



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, 2010

APRIL 2010.



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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

- During the reporting period, noticeable was low level and intensity of activities relevant for implementation of measures from the Action Plan1, which has, as a consequence, very low level of progress.
- **Progress** in implementation of measures from the Action Plan 1 of the Strategy of the Public Administration Reform in relation to the previous reporting period is **0.76 per cent**, and the total implementation is now **39.82 per cent**.
- In total, **since the start of implementation** of the Action Plan 1 until March 31st, 2010, **the biggest progress in implementation has been achieved in the reform area of Public Finances: 46.35 per cent, and the smallest has been achieved in the area of Information Technologies: 31.36 per cent**.
- Report from the Brčko District of BiH was not submitted. Also, the Secretariat General of the Council of Ministers of BiH (except for the part prepared by the Information Service of the Secretariat General of the Council of Ministers BiH), the Legislation Office of the Council of Ministers of BiH, the Directorate for European Integration of BiH and the Ministry of Justice of BiH did not submit their reports to the PARCO, although they received a timely request to submit reports and were given a reasonable deadline to submit them.
- Nine projects, financed by the Public Administration Reform Fund, are in the tender procedure, while for five projects the Contracts on Consultancy Services have been closed, of which four projects are in the implementation phase, and one project has finished.
- Policy making and Coordination Capacities: Activities continued on development and implementation of 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 “Transposing EU Legislation in the legal System of BiH”.
- Public Finances: Noticeable are great differences in introduction of the treasury system in municipalities in the Republic of Srpska and the Federation of Bosnia and Herzegovina. Of 63 municipalities in the RS, the treasury system has been introduced in 37, while in the Federation of BiH, the treasury system has been introduced in only one municipality.
- Human Resources Management: Initial phase has been completed in implementation of the project “Development of Performance Management System in the Structures of Civil service of BiH”, which is being financed by the Public Administration Reform Fund, and the inception report of the project has been prepared.
- Administrative Procedure: The Government of the Federation of BiH and the International Financial Corporation (IFC) entered together in the Project of Regulatory Reform on the level of the Federation of BiH. Accordingly, ongoing is implementation of the second phase of the project, which implies comprehensive analysis, simplification and improvement of administrative procedures on the level of the Federation of BiH. The National Assembly of the RS adopted the Draft Law on Changes and Amendments to the Law on General Administrative Procedure.
- Institutional Communication: Project “Establishment of Network of Info Stands”, which was financed by the Public Administration Reform Fund, was fully and successfully implemented, and two more projects, “Strategic Communication” and “Training of Public Relations Officers”, also financed by the PARF, are in the phase of implementation.
- Information Technologies: Non-existence of the Agency for Information Society on the level

of BiH, which would be the main carrier of the planned activities in the reform area of IT, presents a problem with significant influence on dynamics of implementation of the AP1.

2 Introduction

According to the annual work plan of the Council of Ministers of BiH for 2010, 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, 2010, 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 the 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. OVIs are measurable parameters with the help of which the implementation of concrete measure is followed and evaluated.

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 public administration reform coordinators, 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.

General characteristic is that during the reporting period, noticeable was low level and intensity of activities relevant for implementation of measures from the Action Plan1, which has, as a consequence, very low level of progress.

The Report for the first quarter of 2010 was timely submitted by the Republic of Srpska, as well as reports from the Information Service of the Secretariat General of the CoM BiH, the Ministry of Communication and Transport of BiH, the Ministry of Finance and Treasury of BiH and the Agency for Identification Documents, Records and Exchange of Data of BiH.

The Civil Service Agency of BiH, in the letter sent to the PARCO, related with the request for submission of the quarterly report, notified that they were not able to submit the report for the period January – March. They also said that they think that the quarterly period of reporting is too short to give concrete information on the progress on the basis of which it would be possible to draw certain conclusions.

The Report on implementation of the AP 1 on the level of the Federation of BiH, for the first quarter of 2010 was not submitted on time, while the report from the Brčko District of BiH was not submitted. Also, the Secretariat General of the CoM of BiH, the Legislation Office of the CoM of BiH, the Directorate for European Integration of BiH and the Ministry of Justice of BiH, did not submit their reports to the PARCO, although they timely received the request to submit reports and they were given a realistic deadline to submit them.

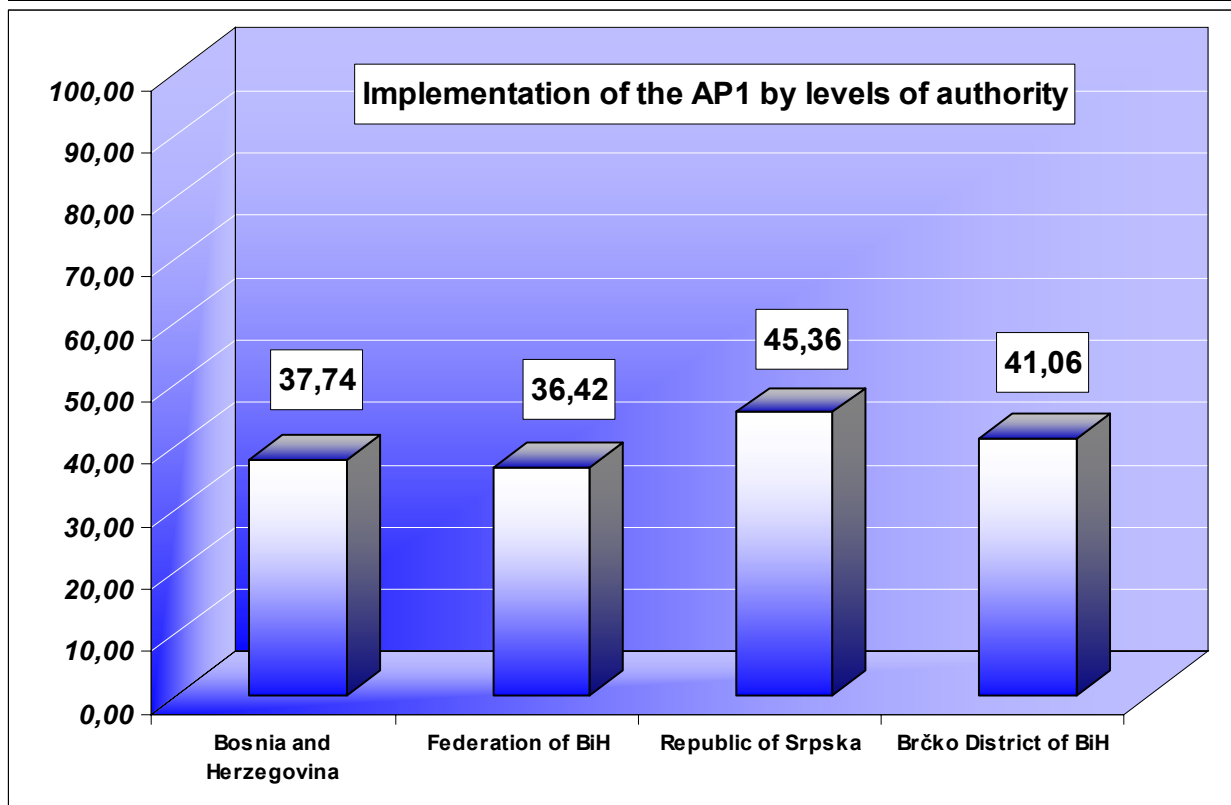
In total, **since the start of implementation** of the Action Plan 1 until March 31st, 2010, **the biggest progress in implementation was achieved in the reform area of Public Finances, 46.35 per cent, and the smallest is in the area of Information Technologies, 31.36 per cent.**

The biggest degree of implementation of the measures from the Action Plan 1 since the start of implementation of the Action Plan 1 until March 31st, 2010 **was achieved in the Republic of Srpska**, which expressed in percentages amounts to **45.36 per cent.**

Table below gives the overview of total achieved progress since the start of implementation of the AP1 until March 31st, 2010 for the state level and the level of the entity and the Brčko District of BiH authorities.

Table 1: Overview of implementation of the AP 1 by March 31st, 2010 by levels of authority

Bosnia and Herzegovina	37.74 per cent
Federation of BiH	36.42 per cent
Republic of Srpska	45.36 per cent
Brčko District of BiH	41.06 per cent



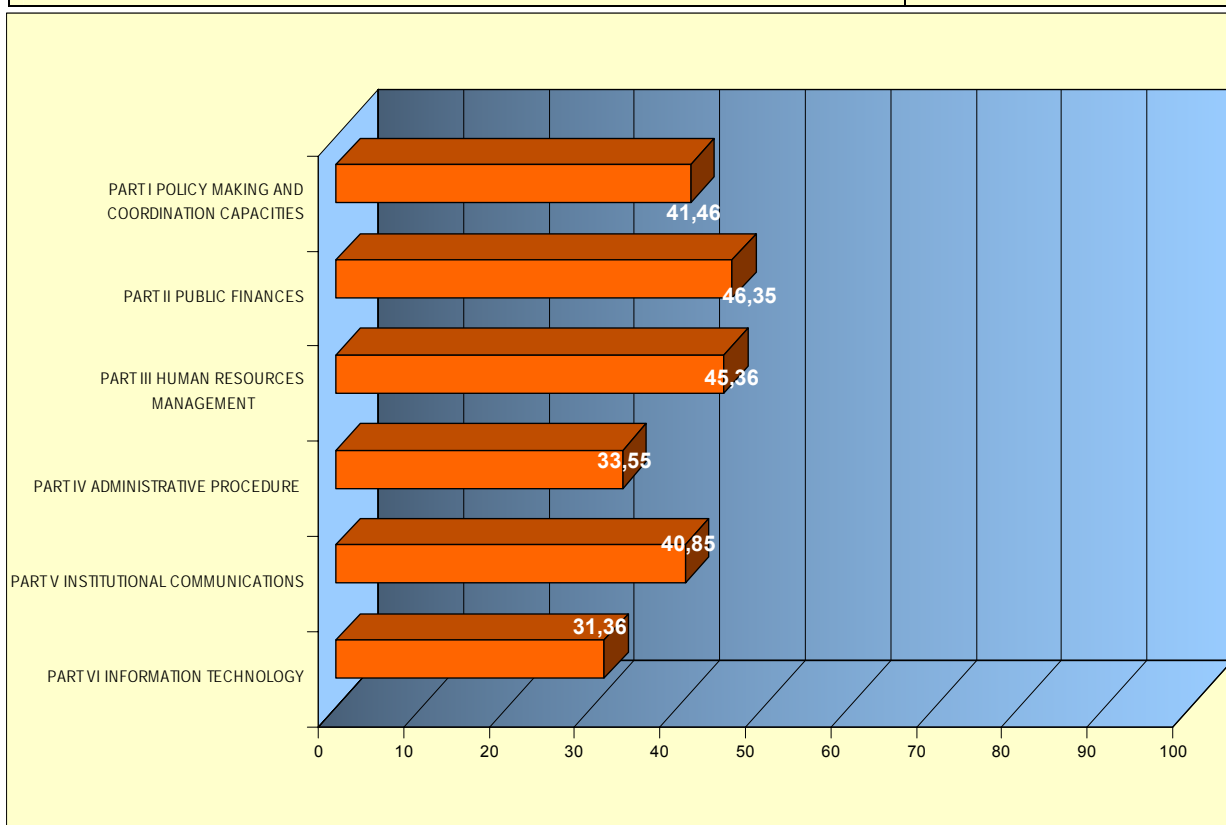
3 Overall Overview of Activities during the Reporting Period

Overall implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH by March 31st, 2010 amounts to **39.82 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	41.46
PART II PUBLIC FINANCES	46.35
PART III HUMAN RESOURCES MANAGEMENT	45.36
PART IV ADMINISTRATIVE PROCEDURE	33.55
PART V INSTITUTIONAL COMMUNICATIONS	40.85
PART VI INFORMATION TECHNOLOGY	31.36

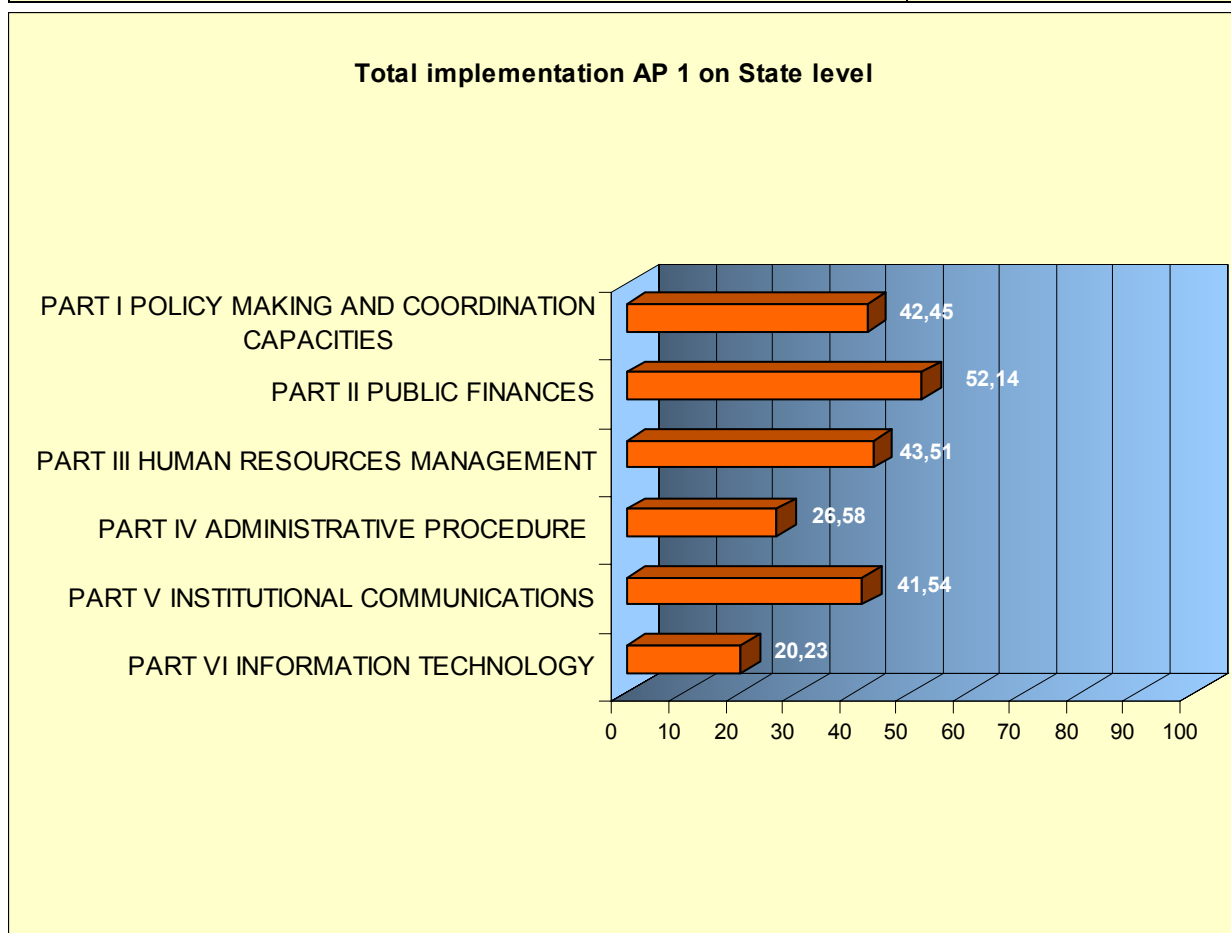


* Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

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, 2010.

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

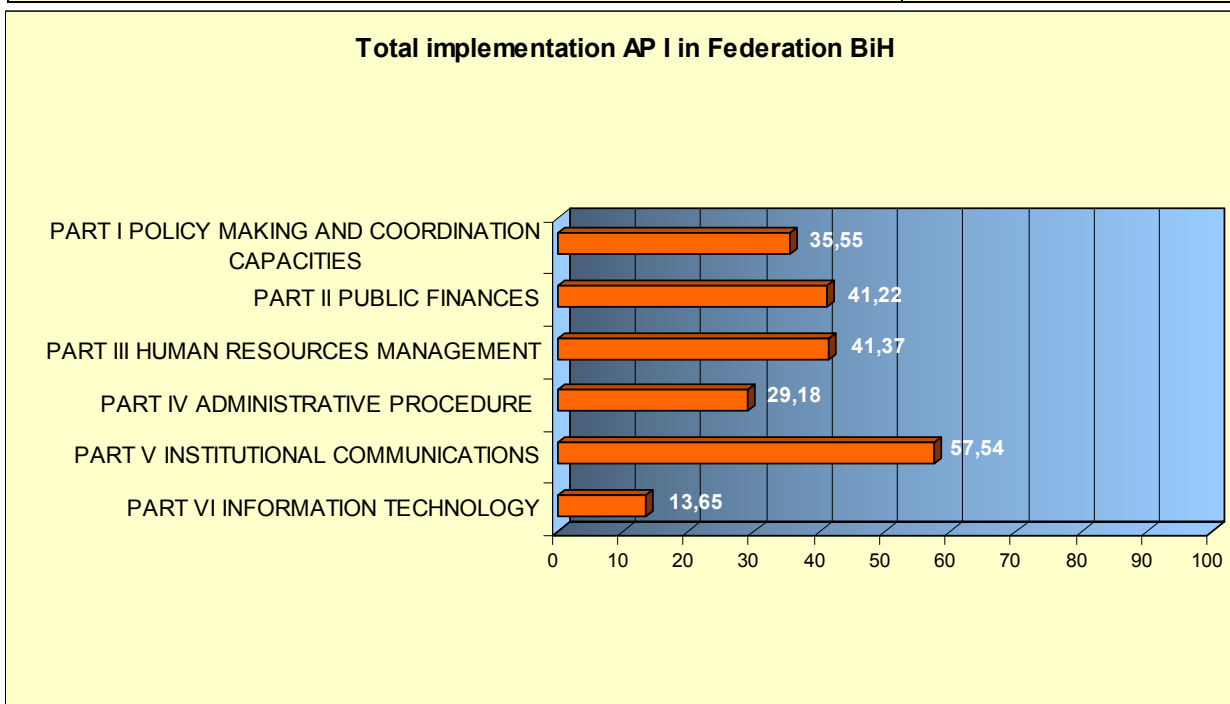
BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	42.45
PART II PUBLIC FINANCES	52.14
PART III HUMAN RESOURCES MANAGEMENT	43.51
PART IV ADMINISTRATIVE PROCEDURE	26.58
PART V INSTITUTIONAL COMMUNICATIONS	41.54
PART VI INFORMATION TECHNOLOGY	20.23



* 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

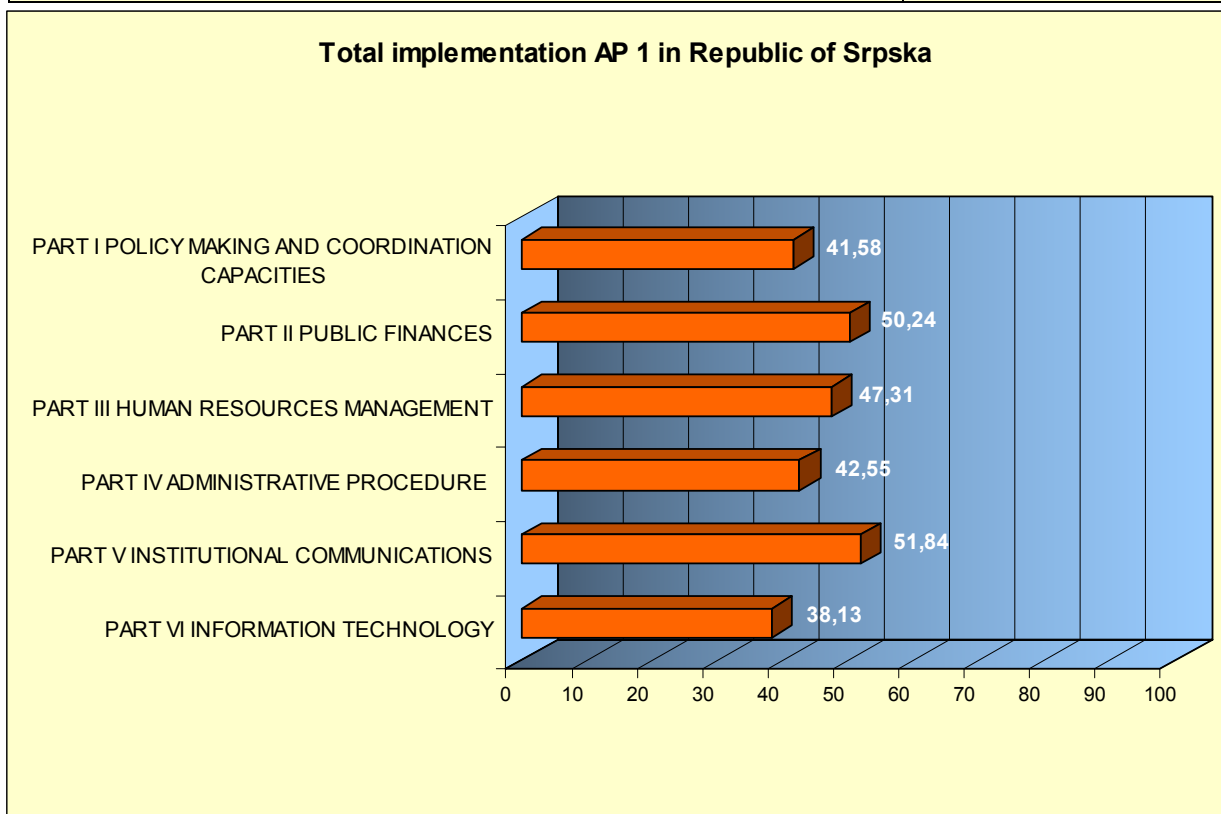
the FBiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	35.55
PART II PUBLIC FINANCE	41.22
PART III HUMAN RESOURCES MANAGEMENT	41.37
PART IV ADMINISTRATIVE PROCEDURE	29.18
PART V INSTITUTIONAL COMMUNICATIONS	57.54
PART VI INFORMATION TECHNOLOGY	13.65



* 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

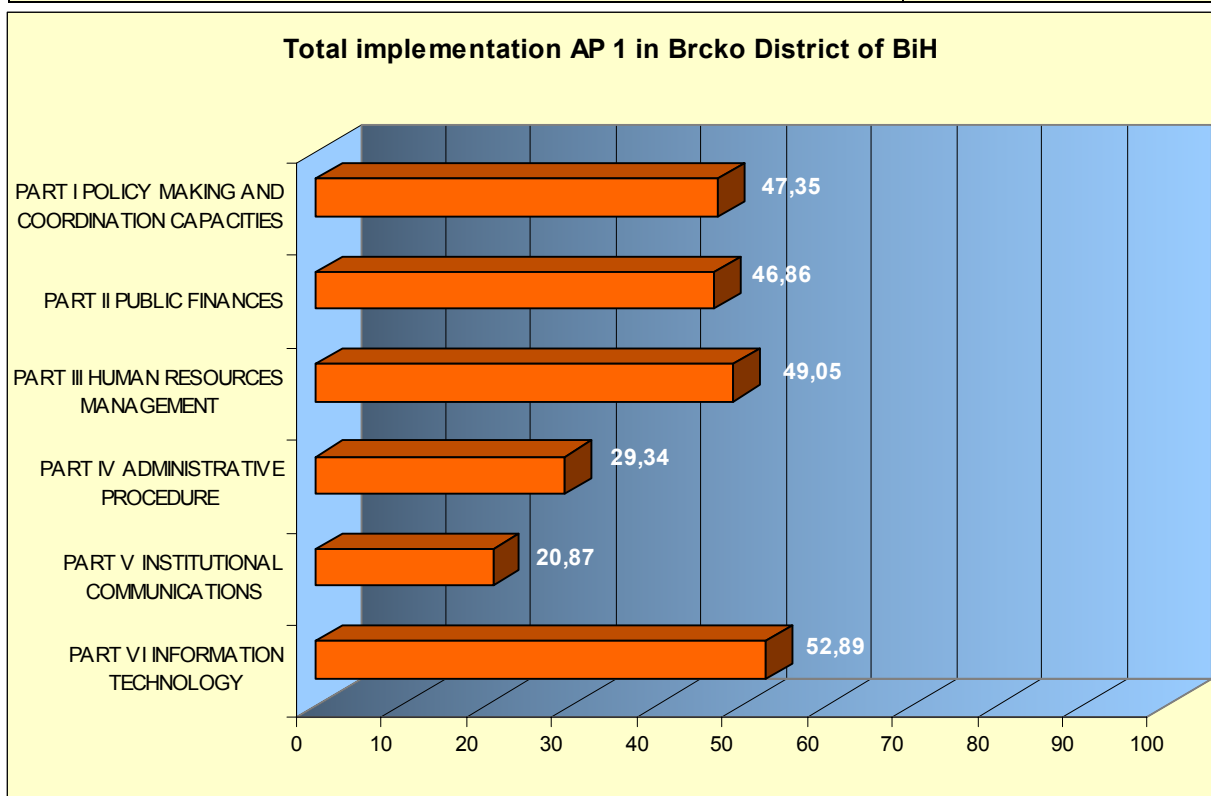
the RS level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	42.10
PART II PUBLIC FINANCES	50.24
PART III HUMAN RESOURCES MANAGEMENT	47.31
PART IV ADMINISTRATIVE PROCEDURE	42.55
PART V INSTITUTIONAL COMMUNICATIONS	51.84
PART VI INFORMATION TECHNOLOGY	38.13



* 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	47.35
PART II PUBLIC FINANCES	46.86
PART III HUMAN RESOURCES MANAGEMENT	49.05
PART IV ADMINISTRATIVE PROCEDURE	29.34
PART V INSTITUTIONAL COMMUNICATIONS	20.87
PART VI INFORMATION TECHNOLOGY	52.89



* 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)

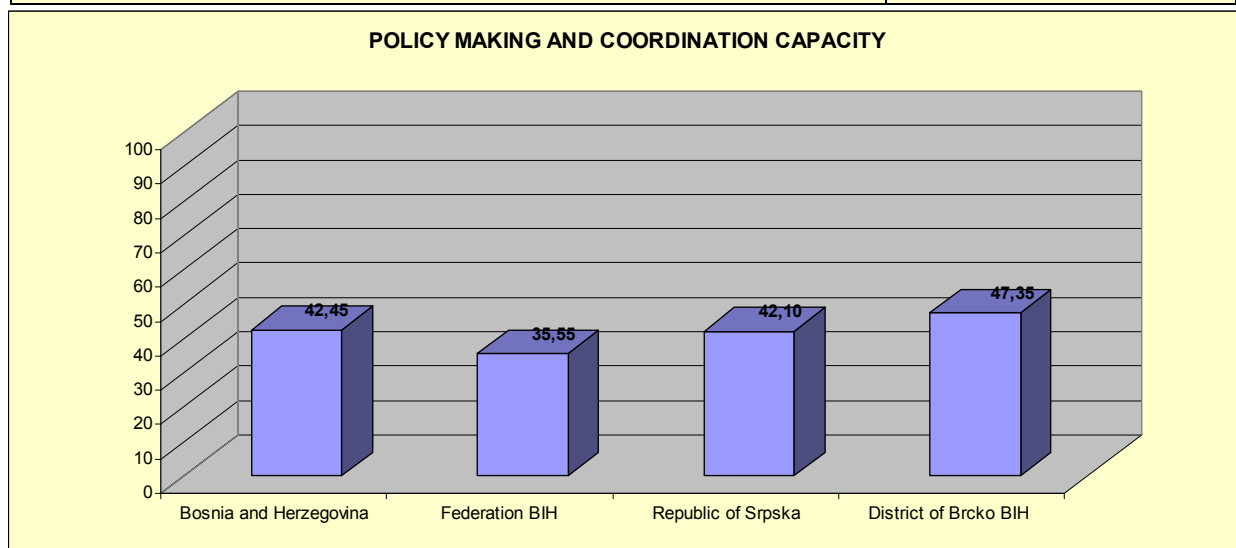
3.1.1 Policy Making and Coordination Capacities

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 amount to **41.46 per cent**.

Table 7 shows the total progress in the implementation of the Action Plan 1 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	42.45
the Federation of BiH	35.55
the Republic of Srpska	42.10
the Brčko District of BiH	47.35



In this reporting period, activities were continued on development and implementation of 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", "Transposing EU Legislation in the Legal System of BiH". Also, activities continued on development of three new projects: "Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of the Phase II", "Better Regulation/Management in the Public Administration Bodies in Bosnia and Herzegovina" and "Design of Software for Support to Legal Drafting and Monitoring of Their Implementation".

With the aim of monitoring implementation of the measures from the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, which are related to the area of Policy Making and Coordination Capacities, in the first quarter of 2010, there was one meeting of the Supervisory Team for the area of Improvement of Quality and Procedures of Drafting and Enactment of Regulations. The meeting of the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination was organized, but was not held because of absence of its members.

After the adoption of the Minutes from opening of bids and proposal of the Decision on award of the Contract by the Joint Management Board of the Public Administration Reform Fund, at the 15th session held on February 5, 2010, all bidders were notified on the Decision on Award

of the Contract for the project “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of Phase I”. As one of the bidders filed a complaint to the Notification on Award of the Contract, after considering the complaint, the Decision of the PARCO was prepared rejecting it. Dissatisfied with the decision of the PARCO on rejection of the complaint, the bidder, using the legal remedy, filed the complaint to the Appeal Office of Bosnia and Herzegovina, which is currently considering the appeal.

After selection of successful candidates in the prequalification phase, the Commission for Public Procurement of Services by the project “Improvement of Rules and Procedures for Legal, Other Regulations and General Documents Drafting in BiH” submitted the Minutes with recommendations for continuation of the procedure to members of the Joint Management Board of the PAR Fund for approval. Upon approval of the minutes with recommendations, the Commission for Public Procurements notified the candidates on the results of the prequalification and asked the successful candidates to submit the bids. The deadline for submission of bids was March 11, 2010, when the Commission for Public Procurements for implementation of this project met, opened all the received bids and reviewed them. The minutes of opening of bids and proposal of the Decision on Award of the Contract will be discussed at the next session of the Joint Management Board of the PAR Fund.

Based on the conclusions from the 56th Session of the Council of Ministers of BiH, the PARCO, during this reporting period as well, continuously monitored implementation of the project “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD” to ensure that this project fully corresponds with the objectives of the PAR Strategy, and regularly reported on that to the Council of Ministers of BiH. The third semi-annual report on implementation of the project “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD” was discussed and adopted at the 117th session of the Council of Ministers of BiH, held on March 25, 2010. Signing of the Memorandum of Understanding between the UNDP and the project beneficiaries, on March 10, 2010, initiated implementation of the project activities in three new sectors: agriculture, social protection and small and medium enterprises, by which the SPPD project enters its second phase of intensified activities in assisting department ministries in operability of the existing strategic plans and their better linking with budget planning and improving the process of developing policies of action and strengthening capacities of ministries for preparation of legislation.

After the Joint Management Board of the PAR Fund adopted the Terms of Reference “Transposing EU Legislation in the Legal System of BiH”, the tender documentation was prepared for this project which was adopted by the Joint Management Board of the PAR Fund in the regular procedure. Upon approval of the tender documentation there was a launch of the procedure of public procurement of consultancy services for this project, Commission for public procurement under this project was established, appointment of the Implementation Team was initiated, which will be responsible for operational implementation of the project activities. The Commission, at its meeting on March 26, 2010, opened and discussed the received requests to participate in the prequalification phase, and drafted the minutes with recommendations for continuation of the procedure.

In the next period, the following activities were planned:

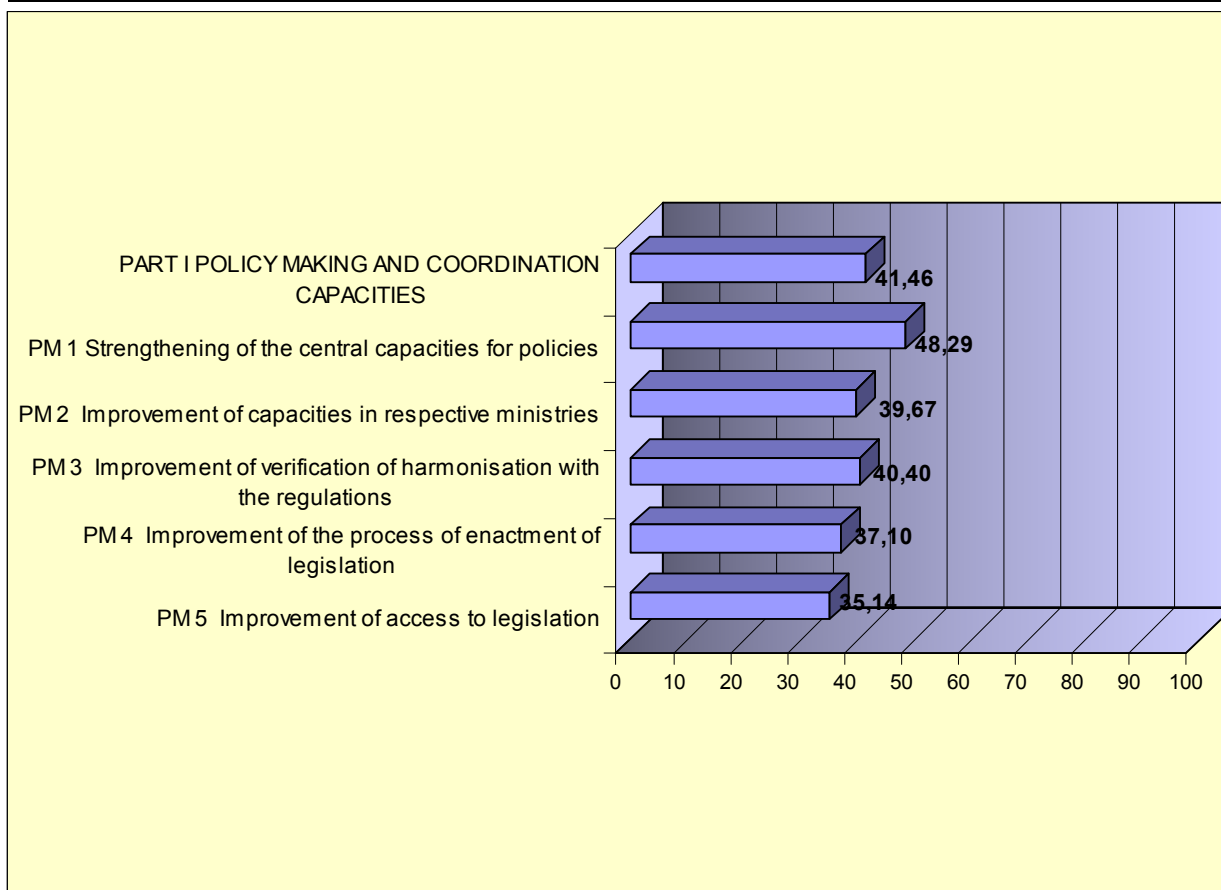
- Implementation of the public procurement procedure for the approved projects from the reform area.
- Continuation of activities on development of new projects: “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase II”, “Better Regulation/Management in the Bodies of Public Administration in Bosnia and Herzegovina” and “Design of Software for Support in Drafting Laws and Monitoring of their Implementation”.
- Monitoring of implementation of initiated projects and their direction to fulfilment of the objectives of the Strategy of Public Administration Reform in BiH.

- Appointment of new deputy member of the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination from the Government of the Republic of Srpska.
- Identification of priorities, analysis of the condition and needs in the reform area.
- Continuous monitoring of implementation of the AP 1 of the Strategy of PAR, and preparation of reports.

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	41.46
PM 1. Strengthening of the central capacities for policies	48.29
PM 2. Improvement of capacities in respective ministries	39.67
PM 3. Improvement of verification of harmonisation with the regulations	40.40
PM 4. Improvement of the process of enactment of legislation	37.10
PM 5. Improvement of access to legislation	35.14



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

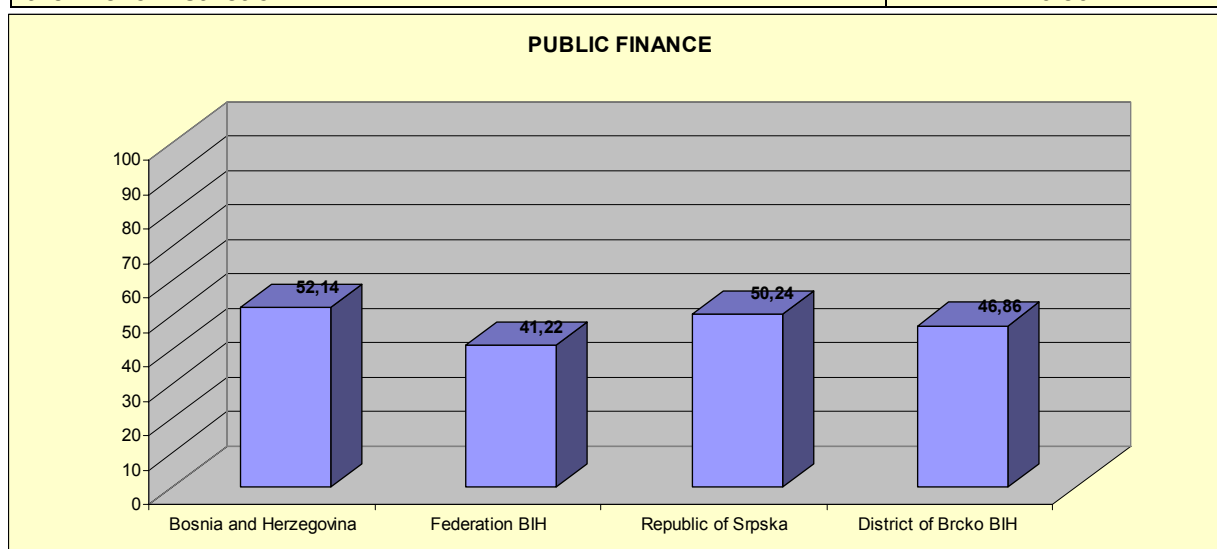
3.1.2 Public Finances

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 **46.35 per cent**.

Table 9 shows the total progress in implementation of the Action Plan 1 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	52.14
the Federation of BiH	41.22
the Republic of Srpska	50.24
the Brčko District of BiH	46.86



The Advisory Group of the Fiscal Council discussed, in this period, preparations for drafting the document Global Framework of Fiscal Balance and Policies for BiH for the period 2011 to 2013.

The third phase of the project to strengthen public finance management in BiH, funded by the DfID began in March 2009. General workshops on all levels, within this project, were held at the end of 2009, with special emphasis on the principles of programme budgeting. During this period, the Sectors for Budget at all levels, with the technical assistance of the SPEM project, continued to provide official individual technical assistance to budget users in order to improve the program budgeting.

The PARCO, in this period changed the project proposal and the terms of reference for the project “Budget Management Information System (BMIS)”, and prepared a new tender documentation in cooperation with the members of the Supervisory Team from the area of Public Finances and IT experts from all levels. In preparing all these documents, the PARCO had the help of IT expert, paid by the SIDA, as well as of public procurement expert.

Also, the PARCO works on introduction of the IT system for budget preparation (which is compatible with the Treasury system) that would accelerate the flow of this process, increase effectiveness of the Ministry of Finance, reduce possibility of errors arising as a result of manual input, enable introduction of program budgeting, internal control and audit and facilitate the expanded reporting to the parliaments and the public.

In the area of investments, in the past period, laws were adopted on public-private partnership in the Republic of Srpska and the Brčko District of BiH. In the Federation of BiH, draft law was adopted on public-private partnership.

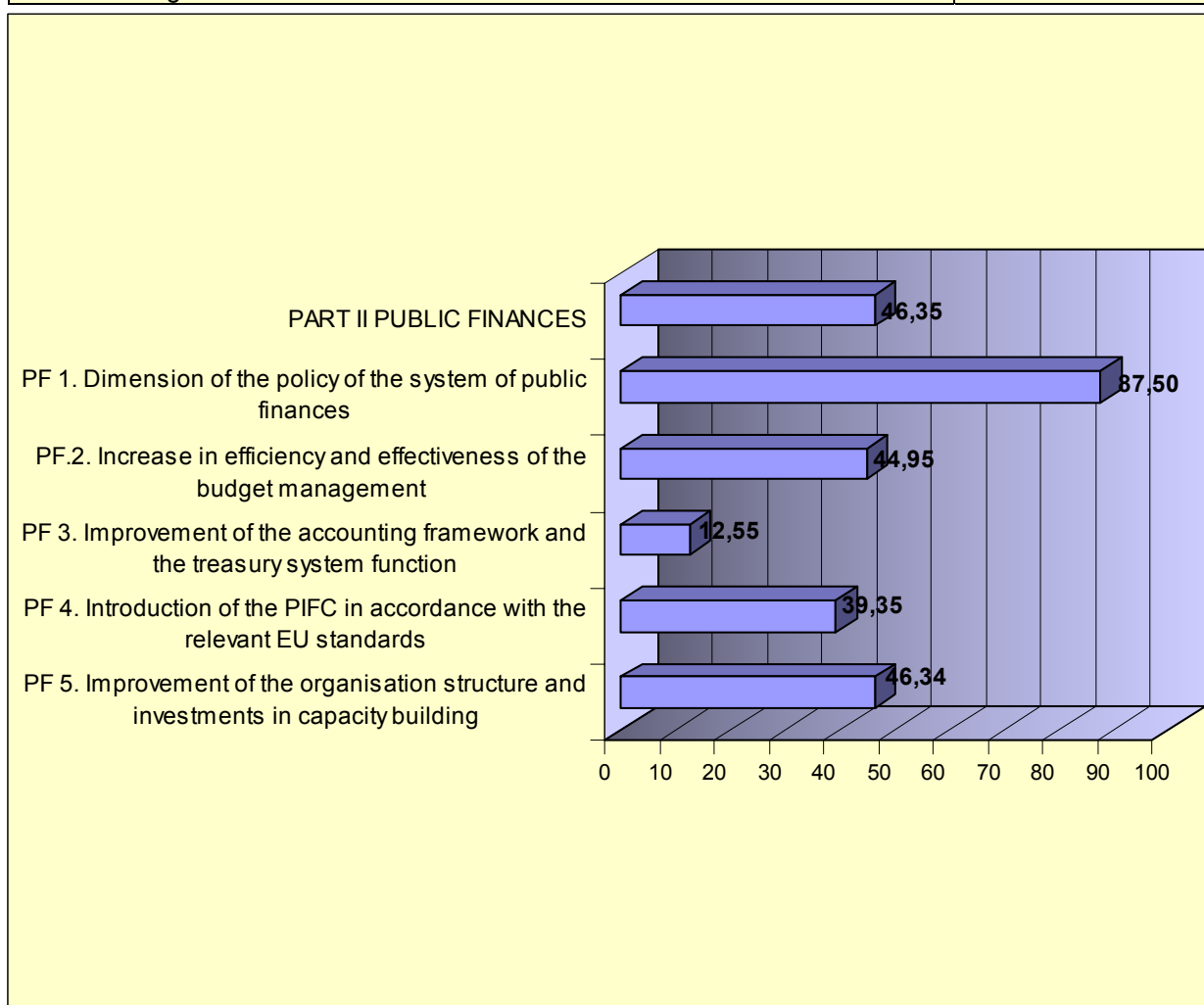
There are great differences in introduction of the treasury system in the municipalities in the RS in relation to the FBiH. Of 63 municipalities in the RS, the treasury system was introduced in 37, and the plan is to introduce it in the next year in the remaining municipalities. In the Federation, the treasury system was introduced only in one municipality.

Work on the strategy for implementation of the PIFC in accordance with relevant EU standards was completed in late 2009. The European Commission published an international tender for award of the contract to implement the Strategy, and to introduce the PIFC on all administrative levels in BiH. Contract award is expected in the coming quarter.

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	46.35
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	44.95
PF 3. Improvement of the accounting framework and the treasury system Function	12.55
PF 4. Introduction of the PIFC in accordance with the relevant EU Standards	39.35
PF 5. Improvement of the organisation structure and investments in capacity Building	46.34



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

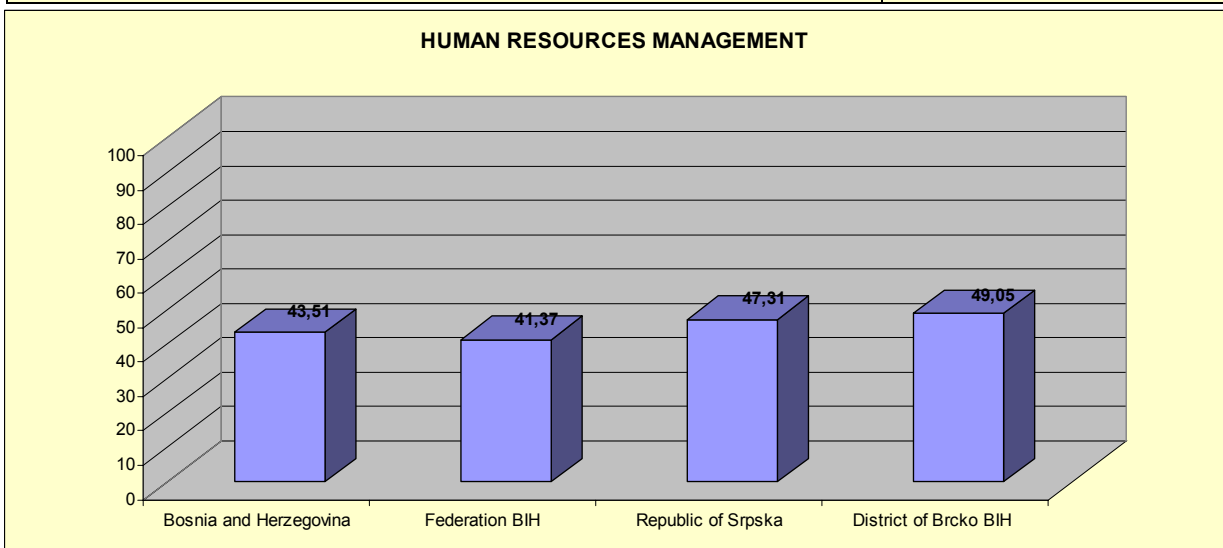
3.1.3 Human Resources Management

In this reporting period, the AP 1 implementation in the area of Human Resources Management at the state, entity and Brčko District of BiH level is **45.36 per cent**.

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 PAR Strategy in BiH – reform area Human Resources Management

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	43.51
the Federation of BiH	41.37
the Republic of Srpska	47.31
the Brčko District of BiH	49.05



The most important activities in the reporting period in the area of Human Resources Management include the following:

- At the level of institutions of BiH, the Council of Ministers, at its 113th session, held on January 21st 2010, established the Draft Law on Changes and Amendments to the Law on Work in the institutions of Bosnia and Herzegovina, which was sent in the parliamentary procedure.
- At the level of institutions of Bosnia and Herzegovina, the Law on Changes and Amendments to the Law Civil Service in the Institutions of Bosnia and Herzegovina came into force (Official Gazette No. 08/2010 of February 2nd, 2010), which harmonised this law with the provisions of the Law on Work regarding the conditions for retirement of civil servants and termination of employment.
- The Council of Ministers of BiH, in the reporting period, at the 117th session, held on March 25, 2010, at the proposal of the Ministry of Finance and Treasury of BiH, adopted the Methodology for Job Classification for High School Education in the salary grades established by the Law on Salaries and Allowances in the Institutions of Bosnia and Herzegovina.
- In March, there was an official start of implementation of the twinning project “Capacity Building in the Area of Training Management in the Institutions of BiH”, implemented by the Finish Institute for Public Administration in partnership with the Civil Service Agency of BiH.
- On the level of the institutions of BiH, established was the Forum of Civil Servants - experts from the area of Human Resources Management (HRM Forum), which in the reporting period held three workshops. This activity is important from the aspect of overall support to

the reform in the area of civil service reform and implementation of a set of measures from the area of the Action Plan 1 HRM 2 - Organizational setting -role of peripheral units.

- After the Government of the FBiH, at its 137th session, held on March 17, 2010, established the Draft Law on Salaries and Allowances in the FBiH bodies of authority, the draft law was not supported in the Federation Parliament at the session of the House of Representatives, held March 31st, 2010.
- The Government of the FBiH, at its 138th session held on March 25, 2010, discussed the Report of the Civil Service Agency of the FBiH on work and condition of employees in the bodies of civil service in the FBiH for 2009. In addition to adoption of the report, the FBiH Government adopted certain number of conclusions which, among other things, relate to the obligation to create consistent Law on Civil Servants and Employees in the FBiH, which would contain all the suggestions given in the Report. The Federal Ministry of Justice is responsible to make, in cooperation with the cantonal ministries of justice, mayors and mayors of municipalities in the Federation, a full analysis of the situation in the civil service bodies, and to prepare draft Guidelines for Conduct of Personnel Policy in the Civil Service Bodies, in which will, primarily, be established criteria to reduce the number of employed civil servants and employees.
- On the level of the Republic of Srpska, the Civil Service Agency made a proposal of the HRM plan for 2010, and submitted it to the Government of the RS for adoption.
- At the level of the Brcko District of BiH, in the first quarter, no significant changes have been recorded in the reform area in relation to the condition from the last quarter of 2009. Of current activities, ongoing is preparation of a new Law on Civil Service of the Brčko District, where a special working group is working. It is foreseen that after it is adopted, there will be revision and preparation of new implementing acts.

The Civil Service Agency of BiH, on March 15, 2010, began implementing activities for the web information system for electronic notification in vacancy procedures, in cooperation with the company QSS Društvo za softwaresku tehnologiju d.o.o.

The Civil Service Agency of the FBiH, during the reporting period, organized training of civil servants in the following areas: interviews maintenance skills, effective meetings, mediation - a manner of solving disputes amicably, communication and time management. Of other training programs the CSA BiH, FBiH and RS organized regular foreign language courses, which are held throughout the reporting period.

Operational implementation of the project "Development of Performance Management System in the Structures of Civil Service in BiH", which is funded by the Public Administration Reform Fund, began immediately after the contract has been signed on January 4, 2010. In the reporting period, the initial phase of the project ended, after which initial report of the project was prepared, which contains the plan of activities for implementation of the project until its completion. In implementation of the project, there was a work on activities of the component of the project, which includes analyses of the performance management system at various levels of government in BiH and analysis of the practice of the process of performance management system in the region and EU countries, and activities have started on preparation of proposals for improvement of implementation regulations that regulate this area.

For the next period, the following activities have been planned:

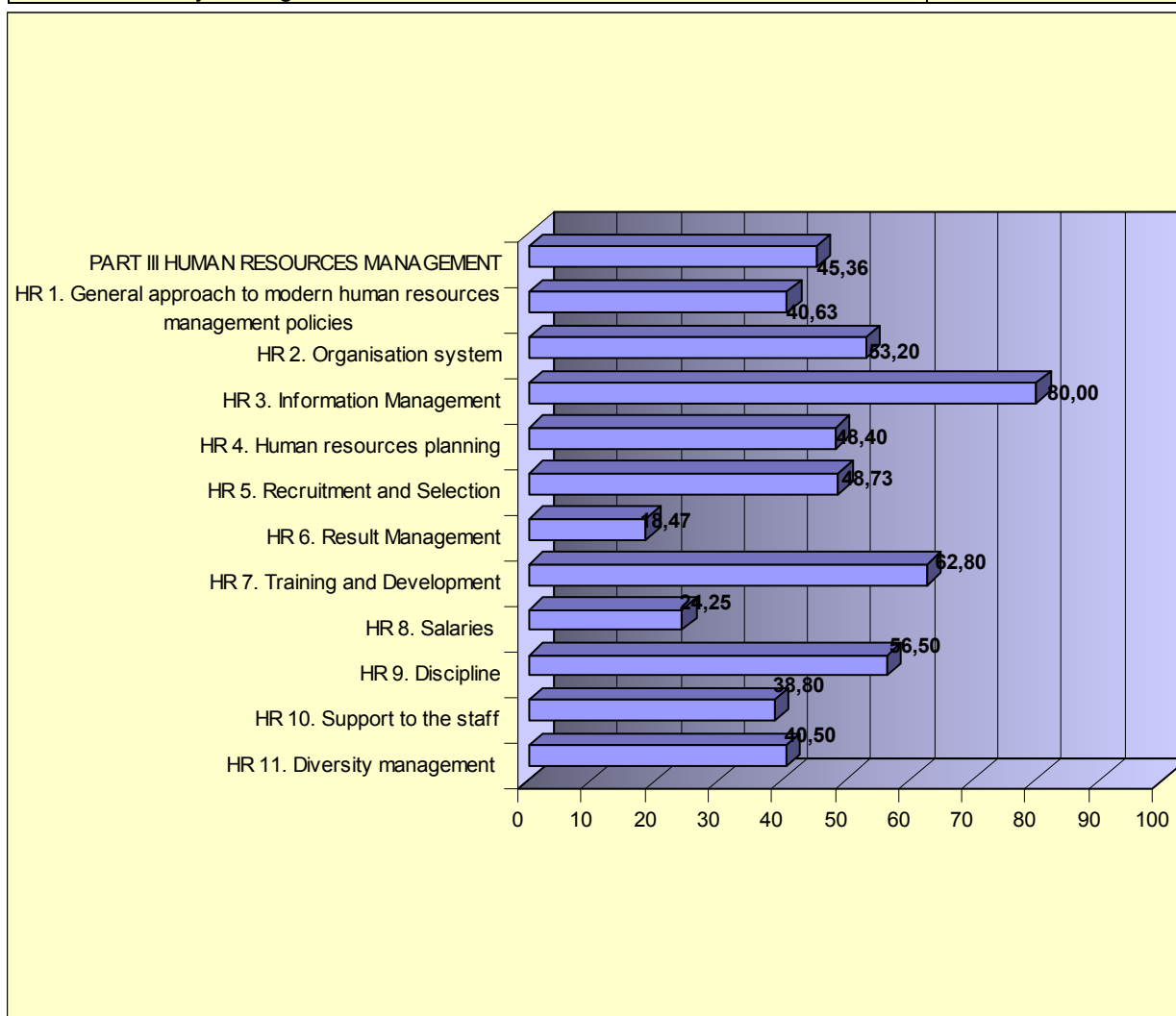
- Completion of analysis of the overall progress in reform area and the degree of implementation of the AP1, which is being implemented with the support of the experts of the technical assistance team on the project "Continued Support to the Public Administration Reform Coordinator's Office in Bosnia and Herzegovina, Capacity Building for Implementation of the Strategy of the Public Administration Reform and Donor Coordination". Analysis, among other things, should provide a basis for drawing up proposals for update of the contents of the Action Plan 1.

- Continuation of implementation of the project “Development of Performance Management System in the Structures of Civil Service in BiH” in accordance with the plan of project activities.

Table below gives the overview by chapters for the reform area 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	45.36
HR 1. General approach to modern human resources management policies	40.63
HR 2. Organisation system	53.20
HR 3. Information management	80.00
HR 4. Human resources planning	48.40
HR 5. Recruitment and selection	48.73
HR 6. Result management	18.47
HR 7. Training and development	62.80
HR 8. Salaries	24.25
HR 9. Discipline	56.50
HR 10. Support to the staff	38.80
HR 11. Diversity management	40.50



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

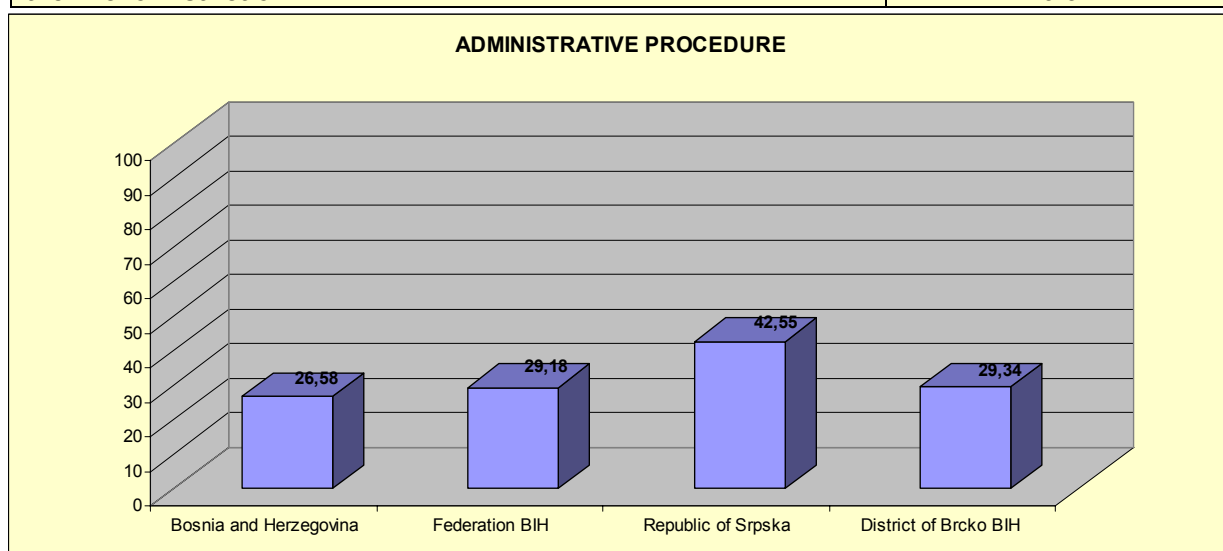
3.1.4 Administrative Procedure

In the reporting period, implementation of the AP 1, in the area of Administrative Procedure, at the state, entity and Brčko District of BiH level is **33.55 per cent**.

Table 13 gives the overall overview of 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	26.58
the Federation of BiH	29.18
the Republic of Srpska	42.55
the Brčko District of BiH	29.34



The PARF JMB, on March 16, 2010, adopted the Inception Report for the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”, and on February 20, 2010, the first Interim Report was submitted which was returned for improvement, and is now in the procedure of adoption.

The Council of Ministers of BiH, at the 109th session, held on December 22nd, 2009, adopted the Decision on Electronic Operations and e-Government in the Council of Ministers of BiH (“Official Gazette of BiH” No. 07/10). This decision defines electronic operations, which includes working with clients, use of equipment, handling of the documentation, communication with clients and other public subjects and performance of clerical tasks, and the basics of e-Government work in the Council of Ministers of BiH.

The National Assembly of the RS, at the 35th session, held on February 17, 2010, adopted the Draft Law on Changes and Amendments to the Law on General Administrative Procedure, which stipulates that the manager of the authority may authorize another officer to conduct administrative proceedings and make a decision or to conduct the administrative proceedings and that, when prescribed by special law, a party's request will be considered approved if the authority does not decide on the request in the legally prescribed time limit. Also, obligation has been prescribed for the second instance body, when deciding on an appeal to decide on the basis of merits, as well as possibility of electronic communication of bodies and parties, and conditions are prescribed that must be fulfilled by the person authorized to decide and conduct the administrative proceedings.

The republic bodies of administration submitted to the Government of the RS the report on the condition of administrative decision making and the plan of solving unsolved cases from the earlier period.

The Government of the FBiH and the International Financial Corporation (IFC) joined together in the Project of Regulatory Reform at the level of the FBiH. Consequently, ongoing is implementation of the second phase of the project, which implies a comprehensive analysis, simplification and improvement of administrative procedures at the level of the FBiH. The Phase II covers a broader aspect by which intention is to harmonise regulations regarding simplification of administrative procedures (permits, approvals, licenses, certificates, etc.) in the segment of business sector. The PARCO has no direct insight into the activities and scope of the project but only the previously mentioned indirect knowledge about it.

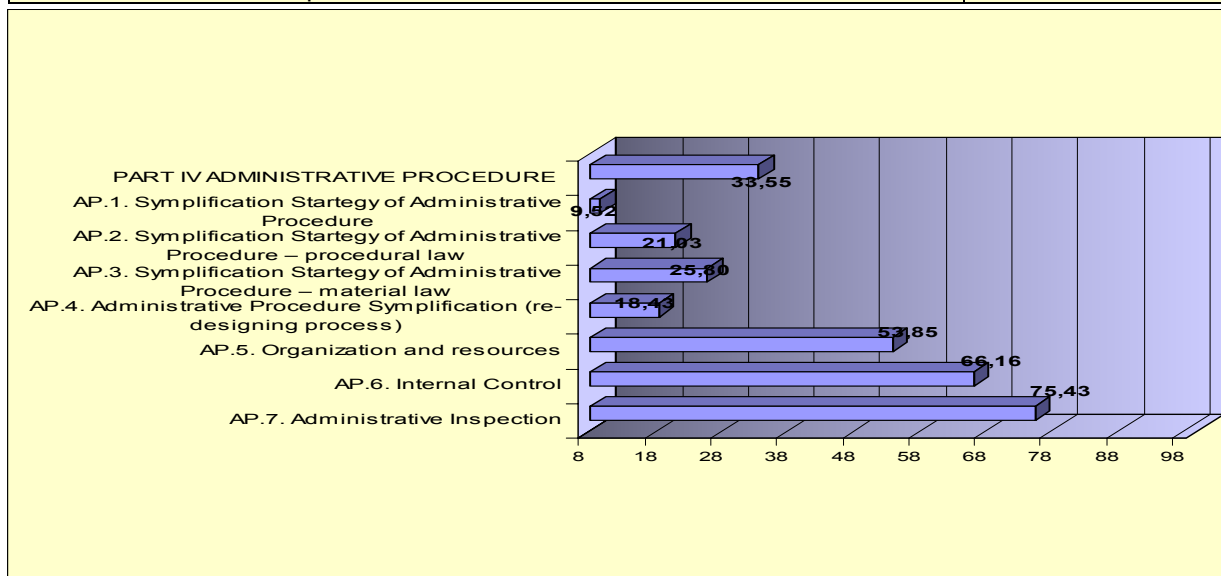
In the next period, the following activities have been planned:

- The PARCO, in cooperation with Mr. Wolfgang Rusch (SIGMA), expert for administrative procedure, plans to have on April 14, 2010 bilateral meetings with the representatives from all four administrative levels, as well as with experts engaged within the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”;
- Monitoring of implementation of the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”;
- Cooperation with the TA team and the short term expert for the reform area Administrative Procedure, Mr. Zarije Seizović;
- Organisation of meetings of the members of the Supervisory Team for the reform area of Administrative Procedure;
- Continuation of activities on preparation of the logical framework and the project proposal for the project “Education of Leaders of Administrative Procedures and Administrative Inspectors”.

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

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

COMPONENT OF THE ACTION PLAN 1	Implemented
PART IV ADMINISTRATIVE PROCEDURE	33.55
AP.1. Simplification Strategy of Administrative Procedure	9.52
AP.2. Simplification Strategy of Administrative Procedure - procedural law	21.03
AP.3. Simplification Strategy of Administrative Procedure - material law	25.80
AP.4. Administrative Procedure Simplification (redesigning process)	18.43
AP.5. Organisation and Resources	53.85
AP.6. Internal Control	66.16
AP.7. Administrative Inspection	75.43



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

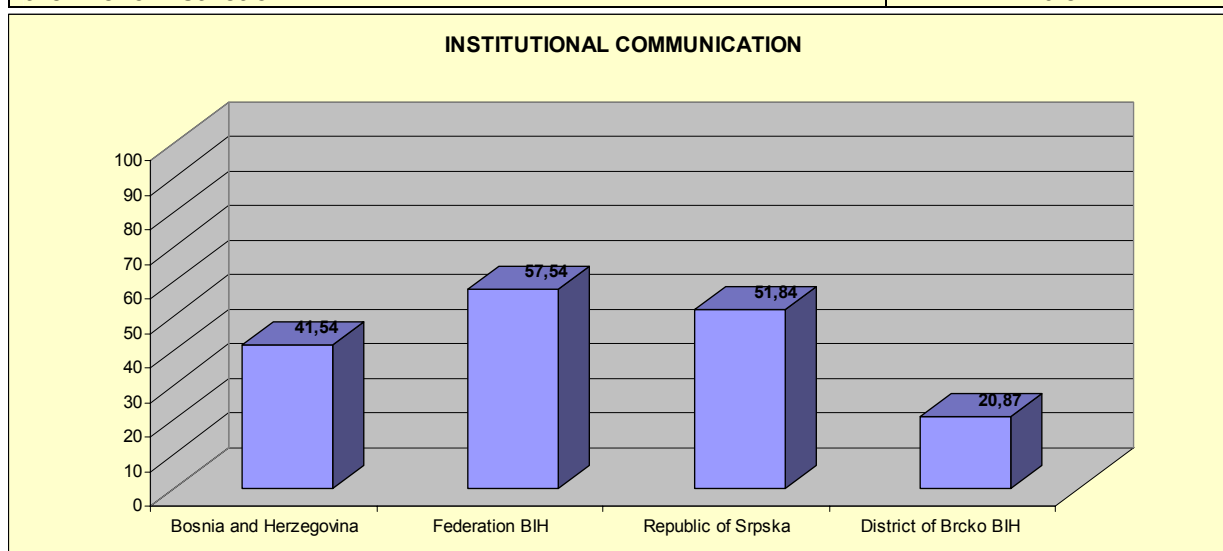
3.1.5 Institutional Communications

In this reporting period, the AP 1 implementation in the area of Institutional Communications at the state, entity and Brčko District of BiH level is **40.85 per cent**.

Table 15 gives 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	41.54
the Federation of BiH	57.54
the Republic of Srpska	51.84
the Brčko District of BiH	20.87



In the reporting period, one project, financed by the PARF, was fully successfully implemented, and two more projects, also financed by the PARF, are in the phase of implementation.

The project “Establishment of Network Info Stands” was officially completed in this reporting period. All five phases of the project (revision of internal communication, education, info stands, preparation of bulletins and evaluation) were successfully completed. Direct results of the project are knowledge of public relations officers of the concept of info stands and internal communications, research of communication practices in central units for PR, procurement of info stands as means of promotion, distribution and exchange of info materials, around 2000 copies of bulletin were prepared and printed per central unit for public relations, and practice of exchange of info materials between these units through the info stands began. Successfully implemented project activities have contributed to fulfilment of the measures in the field IC 8, IC 14 and IC 17.

The project “Strategic Communication” is in the final stage. Within the project, there was a research of the perception of the public of the governments in BiH and their communication activities, and the analysis of compliance of the existing communication strategies (the RS and the FBiH), with the AP 1. In this reporting period there was a meeting of the Working Group composed of beneficiaries and representatives of the PARCO where drafts communication strategies and action plans for each level were finalised. Draft documents were presented to the users and delivered at their disposal. Project activities have directly contributed to fulfilment of the measures in the area IC 2.

The project “Training of Public Relations Officers” officially began by signing of the contract on January 15, 2010. In the preparatory phase, the consultant conducted a survey among the public relations officers at all levels, which will serve as a basis for further project activities. During March, the training was held in the field of public relations in Sarajevo, Mostar and

Banja Luka, which was attended by a total of 70 public relations officers from all levels. The project will contribute to implementation of measures from the area IC 1 and IC 8.

In the reporting period, there were two meetings of the Supervisory Team, and four bilateral meetings with the members of the Supervisory Team on the occasion of beginning of implementation of the project "Training of Public Relations Officers". There was a significant improvement in intensity and quality of cooperation between the PARCO and the Supervisory Team, which resulted in active participation of the members in the ST in all project activities and significant contribution to improvement of the quality of project results.

From the Service of the Secretariat General of the Council of Ministers, for the next reporting period publishing of the second issue of the bulletin "INFO of the Council of Ministers" was announced, which represents a direct continuation of the project "Establishment of Network of Info Stands". Also, the practice of sharing of info materials between the levels through the info stands continued.

In the reporting period, at the level of BiH institutions, the progress has been noted in the chapters IC 8 - Training, through implementation of trainings for public relations, organised by the CSA BiH, and within the project "Training of Public Relations Officers".

At the level of the Republic of Srpska the progress has been achieved in the chapters of the AP 1 IC 7 – Human Resources and IC 8 – Training, through implementation of the training for public relations within the project "Training of Public Relations Officers" and by engagement of public relations officers in three institutions.

In the Federation of BiH, the progress has been recorded in the chapter of the AP 1 IC 8 – Training, through the project "Training of Public Relations Officers".

In the Brčko District of BiH, by participating in the project "Training of Public Relations Officers", continuous activities, on earlier fulfilled measure IC 8.1, have continued.

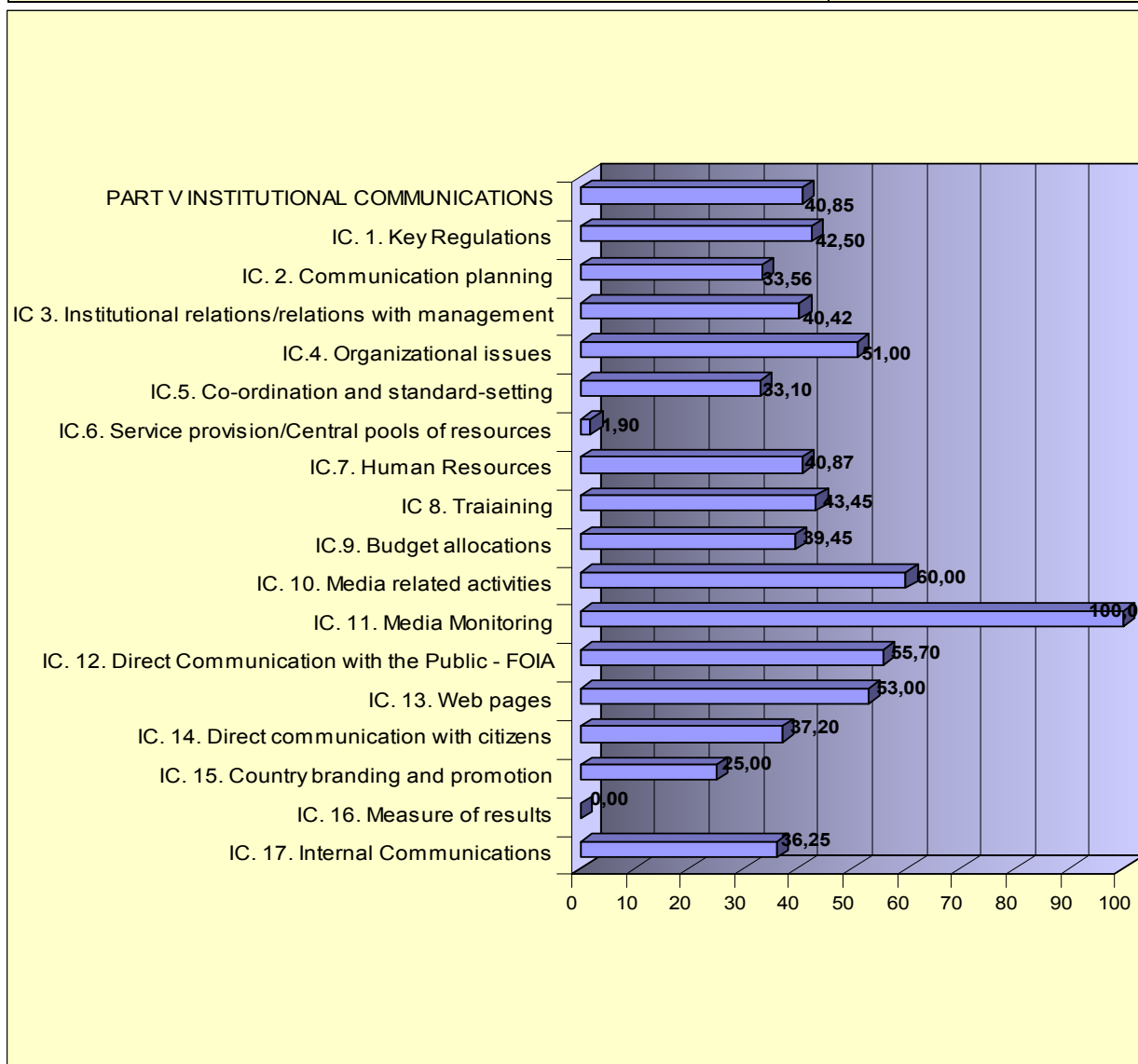
For the next period, the following activities have been foreseen:

- Completion of the project "Strategic Communication" and initiative of the central information units for adoption of communication strategies by respective governments.
- Implementation of the project "Training of Public Relations Officers", and within that, draft of Manual for Public Relations, organisation of study trip for the purpose of getting acquainted with the EU practice, and organisation of the PR conference.
- Draft of the project documentation for the project "Publication of Info Materials of the Council of Ministers of BiH and the Governments of the RS, the FBiH and the BD BiH".
- Cooperation with the Supervisory Team on the activities of implementation of the measures from the AP1.

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

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	40.85
IC 1. Key Regulations	42.50
IC 2. Communication Planning	33.56
IC 3. Institutional Relation/Relations with Management	40.42
IC 4. Organisational issues	51.00
IC 5. Coordination and Standard Setting	33.10
IC 6. Service Provision/Central Pools of Resources	1.90
IC 7. Human resources	40.87
IC 8. Training	43.45
IC 9. Budget Allocation	39.45
IC 10. Media Related Activities	60.00
IC 11. Media Monitoring	100.00
IC 12. Direct Communication with the public - FOIA	55.70
IC 13. Web Pages	53.00
IC 14. Direct Communication with Citizens	37.20
IC 15. Country Branding and Promotion	25.00
IC 16. Measure of Results	0.00
IC 17. Internal Communications	36.25



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

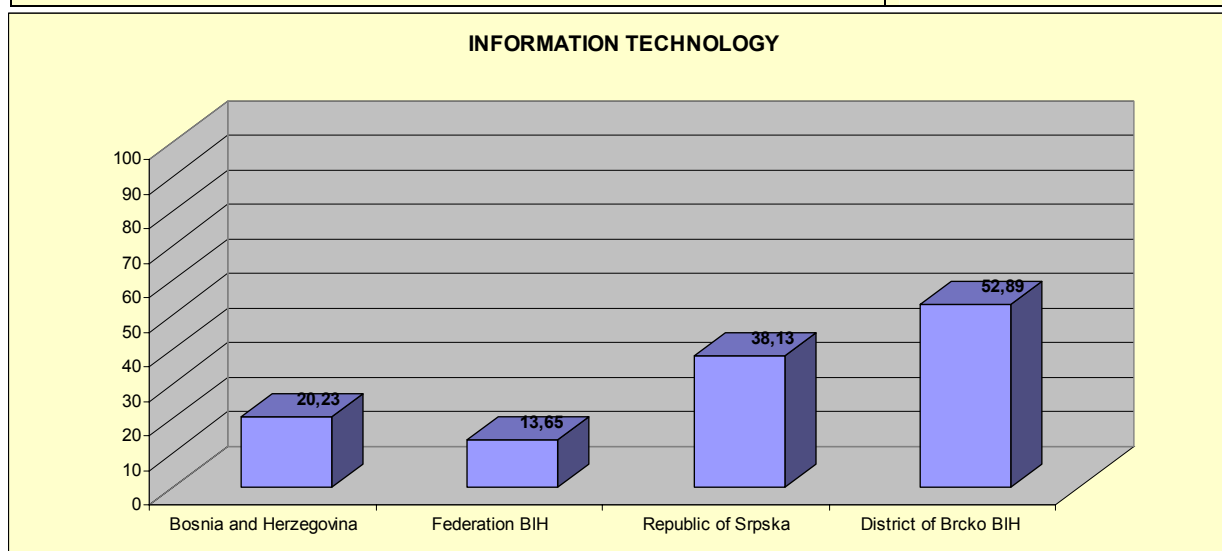
3.1.6 Information Technologies

In the reporting period, the AP 1 implementation in the area of Information Technologies at the state, entity and Brčko District of BiH level is **31.36 per cent**.

Table 17 shows 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 Information Technologies.

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

INFORMATION TEHNOLOGY	Implemented
Bosnia and Herzegovina	20.23
the Federation of BiH	13.65
the Republic of Srpska	38.13
the Brčko District of BiH	52.89



At the level of BiH, adopted was the Decision on electronic operations and e-Government in the Council of Ministers. Draft of documents within the "Policy of Software in the Institutions of BiH" in working subgroups was initiated. In the Republic of Srpska, a report on eLegislative as well as documentation for standardization of IT architecture was drafted. The member of the Working Group for draft of the Law on Agency for Development of Information Society of BiH was appointed. In the Federation of BiH, adopted was the Report on Implementation of Information System of registry of small and medium enterprises.

For the project "One-Stop-Shop, services for assistance to citizens of the Brcko District of BiH", tender documentation for procurement of services by open procedure was drafted and approved by the PARF JMB. Conditions for practical initiation of procurement procedure have been fulfilled. Procurement notice will be published in the first half of April. Adoption of the tender documentation by the PARF JMB, in this case, showed that the deadlines for declaration when members of the PARF JMB are asking for clarifications or giving comments on tender documentation must be specified.

Project "Design and Establishment of Interoperability Framework and Standards for Data Exchange" has been, in the reporting period, suspended until enactment of the decision of the Appeal Office on the appeal of the candidate to the Decision on the Outcome of the Phase of Prequalification Phase in the subject procurement procedure.

Intended implementation of the II phase of the project e-Government has been suspended, because the decision on implementation of the II phase of e-Government waits to be put on the agenda of the session of the Council of Ministers of BiH.

The Council of Ministers of BiH adopted the Decision on Electronic Business and e-Government in the CoM BiH (Official Gazette No. 7/10) which, among other things, defined that the affairs of e-administration are to be entrusted to the Office for e-Government within the

Secretariat General of the Council of Ministers, and it also ordered that within 30 days amendments to the Rulebook on Internal Organization and Systematisations of Jobs are to be made. However, due to the moratorium on new recruitment in the institutions of BiH, the implementation of the decision is questionable in the current year.

In the first quarter of 2010, subgroups of the working group for drafting the document under the "Policy of Software in the Institutions of Bosnia and Herzegovina" began drafting these documents. The PARCO, within the subgroup for interoperability, submitted to the Ministry of Communications and Transport a document "Framework of Interoperability in the Institutions of BiH - a guide for preparation" with proposal of measures which are necessary to be undertaken already in the preparatory phase of drafting the final document of interoperability framework.

In the Republic of Srpska, analysis of the legal aspect of the IT segment – IT 1.1. was drafted and draft of documentation for standardisation of IT architecture – IT 4.1. was completed.

For the project of introduction of a single register of small and medium enterprises in the FBiH, the federal Government adopted a report on implementation. Appointment of interdepartmental body was proposed, whose task would be to draft a plan of further actions for implementation of the project. The register would contain socio-economic and indicators of physical volume for small and medium enterprises and it would contribute to implementation of activities from the Chapter IT 4.3. of the AP 1.

Due to the lack of agencies for the development of IT society of Bosnia and Herzegovina, the establishment of the Office for Supervision and Accreditation ovjerilaca at BiH level and the activities of e-government were included in proposed amendments to the Ordinance on Internal Organization of the Ministry of Communications and Transport, but the documents did not get the consent of the Ministry of Finance and Treasury as a result of budgetary constraints caused by the arrangement with the IMF. Meanwhile, the decision on electronic business and e-Government in the Council of Ministers, the Office for e-Government (e-government jobs) were transferred to the jurisdiction of the General Secretariat of the Council of Ministers.

Due to lack of Agency for Development of Information Society of BiH, establishment of the Office for Supervision and Accreditation of Certifiers at the BiH level and the affairs of e-administration were included in the Proposal of Amendments to the Rulebook on Internal Organization of the Ministry of Communications and Transport, but the document did not get the consent of the Ministry of Finance and Treasury because of budgetary constraints caused by the arrangement with the IMF. Meanwhile, the Decision on Electronic Operations and e-Government in the Council of Ministers transferred the affairs of the Office for e-Government (e-administration affairs) to the jurisdiction of the Secretariat General of the Council of Ministers of BiH.

Within the PAR Strategy implementation coordination an individual approach to implementation of measures of the AP1 in the area of IT was observed and noticeably uneven level of development of information technologies within the four administrative levels, which is not linear, but dependant on the particular segment of the IT area. Noticeable is a general lack of information on implemented, started or planned projects in the field of IT in administration. Nevertheless, the idea of the PARCO of a single inventory registry of hardware, software, IT skills of employees and projects in the entire civil service is not acceptable to all administrative levels. Due to the imbalance in the degree of development of information technologies, different levels of budgetary investment in IT and developmental approach, the principle of coherence in the implementation of PAR in the field of IT is currently questionable.

For the next period, the following activities were planned:

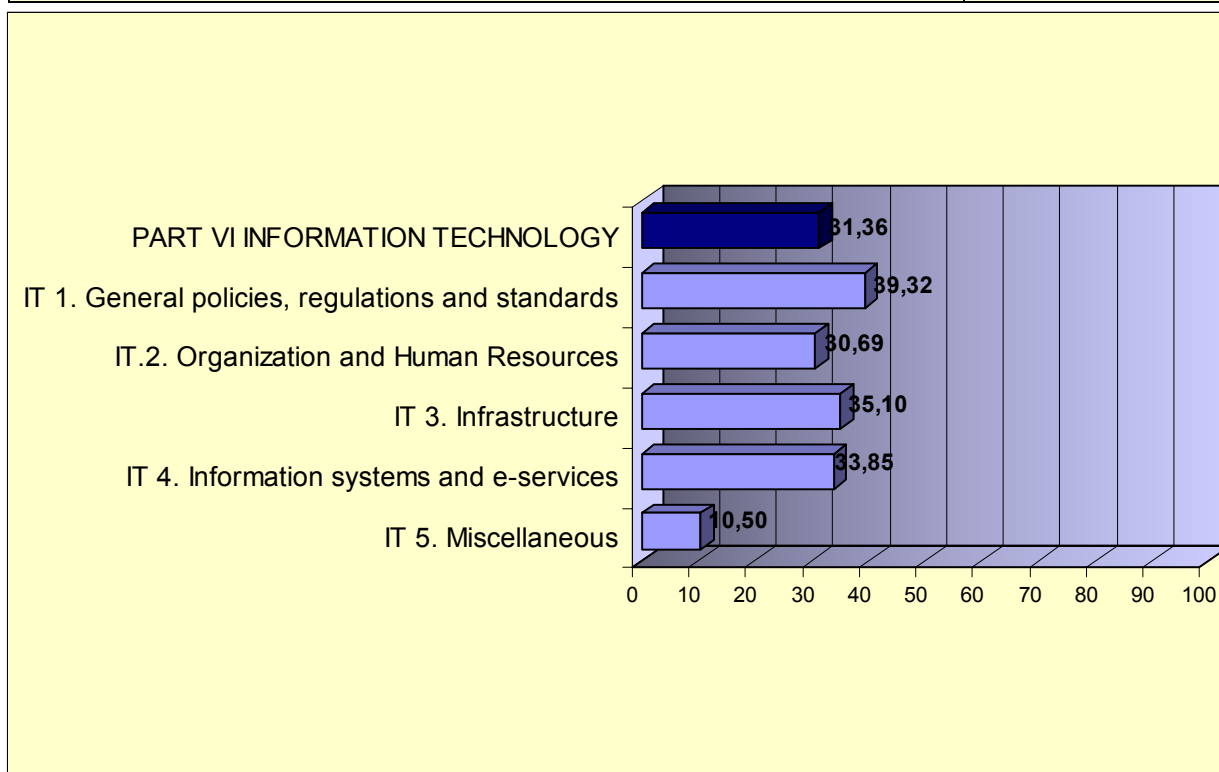
- Implementation of procurement of services for the project "One Stop Shop – Services for Assistance to Citizens",
- Draft of project proposal "Establishment of Video Conference Centres",

- Establishment of continuous process of risk analysis, introduction of codebook of jobs for IT, verification of computer literacy of the existing staff in the Government of the RS.

Table below shows 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	31.36
IT 1. General policies, regulations and standards	39.32
IT.2. Organisation and human resources	30.69
IT 3. Infrastructure	35.10
IT 4. Information systems and e-services	33.85
IT 5. Miscellaneous	10.50



* 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 PAR Fund approved 14 project so far. Nine Projects are in the tender procedure, so reserved assets for these projects amount to 9,337,005.38 KM. For five projects, Contracts on Consultancy services were concluded, of which four projects are in the implementation phase and the contracted amount for these projects is 1,482,794.88 KM, and one project is completed, for which the contracted amount was 155,610.00 KM.

The PARCO still continuously works on preparation of new project proposals which are directly related to fulfilment of the measures from the AP 1.

Problems during implementation/deviations from the Action Plan 1

The former deputy member of the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination from the Government of the Republic of Srpska, as of January 2010, no longer performs the said duty, which in the first quarter slowed access to implementation of the project "Blueprint of Development of Central Bodies of Governments in BiH - Implementation of Phase I", in the segment of the Supervisory Team.

Also, there were delays in the adoption of the Draft Law on Salaries and Allowances in the Bodies of the Government of the Federation of BiH, and postponement of deadline of preparation of the new Law on Civil Servants and Employees of the FBiH, as well as limitation and insufficient amount of funds from the approved budget allocated to training and development at all levels of government (in the information submitted by the relevant institutions in the reform area, there is lack of exact data on the approved funds for the current year).

Non-existence of the central unit for public relations in the Government of the Brčko District endangers participation of the District in the projects of public administration reform and prevents implementation of the AP 1 measures in the area of Institutional Communication at this administrative level.

The problem is also inadequate quality of information on progress provided by the administration bodies responsible for implementation of the reform measures, from the aspect of verifiability and the fulfilment of the essence defined by the methodology of monitoring of the progress of implementation of the measures of the Action Plan 1 of the Strategy of Public Administration Reform.

The problem with the greatest influence on dynamics of implementation of the AP 1 in the IT area is the lack of the Agency for Information Society on the level of BiH, which is the bearer of 88% of the activity in the subject reform area of the Action Plan 1 of the PAR Strategy. The law establishing the Agency for Development of Information Society has not yet been adopted.

Additionally, implementation is hindered by slow procedures of adoption of the accompanying laws, acts, decisions and documents, because of which e.g. the Law on Electronic Signature of BiH is still not possible to implement.

Staff shortage in the IT area in a series of institutions of public administration is a serious problem and threatens to endanger sustainability of both the existing projects and the projects in implementation phase and pose a barrier for start of implementation of previously planned projects. Within the personnel issues, the Council of Ministers in 2009 adopted a decision according to which the performance of complex IT-application jobs could bring to the IT staff a bonus of up to 50 per cent of basic salary, but execution of the said decision was not approved by the Ministry of Finance and Treasury because of the conditions of the IMF.

It is still a problem that implementation of the activities of the AP 1, in the reports from respective levels, is not accompanied by statement of documentation basis and the fact that the planned activities, or ongoing activities are cited as implemented. In the reports from the level of the Council of Ministers of BiH, progress was observed in the methodological approach to report drafting and quality of information.

Proposals of Measures for Overcoming the Problems

- Initiation of the procedure for appointment of new deputy member of the Supervisory Team for the area of "Development of Capacities for Policy Making and Coordination" from the Government of the Republic of Srpska.
- It is needed that centres of executive authority, who appointed representatives in the Supervisory Teams, stimulate the work of officers in these interdepartmental bodies and ensure their continuous and responsible relationship towards the public administration reform.
- Establish/fill the central unit for public relations of the Government of the Brčko District of BiH.
- Establish and enable operational work of the Agency for Development of Information Society of BiH.
- Intensify cooperation and communication between the entity coordinators and the PAR coordinator of the Brčko District of BiH with the Supervisory Team for IT for the purpose of facilitating flow of information and shortening of deadlines, especially in the procedures of approval of project proposals and the tender documentation.
- Analyse implementation of the AP 1 in the area of IT with engagement of the EUPAR team (Technical Assistance to the PARCO) and members of the Supervisory Team, in order to identify potentially redundant or impossible measures, and enable uninterrupted application of the principle of coherence in implementation of the PAR Strategy.
- Improve flow and exchange of information between all the representatives of implementation structures for implementation of the. This particularly applies to mutual communication between the members of the Supervisory Teams from different levels of authority (but also within the same level of authority), the entity coordinators and the Brčko District of BiH Coordinator, and communication towards the PARCO.
- Ensure timely delivery of information the institutions submit to the PARCO for the report on monitoring of the progress in implementation of the reform.
- On the level of BiH, it is necessary to adopt, as soon as possible, the laws from the area of IT on the state level (the Law on Agency for Information Society of BiH), and then establish the Agency for Information Society, having in mind the time necessary to put the Agency in suitable operational capacity in order to be able to fulfil its obligations.

4 ANNEX – M&E table of implementation of the measures from the AP1 of the PAR Strategy

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