for the period January – March 2009) is bigger by 1.91 per cent and now amounts to 36.46 per cent. In relation to the same period in 2008 the progress is 10.64 per cent.

The biggest progress in implementation in relation to the Annual Report is noted in the reform area **Public Finances** and amounts to **6.53 per cent**, while **the smallest** is in the area **Policy Making and Coordination Capacities: 0.20 per cent**.

Table below gives the comparative overview of the total achieved progress for the II quarter in 2008 and 2009 by reform areas from the AP 1 of the PAR Strategy.

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

REFORM AREA BY THE AP 1 OF THE STRATEGY OF THE PUBLIC ADMINISTRATION REFORM IN BIH	II quarter 2008 (%)	II quarter 2009 (%)	difference in %
POLICY MAKING AND COORDINATION CAPACITIES	24.88	36.16	11.28
PUBLIC FINANCES	28.69	43.10	14.41
HUMAN RESOURCES MANAGEMENT	29.82	42.77	12.95
ADMINISTRATIVE PROCEDURE	18.87	31.51	12.64
INSTITUTIONAL COMMUNICATIONS	30.92	37.41	6.49
INFORMATION TECHNOLOGIES	21.76	27.84	6.08

Overall, **since the start of implementation** of the Action Plan 1 until June 30, 2009, **the biggest progress** in implementation is achieved in the reform area **Public Finances: 43.10 per cent**, and **the smallest** is in the area **Information Technologies: 27.84 per cent**.

In preparation of 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 received from the donors, and information on the activities and projects whose initiator and bearer is the PARCO.

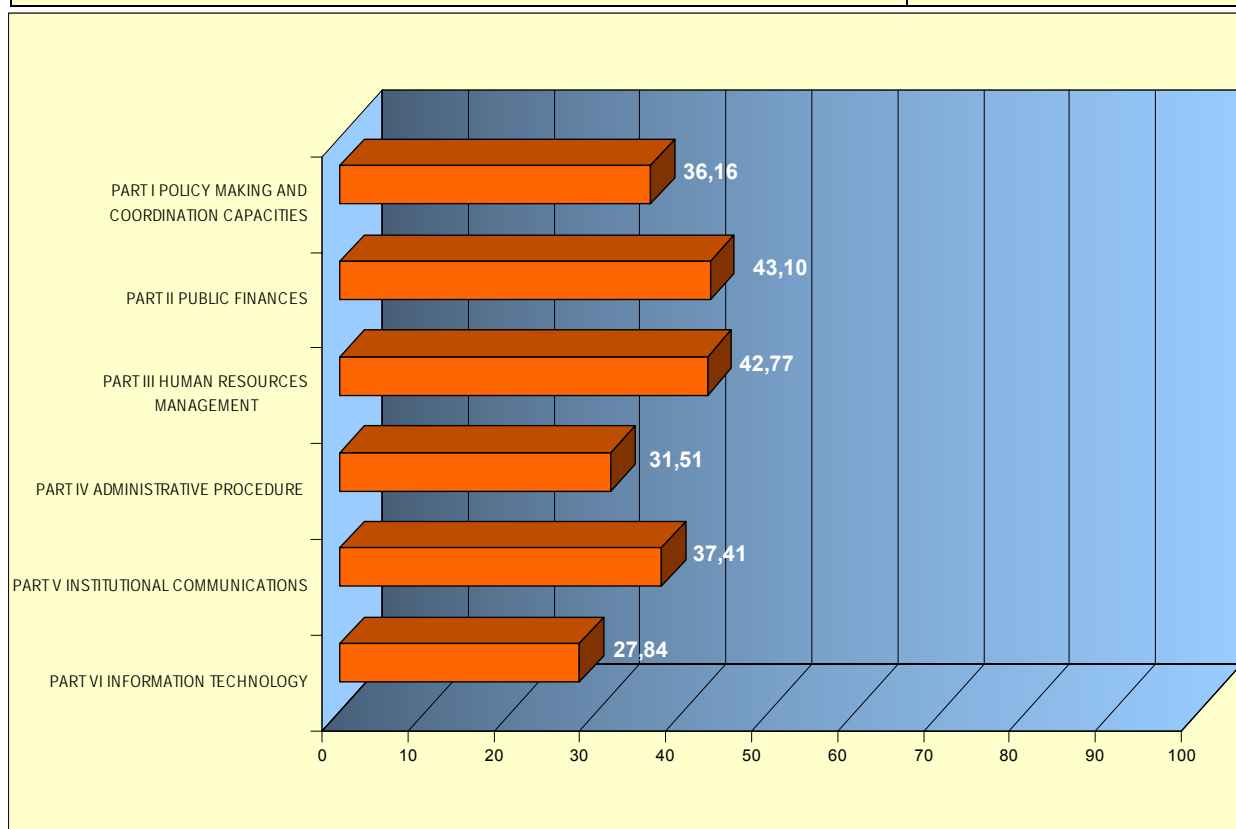
3 Overall Overview of Activities during the Reporting Period

Overall implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, by June 30, 2009, amounts to **36.46 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	36.16
PART II PUBLIC FINANCES	43.10
PART III HUMAN RESOURCES MANAGEMENT	42.77
PART IV ADMINISTRATIVE PROCEDURE	31.51
PART V INSTITUTIONAL COMMUNICATIONS	37.41
PART VI INFORMATION TECHNOLOGY	27.84

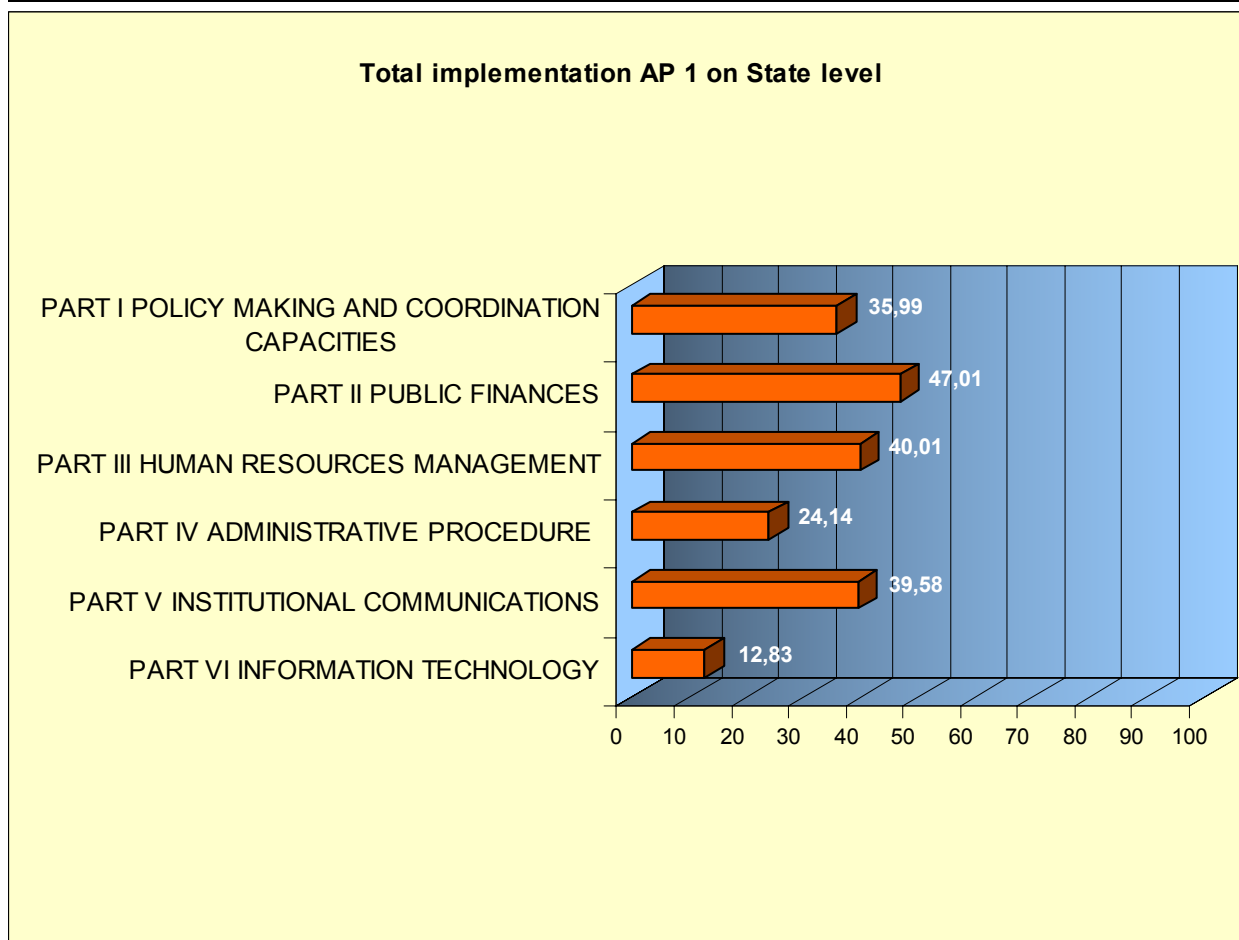


* Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

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, 2009.

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

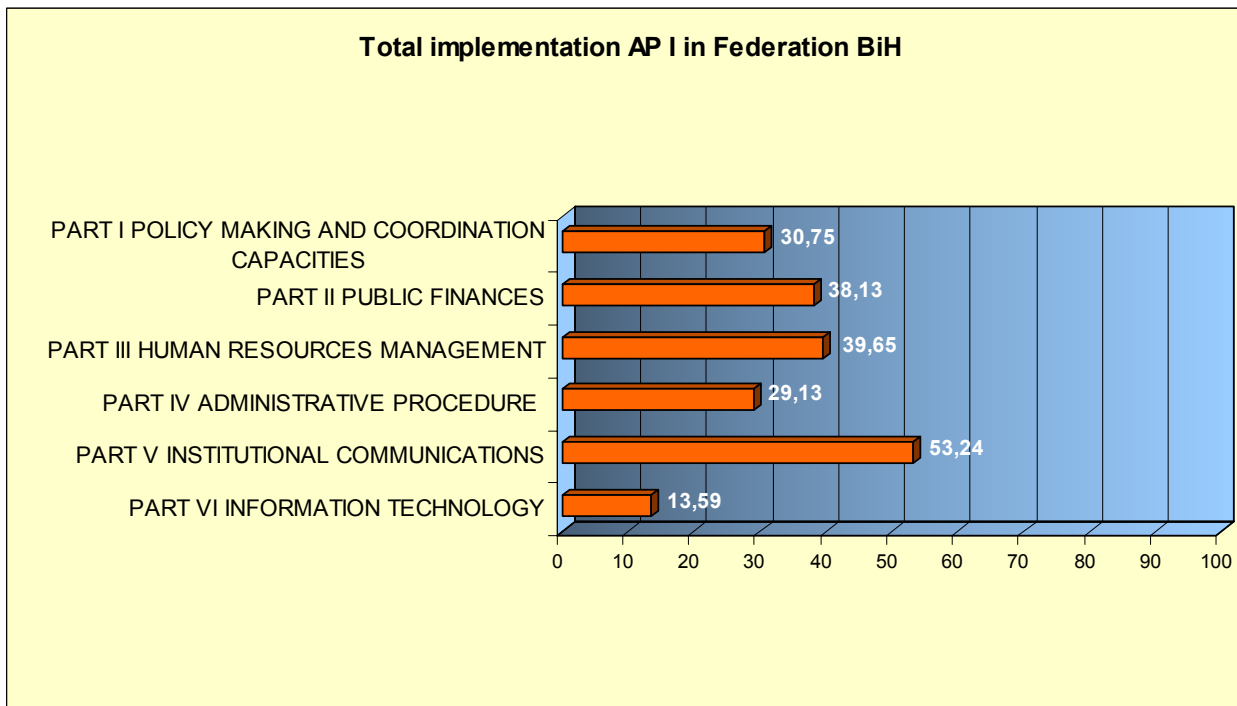
BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	35.99
PART II PUBLIC FINANCES	47.01
PART III HUMAN RESOURCES MANAGEMENT	40.01
PART IV ADMINISTRATIVE PROCEDURE	24.14
PART V INSTITUTIONAL COMMUNICATIONS	39.58
PART VI INFORMATION TECHNOLOGY	12.83



* 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

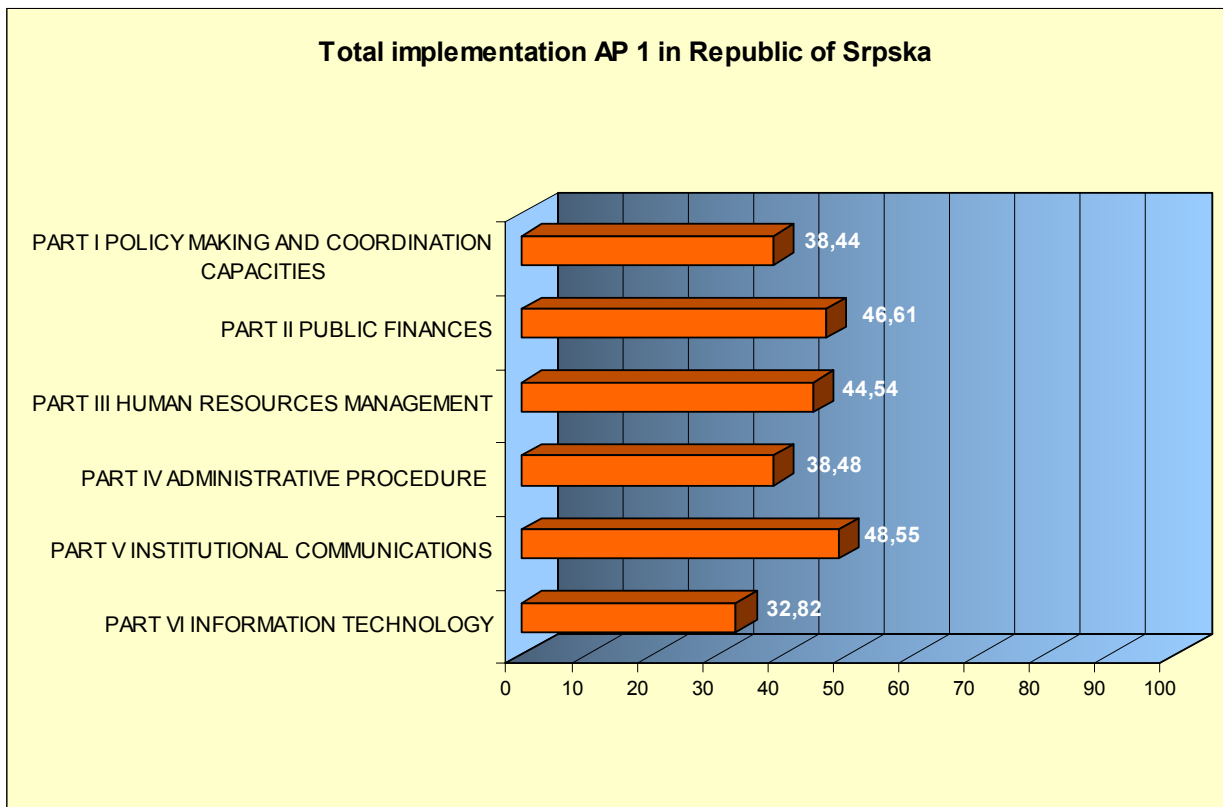
the FBiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	30.75
PART II PUBLIC FINANCE	38.13
PART III HUMAN RESOURCES MANAGEMENT	39.65
PART IV ADMINISTRATIVE PROCEDURE	29.13
PART V INSTITUTIONAL COMMUNICATIONS	53.24
PART VI INFORMATION TECHNOLOGY	13.59



* 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

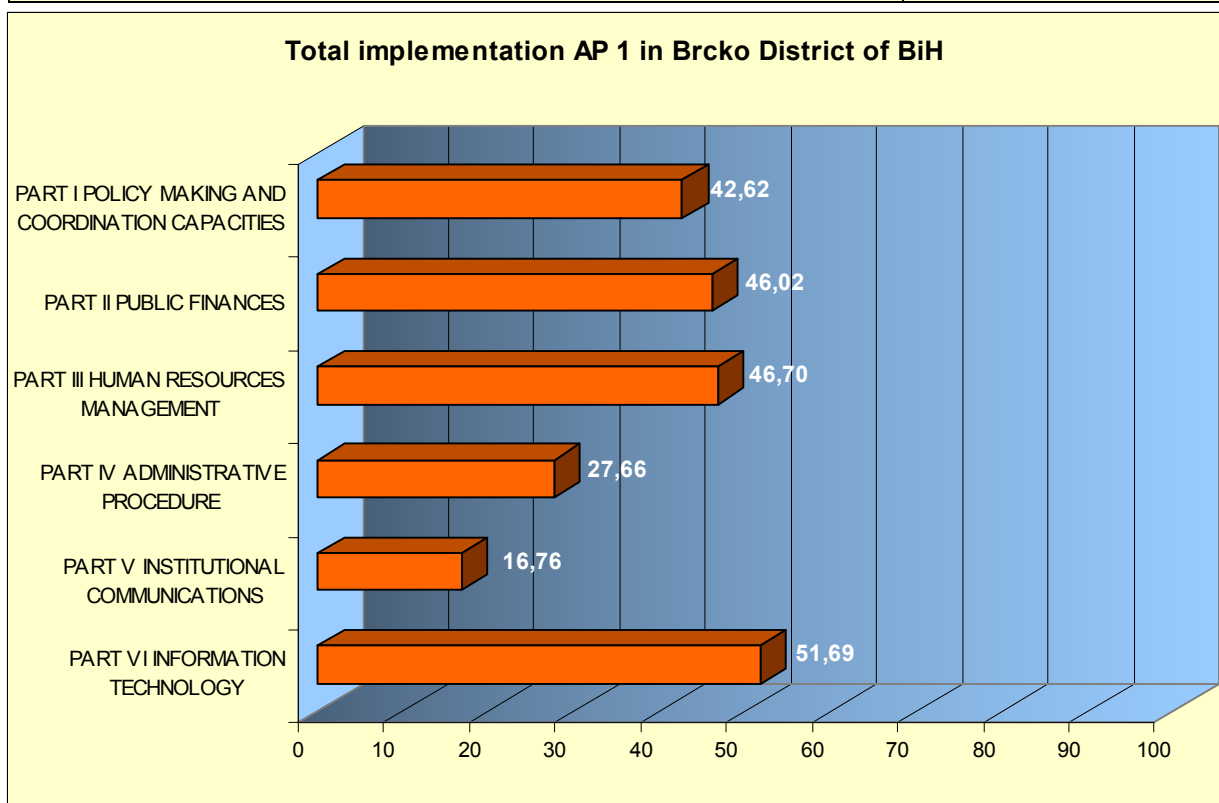
the RS level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	38.44
PART II PUBLIC FINANCES	46.61
PART III HUMAN RESOURCES MANAGEMENT	44.54
PART IV ADMINISTRATIVE PROCEDURE	38.48
PART V INSTITUTIONAL COMMUNICATIONS	48.55
PART VI INFORMATION TECHNOLOGY	32.82



* 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	42.62
PART II PUBLIC FINANCES	46.02
PART III HUMAN RESOURCES MANAGEMENT	46.70
PART IV ADMINISTRATIVE PROCEDURE	27.66
PART V INSTITUTIONAL COMMUNICATIONS	16.76
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 (implementation of the Action Plan 1 of the Strategy of the PAR in BiH)

3.1.1 Policy Making and Coordination Capacities

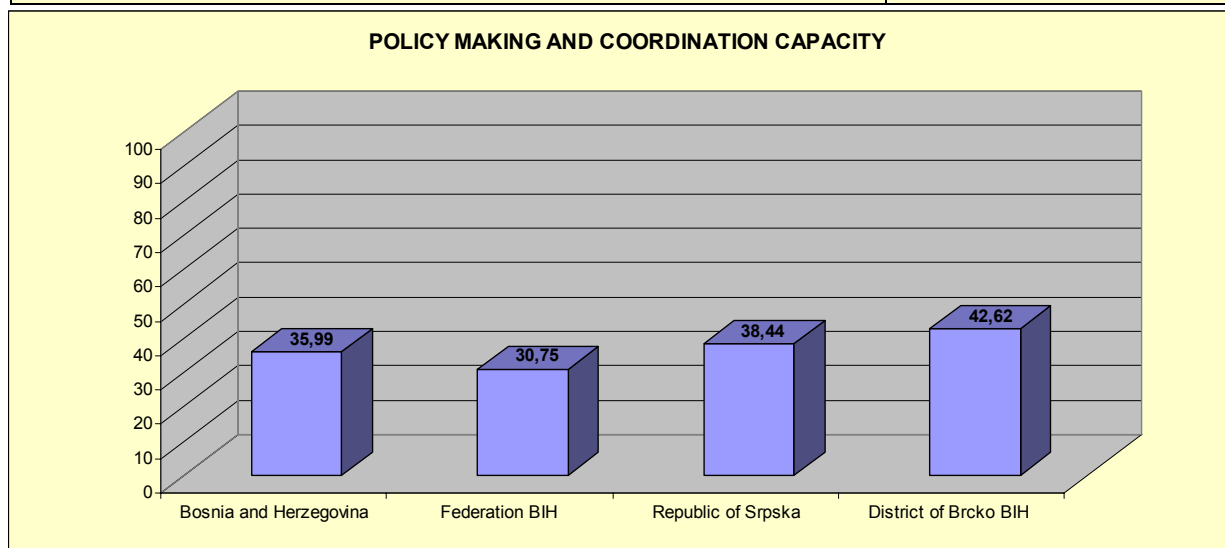
Implementation of the Action Plan 1 in the area Policy Making and Coordination Capacities on the state, entity and the level of the Brčko District of BiH amounts to **36.16 per cent**. In relation to the previous report the increase is **0.20 per cent**.

During second 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". Also, preparation of new project started – "Transposing EU Legislation in the Legal System of BiH". For this project, the draft project proposal has already been prepared.

Table below shows the total progress in the implementation of the Action Plan 1 of the Strategy of the PAR in BiH for this reform area.

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	35.99
the Federation of BiH	30.75
the Republic of Srpska	38.44
the Brčko District of BiH	42.62



During the reporting period changes to the terms of reference **"Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina - Implementation of Phase I"** were prepared and agreed, and then adopted at the session of the Joint Management Board of the Public Administration Reform Fund held on April 29, 2009 in Brčko. At the session of the Supervisory Team for the reform area Development of Capacities for Policy Making and Coordination, which was held on June 9, 2009 in Mostar, there was a launch of the procedure for appointment of members of the Implementation Team of the project. Also, tender documentation for the project was prepared, which was discussed at the session of the Joint Management Board of the PAR Fund on June 16, in Sarajevo. The tender documentation was supported by all the attending members of the Joint Management Board, and the PARCO awaits the standpoint of the Board members who have not attended the session. After their declaration the project will go into the phase of public procurement of services.

After several months, during which needs assessments were implemented, sector workshops held and detailed plans of activities for every ministry approved, implementation of the project **“Strengthening of BiH Capacities for Strategic Planning and Policy Development – SPPD”** continued, which will help the line ministries at putting to work the existing strategic plans and their better connectivity with the budget planning, improvement of policy development process, strengthening the capacities of ministries for preparation of legal regulations, as well as improvement of development of coherent sector strategies. In this regard, on April 24, 2009 the session was held of the Management Board of the SPPD project at which the Inception Report with the Plan of Activities for the next quarter was discussed. Also, on April 21st and June 22nd 2009, in the premises of the PARCO were held the meetings with the program manager of the SPPD project, which aimed at routing the SPPD project to fulfil the objectives of the Strategy of the Public Administration Reform in BiH. During this reporting period, first sector workshops were held from the area of strategic planning and policy development. Major step forward in the implementation of this project represents also official signing of the Memorandum of Understanding between the UNDP and the BiH authorities, representatives of the ministries from the state and entity levels from sectors for transport, energy, labour and employment. The Memorandum was signed on May 19, 2009 in Sarajevo, which formally defined obligations of the parties in implementation of the SPPD project.

After preparation of the terms of reference **“Improvement of Rules and Procedures for Legal, Other Regulations and General Acts Drafting in BiH”**, it was discussed and unanimously supported at the session of the Joint Management Board of the PAR Fund, held on April 29 2009 in Brčko. Continuation of activities on this project included the work on the tender documentation and initiation of procedure for the appointment of the Implementation Team which will direct the project in accordance with the needs of the beneficiaries. It is planned that the Implementation Team has eight members, with each administrative level appointing two members (one member from the Legislation Office / Secretariat and the second member should possess a mandate to propose changes to regulations and therefore should be appointed from the Ministry of Justice or the Parliament from the state level, or adequate institutions from the entity and the Brčko District of BiH level).

Activities on the project **“Legislation Database in BiH”** came to a phase of significantly slow dynamics of development because, according to all the members of the Supervisory Team for the area Improvement of Quality and Procedures of Drafting and Enactment of Regulations, all financial investments in human and material capacities related with the project **“Legislation Database in BiH”** must be stopped, following the directives of Governments from all four administrative levels on maximum saving in all areas. Continuation of activities on full implementation of this project in financial terms can be expected only in early 2010, when new budget for all institutions is adopted. However, activities will continue on processing of laws, regulations and other documents in electronic form, and certain progress in this regard has been made by holding the workshop **“Application of Software for Electronic Database of Regulations”**, which in accordance with the request of Supervisory Team, was organized on May 15, 2009 by the PARCO in cooperation with UNDP. At this workshop it was concluded that it is technically possible to make the existing regulations databases that exist on the state, entity and Brčko District of BiH level compatible, and then find the solution also to network these bases and their appearance on one web portal.

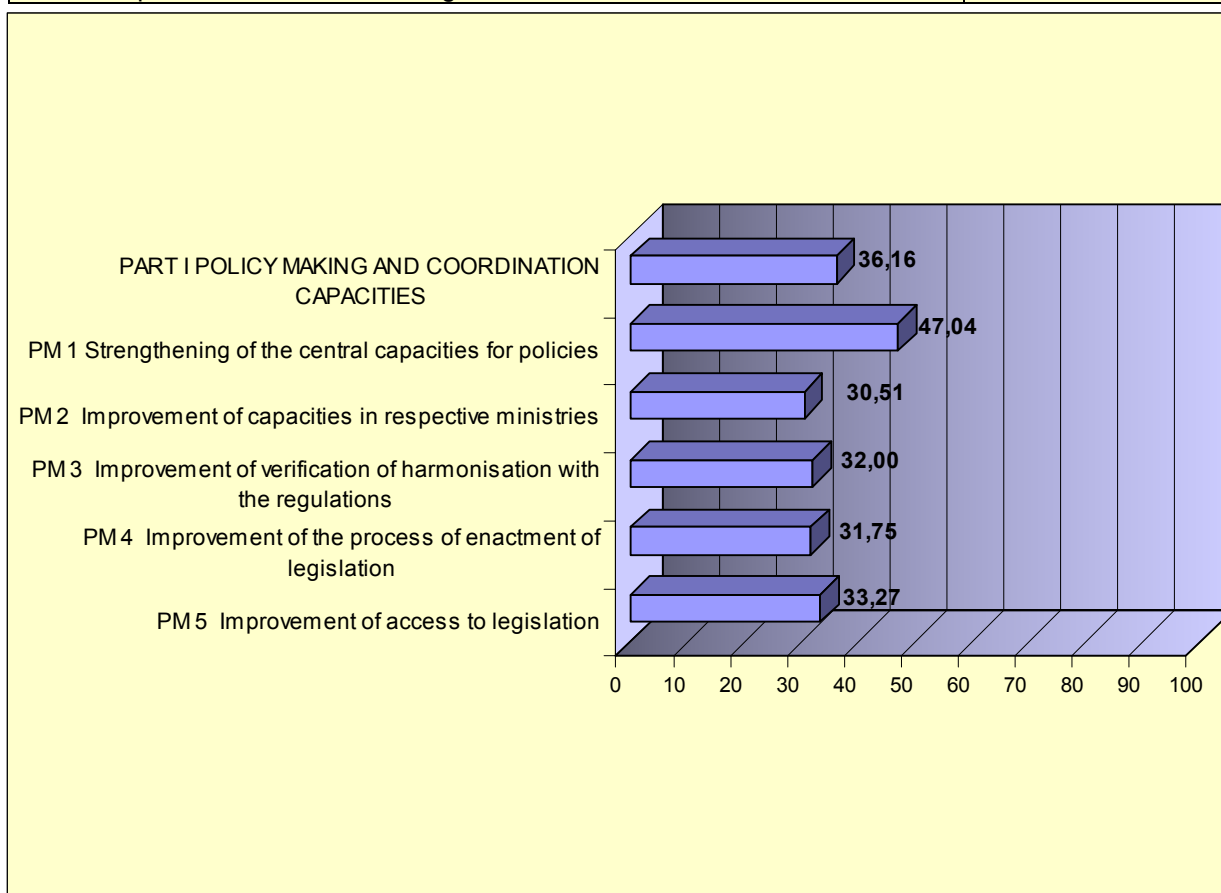
During this reporting period a draft project proposal **“Transposition of EU Legislation in the Legal System of BiH”** was prepared. The new project will improve the knowledge and skills of civil servants who are involved in legislation activities on all four administrative levels in the area of transposition of the EU legislation in the legal framework of BiH, and it will ensure closer cooperation of the Directorate for European Integration of BiH with other institutions in Bosnia and Herzegovina. In preparing this project proposal all the members of the Supervisory Team for the reform area Improvement of Quality and Procedures of Drafting and Enactment of Regulations were involved, as well as representatives of the Directorate for European Integration of BiH. Draft project proposal was submitted to the members of the Supervisory Team for the area Improvement of Quality and Procedures of Drafting and Enactment of

Regulations for their opinion, proposals and suggestion so it could be improved. After receiving all the opinions, drafting of the final project proposal will be initiated.

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	36.16
PM 1. Strengthening of the central capacities for policies	47.04
PM 2. Improvement of capacities in respective ministries	30.51
PM 3. Improvement of verification of harmonisation with the regulations	32.00
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

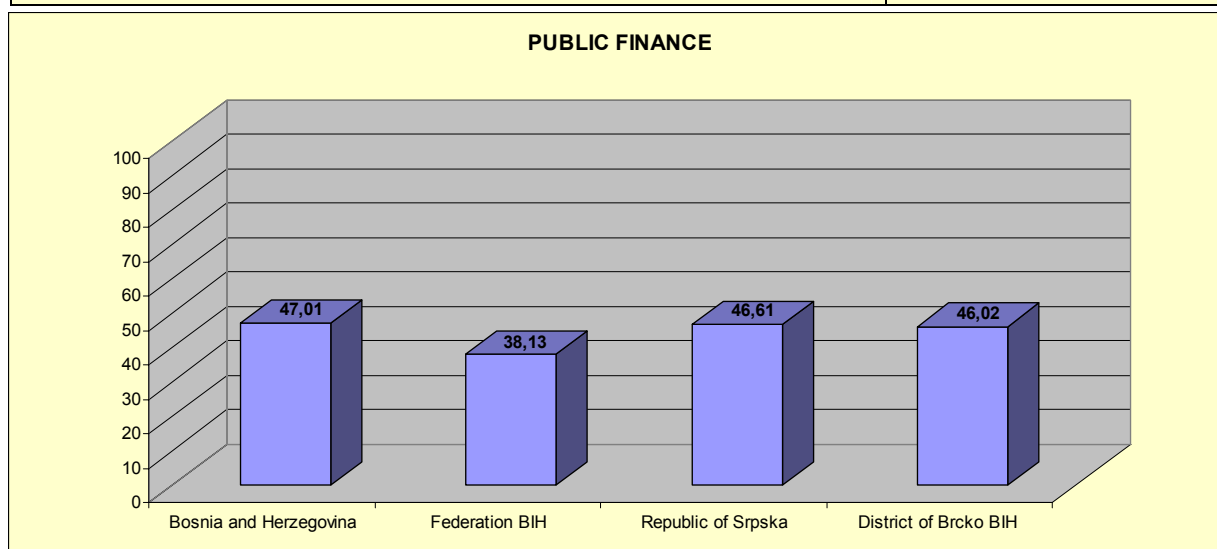
In the reporting period, implementation of the AP 1 in the area of Public Finances on the state, entity and the level of the Brčko District of BiH amounted to **43.10 per cent**. The degree of implementation of the measures of the AP 1 for the area of Public Finances increased in relation to the previous report by **6.53 per cent**.

Strengthening of mechanisms for fiscal coordination has been continued. Fiscal Council started to work in full capacity and in the second quarter four sessions were held, at which, among other things, agreements were made on the Stand By arrangement of BiH with the IMF. At the 10th session of the Fiscal Council, held on June 29, the Global Framework of Fiscal Balance and Policy for BiH from 2010 to 2012 was also adopted.

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	47.01
the Federation of BiH	38.13
the Republic of Srpska	46.61
the Brčko District of BiH	46.02



In the past quarter procedure of public procurement was initiated for implementation of the project “Budget Management Information System” – BMIS (Official Gazette of BiH 42/09).

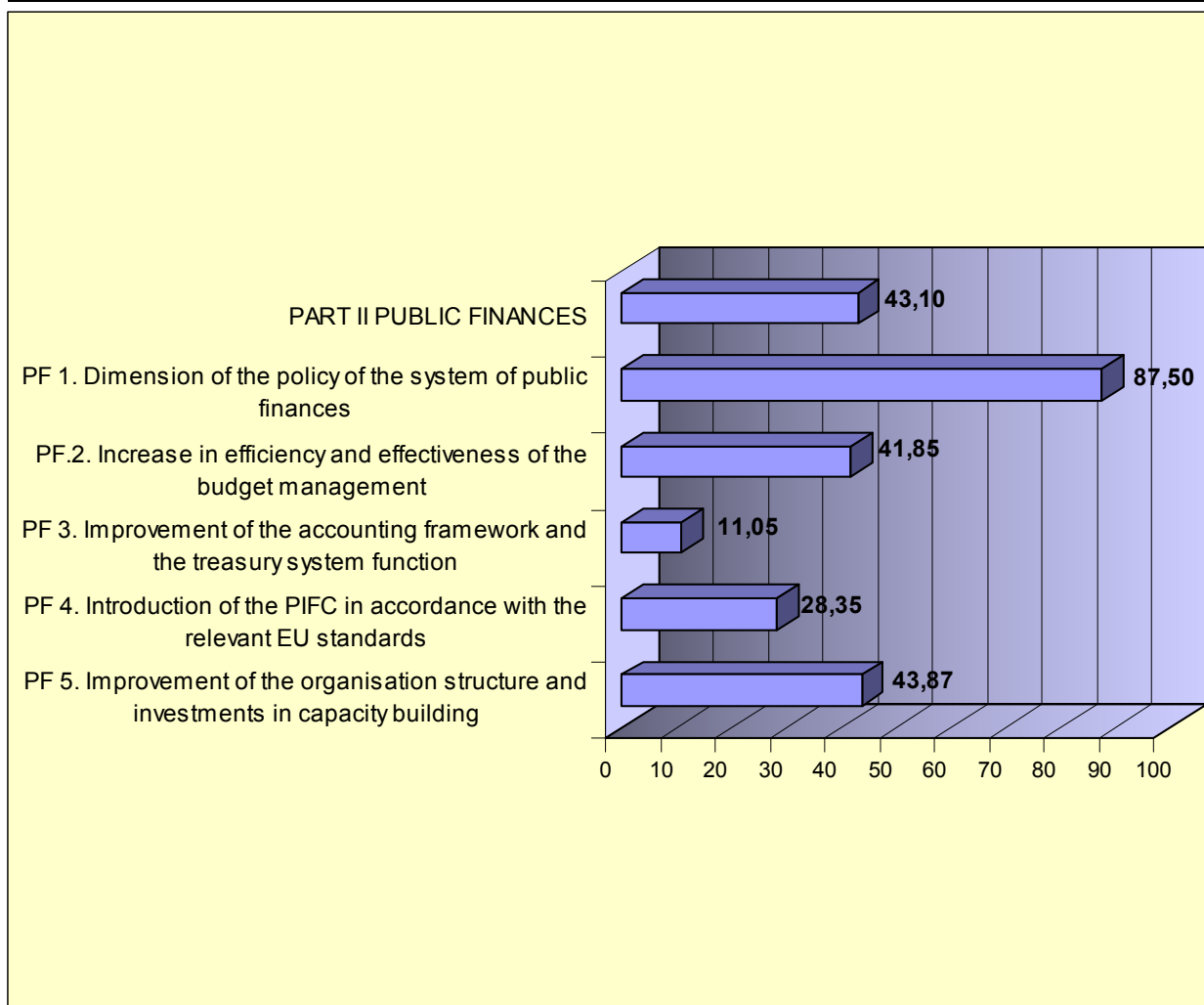
- At the state level the Law on Financing of Institutions of BiH has been changed, and the changes covered also the Framework Budget Document with all the accompanying elements: macroeconomic forecasts, revenue projections, expenditure policies and budget upper limits of expenditures. The said changes also defined the steps with the time dynamics in the process of preparation of the Framework Budget Document.
- In the second quarter the third phase of the Project of strengthening the management of public finances in BiH, financed by the DfID, was initiated. Further workshops within this project will be held at the end of 2009 and in 2010.
- In the RS there was establishment of the Department for Accounting and Audit in the Ministry of Finances of the RS, in accordance with the last changes of the Rulebook on Internal Organisation and Systematisation of Jobs. The said changes reorganised the existing jobs within new organisation units.

- In the Ministry of Finances of the FBiH there was additional strengthening of the Sector for Budget, by employment in accordance with the existing Rulebook on Systematisation of Jobs.
- In the past reporting period the Work Group for Draft of the PIFC Strategy completed the work, and it is expected that the entity governments and Council of Ministers will adopt the Strategy by the end of the year.

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	43.10
PF 1. Dimension of the policy of the system of public finances	87.50
PF.2. Increase in efficiency and effectiveness of the budget management	41.85
PF 3. Improvement of the accounting framework and the treasury system Function	11.05
PF 4. Introduction of the PIFC in accordance with the relevant EU Standards	28.35
PF 5. Improvement of the organisation structure and investments in capacity Building	43.87



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

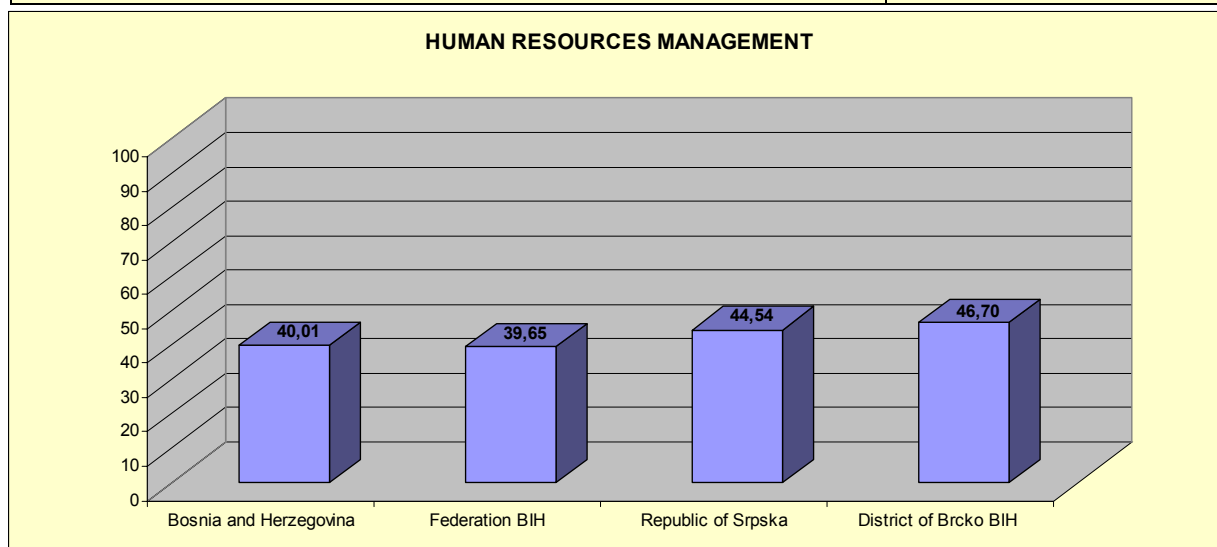
3.1.3 Human Resources Management

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 June 2009 amounted **42.77 per cent**, which presents an increase of **0.84 per cent** in relation to the previous reporting period.

Table 11 shows the overall progress in implementation of the Action Plan 1 for the reform Area of Human Resources Management (HRM).

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

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	40.01
the Federation of BiH	39.65
the Republic of Srpska	44.54
the Brčko District of BiH	46.70



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

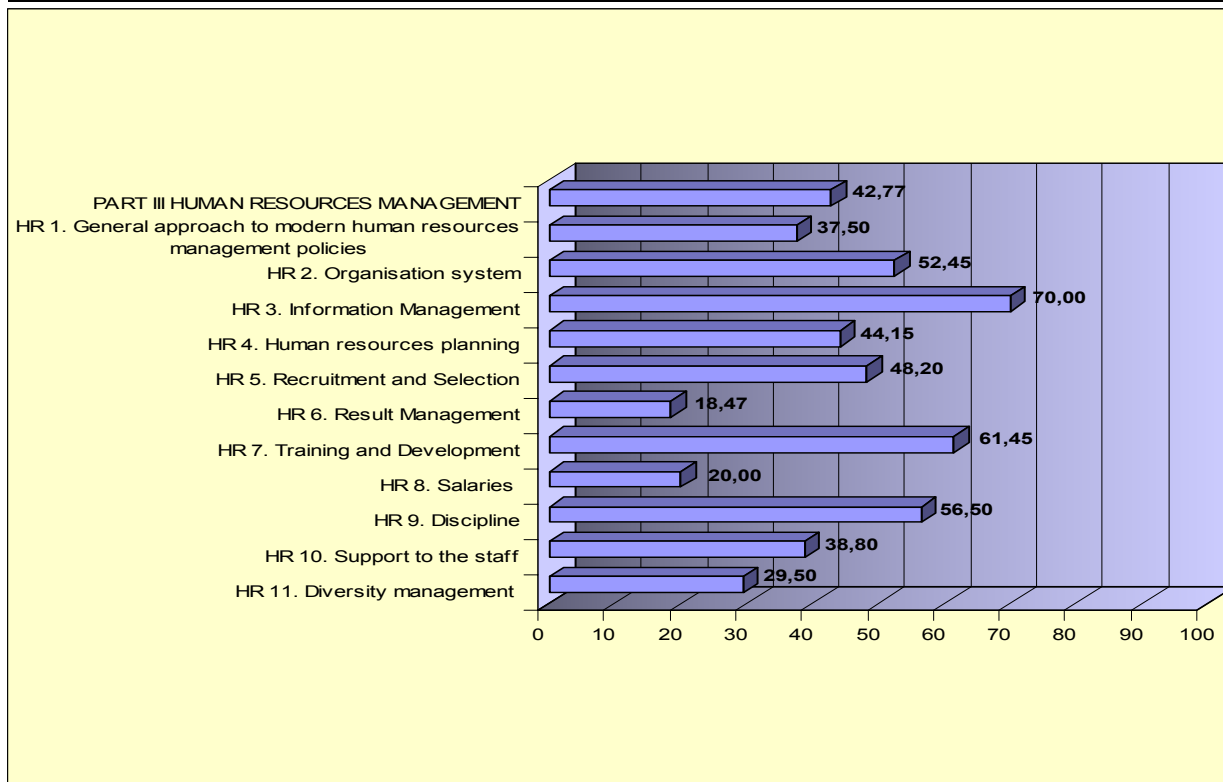
- Adopted Law on Changes and Amendments to the Law on Civil Service in Institutions of BiH (Official Gazette of BiH, No. 43/09);
- The Council of Ministers of BiH, at the 90th session adopted, at the proposal of the Ministry of Finance and Treasury of BiH, several respective decisions on the manner and procedure of exercising rights to remunerations stemming from the Law on Salaries and Remunerations in the Institutions of BiH;
- The House of Representatives of the Parliament of the FBiH, on April 21st, approved amendments to the Law on Civil Service in the Federation of BiH;
- The Government of the Republic of Srpska, at the 131st session adopted the Rulebook on Unique Rules and Procedure of Public Competition for Employment and Appointment of Officials. In the reporting period the Government of the RS, at the proposal of the Civil Service Agency, passed three more bylaws, whose enactment was established by the new Law on Civil Servants and these are: the Rulebook on Drafting and Content of Personnel Plan in the Republic Bodies of Administration, the Rulebook on the Manner of Evaluation and Advancement of Civil Servants and Employees, and the Vocational Training Programme and Manner of Taking the Intern Test in the Bodies of Administration of the RS (Official Gazette of the RS, No. 43/09)
- The Government of the Brčko District of BiH adopted the changes and amendments to the Law on Civil Service at the 9th regular session held on June 16, 2009;

- At the level of the Brčko District of BiH, adopted was the new Rulebook on Employment of Officials and Employees in the Bodies of Administration of the Brčko District of BiH, and draft Strategy of Professional Improvement for the period 2009 – 2011 was prepared;
- At the session of the House of Representatives of the Parliamentary Assembly of BiH, held on June 24, the report of audit of performance on the topic “Process of Employment of Civil Servants in the Institutions of BiH” (which was drafted by the Office for Audit of the Institutions of BiH) was adopted;
- Operative activities continued on implementation of the project of introduction of Human Resources Management Information System (BH HRMIS), through implementation of training of beneficiaries on the level of the Brčko District of BiH and the institutions of BiH;
- The Civil Service Agency of BiH, in the reporting period, realised several horizontal trainings for development of social skills in the working environment, and it is in the final phase of implementation of special trainings for the HRM specialists.

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	42.77
HR 1. General approach to modern human resources management policies	37.50
HR 2. Organisation system	52.45
HR 3. Information management	70.00
HR 4. Human resources planning	44.15
HR 5. Recruitment and selection	48.20
HR 6. Result management	18.47
HR 7. Training and development	61.45
HR 8. Salaries	20.00
HR 9. Discipline	56.50
HR 10. Support to the staff	38.80
HR 11. Diversity management	29.50



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

In the reporting period the Supervisory Team for the area Human Resources Management, at the meeting held on April 14 in Banja Luka, discussed and adopted the final report on implementation of the pilot project **“Improvement of the Process of Employment and Selection of Employees in the Civil Service”**, together with recommendations and findings from the report.

During the reporting period activities were realised on implementation of the first phase of the public procurement procedure for services for implementation of the project **“Development of Performance Management System in the Structures of Civil Service in BiH”**, which is being financed by the assets of the PAR Fund. Ongoing is the procedure of evaluation of qualifications of the candidates who applied, after which the qualified candidates will receive the request for participation in the second phase of the public procurement procedure for services for this project.

The members of the Joint Management Board of the PAR Fund, at the session held on June 16, approved the changes to the terms of reference “Training of Civil Servants for Application of Information Technologies by the ECDL Standard”, including the change of the title of the project in **“Training of Civil Servants for Application of Information Technologies and Work on Computers”**. Approved was also the tender documentation for this project, and it has been planned to start the public procurement procedure at the beginning of the next reporting period.

In implementation of project **“BH-HRMIS”** – introduction of human resources management information system, after completion of the training of future users (operators of information systems) and continuation of activities on data input from personnel files in the system on the level of the Brčko District of BiH, there was training for 130 civil servants from the level of BiH institutions. The training, in the period May – June was organized within eight three-day terms in the premises of the Centre for Testing and Training of the ADS BiH, and in continuation are the phases of testing and setting the system according to specific customer requirements, and final commissioning. Ongoing is also implementation of project activities on the level of the Republic of Srpska, where trainings were planned for September, while on the level of the Federation of BiH certain delays can be expected due to problems with the space for accommodation of equipment for installation of the system. On June 11, a meeting of the members of the Management Board of the BH-HRMIS project was held, at which the second interim/transition report on progress for the period September 2008 – April 2009 was presented and adopted.

The Law on Changes and Amendments to the Law on Civil Service in the Institutions of BiH, which entered into force on June 10, introduced a certain number of new things, significant from the aspect of implementation of the reform, and among other things the obligation of introduction of the code of ethics for civil servants in the institutions of BiH, shortening of time limits within which starts the election process in implementation of public ad for employment of civil servants, introduction of human resources management information systems (instead of the central registry of personnel of the CSA BiH), institute of employment for fixed time, précised were provisions for breaches of discipline, conduct disciplinary proceedings and penalties were introduced for violations of multiple provisions of the Civil Service Law, and institutes of direct employment of civil servants from the level of entities and the Brčko District of BiH in the institutions of BiH, as well as in reverse direction, which is particularly important from the aspect of greater mobility of civil servants among levels of administration (area HRM 5 Recruitment and Selection of the Action Plan 1). The procedure is ongoing for establishment of clarified text of the Law on Civil Service in the Institutions of BiH, which will soon be established by the Constitution-Legal Commissions of both Houses of the Parliamentary Assembly of BiH.

At the 82nd session of the Council of Ministers of BiH, held on April 2nd, the Proposal of the Law on Ban of Discrimination was established, which the Ministry for Human Rights and Refugees will send to the Parliamentary Assembly of BiH for deliberation by the basic legislative procedure. The proposal of the law will establish the framework for exercise of equal rights and

possibilities to all persons in Bosnia and Herzegovina and ordered system of protection from discrimination, and ban any form of discrimination.

The Council of Ministers of BiH, at the proposal of the Ministry of Finance and Treasury, at the session held on June 17, brought several decisions pertaining to regulation of the manner and the procedure of exercising the right to compensations, stemming from the Law on Salaries and Remunerations in Institutions of BiH. At the 92nd session, the Council of Ministers of BiH established the Proposal of the Law on Changes and Amendments to the Law on Salaries and Remunerations in Institutions of Bosnia and Herzegovina, which is being sent to the Parliamentary Assembly of BiH by urgent procedure, in order to implement cost savings in line with meeting the requirements the International Monetary Fund (IMF) set to conclude a “stand by” arrangement for the period 2009 – 2012.

At the session of the House of Representatives of the Parliamentary Assembly of BiH, held on June 24, the Report of Revision of Performance on the Topic “Process of Employment of Civil Servants in Institutions of BiH” was adopted. It has been concluded that the Office for Audit of Institutions of BiH is to submit within 6 months to the House of Representatives the report on implementation of their recommendations, as well as recommendations of the Parliamentary Assembly of BiH.

The House of Representatives of the Parliament of the Federation of BiH approved on April 21st the amendments to the Law on Civil Service in the Federation of BiH. According to the new amendment the persons with completed first cycle of studies by the Bologna Process, worth 180 ECTS, in the civil service can be placed only at the job of expert associate, which is the lowest position in the civil service.

The Government of the Federation of BiH adopted the Decision on Changes and Amendments to the Decision on Standard Classification of Jobs in the Federation of BiH, at the 97th session held on April 2nd, prepared by an interdepartmental work group, whose originator is the Federal Institute for Statistics. Changed and amended Decision defines occupations gained after seventh, eighth and ninth degree of vocational education, as well as occupations based on titles of the I, II and III cycle of studies in accordance with the Framework Law on Higher Education in BiH.

At 107th session, held on June 19, the Government of the Federation of BiH has established, and by an urgent procedure sent to the Parliament of the Federation of BiH the Draft Law on Salaries, Fees that do not have the Character of Salaries of Employees in the Institutions of the Federation of Bosnia and Herzegovina, the Cantons, Cities, Municipalities, Out of Budget Funds and Directorates for Roads and Current Grants, which temporarily, in the period of duration of the “stand by” arrangement with the IMF, regulates the salaries and fees that do not have the character of salaries of employees of the administrative bodies, courts, prosecutors' offices, elected officials, holders of executive functions and their advisors and all other institutions and facilities that are financed from the budget of the Federation of BiH, the Cantons, cities and municipalities, as well as salaries and compensations of out of budget funds, the Directorates for Roads and amounts of the current grants.

The Government of the Republic of Srpska, at the proposal of the Civil Service Agency of the RS, adopted in the reporting period the following implementing regulations, which stem from the Law on Civil Servants in the Republic of Srpska: the Rulebook on the Manner of Drafting and Content of the Personnel Plan in the Republic Bodies of Administration, the Rulebook on the Procedure of Evaluation and Advancement of Civil Servants and Employees and the Programme of Vocational Training and Manner of Taking Intern Test in the Bodies of Administration of the RS. All three acts are important from the aspect of making an integrated formal framework for implementation of reform activities defined in the Action Plan 1, in the area HRM 4 Human Resources Planning and HRM 6 Performance Management.

At the 131st session, held on June 25, the Government of the RS gave agreement to the Rulebook on Unified Rules and Procedure of Public Competition for Employment and Appointment of Civil Servants, established by the Civil Service Agency. This Rulebook

establishes the procedure of implementation of public vacancy and internal vacancy, selection of candidates for employment and appointment of civil servants, content and form of application form for the public vacancy and internal vacancy and other matters related with employment and appointment of civil servants.

The Government of the Brčko District of BiH adopted the changes and amendments to the Law on Civil Service at the 9th regular session, held on June 16. However, the changes were not supported at the session of the Assembly of the Brčko District of BiH, held on June 24. In addition, a new Rulebook on Employment of Officers and Employees in the Bodies of Administration of the Brčko District of BiH was drafted, precisely defining activities from drafting the Plan of Personnel Needs to selection of new employees and there was introduction of new system of selection of personnel, in terms of introduction of prequalification procedure in the form of written test of candidates.

At the level of the Brčko District of BiH, the Draft Strategy of Professional Training of Officers and Employees for the Period 2009 – 2011 has been prepared, and based on implemented procedure of annual evaluation for 2008, also the Plan of Training of Officers and Employees for 2009. The data from the Quarterly Progress Report, submitted by the Public Administration Reform Coordinator of the Brčko District of BiH, indicate that these documents were not adopted by the Mayor and the Government of the BD BiH, and that there has been a significant reduction in the budget planned for the training of officers and employees of the Government of Brcko District of Bosnia and Herzegovina for the current year.

The Civil Service Agency of BiH is in the final phase of the programme of training for 15 human resources management specialists from the institutions of BiH, which is being financed by the assets provided by the Government of Great Britain. In the mid reporting period, the CSA BiH also implemented a cycle of trainings for non-managing civil servants “Development of Social Skills in Working Environment” which includes 10 areas.

In the reporting period, through the Civil Service Agency of the Federation of BiH, there was an education of civil servants in the area Human Resources Management on themes: team work, job analysis and job description, training of newly employed civil servants, organisation development of the CSA FBiH, analysis of training needs of civil servants, interview skills, effective meetings, mediation – manner of solving disputes by peaceful means. The said forms of education covered in total 744 civil servants.

At the level of institutions of BiH, in coordination with the CSA BiH, there was initiation of the twinning project “Capacity Building in the Area of Training Management in the Institutions of BiH”, which will be implemented by the Finish Institute for Public Management HAUS, for whose implementation the assets were provided by the European Commission Delegation in BiH by the IPA instruments. Within the project, it has been planned to have training for around 50 civil servants – training managers in the institutions of BiH, in the second half of 2009.

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

- The House of Representatives of the Parliament of the FBiH, at the session held on April 21st, 2009 approved the Proposal of Strategy of Employment in the Federation of BiH for the period 2009- 2013.
- The Government of the Republic of Srpska, at the 126th session, held on May 21st, 2009, established the Proposal of Strategy of Development of Local Self Governance in the Republic of Srpska for the period 2009 – 2015, which was, on June 22nd, 2009, adopted by the National Assembly of the Republic of Srpska. The Strategy, among other things, stipulates functional and fiscal decentralization and transfer of number of competencies from the entity level to the local self governance. Implementation of the Strategy will be followed by adoption of several laws, among which is also a new law on local self governance.

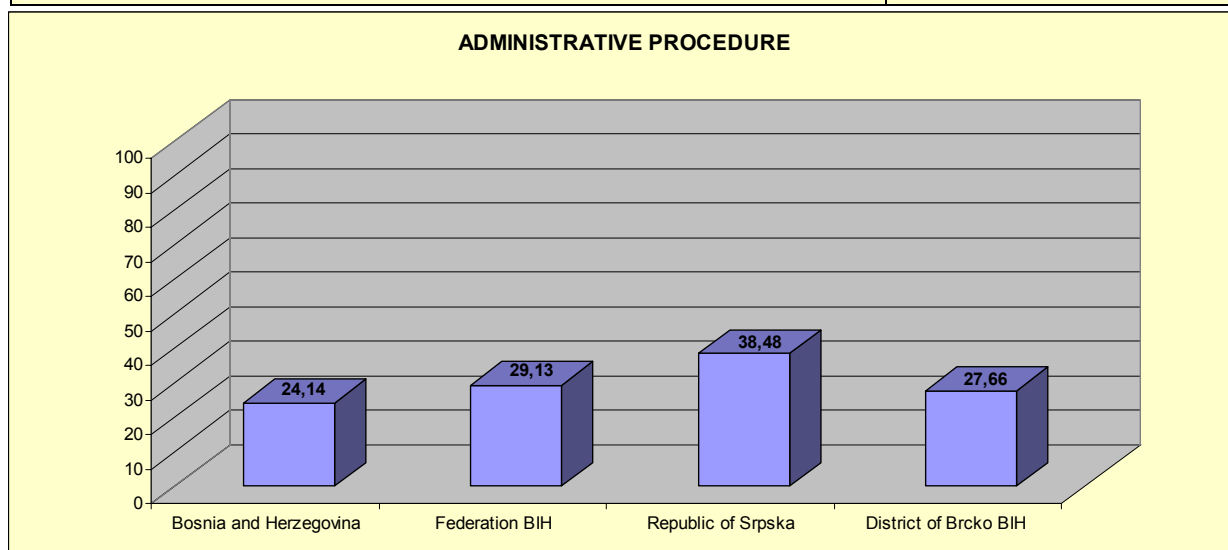
3.1.4 Administrative Procedure

From the start of implementation, on all levels of authority, **31.51 per cent** of the AP1 for the area of Administrative Procedure has been implemented, which presents an increase of **0.72 per cent** in relation to the previous reporting period.

Table 13 gives the overall progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform 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	24.14
the Federation of BiH	29.13
the Republic of Srpska	38.48
the Brčko District of BiH	27.66



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

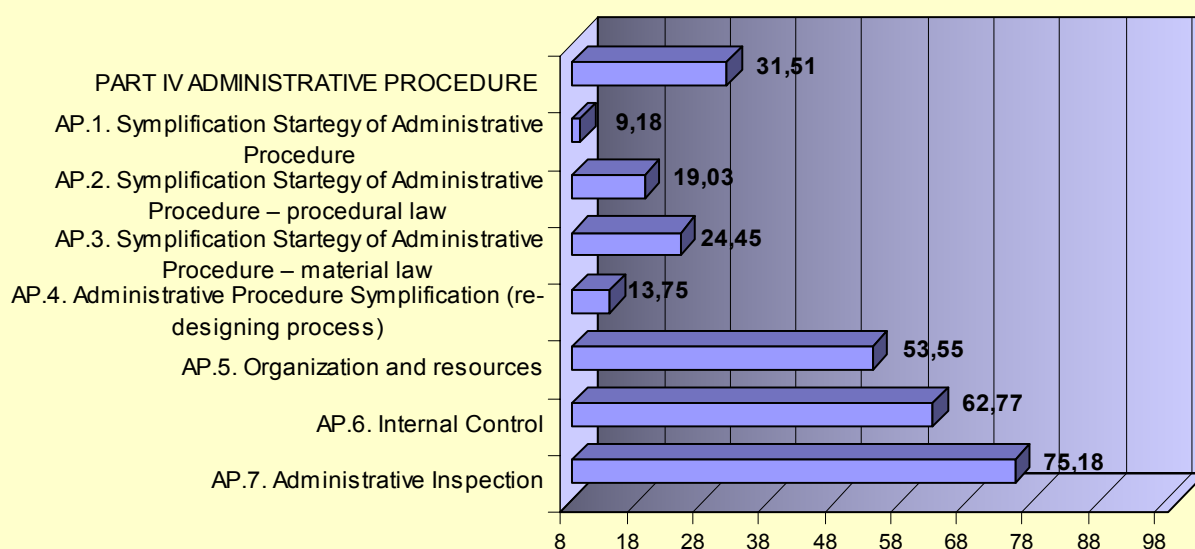
- In this reporting period meeting was held with the members of the Supervisory Team for the reform area of Administrative Procedure at which members of the Team learned about the outcome of the public procurement procedure of consultancy services for implementation of the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”. The said public procurement procedure of consultancy services was ended by the Decision on Annulment of the Procedure, which was adopted at the session of the PARF JMB. The members of the Supervisory Team agreed that the public procurement procedure for the project is to be repeated under the same conditions. Also, at the meeting it has been established that the existing draft Rules of Procedure of the Implementation Team should be improved, and the starting basis should be the Rules of Procedure of the Supervisory Team for the area of Administrative Procedure, and in the form of Proposal submitted for discussion and adoption to the Implementation Team once it is established.
- In the repeated public procurement procedure for implementation of the project “**Draft of Administrative Decision Making in BiH Quality Improvement Programme**”, the Commission for public procurement on June 25, 2009 opened 5 received requests for participation and ongoing is draft of minutes and report on work of the Commission, which will result in the Decision on the outcome of the phase of prequalification.
- The PARCO, together with experts of the OECD / the SIGMA (Support for Improvement in Governance and Management in Central and Eastern European Countries) held a workshop on June 8 and 9, 2009 with the representatives of legislative authority (Constitution-Legal Commission of the House of Representatives of the Parliamentary Assembly of BiH, the 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 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 BiH, with the aim of familiarising the representatives of the executive and legislative authorities with the best European practices in the area of administrative decision-making, and to make them involved in the reform processes from this area which are essential for the association of Bosnia and Herzegovina with the European Union. In these workshops, the SIGMA experts presented to the workshop participants a common system of general administrative procedures in the federal state - the experience of the Federal Republic of Germany, the legal principles of administrative procedures in the European administrative space and the reform of the existing administrative legislation - needs of citizens and expectations in BiH. All workshop participants had the opportunity to discuss and ask questions to the experts after the end of the presentations.

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	31.51
AP.1. Simplification Strategy of Administrative Procedure	9.18
AP.2. Simplification Strategy of Administrative Procedure - procedural law	19.03
AP.3. Simplification Strategy of Administrative Procedure - material law	24.45
AP.4. Administrative Procedure Simplification (redesigning process)	13.75
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.

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

Since the start of implementation, on the state level, **24.14 per cent** of the AP1 for the area of Administrative Procedure has been implemented.

- The CoM BiH, by the act No. 02-07-6716/09 of May 28, proposed appointment of two members of the Implementation Team for implementation of the project "Draft of Administrative Decision Making in BiH Quality Improvement Programme".
- The CoM BiH, at the 85th session held on April 29, established the Proposal of the Agreement on Establishment of the Regional School for Public Administration (ReSPA) and adopted the Report on Implemented Negotiations. The Agreement will establish the Regional School for Public Administration, for the purpose of improvement of cooperation in the area of public administration among its members and strengthening of exchange of information with the EU member states and members of the European economic space.

Since the start of implementation, on the level of the Federation of BiH, **29.13 per cent** of the AP1 for the area of Administrative Procedure has been implemented.

- The Government of the FBiH, at the 100th session held on April 29, adopted the Decision on Giving the Approval to the Agreement on Cooperation of the Government of the FBiH and the International Financial Corporation (V. No.: 358/2009). The objectives of the Project are: comprehensive simplification and improvement of quality of laws related with inspection, as well as administrative procedures on the level of the FBiH, and provision of technical support in creating regulatory overview and process of guillotining.

On the level of the Republic of Srpska, by the end of June, **38.48 per cent** of the AP1 for the area of Administrative Procedure has been implemented.

- The National Assembly of the RS adopted the Proposal of the Strategy of Development of Local Self Government in the RS for the period 2009 – 2015, which should direct, facilitate and accelerate local transformation in the RS. The strategy provides a programme of improvement of availability of services which would introduce the e-administration in all local units with a unique information system of local self governance in the RS. There will also be a programme of e-participation of citizens in the decision-making processes and enablement of administration and citizens for usage of mechanisms of e-participation.
- The Government of the RS, by the decision No. 04/1-012-2-1061/09 of June 4, appointed the members of the Implementation Team for implementation of the project "Draft of Administrative Decision Making in BiH Quality Improvement Programme".
- The National Assembly of the RS, at the 31st session held on June 10, adopted the Proposal of the Law on e-Operations of the RS. Passing the Law on e-Operations will provide for public, unhindered and legally established use and exchange of electronic documents with establishment trust of public in functioning of the institution of electronic document, which will create a space for more intensive action of mechanisms of electronic operations, and development of electronic administration. Also, it will create the legal basis for equalization of secure electronic forms of business with application of information and telecommunications equipment with the classic paper form of business.
- The Government of the RS, at the 130th session held on June 18, adopted the Draft Law on Registry Books, which will provide for increased security of identification documents, prescribe conditions for the job of registry officer and second form of registry book will be maintained in an electronic form, so the excerpt from the registry book of births or citizenship certificate could be obtained in any municipality of the RS.

On the level of the Brčko District of BiH, so far, **27.66 per cent** of the AP1 for the area of Administrative Procedure has been implemented.

- The Government of the Brčko District of BiH signed the protocol on electronic exchange of documents entitled – Faster to Spatial Regulation and Construction Permits in Brčko, which significantly shortens the time needed to obtain these permits.

3.1.5 Institutional Communications

Overall implementation of the AP 1 in the area of Institutional Communications on all levels amounts to **37.41 per cent**, which is an increase of **2.54 per cent** in relation to the previous report.

Realisation of the project “**Establishment of Network of Info Stands**” continued. The engaged consultants drafted the analysis of communication practices of the information offices on the level of the Council of Ministers of BiH, the Government of the Federation of BiH, the Government of the Republic of Srpska and the Government of the Brčko District of BiH. The results were presented to the members of the implementation teams on all levels. Deputy members of the Implementation Team from the level of the FBiH were appointed. Programme and time schedule were prepared, and the first of seven cycles of training on internal communication for public relations officers on all levels of government has been completed. Completion of training was planned in September, when preparation of info stands and information materials will ensue.

The procedure of procurement of consultancy services for the project “**Strategic Communications**” has ended, which should result in draft and revision of communication strategies and annual plans of public relations services of the governments in u BiH. After approval of the contract on provision of consultancy services by the PARF JMB and the Office of Attorney General of BiH, the start of practical implementation of the project is expected in the next quarter.

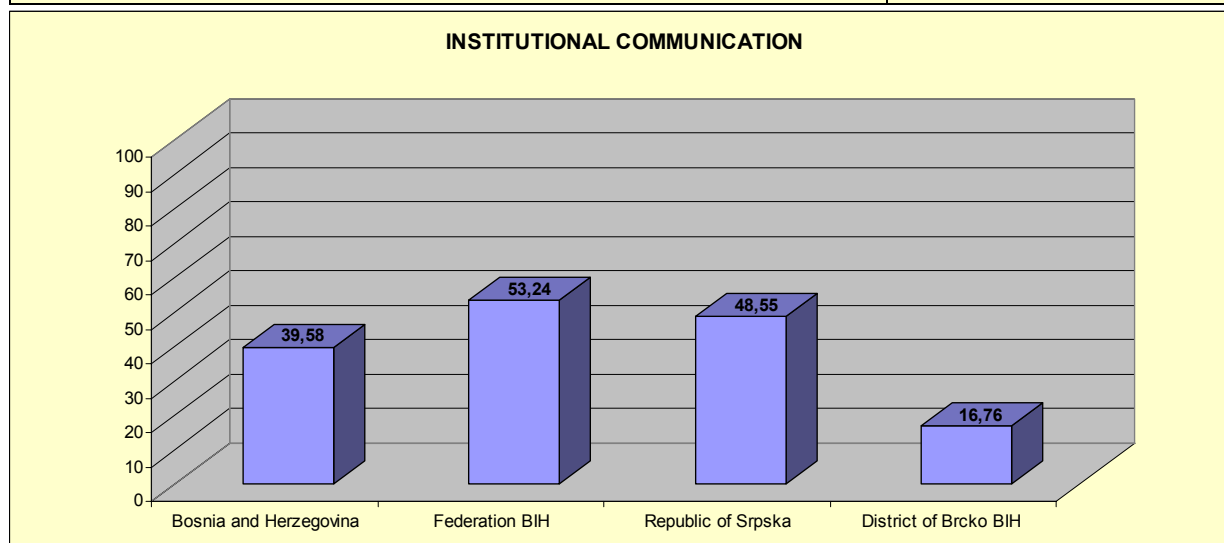
The Supervisory Team in this reporting period held one session at which the terms of reference “**Training of Information Officers**” and the project proposal “Publication of Information Materials of the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH” were approved. The latter, after discussion by the PARF JMB was sent to the Supervisory Team for improvement.

Acts significant for implementation of the measures of the Action Plan 1 were changed or adopted and activities from the AP 1 on the level of institutions of BiH were implemented.

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	39.58
the Federation of BiH	53.24
the Republic of Srpska	48.55
the Brčko District of BiH	16.76



Within practical implementation of the project “Establishment of Network of Info Stands”, workshop on internal communications for public relations officers was held in five terms (common workshop and one on each of the four administrative levels). Programme of the workshop covered the concept of internal communication, introduction in drafting the rulebook on internal communication and mechanisms of good internal communication. The workshops provided for exchange of experiences of the public relations officers and the information offices from different administrative levels.

In the reporting period, on the level of institutions of BiH, fulfilment of measures of the AP 1 amounts to 39.58 per cent or 2.48 per cent more in relation to the first quarter of 2009. The progress is noted in the chapters of the AP 1 IC 1 – Key Regulations, IC 5 – Coordination and Standard Setting, IC 14 – Direct Communication with Citizens, IC 8 – Training and IC 17 – Internal Communications. The Council of Ministers of BiH initiated the new web page, redesigned within the project “e-Government”, in accordance with the previously adopted Instruction on Design and Maintenance of Official Web Pages of the Institutions of BiH. Changes and amendments to the Rulebook on Internal Organisation of the Secretariat General of the Council of Ministers, related with the Information Service, were adopted. That provided for employment of officers for cooperation with spokespersons and information officers on the level of the Council of Ministers of BiH and between the Governments of the entities and the Brčko District of BiH. The PARCO fulfilled a series of measures from the AP 1 (public lectures – provision of information to citizens without intermediary, placement of mailbox for suggestions of citizens, meeting with the representatives of the NGO sector).

On the level of the FBiH, the AP 1 is 53.24 per cent fulfilled or 2.4 per cent more in relation to the first quarter of 2009. Changes were related with the chapters of the AP 1 IC 1 – Key Regulations, IC 8 – Training and IC 17 – Internal Communications.

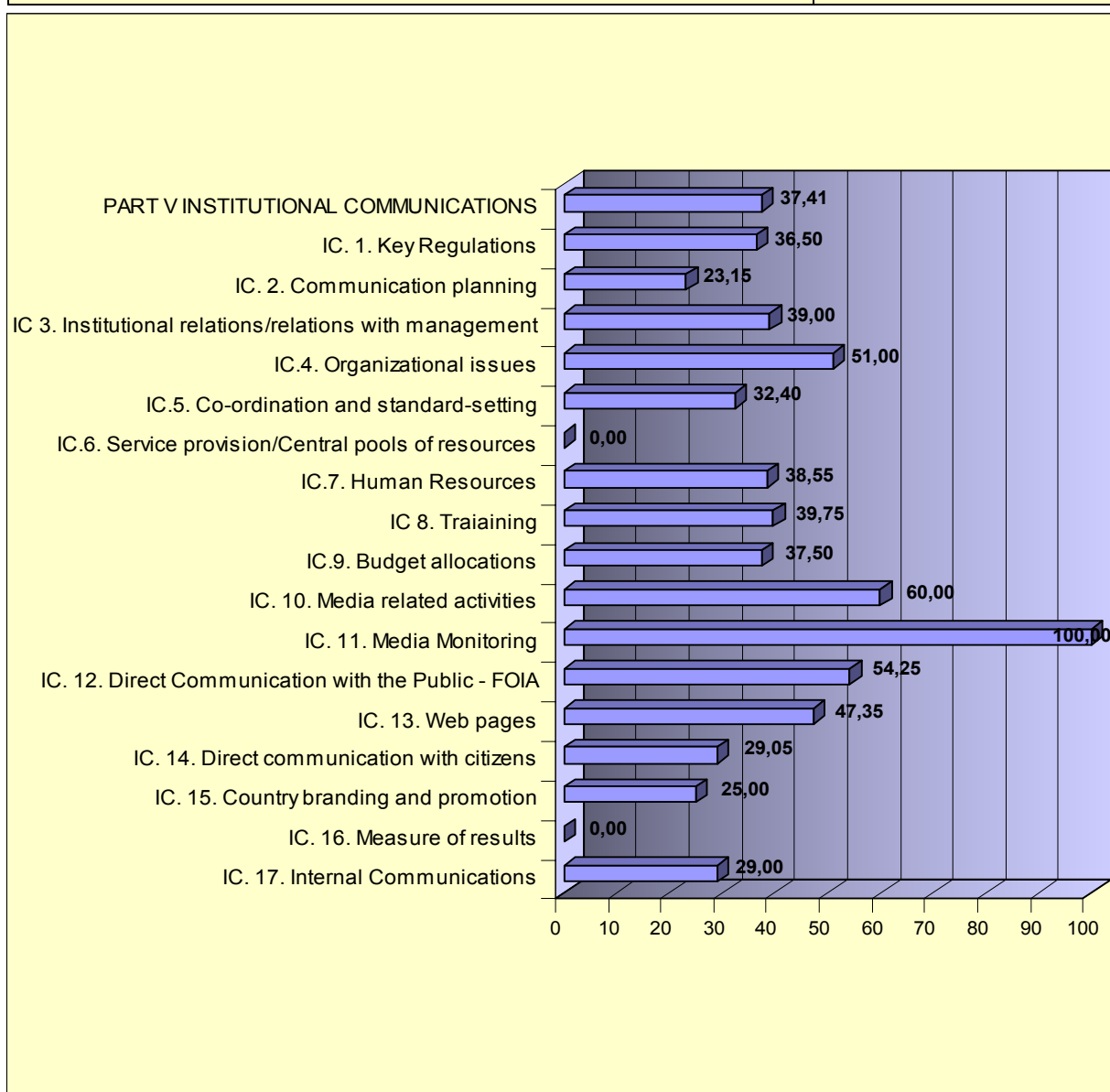
On the level of the Republic of Srpska the AP 1 is 48.55 per cent implemented, which is 3.23 per cent more in relation to the first quarter of 2009. Changes in relation to the previous reporting period were related with the chapters of the AP 1 IC 1 – Key Regulations, IC 12 – FOIA, IC 8 – Training and IC 17 – Internal Communications.

Implementation of the AP 1 in the Brčko District of BiH is 16.76 per cent. Change is related with the chapters of the AP 1 IC 1 – Key Regulations, IC 8 – Training and IC 17 – Internal Communications.

Table below gives the overview by chapters for the reform area 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	37.41
IC 1. Key Regulations	36.50
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	32.40
IC 6. Service Provision/Central Pools of Resources	0.00
IC 7. Human resources	38.55
IC 8. Training	39.75
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	54.25
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	29.00



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

3.1.6 Information Technologies

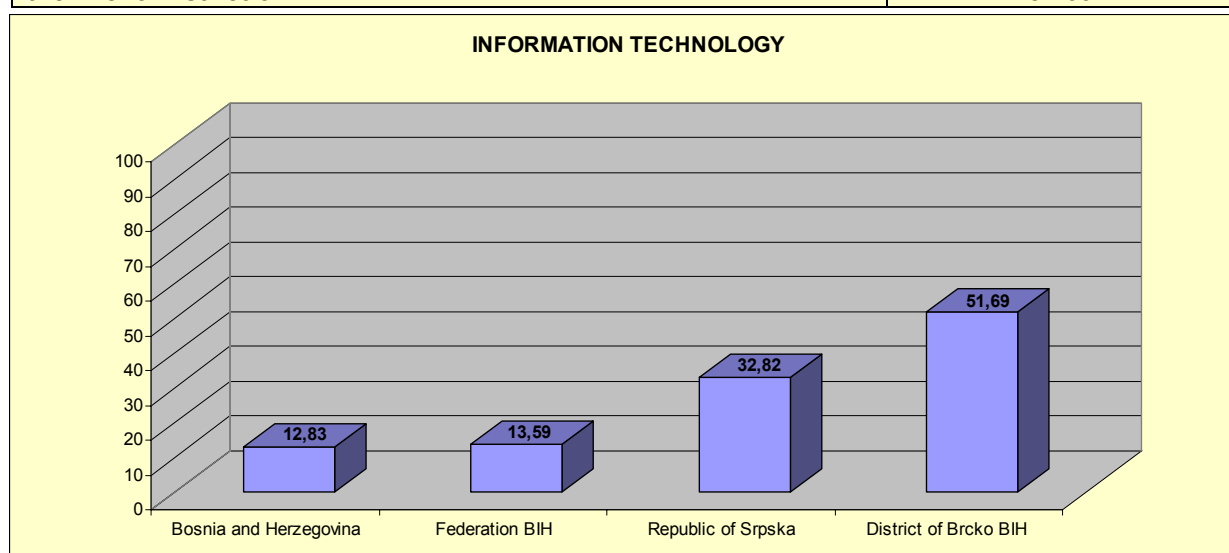
Overall progress in implementation of the AP 1 amounts to **27.84 per cent**, which is an increase of **0.65 per cent** in relation to the previous period.

According to the submitted data from all levels of authority, the progress has been noted on the level of BiH through completion of IT training, related with involvement in the work of the e-Government of BiH, for all members of the Council of Ministers of BiH, as well as for all relevant officers involved in the process of work of the CoM BiH. On the level of the RS, the Law on Electronic Operations passed the procedure of adoption, and it has been published in the Official Gazette of the Republic of Srpska. On the level of the Federation of BiH, the Sector for IT continued development of communications network.

Degree of implementation of the Action Plan 1 of the PAR Strategy, by levels of authority in BiH, has been 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	12.83
the Federation of BiH	13.59
the Republic of Srpska	32.82
the Brčko District of BiH	51.69



After the analysis of the situation and priorities for the IT area has been implemented, of three drafted project proposals, implementation of the project proposal and the terms of reference **“Design and Establishment of Interoperability Framework and Standards for Data Exchange”** has started. After the tender documentation has been changed in accordance with the agreement from the eighth session of the PARF JMB, the procedure of public procurement was initiated. On April 13, a tender for public procurement of consultancy services has been published in the Official Gazette of BiH. There were 24 requests for tender documentation of which 7 companies submitted requests for participation. After the Commission reviewed the received requests for participation, it was found that one offer meets the requirements of the published tender, three do not meet, while three bidders were requested to submit additional clarifications, to which the bidders had to answer three days after the receipt of the request for clarification. In early July, after review of received additional clarifications, the Commission will complete the first phase of public procurements, after which they will send to the members of the Joint Management Board of the PAR Fund a decision on the outcome of the first phase of the public procurement procedure - prequalification.

The PARCO, in mid December sent the request to the members of the Supervisory Team to initiate in their competent administrative bodies the procedure for appointment of the

representatives for work in the Implementation Team for the said project. So far, appointed were representatives of the Council of Ministers of BiH, the Brčko District of BiH and the Republic of Srpska. Appointment from the Government of the Federation of BiH is expected.

After the administrative level of the Brčko District of BiH proposed the pilot-project “**One Stop Shop – Services for Assistance to Citizens**”, the finalised project documents (logical framework, project proposal, terms of reference) received the approval of the Supervisory Team for the area of Information Technologies.

At the eighth session of the PARF JMB, the members of the PARF JMB received the signed Decision on Acceptance of the Terms of Reference “One Stop Shop - Services for Assistance to Citizens”. Ongoing is preparation of the tender documentation s for this project, which is being drafted by the Legal Unit of the PARCO, together with the project proponent from the Brčko District of BiH. In early July, the tender documentation will be taken over by the expert, and after he approves it, the tender documentations will go for adoption to the PARF JMB.

The project “**e-Government in the Council of Ministers**” (Phase I), which is being implemented by the UNDP, includes redesign and mutual harmonisation of web pages of all the institutions on the level of Bosnia and Herzegovina. Since the PARCO participates in the said project, in the previous period numerous meetings have been held in order to agree the dynamics of its implementation. Consequently, creation of a new design of the Web site of the PARCO has ended, which is adapted to the unique requirements and standards of the project. Group and individual trainings of the Web site administrators have been implemented, as testing of the new web page. After testing, it was observed that certain corrections are needed. So far, only part of the changes requested by the PARCO was made. Staff who have passed the training for web site administrators is not satisfied with the manner and quality of the training held, so additional training was requested in order to be ready to fully take over maintenance of the site.

On the occasion of the sixth session of the Management Board of “e-Government in the Council of Ministers of BiH – Phase II”, the PARCO sent a letter expressing their opinion that the Phase I is not completed, and that the Ministry of Communication and Transport of BiH has not provided the Council of Ministers of BiH with the Report on Work and the Financial Report for the Phase I of the project of e-Government, as well as the project plan for the phase II for the purpose of its approval, and therefore the Management Board has no legal basis or legitimacy to adopt the “Conceptual Design” for the Phase II.

Below is the overview of activities in BiH, the FBiH, the RS and the Brčko District of BiH, made on the basis of submitted reports from these levels of authority.

On the level of **Bosnia and Herzegovina** the following activities are being implemented:

- Completed IT training related with involvement of the members of the Council of Ministers of BiH, as well as of all other officers involved in the process of work of the CoM of BiH in the work of e-Government of BiH;
- System of e-Government presented to the members of the CoM BiH;
- Completed adaptation of the room for IT education and courses (ground floor of the Building of BiH-Greek Friendship), as well as equipment;
- Commission of the Ministry of Communication and Transport of BiH, in charge of drafting of the necessary legislation for legal and secure functioning of the project of e-Government – Phase I, drafted the following legal documents and acts, which have been submitted to the CoM of BiH for adoption:
 - Instruction on Design and Maintenance of Official Web Pages of the BiH institutions,
 - Proposal of the Decision on Electronic Operations and e-Government in the CoM of BiH.

On the level of the **Federation of Bosnia and Herzegovina** the following activities are being implemented:

- The Government of the Federation adopted the conclusion which obligated all the federal bodies to submit the data on: 1. Total number of personal computers with installed MS Office operative system; 2. Total number of personal computers procured in 2008; 3. Number of licences for MS Office 2003 and 2007 bought or received outside of the contract the Government of the FBiH – Microsoft,
- The Government appointed the Work Team for negotiations with the Microsoft,
- In the FBiH, the Sector for IT continued development of communication network.

On the level of the **Republic of Srpska**, the following activities are being implemented:

- The Law on Electronic Operations passed the procedure of the Government of the RS and the Assembly of the RS, and it has been published in the Official Gazette of the Republic of Srpska;
- Ongoing is the process of legalisation of the software in the bodies of local administration in the RS;
- Ongoing is drafting of the bylaws for the Law on Electronic Signature;
- Ongoing is drafting of the e-Map of the Republic of Srpska.

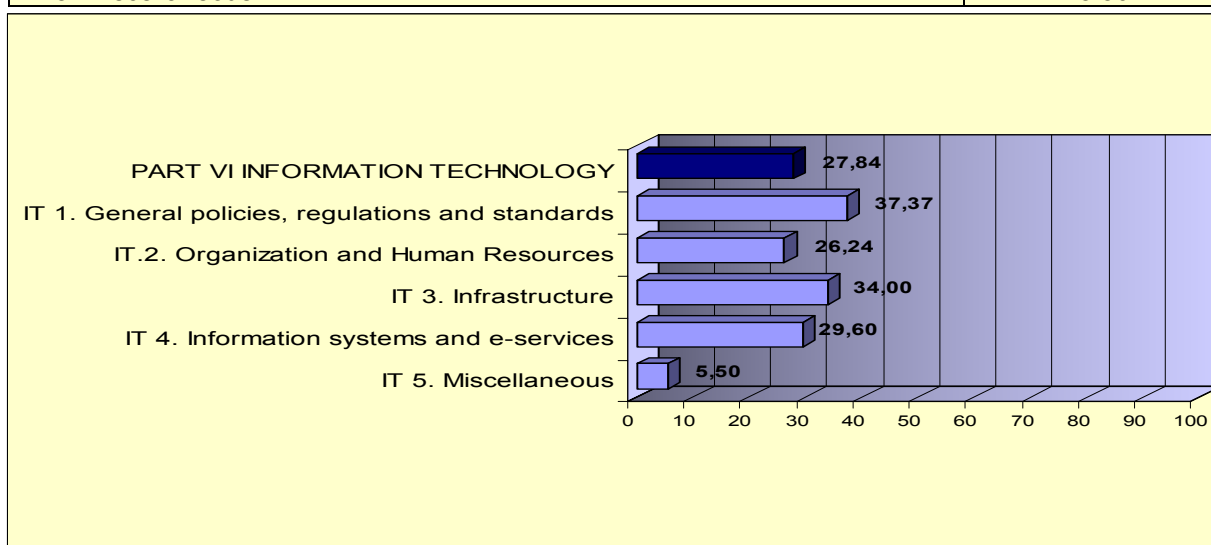
On the level of the **Brčko District of BiH**, the following activities are being implemented:

- The meeting of the Work Group European Integrations for Innovations, Technological Development and Social Policy was held on June 25 and 26, 2009 in Sarajevo, at which the activities were initiated for adoption of laws from the area of IT (the Law on Electronic Document, the Law on Electronic Communications, the Law on Electronic Operations, the Law on Agency for Information Society of BiH). References to IT.1.1 and IT.2.1.

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 TECHNOLOGIES	27.84
IT 1. General policies, regulations and standards	37.37
IT.2. Organisation and human resources	26.24
IT 3. Infrastructure	34.00
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 Joint Management Board of the Public Administration Reform Fund so far approved eleven projects worth **7,647,243.93 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 six reform areas of the Action Plan 1. Implementation of one project is ongoing, and by the end of the third quarter of 2009 it is expected to sign the contracts with the selected bidders and to start implementation of 6 projects (which are currently in the phase of public procurements), while other 4 projects are in the phase of preparation of the tender documentation or in the phase of preparation of project proposals and terms of reference. The PARCO still continuously works on preparation of new project proposals and terms of reference, which are directly related with fulfilment of the measures from the AP1.

The PARCO prepared and harmonised with the donors the **Proposal of Changes and Amendments to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund**, after which the proposal was sent to the 9th session of the PARF JMB. The PARCO, in accordance with the instructions of the Joint Management Board of the PAR Fund, prepared an Annex to the Memorandum of Understanding for Establishment of the PAR Fund, which extended validity of this document by the end of 2010. Opinions of the Legislation Office and the Ministry of Finance and Treasury were received, and the opinion of the Ministry of Foreign Affairs is still being waited on, so the PARCO could send the Annex in the further procedure stipulated by the provisions of the Law on the Procedure of Conclusion and Execution of International Agreements.

Problems during Implementation/Deviations from the Action Plan 1

Although certain progress has been 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 the **entity public administration reform coordinator as an independent work place**, which is being requested by the PARCO from the entity governments since 2007.

The PARCO still notes untimely reporting on progress achieved in six reform areas of the AP1 from the part institutions. Quarterly report for this period was timely submitted by the PAR Coordinators from the RS and the Brčko District of BiH, while the report from the FBiH was late. From the level of BiH (by the members/deputy members of the Supervisory Teams from the level of BiH) within the requested deadline only one report was submitted (Information Service of the CoM BiH), three were late (report of the Legislation Office – July 2nd, report of the CSA BiH – July 6, report of the Ministry of Communications and Transport of BiH – July 13), and some were not submitted at all. Failure to submit the requested information can affect the quality and accuracy of information presented in the progress reports, because the data on the achieved progress which it has, the PARCO cannot put in the report without the confirmation from the level of authority that progress relates to.

The procedures of public procurements, from the aspect of duration and successfulness of completion of the procedure, have a direct influence on further flow of implementation of the projects for which the assets were approved through the PAR Fund.

Quality of data on progress, submitted by the bodies of administration in charge of implementation of the reform measures, from the aspect of verifiability and fulfilment of the essence defined by the methodology of monitoring of progress of realisation of the measures

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

The members of the Supervisory Teams continuously stress at the meetings the need to find the solution for payment of remuneration for their work. Failure to pay the remunerations partially reflects on their motivation for work in the Supervisory Teams and presents a serious obstacle in realisation of the projects.

In the segment of establishment and functioning of the Implementation Teams, the PARCO notes that officers, appointed as members of these teams, are overworked by regular activities, so it is hard for them to find the space for quality work in the implementation teams. Inability to pay remuneration for their work in these teams is an additional problem which currently cannot be solved in an adequate manner.

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

- The PARCO expects that this year's saving measures, which were introduced by the governments on all four administrative levels, will affect implementation of part of the activities from the Action Plan 1 of the Public Administration Reform. Impact of savings can be expected in the segment of training of civil servants, due to the reduction in allocations for trainings, as well as in the development of civil service - the segment which is related to filling the vacancies. Example is a reduced budget for the training of civil servants and employees in the Brčko District of BiH, which were planned for this year.
- The project "Legislation Database in BiH" was temporarily slowed down, because the members of the Supervisory Team declared that the governments, because the saving measures, this year can not provide the money for the further implementation of the project. It has been agreed that all levels of government, until the end of the year, will work on preparation of electronic versions of the laws and other regulations, and the PARCO expects that at the beginning of 2010, when new budgets are adopted, the implementation of the project will be more intensive. The members of the Supervisory Team agreed that it is possible to make compatible the existing legislation databases, and then seek a solution how to make them linked and displayed on a single web portal.
- The PARCO expects that in the Federation of BiH, because of the problems with finding the space for accommodation of equipment, there will be extension of deadlines for implementation of Human Resources Management Information System within the BH HRMIS project. In the Republic of Srpska, the planned training of users of this system was rescheduled for September, because of annual leaves.
- The representatives of the Republic of Srpska in the Supervisory Team for the reform area of Administrative Procedure took a standpoint that it is necessary to find the solution for financing the work of the members of the Implementation Teams. The PARCO, in the budget for 2009, currently does not have the money for payment of remunerations to the members of the implementation teams.
- Because of the need for more precise and faster collection of data on the situation in the area of Institutional Communications, the PARCO sent to the entity public administration reform coordinators a questionnaire on fulfilment of the measures of the AP 1 and the list of institutions to which the questionnaires should be further distributed. The Public Administration Reform Coordinator in the Republic of Srpska submitted 29 questionnaires in which data were provided on fulfilment of measures from the AP 1, which especially contributed to documenting the fulfilment of the measures in the administrative bodies of the RS, which are not a part of the Government. However, some institutions did not fill the questionnaire in accordance with the instructions (missing reference to the evidence), because of which it was not possible to fully record the progress on the basis of documentation basis.
- Report on realisation of measures in the area of Institutional Communications from the level of the FBiH (including the questionnaire) for the period April - June was submitted untimely,

so the achieved progress in this area was not recorded in this one, but it will be recorded in the next quarterly progress report.

- Deviations in the area of Institutional Communications are recorded only in relation to the deadlines stipulated by the Action Plan 1.
- On the level of the Federation of Bosnia and Herzegovina, according to the submitted data for the area of Information Technologies, the problems are as follows:
 - Lack of regulations on electronic operations,
 - Insufficient education for the purpose of improvement of competencies of civil servants for usage of Information Technologies,
 - Lack of initiatives for the projects of computerisation of operations.

Proposals of Measures for Overcoming the Problems

- For further successful implementation of the Action Plan 1 of the PAR Strategy it is necessary that institutions covered by reform processes include in their work plans concrete activities from the AP 1 for which they are in charge of.
- Increase flow of information and ensure continuous exchange of information on the planned activities of the bodies of administration and donors, which are related with implementation of the reform and implementation of the measures from the Action Plan 1. Ensure timely information, presence and participation of the representatives of the PARCO in the initiatives and activities on changes of the laws and bylaws relevant for reform areas covered by the PAR Strategy.
- Ensure better quality of materials, data and information the institutions deliver to the PARCO for the report for monitoring the progress in implementation of the reform. The information are to be submitted in time.
- Improve flow and exchange of information between all representatives of the implementation structures for implementation of the reform. This is especially related to mutual communication between the members of the Supervisory Team from different levels of authority (but also within the same level of authority), entity coordinators and the Coordinator of the Brčko District of BiH, and communication towards the PARCO.
- Ensure more functional and more efficient work of interdepartmental and intergovernmental bodies for monitoring and implementation of the reform measures from the AP 1 of the PAR Strategy (Supervisory Team and Implementation Teams/work groups on technical level). The PARCO initiated the procedure in order to solve the matter of payment of remunerations for the members of the Supervisory Teams. Try to solve the matter of remuneration for work of Implementation Teams (in the budget of the PARCO for 2009 no money for this kind of remunerations was provided).
- Harmonise the areas in the area of Human Resources Management which require common approach and agreement of all levels of authority, in order to provide for harmonised development, and ensure systematic and planned work on future changes of regulations.
- The Supervisory Team from the area of Institutional Communications will again be presented the system of monitoring of implementation of the AP 1, in order for the data, the administrative levels submit to the PARCO, to be the ones relevant for recording the degree of implementation of the AP 1. It is recommended to have a repeated presentation also for the public administration reform coordinators from the FBiH, the RS and the Brčko District of BiH.
- The Governments and relevant institutions should speed up the process of proposing and appointing the members and deputy members of the Supervisory and Implementation Teams, so as not to slow down the course of reform and implementation of the projects financed from the Public Administration Reform Fund. Specifically, in this period, the Ministry of Communications and Transport of BiH should speed up the process of

appointing a new member and deputy member of the Supervisory Team for the area of Information Technologies. Also, the PARCO requested the Government of the FBiH to appoint a new member and deputy member of the Supervisory Team for the same area, and the reason for this is dissatisfaction with the work so far of the appointed member and deputy member of the ST on behalf of the Government of the FBiH

- Ensure regular and continuous participation of the members of the Supervisory Teams at the meetings.

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)