



# SEMI-ANNUAL PROGRESS REPORT

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

BY THE PUBLIC ADMINISTRATION REFORM  
COORDINATOR'S OFFICE

FOR THE PERIOD JANUARY – JUNE 2011  
WITH OVERVIEW OF THE PERIOD 2006 - 2011

JULY 2011



## TABLE OF CONTENTS

1	SUMMARY .....	3
2	INTRODUCTION.....	4
3	OVERVIEW OF IMPLEMENTATION OF THE AP 1 .....	7
4	IMPLEMENTATION IN THE PERIOD JANUARY – JUNE 2011 .....	11
	4.1.1 POLICY MAKING AND COORDINATION CAPACITIES .....	11
	4.1.2 PUBLIC FINANCE .....	15
	4.1.3 HUMAN RESOURCES MANAGEMENT .....	17
	4.1.4 ADMINISTRATIVE PROCEDURE.....	23
	4.1.5 INSTITUTIONAL COMMUNICATION.....	26
	4.1.6 INFORMATION TECHNOLOGIES .....	29
5	OVERVIEW OF IMPLEMENTATION OF THE MEASURES FROM THE AP 1 AND ANALYSIS OF THE PROGRESS ACHIEVED IN THE PERIOD 2006 – 2011 .....	31
	5.1.1 POLICY MAKING AND COORDINATION CAPACITIES .....	31
	5.1.2 PUBLIC FINANCE .....	35
	5.1.3 HUMAN RESOURCES MANAGEMENT .....	39
	5.1.4 ADMINISTRATIVE PROCEDURE.....	46
	5.1.5 INSTITUTIONAL COMMUNICATION.....	52
	5.1.6 INFORMATION TECHNOLOGIES .....	62
6	FOLLOWING STEPS AND RECOMMENDATIONS .....	67
	ANNEX 1 – M&E TABLE OF IMPLEMENTATION OF THE MEASURES FROM THE AP 1 OF THE PAR STRATEGY.....	71
	ANNEX 2 – TABLE OF UNIMPLEMENTED AND TRANSFERRED REFORM MEASURES .....	72

# 1 Summary

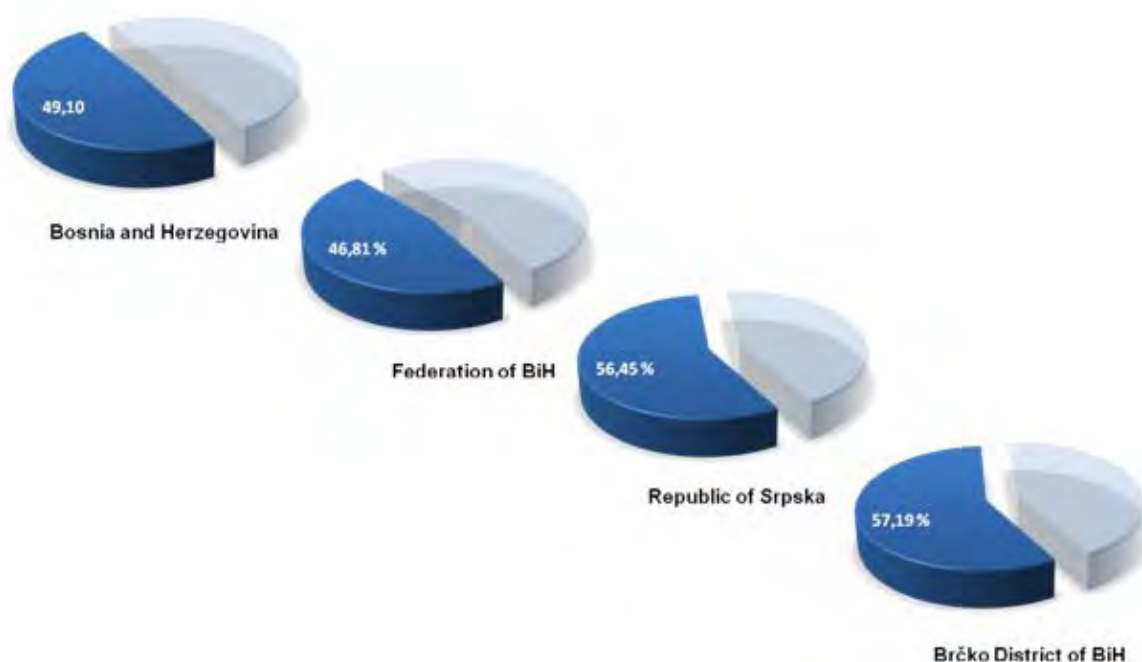
**Overall implementation** of the measures from the Action Plan 1 is **52.28 per cent**, while the **progress in implementation in the period January 1<sup>st</sup> – June 30, 2011** is **3.04 per cent**.

In total, **since the start of implementation of the AP1 until June 30, 2011 the biggest progress in implementation has been achieved in the reform area of Institutional Communication (69.15 per cent) and the smallest in the area of Information Technologies (38.97 per cent).**

**The highest degree of implementation of the measures of the AP1 has been achieved in the Brčko District of BiH, and in percentages, it is 57.19 per cent.**

Table below gives the overview of the total achieved progress since the start of implementation of the AP1 until June 30, 2011, for the state, entity and the Brčko District of BiH level of authority.

<b>Bosnia and Herzegovina</b>	<b>49.11</b>
<b>Federation of BiH</b>	<b>46.82</b>
<b>Republic of Srpska</b>	<b>56.45</b>
<b>Brčko District of BiH</b>	<b>57.19</b>



**The draft Revised Action Plan 1 for the period 2011 – 2014** was prepared based on an analysis of the condition in all six reform areas, which the Council of BiH adopted at its **153<sup>rd</sup> session**, held on **June 14, 2011**. **It is expected that the RAP 1 will be soon adopted by the Government of the FBiH, the Government of the RS and the Government of the BD BiH.**

## 2 Introduction

This report shows in detail the overall degree of implementation of the measures from the Action Plan 1 (hereinafter: the AP 1) of the Strategy of the Public Administration Reform in percentages, from January 1<sup>st</sup> to June 30, 2011, for each of the six reform areas respectively (at the state, entity and the Brčko District of BiH level).

Considering that the measures from the AP 1 were not fully implemented, and the deadlines for implementation of the measures expired at the end of 2010, and that the Revised Action Plan 1 (hereinafter: the RAP 1) was prepared and by the Council of Ministers of BiH adopted, the part 5 of this report separately shows the overall degree of implementation of the measures from the AP 1, for the period from adoption of the Strategy (successively during 2006) to June 30, 2011.

The Annex 1 to this Report shows in detail the degree of implementation of all the measures from the AP 1, with relevant comments.

### Sources of Information

Two sources of information were used in drafting the Report. The first source is the progress reports by the levels of authority, submitted to the PARCO by the entity coordinators and the coordinator of the Brčko District of BiH in cooperation with the supervisory and the implementation teams. These reports stem from the obligation to monitor implementation of the public administration reform, established by the Common Platform on the Principles and Manner of Implementation of the Measures of the Action Plan 1 (Common Platform).

The second source of information stems from the scope of work of the PARCO, through a regular monitoring of the condition and changes in the reform areas (monitoring of legislation, communication with the Supervisory Teams, questionnaires, media monitoring, etc.). In addition, the PARCO directly contributes to implementation of certain measures through implementation of the projects financed by the Public Administration Fund, so in that way as well gathers relevant information on the progress in implementation of respective measures of the AP1.

### Measuring the Progress

For measuring and evaluating the progress, the PARCO developed a specific system of measurement of fulfilment of respective measures from the AP1. For each respective measure, one or more progress indicators have been developed, by whose fulfilment the measure is partially or fully fulfilled. Based on gathered information and their verification through documentation basis, concrete percentages of progress are calculated through a complex mathematical algorithm. Practically, each respective measure, by previously established matrix, contributes to the percentage of fulfilment of the set of measures, the reform area and the AP 1.

By their character, there are “continuous” and “one-time” measures. That is, the continuous measures establish certain practices. In other words, fulfilment of this measure of 100 per cent means establishment of certain practice, while its continuous character is expressed through further regular implementation of that practice, which is also recorded. These measures contribute to the overall progress through the first mentioned part (establishment of the practice), and regular implementation of that practice provides for sustainability and justification of the concrete measure of the AP 1. One-time measures are more oriented to building of the system and more complex activities (e.g. legislative and institutional framework). This kind of measures directly influences the overall percentage of the progress and their fulfilment of 100 per cent indicates their complete implementation and that certain change has been made.

From the aspect of contribution to the progress of the PAR, the difference between the continuous and one-time measures is that the continuous measures only partially increase the percentage of the progress, while one-time measures fully generate the percentage of the

progress. In other words, the continuous measure, which is 100 per cent fulfilled, continues to be implemented (publications, trainings, media monitoring, etc.), but its record after those 100 per cent does not generate a new percentage of the progress, although, realistically, it represents the progress in the reform. More significant contribution to the percentage of the progress is given by the “one-time” measures. They represent significant changes in the administrative structures and they create preconditions for functioning of the system. Therefore, they are more detailed and they carry greater percentage. Fulfilment of such measure of 100 per cent means its complete fulfilment and does not require further activities on its implementation.

In this year as well, the most significant progress has been achieved through implementation of the “one-time” measures, while the continuous measures are still being implemented in accordance with the foreseen dynamics.

Concrete results of measurement of the progress for each individual measure are given in the annex to this Report in the M&E table.

### Manner of Implementation of the Measures of the AP 1

Regarding the concrete implementation, implementation of the AP 1 measures is possible from several aspects.

**Individual approach** (which is the basis of implementation of the PAR) implies activities of the respective governments and the institutions of all administration levels. In accordance with the AP 1, which identifies the bearers for each respective measure, the concrete identified institutions implement and fulfil the measures and contribute to the overall progress in the reform.

**Common approach** implies fulfilment of measures by common activities of several governments and institutions of different administration levels. This approach is reflected primarily through the projects in the field of the public administration reform. Fulfilment of the measures in this manner is being achieved, in the first place, through the Public Administration Reform Fund and the projects financed by it, which are based on exactly this kind of common approach and covering relevant institutions of all administrative levels as beneficiaries. These projects are based on concrete measures from the AP 1 and the priorities from the reform areas, identified in cooperation with the supervisory teams. Also, there are other donor projects as well in the field of the Public Administration Reform, which are being recorded in the Report and generate certain progress at one or several administration levels.

### Revision of the Action Plan 1

In accordance with the obligations of regular updating of measures and establishment of the priorities in implementation of the AP1, which stem from the PAR Strategy and the Common Platform, certain activities have been undertaken during 2010. Considering the deadlines established by the AP 1 (2006 – 2010), there was a need for revision of the results so far and for harmonisation of the priorities and the measures of the AP 1 with the current condition in the public administration and its environment.

The PARCO initiated an analysis of implementation of the measures of the AP 1 and the condition in the six reform areas. The Analysis was implemented in cooperation with the entity and the District coordinators and the Supervisory Teams, with support of the Technical Assistance Team to the PARCO by the EU Delegation.

Results of the analysis have shown that the priorities have changed in accordance with the present needs. Certain measures have been fully fulfilled. Because of the time distance, some measures cannot be implemented in the set volume, while for the others the practice has shown to be less priority in relation to some new activities or even completely unnecessary. Because of the redefined priorities, some measures have shown to be unpractical in the set

volume, and their efficiency and effectiveness would be better achieved in relation with some other measures.

The analysis set the basis for revision of the AP 1, and as the final result of this series of activities, the Revised Action Plan 1 (RAP 1) for the period 2011 – 2014 was prepared. Through the document RAP 1, a redefined content was established, as well as the objectives, activities, indicators and the time frame was changed for implementation of the PAR Strategy in the next period. Having in mind the results of the said analysis and the expertise of the Supervisory Teams, the draft RAP 1 was harmonised.

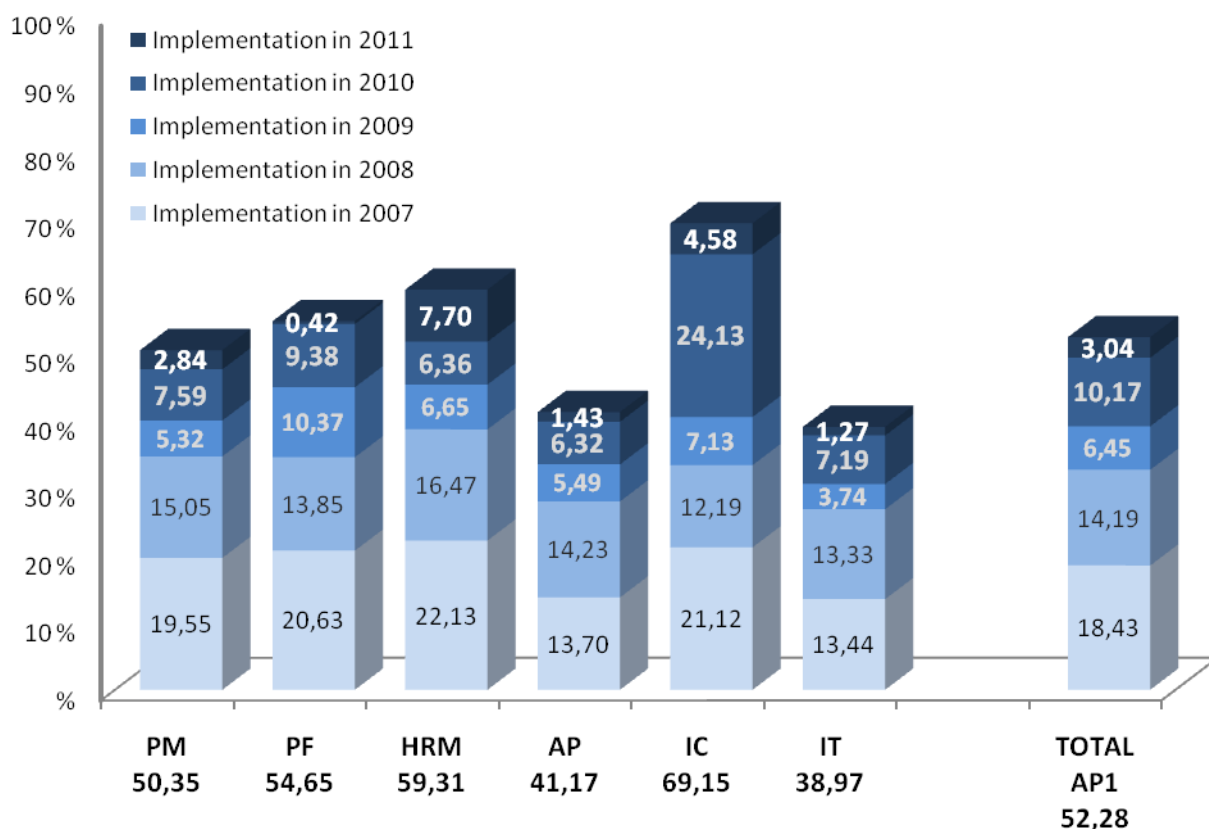
The Council of Ministers of BiH, at its 153<sup>rd</sup> session of June 14, 2011, adopted the RAP 1, and the same is expected from the Government of the FBiH, the Government of the RS and the Government of the BD BiH.

### 3 Overview of Implementation of the AP 1

Overall implementation of the Action Plan 1 of the Strategy of Public Administration Reform in BiH, by June 30, 2011, is **52.28 per cent**, which is, in relation to December 31<sup>st</sup>, 2010, an increase of 3.04 per cent.

Table below, in the columns 1 – 5, shows the progress in implementation of the AP 1 by years, and the total progress in implementation, since the start of implementation until June 30, 2011, is shown in the column 6.

<b>ACTION PLAN 1</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>TOTAL</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>POLICY MAKING AND COORDINATION CAPACITIES</b>	19.55	15.05	5.32	7.59	2.84	50.35
<b>PUBLIC FINANCE</b>	20.63	13.85	10.37	9.38	0.42	54.65
<b>HUMAN RESOURCES MANAGEMENT</b>	22.13	16.47	6.65	6.36	7.70	59.31
<b>ADMINISTRATIVE PROCEDURE</b>	13.70	14.23	5.49	6.32	1.43	41.17
<b>INSTITUTIONAL COMMUNICATION</b>	21.12	12.19	7.13	24.13	4.58	69.15
<b>INFORMATION TECHNOLOGIES</b>	13.44	13.33	3.74	7.19	1.27	38.97
<b>TOTAL AP 1</b>	<b>18.43</b>	<b>14.19</b>	<b>6.45</b>	<b>10.16</b>	<b>3.04</b>	<b>52.28</b>



On average, in the last 5 years, the measured progress is somewhat more than 10 per cent per year. The highest overall degree of implementation was noted in the area of Institutional Communication (69 per cent), while the lowest is in the areas of Information Technologies (39 per cent) and Administrative Procedure (41 per cent).

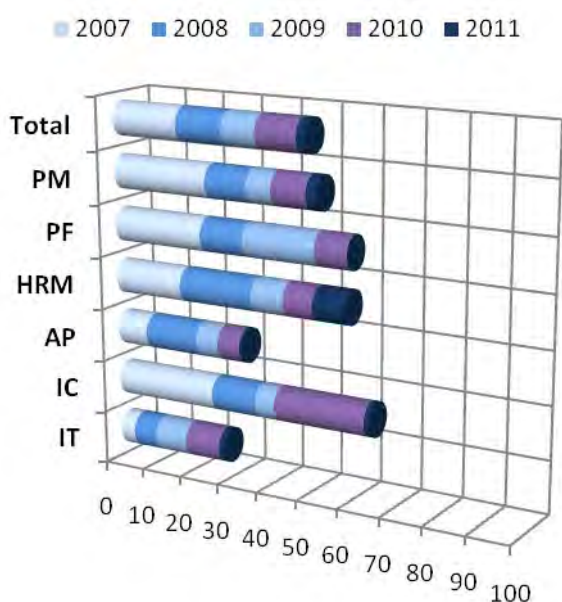
During the first half of 2011, the biggest progress was noted in the area of Human Resources Management (7.7 per cent), and the smallest in the area of Public Finance (less than 0.5 per cent).

Tables below show the overall in implementation by each of the six reform areas of the AP 1 by the administration levels in BiH, and at the same time there is also a comparative overview of implementation, noted during each of the previous 5 years.

It is noticeable that the degree of implementation in the area of Administrative Procedure is significantly below average at three out of four administration levels (administration levels of BiH, the FBiH and the BD BiH), while in the area of Information Technologies the degree of implementation at two administrative levels (BiH and the FBiH) is also significantly below average.

*Implementation at the BiH administration level*

<b>BOSNIA AND HERZEGOVINA</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>total</b>
<b>Policy Making and Coordination Capacities</b>	23.80	10.44	6.17	8.68	2.60	<b>51.69</b>
<b>Public Finance</b>	22.36	10.80	17.78	8.07	0.00	<b>59.01</b>
<b>Human Resources Management</b>	16.82	18.38	8.04	7.33	7.90	<b>58.47</b>
<b>Administrative Procedure</b>	7.55	13.33	5.66	5.62	0.80	<b>32.96</b>
<b>Institutional Communication</b>	24.86	11.24	4.84	22.17	1.39	<b>64.50</b>
<b>Information Technologies</b>	3.59	5.91	8.19	8.87	1.45	<b>28.01</b>



At the BiH administration level, the degree of implementation of the reform measures in the area of Institutional Communication is significantly above average, primarily because of the progress achieved during 2010.

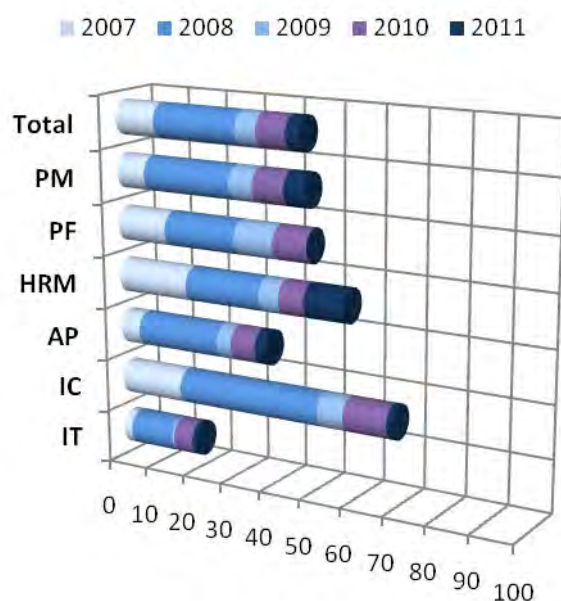
In relation to the other reform areas, significantly lower overall degree of implementation was noted in the reform areas of Administrative Procedure and Information Technologies, while the other reform areas note relatively satisfactory overall level of progress.

During the last reporting period, the biggest progress was achieved in the area of Human Resources Management, while in the area of Public Finance no progress was recorded.

*Implementation at the FBiH administration level*

<b>FEDERATION OF BiH</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>total</b>
<b>Policy Making and Coordination Capacities</b>	7.16	22.07	5.89	7.71	5.04	<b>47.87</b>
<b>Public Finance</b>	12.35	17.99	9.68	8.47	0.00	<b>48.49</b>
<b>Human Resources Management</b>	17.59	18.96	4.82	6.23	9.90	<b>57.50</b>
<b>Administrative Procedure</b>	4.83	20.78	3.57	6.17	2.70	<b>38.05</b>
<b>Institutional Communication</b>	15.60	35.24	6.40	10.53	1.39	<b>69.16</b>
<b>Information Technologies</b>	2.00	10.99	0.60	4.97	1.26	<b>19.82</b>





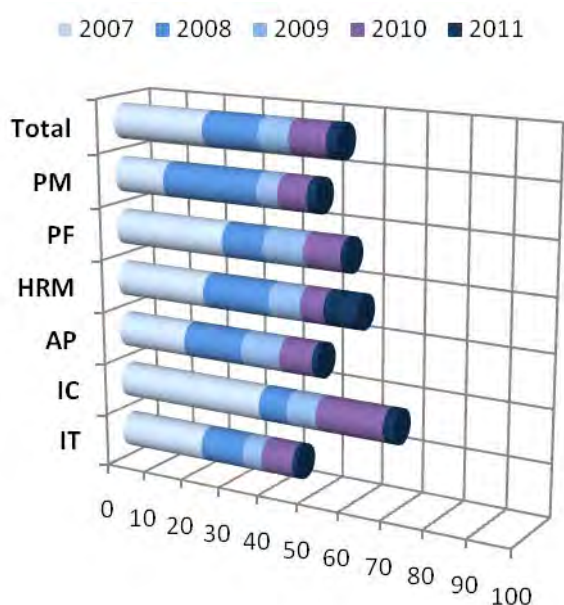
At the level of the Federation of BiH, the overall degree of implementation in the area of Institutional Communication is significantly above average, primarily because of the progress achieved during 2008.

In relation to the other reform areas, significantly lower overall degree of implementation was noted in the reform area of Information Technologies, which is also the lowest degree of implementation overall among all levels of authority and among all the reform areas.

During the last reporting period, the biggest progress was achieved in the area of Human Resources Management, while in the area of Public Finance no progress was recorded.

#### *Implementation at the RS administration level*

REPUBLIC OF SRPSKA	2007	2008	2009	2010	2011	total
Policy Making and Coordination Capacities	12.82	23.89	5.25	7.11	2.10	51.17
Public Finance	27.81	10.44	9.95	8.97	1.11	58.28
Human Resources Management	22.78	16.69	7.84	5.79	8.09	61.19
Administrative Procedure	17.47	14.90	9.71	8.12	1.42	51.62
Institutional Communication	36.82	7.02	7.28	16.32	2.55	69.99
Information Technologies	21.50	11.00	4.82	7.93	1.17	46.42



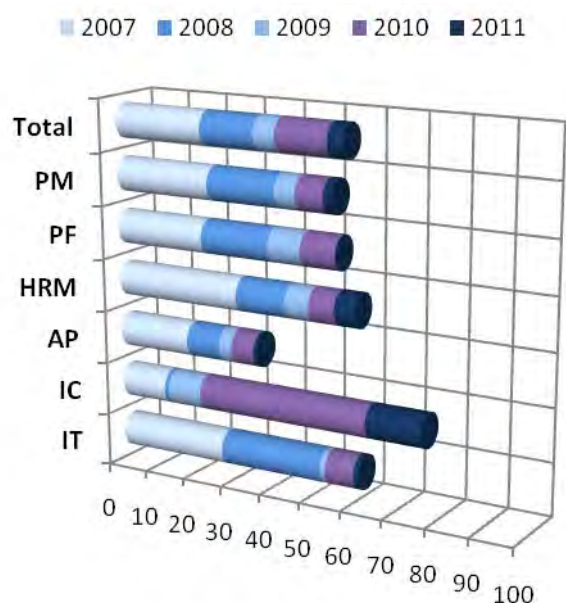
In the Republic of Srpska as well, the overall degree of implementation in the area of Institutional Communication is significantly above average, primarily because of the progress achieved during 2007.

Other reform areas also note the degree of implementation above 50 per cent, with the exception of Information Technologies, which note somewhat lower degree of implementation.

During the last reporting period, the biggest progress was achieved in the area of Human Resources Management, while in the areas of Public Finance and Information Technologies the smallest progress was noted of around 1 per cent.

*Implementation at the BD BiH administration level*

<b>BRČKO DISTRICT OF BiH</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>total</b>
<b>Policy Making and Coordination Capacities</b>	23.56	17.02	5.11	6.75	2.11	<b>54.55</b>
<b>Public Finance</b>	21.90	16.91	8.05	8.59	0.00	<b>55.45</b>
<b>Human Resources Management</b>	30.66	12.28	5.91	6.30	4.88	<b>60.03</b>
<b>Administrative Procedure</b>	17.68	8.41	3.25	5.72	0.80	<b>35.86</b>
<b>Institutional Communication</b>	11.38	1.10	8.39	41.81	13.43	<b>76.11</b>
<b>Information Technologies</b>	26.50	25.19	1.20	7.02	1.21	<b>61.12</b>



In the Brčko District of BiH, in the area of Institutional Communication the biggest overall progress, significantly above average, was noted, primarily because of the progress achieved during 2010 and 2011.

Significant overall degree of implementation was noted in the other reform areas as well, and the only deviation in relation to the other reform areas was noted in the area of Administrative procedure, whose degree of implementation of 36 per cent is relatively low for this level.

During the last reporting period, the biggest progress was noted in the area of Institutional Communication, in the area of Public Finance no progress was recorded,

and in the area of Administrative Procedure, the progress is less than 1 per cent.

*Implementation by the administration levels – chronologically*

The table below gives the numerical indicators of the measured implementation, by the administration levels, at the end of each of the indicated periods, concluding with the end of June 2011. Each given indicator shows the percentage of implementation since the start of implementation up to the end of the said period.

<b>Implementation of the AP 1 by the administration levels – chronologically</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>BOSNIA AND HERZEGOVINA</b>	<b>16.50</b>	<b>28.18</b>	<b>36.63</b>	<b>46.75</b>	<b>49.11</b>
<b>FEDERATION OF BOSNIA AND HERZEGOVINA</b>	<b>9.92</b>	<b>30.93</b>	<b>36.09</b>	<b>43.43</b>	<b>46.82</b>
<b>REPUBLIC OF SRPSKA</b>	<b>23.20</b>	<b>37.19</b>	<b>44.67</b>	<b>54.29</b>	<b>56.45</b>
<b>BRČKO DISTRICT OF BiH</b>	<b>21.95</b>	<b>35.43</b>	<b>40.75</b>	<b>53.45</b>	<b>57.19</b>

The biggest progress, since the start of implementation of the AP 1, was noted in the Brčko District of BiH, and smallest one was noted in the Federation of BiH.

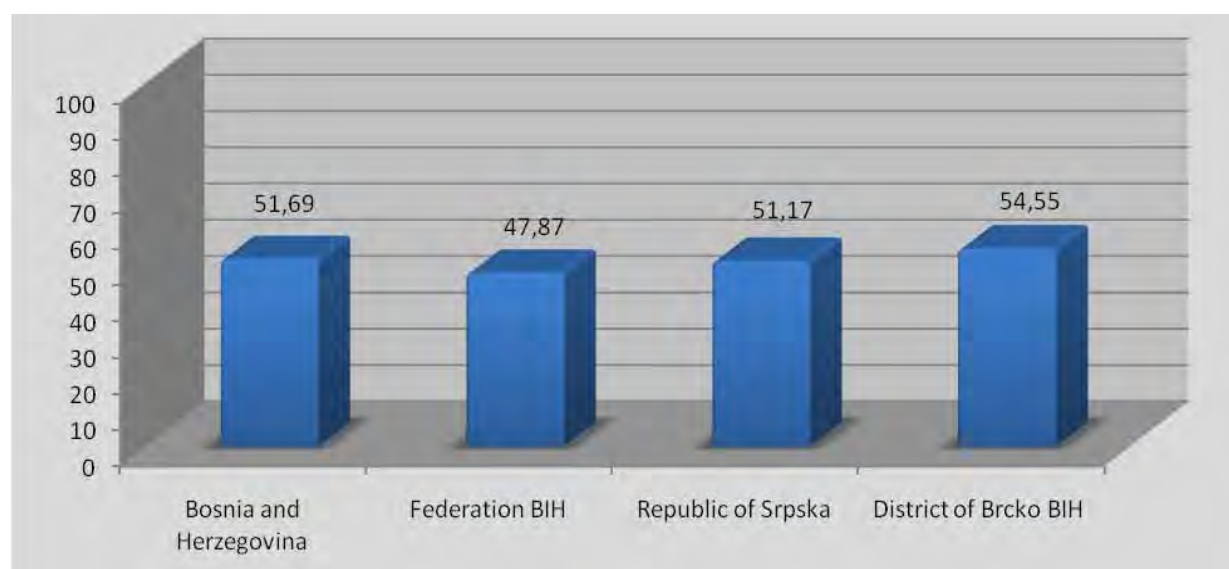
## 4 Implementation in the period January – June 2011

### 4.1.1 Policy Making and Coordination Capacities

Implementation of the Action Plan 1 in the area of Policy Making and Coordination Capacities (hereinafter: PM) at the state, entity and the level of the Brčko District of BiH is **50.35 per cent**, which is in relation to December 2010, an increase of **2.84 per cent**.

The table below shows the overall progress in implementation of the AP 1 for the reform area of PM.

POLICY MAKING AND COORDINATION CAPACITIES	Implemented
Bosnia and Herzegovina	51.69
Federation of BiH	47.87
Republic of Srpska	51.17
Brčko District of BiH	54.55



### Common Activities on Implementation of the Measures from the AP 1

During this six-month reporting period the activities from the three projects financed by the Public Administration Reform Fund were implemented, implementation of the project “Strategic Planning and Policy Development” was successfully completed and the project proposal for the project “Design of Software for Assistance in Legal and Other Regulation Drafting” was prepared.

Within implementation of the project activities of the project “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I”, the Gap Analysis was drafted, which analytically shows the current condition in the Secretariats General of the Council of Ministers of BiH, the Entity Governments and the Government of the Brčko District of BiH, with recommendations and the plan to achieve the desired condition.

In this reporting period, through implementation of the project “Improvement of Rules and Procedures for Legal, Other Regulations and General Acts Drafting in BiH”, Analysis of the Existing Practice of Legal, Other Regulations and General Acts Drafting in BiH, including Impact Assessment and Assessment of Harmonisation of Legal and Other Regulations and Comparative Analysis of the Practice of Legal Drafting of the European Union and the

Selected Member Countries: Austria, Belgium and Slovenia were drafted, which served as the basis to draft proposals of changes and amendments to the existing regulations for draft of legal and other regulations in Bosnia and Herzegovina.

Within the project “Transposing EU Legislation in the Legal System of BiH”, in this reporting period, 218 civil servants from the state, entity and the Brčko District of BiH levels were trained in the fields of harmonisation of the local legislation with the EU acquis.

Through the project “Strategic Planning and Public Policy Development – SPPD”, an intensive work took place in the reporting period regarding sustainability of the project in the sense of institutionalisation of the methodology for strategic planning and public policies development in the ministries involved in implementation of the SPPD project, as well as on strengthening of organisational structures, which would support this methodology.

Also, during this reporting period the Terms of Reference for the project “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase II” was finalised, which was put on the list of the projects to be financed by the IPA 2010 funds, and preparation of the tender documentation was initiated for public procurement of equipment for the needs of establishment of information-communication and computer system, necessary to build an efficient system of communication in the Secretariats General of the Council of Ministers of BiH, the Entity Governments and the Government of the Brčko District of BiH, within the project “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I”.

In cooperation with the expert of the Technical Assistance Team to the PARCO, drafting of the project proposal for the project “Better Regulation / Management in the Bodies of Public Administration in Bosnia and Herzegovina” was initiated. The project idea was supported by the members of the Supervisory Team for this reform area.

### **Individual Activities on Implementation of the Measures from the AP 1**

The following part of the Report gives a description of individual activities at all four administration levels in BiH, which took place in the reporting period and have an impact on implementation of the AP 1 in this reform area. Activities are grouped by administration levels.

#### **Level of BiH**

- ✓ The Secretariat General of the Council of Ministers of BiH prepared the Draft Conclusion, which defines submission of materials to the session of the Council of Ministers of BiH.
  - 📖 This conclusion will practically establish a detailed insight and control of the materials submitted to the sessions of the Council of Ministers of BiH. Also, this Conclusion will enable the control of implementation of the steps for the Regulatory Impact Assessment (RIA).

- 
- ✓ The process of strategic planning and public policy development was improved in the ministries that participated in implementation of the project “Strengthening Capacities for Strategic Planning and Public Policy Development”.
    - 📖 The Ministry of Civil Affairs, in early April 2011, enacted the Rulebook on the Procedures of Strategic and Financial Planning, thus harmonising the process of three-year strategic planning with budget planning.
    - 📖 The Ministry of Civil Affairs, in May 2011, enacted also the Instruction on the Manners of Preparation, Impact Assessment, Selection and Procedures of Preparation of the Instruments of Public Policies in the areas within the competency of this Ministry.
    - 📖 The Ministry of Communication and Transport, in May 2011, enacted the Internal Procedures of Strategic and Financial Planning.



- ✓ Based on the analysis, the proposal for amendments to the Common Rules for Legal Drafting in BiH was prepared.

📖 The activity was implemented within the project “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”.

- ✓ Through implementation of the project “Transposing EU Legislation in the Legal System of BiH”, so far, 44 civil servants from the state level passed the training in the fields of harmonisation of the local legislation with the EU acquis.

### Level of the FBiH

- ✓ The Government of the FBiH, at the 4<sup>th</sup> session, held in April 2011, enacted the Regulation on the Process of Strategic Planning, Annual Planning and Reporting in the Federal Ministries.

📖 The Regulation stipulates the Federal Institution for Programming of Development as an institution in charge of coordination. All the Ministries appointed the coordinators for strategic planning. The process of three-year strategic planning is linked with the budget planning and it is fully harmonised with the legislation regulating the budget planning.

- ✓ At the 6<sup>th</sup> session, held in May 2011, the Government of the FBiH enacted the Regulation on the Manner of Preparation, Impact Assessment and Selection of Policy in the Procedure of Drafting of Acts Enacted and Adopted by the Government of the FBiH.

📖 By this Regulation, the Federation of BiH sets in detail the quality factually based preparation of instruments of public policies. That regulates the process, roles, internal processes in the Ministries, processes of early consultations with relevant actors and impact assessment.

- ✓ Based on the analysis, the proposal of Nomotechnical Rules for Drafting of Legal Regulations in the Federation of BiH was prepared.

📖 The activity was implemented within implementation of the project “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”.

- ✓ Through implementation of the project “Transposing EU Legislation in the Legal System of BiH”, so far, 63 civil servants from the level of the FBiH passed the training in the fields of harmonisation of the local legislation with the EU acquis.

### Level of the RS

- ✓ Adopted Rulebook on Amendments to the Rulebook on Internal Organisation of the Secretariat General of the Government of the RS (“Official Gazette of the RS” No. 44/11).

📖 Adoption of the amendments to the Rulebook strengthened the Secretariat General of the Government of the RS.

- ✓ Based on the analysis, the proposal of Nomotechnical Rules for Drafting of Legal Regulations in the RS was prepared.

📖 The activity was implemented within implementation of the project “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”.

- ✓ Through implementation of the project “Transposing EU Legislation in the Legal System of BiH”, so far, 71 civil servants from the level of the RS passed the training in

the fields of harmonisation of the local legislation with the EU acquis.

#### Level of the BD BiH

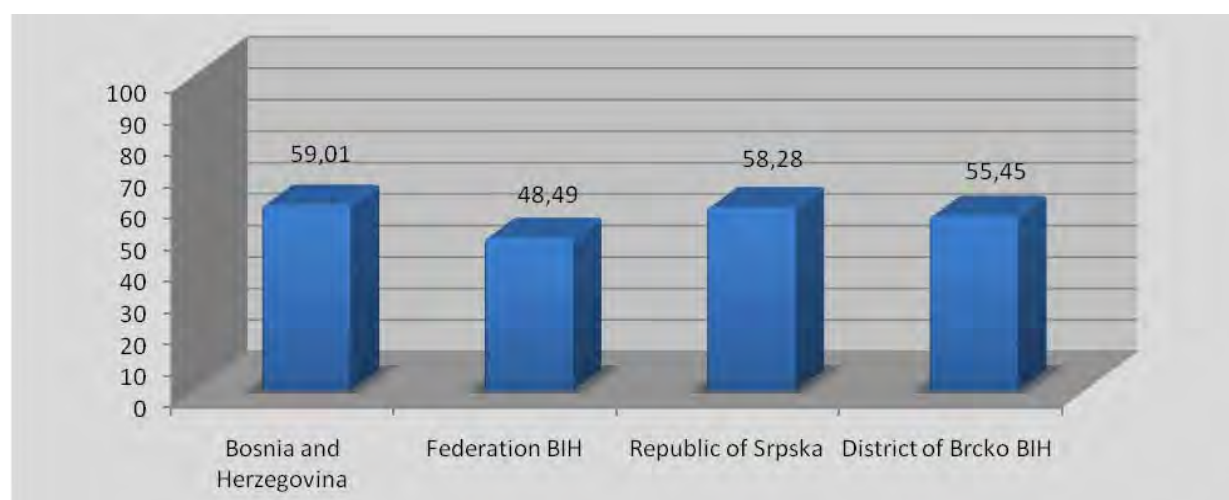
- ✓ Based on the analysis, the proposal of Nomotechnical Rules for Drafting of Legal Regulations in the Brčko District of BiH was prepared.
    - 📖 The activity was implemented within implementation of the project “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”.
- 
- ✓ Through implementation of the project “Transposing EU Legislation in the Legal System of BiH”, so far, 40 civil servants from the level of the BD BiH passed the training in the fields of harmonisation of the local legislation with the EU acquis.
-

### 4.1.2 Public Finance

In the reporting period, implementation of the AP 1 in the area of Public Finance (hereinafter: PF) at the state, entity and the level of the Brčko District of BiH is **54.65 per cent**, which is in relation to December 2010, an increase of **0.42 per cent**.

The table below shows the overall progress in implementation of the AP 1 for the reform area of PF.

PUBLIC FINANCE	Implemented
Bosnia and Herzegovina	59.01
Federation of BiH	48.49
Republic of Srpska	58.28
Brčko District of BiH	55.45



#### **Common Activities on Implementation of the Measures from the AP 1**

Through implementation of the project “Support to Introduction of Public Internal Financial Control (PIFC)”, financed by the EU Delegation from the IPA funds, filing of the positions in the Central Units for Harmonisation at all levels in BiH continued in this period. The Coordination Board of the Central Units for Harmonisation held meetings regularly. There were two conferences on the PIFC at the state and the federal level. Trainings for the internal auditors and the employees of the Central Units for Harmonisation from the state and the entity level continued. Pilot audits were completed in the selected ministries.

The PARCO, in the first half of 2011, completed the tender procedure for the project “Budget Management Information System (BMIS)”, which would be financed by the PAR Fund. Start of implementation of this project is expected in the second half of 2011.

More detailed description of the impact of the projects to the measures of the AP 1 is given in the annex to this Report in the M&E table.

#### **Individual Activities on Implementation of the Measures from the AP 1**

The following part of the Report gives a description of individual activities at all four administration levels in BiH, which took place in the reporting period and have an impact on implementation of the AP 1 in this reform area. Activities are grouped by administration levels.

##### **Level of BiH**

- ✓ Considering that the Council of Ministers was not established in the first half of 2011, there was no progress related with enactment of legal regulations and there was no new

employment. The progress at this level was achieved because of the projects (PIFC and BMIS).

---

### Level of the FBiH

- ✓ Director of the Central Unit for Harmonisation in the Federation of BiH was appointed.
  - 📖 This achieved the progress regarding institutional building in the field of the PIFC.
- ✓ Within the Project “Support to Introduction of Public Internal Financial Control in Bosnia and Herzegovina”, financed within the EU IPA programme for BiH, training of internal auditors from the level of the Federation BiH and the cantons is being organised.
- ✓ The Framework Budget Document for 2011 – 2013 was adopted.

---

### Level of the RS

- ✓ The Government of the RS adopted the Framework Budget Document of the Republic of Srpska for 2012 – 2014 and published it at the website of the Government of the RS.
- ✓ Of the total of 63 municipalities in the RS, the treasury system is still not established in 26 municipalities. In the rest of the municipalities, introduction of the treasury business will be completed on December 31<sup>st</sup>, 2012.
  - 📖 The Commission for Implementation of the Project on Introduction of the Treasury in the Units of Local Self-Administration – Final Phase was established.
  - 📖 Financing of the treasury system in the remaining municipalities of the RS is foreseen to be done from the IPA 2011 funds.
- ✓ As of January 1<sup>st</sup>, 2011, at the republic and local level, a new improved application of treasury business is being applied.

---

### Level of the BD BiH

- ✓ The project Treasury Information System, which will improve the treasury business in the BD, is in the phase of tender documentation.
    - 📖 Financing of this project was provided from the PAR Fund in the amount of 79 per cent, while the contribution of the Brčko District is 21 per cent.
-

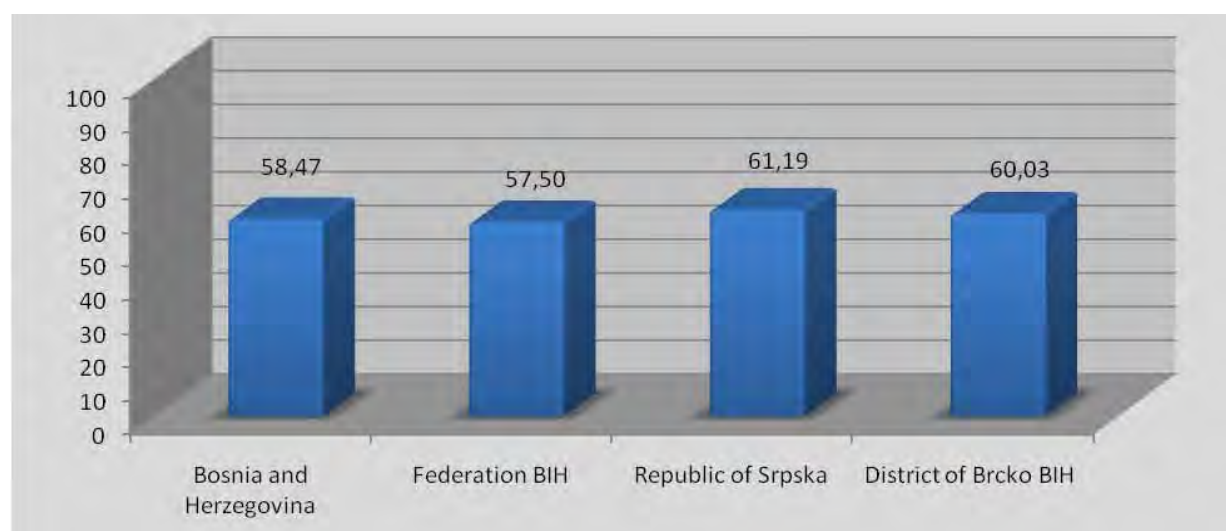


### 4.1.3 Human Resources Management

In the reporting period, implementation of the AP 1 in the area of Human Resources Management (hereinafter: HRM) at the state, entity and the level of the Brčko District of BiH is **59.31 per cent**, which is in relation to December 2010, an increase of **7.70 per cent**.

The table below shows the overall progress in implementation of the AP 1 for the reform area of HRM.

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	58.47
Federation of BiH	57.50
Republic of Srpska	61.19
Brčko District of BiH	60.03



### Common Activities on Implementation of the Measures from the AP 1

During the first half of the year, implementation of two projects of the PAR Fund continued, whose implementation started in the previous reporting period. Within the project “Development of Performance Management System in the Structures of the Civil Service in BiH”, the most significant implemented activities are related with preparation of new and amendments of the existing rulebooks on evaluation of the civil servants at the level of BiH, the FBiH, the RS and the Brčko District of BiH. Through the Project “Training of Civil Servants for Application of Information Technologies and Work on Computers”, within the first cycle of the training, the IT training by the ECDL standard, was implemented for a total of 1300 civil servants.

For the third project financed by the PAR Fund, “Establishment of Modern Departments for HRM in the Bodies of Administration in BiH”, the public procurement procedure was implemented and repeated in the reporting period through publication of the new tender (because of insufficient number of qualified candidates), which will influence the start of operational implementation of the project.

Also, activities have been completed on preparation of the project proposal “Modernisation of the Human Resources Management System in the Structures of the Civil Service in BiH”, which was proposed for the programme IPA 2011, and whose implementation is expected to provide contribution in several different segments – jobs analysis, planning, employment and policy drafting in the area of HRM (measures transferred in the RAP 1 as well).

In the reporting period, continued participation of the civil servants from all levels was ensured regarding the programmes of training and other activities implemented by the ReSPA.

More detailed description of the impact of the projects on respective measures of the AP 1 is given in the annex to this Report in the M&E table.

### **Individual Activities on Implementation of the Measures from the AP 1**

The following part of the Report gives a description of individual activities at all four administration levels in BiH, which took place in the reporting period and have an impact on implementation of the AP 1 in this reform area. Activities are grouped by administration levels.

#### **Level of BiH**

- ✓ The Pre-draft of the Law on Amendments to the Law on Civil Service in the Institutions of BiH was prepared at the level of the work group and opinions of the competent institutions are pending.

📖 In addition to improving the existing legal solutions and setting the norms in detail with the objective of quicker and easier application of regulations, the pre-draft law, inter alia, stipulates provisions related to harmonisation with the Law on Administration in the part related to harmonising the status of the managers of administrative organisations and other independent institutions, which execute narrowly specialised administrative affairs, as well as new provisions related with application of human resource plans. Provisions were foreseen, which are directed to consistent implementation of the laws in the introduction of information technologies and removal of obstacles to the introduction of the Human Resources Management Information System and processing of personal data on employees in the institutions of BiH, as assumptions for operability of the HRMIS.

- 
- ✓ The Civil Service Agency activated the information system for electronic notification to the candidates in the vacancy procedures, which is being applied in the procedures of public announcements (*MojKonkurs* system).

- 
- ✓ Implementation of the EU Twinning Project “Strengthening Human Resources Management System in the Field of Training of Civil Servants through Twinning” was completed during the reporting period.

📖 A total of 45 civil servants of the institutions of BiH were trained through the project. Those were managers who are in their institutions in charge of planning and organisation of trainings, as well as the matters of human resources management.

- 
- ✓ The CSA BiH will publish the “Rulebook on the Manner of Evaluation of the Work of the Civil Servants in the Institutions of BiH” in the next period, which was prepared with the support of the project “Development of Performance Management system in the Structures of the Civil Service in BiH”.

---

#### Civil Service Agency of BiH – other activities:

- ✓ Training entitled “Introduction in e-Administration” took place.
- ✓ Implemented IT training for 200 civil servants by the ECDL standard through the project of the PAR Fund, as well as other IT trainings organised by the CSA BiH.
- ✓ New cycles of compulsory managerial trainings for the managing civil servants are being implemented in 2011.
- ✓ New cycle of horizontal trainings “Development of Social Skills in Work Environment” (soft skills) in 2011 is ongoing.
- ✓ Trainings for newly employed civil servants were held in 5 terms / groups.
- ✓ Trainings in foreign languages (courses of English and French language) continued.

## Level of the FBiH

- ✓ The Government of the FBiH, at the 164<sup>th</sup> session, held in March 2011, adopted the report by the CSA FBiH on the condition of human resources in the bodies of the civil service in the Federation of BiH for 2010, as well as a certain number of conclusions.
  - 📖 A special Conclusion put the Federal Ministry of Justice in charge of preparing the Law on Civil Servants and Employees in accordance with the requirements of the public administration reform process, in cooperation with the CSA FBiH and other stakeholders. Next, amendments to the Law on Civil Service and the Law on Organisation of the Bodies of Administration in the Federation of BiH were prepared, as well as the new integral text of the Law on Civil Servants and Employees in the Bodies of the Civil Service in the Federation. The workgroup also prepared the model of cantonal Law on Civil Servants and Employees, as well as the Law on Employees in the Units of Local Self Governance of the Federation of BiH.
  - 📖 The Federal Ministry of Justice is obligated to establish standards, or criteria, for establishment of optimal number of employed persons in the bodies of the civil service, especially from the aspect of the necessary number of employees in relation to the number of the civil servants. This Ministry is to prepare a comprehensive analysis of the condition in the bodies of the civil service with proposal of the Guidelines for Maintenance of the Human Resources Policy in these bodies, which would, primarily, establish criteria for reducing the number of employed civil servants and employees.
  - 📖 All the bodies of the civil service are to improve the capacities for execution of jobs from the field of human resources management by establishing units for human resources management and providing conditions for implementation of the HRMIS.
  - 📖 It has been concluded that it was necessary to comprehensively analyse the jobs, with the objective of establishing a common classification of jobs and professional profiles, and examine the real requirements of each job with the objective of establishing precise conditions for their execution, primarily regarding the competencies and skills necessary for execution of each job, where the CSA FBiH was obligated to plan the appropriate training of the civil servants.

---

- ✓ In the period June 22<sup>nd</sup> – 23<sup>rd</sup>, 2011, there was a second consultative conference in Sarajevo entitled “Functioning of the System of Administration and the Status of the Employees of the Bodies of Administration in the FBiH – Normative Framework”, organised by the Federal Ministry of Justice and the CSA FBiH, with the support of the OSCE Mission to BiH.
  - 📖 The Conference was organised with the objective to have a dialogue and to work on maintenance of the unity of the principles, which regulate the field of civil service, and of the principles of the public administration reform. At the Conference, there was a discussion on the work drafts of the three laws: the Law on Civil Servants and Employees in the Bodies of the Civil Service in the FBiH, the model Cantonal Law on Civil Servants and Employees and the Law on Employees in the Units of Local Self Governance in the FBiH.
  - 📖 The most significant conclusions of the conference are to continue the dialogue and cooperation in finding optimal solutions in the system of the civil service, to maintain uniform status of the civil servants and employees at all levels of government in the Federation, achieving unity of the procedures and the criteria for employment in the civil service, unity of the plans and the programmes for training of the civil servants and the employees, unified policy of human resources management and unified register of civil servants and employees.
  - 📖 The cantonal representatives were charged with presenting, within one month, the

conclusions and the recommendations of this conference to their governments.

- 
- ✓ The Rulebook on Documentation Proving Knowledge or Active Knowledge of a Foreign Language in the Procedures of Implementation of Competition in the Bodies of the Civil Service in the FBiH was adopted (Official Gazette of the FBiH, No. 37/11), with the objective of improving the procedure of employment.
- 
- ✓ The CSA FBiH prepared a new Regulation on the Conditions, the Manner and the Programme of Taking the Exam of General Knowledge and the Professional Exam of the Candidates for the Civil Service in the Federation of Bosnia and Herzegovina.
- 
- ✓ The both Houses of the Federal Parliament adopted the “Draft Law on the Amendments to the Law on Salaries and Allowances in the Bodies of Government in the Federation of BiH” and sent it in the public discussion.
- 

Civil Service Agency of the FBiH – other activities:

- ✓ Activities have continued on drafting the Strategy of Training of Civil Servants in the FBiH for the period 2011 – 2015, with involvement of the SIGMA experts in the programme, with the objective of obtaining as quality document as possible, which would be in the next period submitted to the government of the FBiH for agreement.
  - ✓ Implemented IT training for 505 civil servants by the ECDL standard through the project of the PAR Fund. In the reporting period, the CSA FBiH organised the following trainings as well: “Harmonisation of the Regulations with the Regulations of the EU”, “Training of Newly Employed – Communication, Time Management and Code of Ethics”, “Presentation Skills” and courses of the French language.
  - ✓ Within implementation of the project “Development of Performance Management System”, the CSA FBiH, in cooperation with the experts of the project, prepared the new “Rulebook on Evaluation of the Work of the Civil Servants”.
  - ✓ In the register of the civil servants, **6,506 civil servants** have been registered (all levels of authority).
  - ✓ In cooperation with the OSCE, a bulletin “Functioning of the System of Administration and Status of Employees in the Bodies of Administration in the Federation of BiH – Normative Framework” has been drafted and delivered to the bodies of the civil service in the Federation of BiH. A special publication “Overview of Activities of the Agency in the Domain of the Public Administration Reform 2005 – 2010” has also been prepared.
- 

## Level of the RS

- ✓ The Government of the RS, at the session of June 30, 2011, established the Draft Law on Amendments to the Law on Civil Service of the RS.
    - 📖 According to the information from the report submitted by the PAR Coordinator of the RS, the changes, inter alia, foresee significant improvements of the procedures of employment in the civil service.
    - 📖 The Law was sent in the parliamentary procedure, and it is expected to be discussed by the National Assembly of the RS at the beginning of the next reporting period.
- 
- ✓ The Strategy of Training of Employees in the Republic Bodies of Administration for the Period 2011 – 2014 was adopted at the session of the Government of the RS, held on January 19, 2011 (Official Gazette of the RS No. 07/11).
    - 📖 Adoption of this document is a progress in maintaining the process of development of strategic planning documents and policies in the segment of development and building
-

of capacities of the civil service.

- 
- ✓ The CAA RS drafted a common human resources plan of the Government for 2011, and submitted it in the adoption procedure.

📖 Through this, the institute of human resources planning continued to be applied in practice.

- 
- ✓ The Government of the RS enacted a new Regulation on Professional Exam for Work in the Administration of the RS (it is expected to be published in the next period).

---

Civil Administration Agency of the RS – other activities:

- ✓ Implemented IT training for 500 civil servants by the ECDL standard through the project of the PAR Fund.
- ✓ Implemented specific programmes of IT training ORACLE and Apex, trainings regarding regulatory impact assessment (RIA) and draft of rulebooks on internal organisation.
- ✓ Within the project “Development of Performance Management System”, the CAA RS, in cooperation with the experts of the project, prepared changes to the “Rulebook on the Procedure of Evaluation and Promotion of the Civil Servants and the Employees of the RS”.
- ✓ The fifth issue of the magazine “Modern Administration” is being prepared.

---

## Level of the BD BiH

- ✓ The Draft Law on Civil Service in the Bodies of Administration of the Brčko District and the Draft Law on Salaries are still in the procedure of preparation (they are being improved in certain segments before being sent in the assembly procedure).

📖 The problems in functioning of the government at the level of the BD influence the dynamics of adoption of regulations.

- 
- ✓ The Government of the Brčko District, on April 12, 2011, enacted the Conclusion on Accepting the Proposal of the Assembly Commission for Work, Health Care and Social Protection, related with reform of employment in the Brčko District.

📖 According to this proposal, it is necessary to change the Organisation Plan of the Government, the Law on Civil Service and the Law on Public Administration, which would prioritise internal announcements in the vacancy procedures in order to provide for free flow of civil servants and employees in the bodies of public administration.

📖 Managing civil servants in the public administration, according to this proposal, would be appointed by the Government of the District, based on the ranking list drafted by the Board for Employment after implementing the vacancy procedure.

- 
- ✓ The Plan of Professional Improvement and Education of the Civil Servants and the Employees for 2011 was prepared and adopted.

📖 The topics approved by the Plan of Professional Improvement, for which the procurement procedure was initiated, are:

- Business Correspondence;
- European Integration;
- Drafting Legal and Bylaw Acts;
- Administrative Procedure.

📖 Through the project of IT training by the ECDL standard, financed by the PAR Fund, 97 civil servants were trained.

---

✓ The Decision on Implementation of the Plan of Employment was adopted, and is being implemented within the set deadlines.

📖 Based on the Plan of the Needs for Human Resources for 2011, the Decision on Implementation of the Plan of Employment was drafted. Within that Plan, there are currently 107 vacancies.

📖 Public Competitions and Public Calls for Volunteers have already been published in the previous period for certain number of vacancies.

---

✓ Based on the regular annual cycle of evaluation of work of the civil and public servants and employees for 2010, an information was drafted and submitted to the Mayor of the Brčko District of BiH.

---

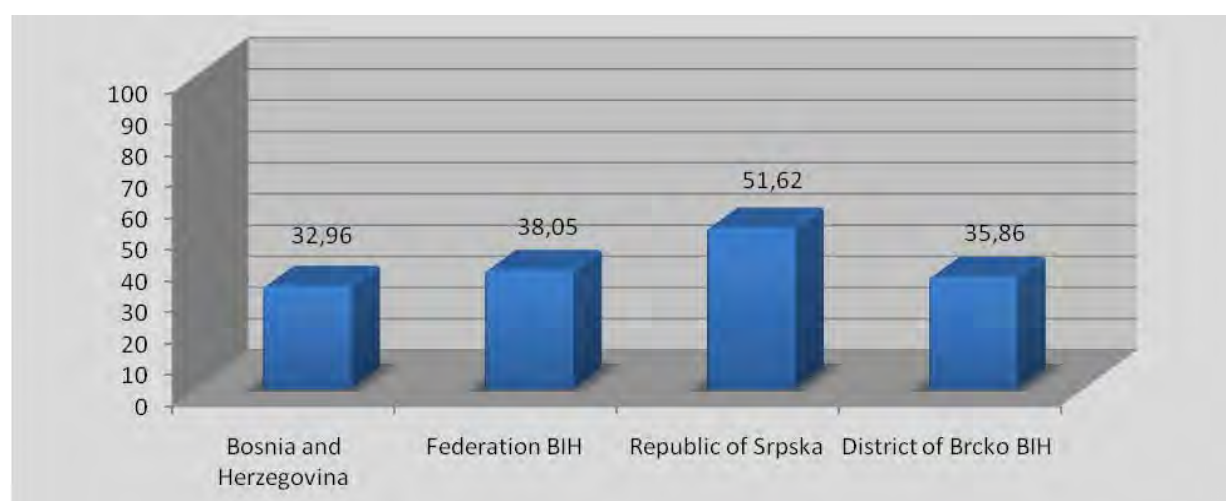


#### 4.1.4 Administrative Procedure

In the reporting period, implementation of the AP 1 in the area of Administrative Procedure (hereinafter: AP) at the state, entity and the level of the Brčko District of BiH is **41.17 per cent**, which is in relation to December 2010, an increase of **1.43 per cent**.

The table below shows the overall progress in implementation of the AP 1 for the reform area of AP.

ADMINISTRATIVE PROCEDURE	Implemented
Bosnia and Herzegovina	32.96
Federation of BiH	38.05
Republic of Srpska	51.62
Brčko District of BiH	35.86



#### Common Activities on Implementation of the Measures from the AP 1

In common implementation, it is significant to mention that the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme” has been completed. A positive opinion was given by the Legislation Office of BiH, the Ministry of Finance and Treasury of BiH and the Ministry of Justice of BiH, and the Programme is expected to be adopted at one of the following sessions of the Council of Ministers of BiH.

The Project “Education of Managers of Administrative Procedures and Administrative Inspectors” was the main activity of this period. The objective of this project is to improve the quality of work of the managers of administrative procedures and inspectors and creation of conditions for their more efficient and more transparent work in the bodies of administration through appropriate and quality training, which would cover the civil servants at all four levels of authority in BiH.

The project should be financed by the IPA 2011 Programme.

#### Individual Activities on Implementation of the Measures from the AP 1

The following part of the Report gives a description of individual activities at all four administration levels in BiH, which took place in the reporting period and have an impact on implementation of the AP 1 in this reform area. Activities are grouped by administration levels.

##### **Level of BiH**

- ✓ Pre-draft of the Law on Amendments to the Law on the Ministries and Other Bodies of Administration has been prepared.

- ✓ Draft Law on Establishment of the Common Register of Nongovernmental Organisations in BiH has been prepared.
- ✓ The following documents have been proposed: the Rulebook on Internal Transfers and Assignments of Employees in the Institutions of BiH, the Programme of Professional Administrative Exam for Trainees, the Persons with University Degree and Employees at the Level of BiH, the Decision on Establishment of the Office for Cooperation with the Nongovernmental Sector and the Rulebook on Amendments to the Rulebook on Disciplinary and Material Responsibility in the Institutions of BiH.

---

### Level of the FBiH

- ✓ Draft Law on Registrar Books has been established.
  - 📖 The draft Law was submitted in the parliamentary procedure and to the Government of the FBiH in the new convocation, which supported enactment of this Law with amendments and put the Federal Ministry of Interior in charge of implementing it. The draft was adopted in both houses and sent in the public discussion.
- ✓ Amendments were prepared for 34 laws of the Federation of BiH, which were in the parliamentary procedure.
  - 📖 The Laws were adopted as drafts in the House of Peoples, while the House of Representatives did not declare on this matter. In March 2011, they were returned by the Decision of the Government of the FBiH to the competent ministries for opinions.
- ✓ The Government of the Federation of BiH, its 154<sup>th</sup> session, established the Draft Law on Amendments to the Law on Violations and sent it in the parliamentary procedure by urgent procedure.
  - 📖 This proposal is considered crucial for implementation of the Phase 1 of the project, enabling more efficient work of the Federal Administration for Inspection Affairs.
  - 📖 Both Houses of the Parliament of the FBiH recognised the significance of implementation of the Project of Regulatory Reform in the Federation of BiH, and based on that, they established urgent work bodies at the level of the respective Houses and there was a presentation "Role of the Parliament in the Process of Regulatory Reform in the FBiH".
- ✓ In accordance with the Agreement on Cooperation, the Government obligated itself to establish and put into work the electronic register of administrative procedures.
  - 📖 The register was technically created and filled; further activities are necessary regarding establishment of legal framework for its functioning, as well as technical support.
- ✓ Draft Law on Registrar Books has been established and sent in the parliamentary procedure.
  - 📖 The Government of the FBiH supported enactment of this Law with amendments and put the Federal Ministry of Interior in charge of implementing it. The draft was adopted in both houses and sent in the public discussion.

---

### Level of the RS

- ✓ Adopted Law on Amendments to the Law on General Administrative Procedure ("Official Gazette of the RS" No. 50/10).



- 📖 This Law stipulates that the manager of the body can authorise other officer to manage administrative procedure and enact a specific decision or to manage administrative procedure.
  - 📖 Also, the Law stipulates obligation of the second instance body, on the occasion of repeated decision making on the appeal, to make a decision based on the merits.
- 

- ✓ The Government of the RS adopted the Law on Amendments to the Law on Administrative Disputes.
- 

### Level of the BD BiH

- ✓ In this reporting period, no progress was recorded at this administration level.
-

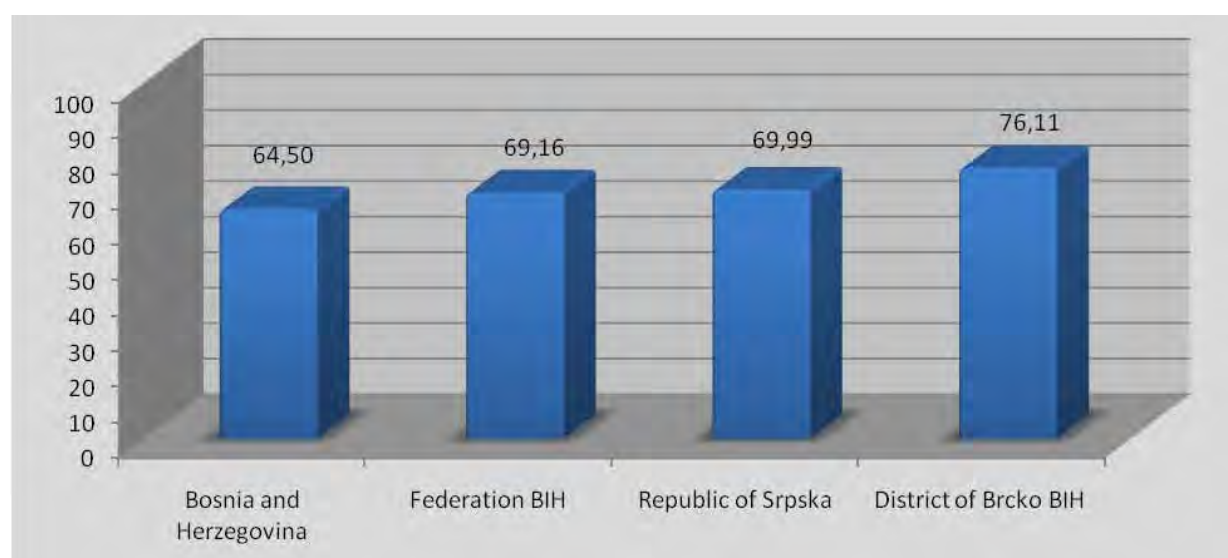
#### 4.1.5 Institutional Communication

In the reporting period, implementation of the AP 1 in the area of Institutional Communication (hereinafter: IC) at the state, entity and the level of the Brčko District of BiH is **69.15 per cent**, which is in relation to December 2010, an increase of **4.58 per cent**.

The most significant progress in this reporting period was noted at the level of the Brčko District of BiH, and it comes mostly from adoption of the Communication Strategy and the accompanying Action Plan of the Government of the Brčko District of BiH, and the additional analysis of the acts regulating communication of the Government and its institutions (departments). At the levels of the Council of Ministers of BiH and the Federation of BiH, the progress was limited because of late establishment of the Governments or lack thereof (and adoption of the budget of the institutions of BiH for 2011), while the progress in the Republic of Srpska was noted in fulfilling the continuous measures of the AP 1 and in the activities related with the first 100 days of work of the Government of the Republic of Srpska.

The table below shows the overall progress in implementation of the AP 1 for the reform area of IC.

INSTITUTIONAL COMMUNICATION	Implemented
Bosnia and Herzegovina	64.50
Federation of BiH	69.16
Republic of Srpska	69.99
Brčko District of BiH	76.11



#### Common Activities on Implementation of the Measures from the AP 1

Common activities in the reporting period are related mostly with the communication through the Supervisory Team for Institutional Communication. The terms of reference was prepared for the project "Publication of Information Materials of the Council of Ministers of BiH, the Government of the Federation of BiH, the Republic of Srpska and the Brčko District of BiH", and four project ideas were prepared for implementation of the measures from the Revised AP 1 in the area of Institutional Communication. One of the proposed projects is the project "Building the Capacities for Combat Against Corruption in the Civil Service in BiH", which would cover two reform areas – Institutional Communication and Human Resources Management and involve the Supervisory Teams from both areas.

Regarding sustainability of the implemented projects in this area, issuing of the bulletin "INFO of the Council of Ministers" continued, same as similar publications at other levels. The Communication Strategy was adopted at the levels of the Council of Ministers of BiH and the

Brčko District of BiH, and the Action (Communication) Plan is being applied. The info stands are being used as a communication channel and the means of exchange of information, and a handbook for public relations is being used in daily work of the information / public relations officers in the institutions of all the levels.

The progress was registered also through an indirect link with the project from the area of Policy Making and Coordination Capacities. That is, the project in implementation, "Blueprint of Development of Central Bodies of Governments in BiH – Phase I", has, as one of its objectives, building of an effective system of communication between the Governments (Secretariats General) and other institutions. Through the project, the IT Gap Analysis drafted, the needs were specified and the budget of BAM 200,000 was provided for procurement of IT equipment for all four governments, so the progress was registered in the measures IC 6.1. and IC 6.2.

### **Individual Activities on Implementation of the Measures from the AP 1**

The following part of the Report gives a description of individual activities at all four administration levels in BiH, which took place in the reporting period and have an impact on implementation of the AP 1 in this reform area. Activities are grouped by administration levels.

#### **Level of BiH**

- ✓ Publication of the 5<sup>th</sup> and 6<sup>th</sup> issue of the bulletin "Info of the Council of Ministers".
  - 📖 Activities on preparation of this publication (started within the project "Establishment of Network of Info Stands") involve, in addition to the Information Service of the Secretariat General of the Council of Ministers as the bearer, also the engagement of the information / public relations officers of the Ministries and other institutions (Directorate for European Integration, PARCO). In addition to providing current information on the activities, plans and achieved results of the CoM BiH and its institutions, the significance of this bulletin is also in the continuous and coordinated cooperation and exchange of information between the information / public relations officers of the various institutions within preparation of the bulletin.
- ✓ Implementation of the Communication Strategy and the Action Plan
  - 📖 The Information Service of the Secretariat General bases its activities on the adopted Communication Strategy and the Action Plan, regardless of the external factors (failure to establish the Council of Ministers of BiH, failure to adopt the budget for 2011, etc.). This is significant both from the aspect of continuity in work and from the aspect of creation of bases for strategic approach to communication in daily work.

#### **Level of the FBiH**

- ✓ Established Proposal on Amendments to the Freedom of Information Act of the FBiH (8<sup>th</sup> Session of the Government of the FBiH).
  - 📖 The Government of the FBiH, established and sent to the Parliament of the FBiH in the shortened procedure the proposal of the Act on Amendments to the Freedom of Information Act of the FBiH. One of the reasons to enact the amendments is the fact that the competencies of the institution of the Ombudsman of the FBiH were, in the meantime, transferred to the Ombudsman of BiH. Also, it has been stipulated that dissatisfied party can object to the manager of the body within eight days after receiving the specific decision rejecting the request to access information, as well as that administrative dispute can be initiated in the competent court. Newly proposed solution is also to apply the provisions of the Law on Administrative Procedure on all matters not regulated by this law.

- ✓ Continuation of implementation of the continuous activities from the AP 1

📖 In the reporting period, activities have continued on previously completed continuous measures in the field of media relations, communication with citizens, filling of vacancies for information / public relations officers, etc.

---

### Level of the RS

- ✓ Sixteen radio broadcasts on the first 100 days of the Government of the RS.

📖 Produced by the Government of the RS, 16 radio broadcasts on the work of the ministries in the first 100 days of the Government of the RS has been recorded and distributed to the radio stations. This activity is significant in the sense of informing the public on the work of the Government and administration and establishing some sort of evaluation of that work in a certain time period. Such informing is the first step in establishment of a two-direction dialogue with the public and creation of a basis for research of the public opinion, preparation and enactment of policies etc.

- 
- ✓ Continuation of implementation of the continuous activities from the AP 1

📖 In the reporting period, activities have continued on previously completed continuous measures in the field of media relations, communication with citizens, publication of promotion materials, organisation of public discussions, promotion campaigns, etc.

---

### Level of the BD BiH

- ✓ Adopted Communication Strategy and the Action Plan (88<sup>th</sup> session of the Government of the BD BiH).

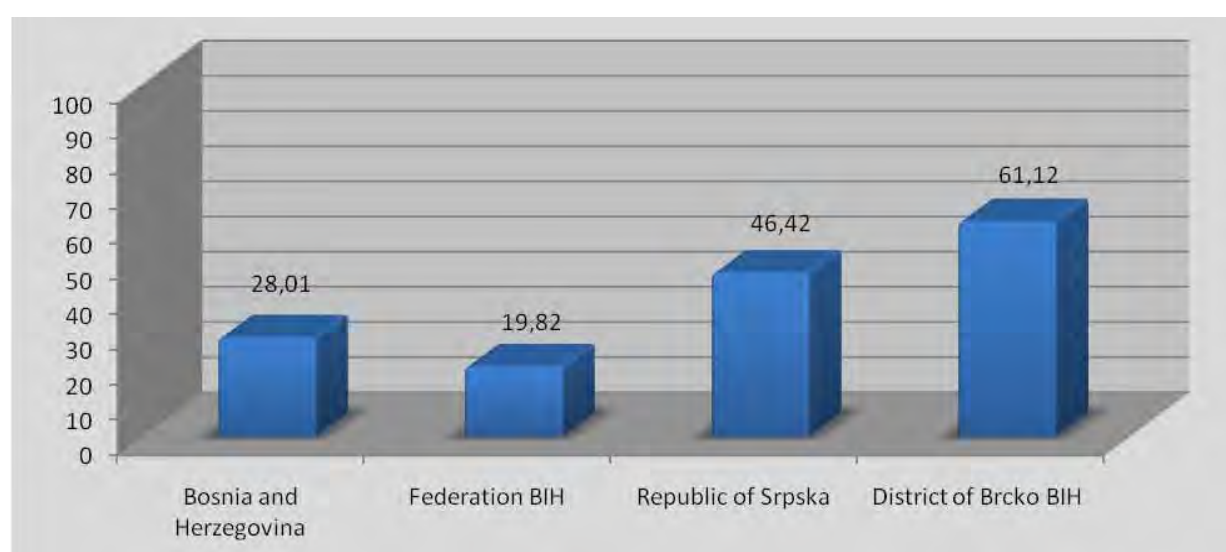
📖 Adoption of the Communication Strategy and the accompanying Action (Communication) Plan signifies introduction of strategic approach to communication in a daily work. With official establishment of the Information Sector and the separate budget of the Sector within the Budget of the Brčko District of BiH for 2011, at this level, bases have been established to build the system based on strategic planning and implementation of communication activities, which constitutes, with specific structure of the administration system of the District, where the Information Sector has the role of a spokesperson of all the departments, a significant progress in implementation of the measures of the AP 1 in the area of Institutional Communication.

#### 4.1.6 Information Technologies

In the reporting period, implementation of the AP 1 in the area of Information Technologies (hereinafter: IT) at the state, entity and the level of the Brčko District of BiH is **38.97 per cent**, which is in relation to December 2010, an increase of **1.27 per cent**.

The table below shows the overall progress in implementation of the AP 1 for the reform area of IT.

INFORMATION TECHNOLOGIES	Implemented
Bosnia and Herzegovina	28.01
Federation of BiH	19.82
Republic of Srpska	46.42
Brčko District of BiH	61.12



#### Common Activities on Implementation of the Measures from the AP 1

Implementation of the project “Design and Establishment of Interoperability Framework and Standards for Data Exchange” started in May 2011 and its contribution to the measures from the AP 1 is expected in the second half of 2011 and first half of 2012. The project will contribute to implementation of the AP 1 in the parts IT 4.1. Develop Standards for Systems Architecture and Applications Development, IT 4.2. Establish Interoperability Framework of e-Government and IT 4.3. Develop Strategy of Public Registers and Develop Them.

Implementation of the project “Training of Civil Servants for Application of Information Technologies and Work on Computers” started in December 2010, and in the first half of 2011 the first cycle of the training was implemented. Implementation of the project contributed to implementation of the measure from the AP 1 in the segment IT 2.8. Increase Computer Literacy of the Civil Servants.

#### Individual Activities on Implementation of the Measures from the AP 1

The following part of the Report gives a description of individual activities at all four administration levels in BiH, which took place in the reporting period and have an impact on implementation of the AP 1 in this reform area. Activities are grouped by administration levels.

##### Level of BiH

- ✓ Start of implementation of the Strategy of Development of the Agency for Identification Documents, Records and Exchange of Data for the period 2010 – 2015.

- 📖 Initiated activities with the Ministry of Civil Affairs of BiH regarding amendments to the laws on unique registry number, personal identification card, home and residence and travel documents, which is a precondition for implementation of the Strategy.

---

### Level of the FBiH

- ✓ Ongoing implementation of the project of establishment of the information system of registers of small and medium enterprises in the Federation of BiH – ISR SME.
  - 📖 Objective of the project ISR SME is introduction of information system which would enable the Government of the Federation of BiH to fully integrate all the information crucial for monitoring of the SME sector.
- ✓ Ongoing implementation of the project of establishment of the information system of the craft register - ISCR.
  - 📖 This system was designed in order to decrease expenses, increase the quality of services to the citizens, establish a flexible structure, quicken and simplify the process of issuing approvals for craft activity.

---

### Level of the RS

- ✓ The National Assembly of the RS adopted the Law on IT Safety; its publication in the Official Gazette of BiH is expected.
- ✓ Adopted document “Recommendations for Design and Maintenance of the Web Presentations of the Institutions of the Republic of Srpska”.
- ✓ Prepared intranet “Mojportal”, which will be operational soon.
- ✓ Completed project “Service of Electronic Registrar Books” and it is expected to be operational soon.

---

### Level of the BD BiH

- ✓ In this reporting period, no progress was recorded at this administration level.
-

## 5 Overview of Implementation of the Measures from the AP 1 and Analysis of the Progress Achieved in the Period 2006 – 2011

This part of the Report gives an overview of the achievements by each of the chapters within each of the six reform areas. This part of the report is a summary of the evaluation of the progress, which was presented in detail in the M&E table. The mechanisms and the manner of monitoring are explained in the introduction. More detailed information on the progress can be found in the M&E table in the annex 1 to this Report.

### 5.1.1 Policy Making and Coordination Capacities

#### Implementation by Chapters

The table below gives an overview by chapters for the reform area of PM.

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART I POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>50.35</b>
PM 1. Strengthening Central Capacities for Policies	51.33
PM 2. Improvement of Capacities in Individual Ministries	54.77
PM 3. Improvement of Verification of Harmonisation with Regulations	54.85
PM 4. Improvement of the Process of Enactment of Laws	41.20
PM 5. Improvement of Access to Regulations	41.85

\* Detailed description of the implemented measures with comments can be found in the monitoring table in the Annex 1 to this Report.

#### **PM 1. Strengthening Central Capacities for Policies**

Objective of the reform in this component of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH is to improve the structure, capacities and successfulness in the work of the government / CoM secretariats, which would strengthen the systems of enactment of policies at all levels of authority. This reform requires new organisational arrangements, procedures, staff and development of coordination capacities of the government secretariats. Secretariats should become primary coordinating bodies, with a basic task of ensuring efficient work of respective ministries, harmonised with the work of the other administration bodies. Also, the secretariats will be developing capacities for linking and coordination between different levels of authority.

With the objective of implementation of the reform measures from this component, during 2007, in cooperation with the experts of the SIGMA, a document has been prepared, entitled "Blueprint of Development of Central Bodies of Governments in BiH", which proposed to the Council of Ministers of BiH, the two entity governments and the Government of the Brčko District a "blueprint" (model) of development of their central bodies. The Blueprint proposed the structure of the government / CoM secretariats, their functions and responsibilities and the methods they would use in performance of their tasks within the whole system of policy. During 2007, this document was supported by the Council of Ministers of BiH, the entity governments and the Government of the Brčko District of BiH.

Based on the proposed model the project "Blueprint of Development of Central Bodies of Governments in BiH" was prepared, which in two phases, in the total duration of 4 years, is supposed to implement all the recommendations accepted by the Council of Ministers of BiH, the Entity Governments and the Government of the Brčko District of BiH.

Implementation of the first phase of the Project, financed by the PAR Fund, started in July 2010, and so far, a detailed gap analysis has been made between the current condition and the condition aimed at achieving after implemented reforms with recommendation and the plan to achieve the desired condition in the central bodies of governments, primarily in the secretariats general of the governments / the CoM. The second phase of the Project is supposed to start with implementation in 2012, and it will be financed by the IPA 2010 funds.

A part of the reform measures from this component was implemented through individual efforts of the central bodies of the governments / the CoM in strengthening their own capacities and the organisation structure through amendments to the rulebooks on internal organisation and systematisation of jobs. Considering that all the measures from this component are still contemporary, they were transferred to the Revised Action Plan 1.

## **PM 2. Improvement of Capacities in Individual Ministries**

The reform of the central capacities for policy making is being implemented parallel with strengthening of the capacities for policy making in the ministries. The Ministries are the primary bodies in which, within their competencies, the policies and legal regulations are being developed and implemented. The objective is to develop the capacities of the ministries so they could sufficiently take care of the government priorities, especially those related with harmonisation with the EU legislation, draft proposals of a good quality, consult and estimate possible impacts, draft quality legal acts, so the quality of the materials coming from the ministries would be satisfactory, so the governments / the CoM could make competent decisions.

Direct support to implementation of measures from this component was being provided by the project "Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD", which lasted for 2.5 years, and was successfully completed in June this year. The basic objective of this project was development of organisational, methodological, but also human resources / capacities for strategic planning, development of public policies and public finance management, in order to ensure more quality provision of public services. The Project covered 13 ministries, 5 from each entity level and 3 from the state level, which is statistically close to third of the ministries at these levels. So, in spite the fact that the Project covered approximately one third of the ministries, we still cannot say that generally, at the level of the Council of Ministers, or the governments of the entities we have a critical mass of trained civil servants and established organisational structure which could support application of new methodology of strategic planning and development of public policies at the level of the governments / CoM. In that sense, the Public Administration Reform Coordinator's Office works on finding the possibilities for continuation of implementation of this project in the ministries / sectors which have not yet been included in implementation of the SPPD project, in order to complete establishment of the system of strategic planning and public policy development in individual ministries, thus implementing the measures from this component of the Action Plan 1 of the Strategy of PAR in BiH.

Within this component, the initiative was started to design software for support to drafting legal regulations, which would be capable to create standardised legal texts, which would then easily be accommodated in the work flow system. In this sense, the PARCO prepared a project idea, which was accepted by the competent Supervisory Team. All the measures from this component are still contemporary, and with adjustments transferred to the Revised AP1.

## **PM 3. Improvement of Verification of Harmonisation with Regulations**

The key step in implementation of the measures from this component happened when the Common Rules for Draft of Legal Regulations in the Institutions of Bosnia and Herzegovina were adopted (by the Parliament of BiH) and the Rules for Consultations in Draft of Legal Regulations were enacted by the Council of Ministers of BiH. The Secretariat for Legislation in the Government of the RS enacted similar rules for legal regulations drafting, while that issue,



in the Government of the Brčko District of BiH, was regulated by the Decision of the Government. Such rules do not exist at the level of the FBiH or the cantons. Although the rules used in the institutions of Bosnia and Herzegovina, the Government of the Republic of Srpska and the Government of the Brčko District of Bosnia and Herzegovina have a lot in common, there are also significant differences, as well as shortcomings.

In order to mend these shortcomings, the PARCO prepared the project “Improvement of Rules and Procedures for Legal, Other Regulations and General Acts Drafting in BiH”, which aims at establishing the best practice and coherent principles and standards for legal, other regulations and general acts drafting in Bosnia and Herzegovina, which would contribute to further improvement of the process of policy development, methodological coherence of the process of legal, other regulations and general acts drafting, as well as to improvement of the legal system in general. Implementation of the project activities is ongoing, and so far the Analysis of the Existing Practice of Legal, Other Regulations and General Acts Drafting has been drafted as well as the analysis of the existing rules for legal, other regulations and general acts drafting at the level of the state, the entities and the Brčko District of BiH, including impact assessment and assessment of the legal and other regulations, as well as comparative analysis of the practice of drafting of legal regulations of the European Union and selected member states: Austria, Belgium and Slovenia. Based on these analyses, the new Rules for Legal Regulations Drafting at the state, entity and the Brčko District of BiH level have been drafted, which will be, after harmonisation with the beneficiaries of the project and improvement, sent for adoption to the competent bodies.

Also, a part of the reform measures from this component has been implemented through implementation of the project “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD”, which was successfully completed in June this year. Through this project, a methodology for development of public policies has been developed, a handbook has been prepared and 128 civil servants have been trained in application of methodology of development of public policies in 13 ministries, 5 from each of the entities and 3 from the state level. Considering that the reform measures from this component are still contemporary, they were in an adjusted form transferred to the Revised AP 1.

#### **PM 4. Improvement of the Process of Enactment of Laws**

Implementation of the measures from this component was also covered by the project “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”, whose implementation is ongoing (see the previous chapter). Adoption of the proposed Draft new Rules for Legal Drafting at the state, entity and the Brčko District of BiH level by the legislative bodies would ensure that the legal regulations, initiated directly by the members of the parliament / assembly, are drafted in accordance with the requirements of quality, common for the whole system of legal regulations drafting. Reform measures from this component, which have not been finalised in the previous period, were transferred in the Revised AP1.

#### **PM 5. Improvement of Access to Regulations**

Significant efforts in implementation of the reform measures from the Action Plan 1 of the Strategy of Public Administration Reform in BiH have been invested also in improvement of access both to primary, as well as secondary regulations. Activities on implementation of the measures were based on the joint work of the PARCO and the members of the Supervisory Team for the area of Improvement of Quality and Procedures of Drafting and Enacting Regulations, with the objective of providing the wider public with free access to integrated database of legal regulations, for whose update the legislation offices / secretariats of the Council of Ministers of BiH, the entity governments and the Government of the Brčko District of BiH would be competent. In that sense, the PARCO signed with the UNDP an addition to the Memorandum of Understanding, related to full implementation of the project started earlier by the UNDP, entitled “Legislation Database – LDB”, by which the PARCO took over the right of

transfer of rights to use the LDB software to various institutions, willing to establish, use and enable access to BiH laws through one web portal. Also, the PARCO prepared the draft Memorandum of Understanding, based on which the software and licences for use of the LDB database would be given by the PARCO to the legislation offices / secretariats at the state, entity and the Brčko District of BiH level.

Since the legislation offices / secretariats of the Council of Ministers of BiH, the governments of the entities and the Government of the Brčko District of BiH, because of limited capacities, did not express readiness to take over the obligation of updating the single database of legal regulations, the activities on implementation of these reform measures were reduced to individual (by levels) design and update of various databases of legal regulations. Reform measures from this component as well, which have not been finalised, were transferred in the Revised AP1.

## 5.1.2 Public Finance

### Implementation by Chapters

The table below gives an overview by chapters for the reform area of PF.

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART II PUBLIC FINANCE</b>	<b>54.65</b>
PF 1. Dimension of the Policy of the System of Public Finance	95.00
PF 2. Increase in Efficiency and Effectiveness of Budget Management	53.10
PF 3. Improvement of Accountancy Framework and Treasury System Function	19.80
PF 4. Introduction of the PIFC in accordance with the relevant EU Standards	58.75
PF 5. Improvement of Organisation Structure and Investment in Capacity Building	46.34

\* Detailed description of the implemented measures with comments can be found in the monitoring table in the Annex 1 to this Report.

### **PF 1. Dimension of the Policy of the System of Public Finance**

With the objective to strengthen the mechanisms for fiscal coordination, the Law on Fiscal Council of BiH was adopted by the PA BiH on July 23<sup>rd</sup>, 2008, and it entered into force in August 2008. The Secretariat of the Fiscal Council of BiH was established, and the manner of work of the Secretariat of the Fiscal Council was set, in more detail, by the Rules of Procedure of the Fiscal Council, adopted by the Fiscal Council on October 28, 2008. The Systematisation of the Secretariat was adopted within the Rules of Procedure in 2008. By June 2009, all the members of the Secretariat were appointed.

By establishment of the Fiscal Council, the Fiscal Council received a legal competency for adoption of the single macroeconomic and fiscal framework for BiH, i.e. the document of the Global Framework of the Fiscal Balance and Policies in BiH, which is being adopted every year by May 31<sup>st</sup>, and which would be the basis for the FBDs of all the levels of government in BiH. At the 10<sup>th</sup> session of the Fiscal Council, held on June 29, 2009, the Global Framework of the Fiscal Balance and Policies for BiH for the period 2010 – 2012 was adopted. The adopted document contains macroeconomic projections prepared by the Directorate for Economic Planning and projections of overall revenues from indirect taxes prepared by the Department for Macroeconomic Analysis of the Indirect Taxation Administration of BiH. These macroeconomic projections and projections of the overall revenues from indirect taxes are common for the whole BiH and are harmonised with the IMF. It would be significant to mention here that the adopted global framework contains only projections of revenues from indirect taxes, but it does not contain a comprehensive fiscal framework, because there are no detailed tables and data on the items of revenues, expenses, financing and appropriate fiscal objectives for BiH consolidated and for each of the levels of authority respectively.

The Central Bank of BiH, starting from 2002, publishes consolidated data of the budgets of different levels of authority, in accordance with the methodology of the IMF (Government Finance Statistics GFS). On an annual basis, the consolidated budget level covers the budget of the Institutions of BiH (including the payments of the external debt), the budgets of the central governments of both entities and of the Brčko District (including the extra-budget funds in both entities, the cantons in the FBiH and municipalities in both entities, excluding the Directorates for Roads and the projects of foreign aid at all levels of government). The Central Bank of BiH publishes also consolidated data on a quarterly basis, but excluding the municipalities.

The Department for Macroeconomic Analysis (DMA) within the Management Board of the Indirect Taxation Administration of BiH, starting from 2005, publishes consolidated data on execution on a monthly basis. The data of the DMA include the level of the Institutions of BiH,

the Government of the FBiH, the cantons, the municipalities and funds in the FBiH, the Government of the RS, the municipalities and funds of the RS and the budget of the Brčko District of BiH.

In order to decrease the fiscal misbalance, laws, which introduce fiscal equalisation in the entities, were adopted, as well as bylaws necessary for implementation of the laws.

A part of the measures from this chapter was fully completed, and a part was transferred in the Revised AP1.

## **PF 2. Increase in Efficiency and Effectiveness of Budget Management**

Process of introduction of the Mid-Term Framework of expenses is being implemented in the whole BiH. Within the Coordination Board for Budget, harmonisation of the budget calendars at all levels in BiH has been agreed, in accordance with which draft laws on amendments to the laws on budgets at the entity levels, i.e. the Law on Financing of the Institutions of BiH at the state level have been prepared in 2008. Within the Project Strengthening Management of Public Finances in BiH (financed by the Government of Great Britain Department for International Development – DfID), the Ministry of Finance and Treasury of BiH, the entity Ministries of Finance and the Directorate for Finance of the Brčko District of BiH, in the period 2006 – 2011, held workshops on preparation of the FBDs and programme budgeting for officers of the ministries of finance and finance officers of all budget users. Consolidated FBD for the whole BiH is still not prepared. At all levels of authority in BiH, the unified instructions for budget users are being used, which are being used in the process of preparation of the FBDs and the budgets (three instructions per year). The PARCO prepared the project proposal and the terms of reference for the project “Budget Management Information System (BMIS)” and implemented the tender procedure. Objective of the project “Budget Management Information System” is increase of efficiency and effectiveness of budget management. This project will be implemented at the level of the whole BiH and it will cover 272 present budget users. It is expected that the contract for implementation of the project will be signed in the next period.

At the level of the institutions of BiH, the RS and the FBiH, the Programmes of Public Investments are being prepared each year, which include investments financed by the budget, donations and loans for a three-year period. Additionally, the Budget of the Institutions of BiH for 2008, for the first time, included the Multi-Annual Budget for capital investments of the Institutions of BiH. In 2008, at the level of the Institutions of BiH, the competency for preparation of the Programme of Public Investments was finally integrated in the Ministry of Finance and Treasury (until that time it was vested in the Ministry of Foreign Trade and Economic Relations), i.e. in the newly established Sector for Coordination of International Economic Aid.

When it comes to inclusion of the management in draft of the FBDs and budgets, the Instructions 1, 2, 3 of the Ministry of Finance stress that the Framework Budget Document and the Budget itself, in their essence, represent an estimate of the funds that would be necessary for achievement of strategic and operative objectives of the budget users, and that for quality draft of budget instructions, active participation of all managers within the institution is essential. Although further improvements are necessary in order to achieve the desired level of quality (which is expectable considering the volume of the reform, which in other countries as well lasted for up to ten years), continuous improvement of quality of the submitted data and greater involvement of managers is noticeable at all levels of government.

Employment of budget analysts strengthened the Sectors for Budget within the Ministries of Finance. The Sectors for Budget within the Ministries of Finance, with the technical assistance of the SPEM project, organised in the last period an official individual technical assistance to the budget users at all levels in BiH, with the objective of improvement of the programme budgeting.

The Project “Strengthening the Public Finance Management” (SPEM, SPEM 2, SPEM 3) was financed by the British Government. The Project lasted from 2004 to 2010 and covered the levels of BiH, the RS, the FBiH and the cantons, and it gave a great contribution to introduction of the mid-term process of budget planning and organised trainings for employees in the Ministries of Finance and for the budget users.

Significant results have also been achieved in the part related to a timely inclusion of the Parliament in the process of budget making. The Parliament was timely included in the process of budget making and the members of the Commission for Budget and Finances of the Parliamentary Assembly were regularly informed with the process of budget making.

Also, a format for expanded reporting to the parliament and the public was drafted.

In the FBD for the period 2009 – 2011, which represents a basis for budget drafting for the next year, the extra-budget funds and the extra-budget assets have been completely included. When it comes to foreign donations, they are hard to foresee and include them in the budget in a timely manner.

A part of the measures from this chapter was fully completed, and a part was transferred in the Revised AP1. Establishment of the work group for draft of the common methodology of treatment of capital investments is one of the measures which have never been completed in the AP1 in the area of Public Finance.

### **PF 3. Improvement of Accountancy Framework and Treasury System Function**

Introduction of the budget model of accounting in the public sector, which is currently being used in the business community, is an ambitious objective, because not even the countries of the EU transferred to this system of accounting. This would require request for donor assistance and significant investments in the capacity (training and IT) and therefore, it will be considered a long term objective.

When it comes to accounting standards in BiH, every government uses its own standards of accounting. For harmonisation of the accounting standards in BiH, it would be necessary to establish a work group for harmonisation of the standards of the public sector.

The USAID provided a support to introduction of the information systems of the treasury at the level of BiH, the entities and the cantons in the period 2002 – 2004. The USAID did not introduce treasury information systems at the level of the Brčko District, the municipalities and the out-of-budget funds. In the RS, the treasuries were not established in 26 of a total of 63 municipalities, and for the rest of the municipalities, the system would be financed by the funds of the IPA 2011. The objective of the project “Treasury Information System of the Brčko District” is improvement of the function of the treasury in the BD by introducing a modern information system for treasury operations. It has been foreseen to finance the project “Treasury Information System of the Brčko District” by the funds of the PAR Fund (tender procedure is ongoing).

A part of the measures from this chapter was fully completed, and a part was transferred in the Revised AP1.

One of the measures of the AP 1, which was not implemented at all, is establishment of the work group for harmonisation of the accounting standards of the public sector. Every level of authority was enacting solutions for themselves, without coordination with other levels.

### **PF 4. Introduction of the PIFC in accordance with the relevant EU Standards**

The Project “Support to Introduction of Public Internal Financial Control in BiH (PIFC)”, was financed by the EU Delegation through the IPA programme, taking place from April 2010 to May 2012. The objective of the project is to provide support to the Ministries of Finance at all

levels of authority in introducing internal financial control. The Strategy, that planned in detail introduction of the PIFC, its main principles and the structure of the system, was adopted at all levels of authority in BiH, which fulfilled one more obligation stipulated by the Stabilisation and Association Agreement. However, single strategy document was not drafted, as it was previously stipulated by the AP 1 and proposed by the SIGMA, but 3 strategies have been drafted (BiH, the RS, the FBiH).

The Council of Ministers of BiH, the Government of the RS and the Government of the FBiH appointed managers of the Central Harmonisation Units and they started filling the other vacancies. The Coordination Board of the Central Units for Harmonisation was established, and it holds meetings regularly. The European Commission, in March 2010, awarded the contract for support to introduction of the public internal financial control in BiH, from the IPA Funds, to the consortium, whose bearer is the consultancy company PKF. The project prepared the training needs analysis and the training plan. The trainings were held for the internal auditors and the employees of the Central Units for Harmonisation from the state and the entity level.

Results are also visible on the matter of introduction of the internal audit. The Laws on Internal Audit were adopted at all levels of authority in BiH and the first trainings for internal auditors were held.

When it comes to the measure related to adoption of the laws that would accurately define the salaries and allowances at the level of BiH and the entities, each administrative level adopted the Law on Salaries, but the laws were not harmonised, as stipulated by the AP 1. So establishment of the workgroup with the representatives of all the levels of authority in BiH, in order to agree on the harmonised approach to the reform of the salaries at all the levels of authority, is one of the measures of the AP 1 that was not implemented. This measure was transferred in the area of Human Resources Management in the RAP 1.

A part of the measures from this chapter was fully completed, and a part was transferred in the Revised AP1.

#### **PF 5. Improvement of Organisation Structure and Investment in Capacity Building**

The main objective of the reform in this component is improvement of the organisation structure in the Ministries of Finance. The new Rulebooks on Internal Organisation and Systematisation of the Ministry of Finance and Treasury of BiH, the Ministry of Finance of the RS and the Directorate for Finance of the Brčko District of BiH have been adopted.

In the past period, civil servants have been employed for the reforms within the fiscal area, budget, treasury and the PIFC area, but all the capacities are still not filled. The problem is that there are still not enough IT experts to maintain the information systems in the Ministries of Finance.

A part of the measures from this chapter was fully completed, and a part was transferred in the Revised AP1.

### 5.1.3 Human Resources Management

#### Implementation by Chapters

The table below gives an overview by chapters for the reform area of HRM.

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART III HUMAN RESOURCES MANAGEMENT</b>	<b>59.31</b>
HRM 1. General Approach to Modern Policies of Human Resources Management	47.50
HRM 2. Organisational Setting	68.54
HRM 3. Information Management	100.00
HRM 4. Human Resources Planning	51.90
HRM 5. Recruitment and Selection	50.75
HRM 6. Performance Management	67.97
HRM 7. Training and Development	83.45
HRM 8. Salaries	30.00
HRM 9. Discipline	61.00
HRM 10. Support to the Staff	39.80
HRM 11. Diversity Management	76.01

\* Detailed description of the implemented measures with comments can be found in the monitoring table in the Annex 1 to this Report.

#### **HRM 1. General Approach to Modern Policies of Human Resources Management**

In this group of activities, a significant progress has been achieved in the part related to harmonisation and directing the policies of human resources management and appropriate legal regulations. The progress has been primarily achieved through enacting laws and bylaws in the field of civil service, its continuous improvement and amendments of a wider set of system laws significant for the field of civil service reform and the system of human resources management (HRM) at all administrative levels, responsible for implementation of the Action Plan 1 (AP 1) of the PAR Strategy. There have been achievements also in the plain of horizontal harmonisation of regulations (within the same level of administration) and to a certain extent, also in the plain of harmonisation of regulations between the levels of administration (vertical component). In the sense of general policies of human resources management, there has been a somewhat smaller progress, related to the field of development of strategic documents in the segment of training and development of civil service. Also implementation and coordination structures for implementation of the PAR in this area have been established and they function operatively in accordance with the provisions of the Common Platform on Implementation of the AP 1 ( Supervisory Team for the area of HRM) which made a significant step with the objective of providing working assumptions for common development of HRM policies. Basic shortcomings in the past period, related to this group of reform measures, relate to a lack of planned harmonisation of policies and regulations (between the levels of administration), as well as to a lack of special policies in the area of HRM (with the exception of a segment of training). Implementation of measures from this segment is a result of individual activities of the governments / the CoM BiH and the institutions in charge of implementation of the reform, and various external programmes of support and projects have also given a certain contribution in its implementation.

In the second group of activities from this chapter, related to harmonisation of definition and scope of the civil service, no progress has been recorded, because the contents of the AP 1 stipulated to implement this activity through the joint work of the representatives of all the levels of administration (through establishment of a special intergovernmental workgroup that

would work on development of models for the whole BiH). Definition and scope of the civil service are set by the relevant laws on the civil service / civil servants, independently by the levels of administration in BiH, which from the practical side, related to the definition, do not make significant differences. Related to the scope, there is still a difference between the entities in the “reach” of the civil service, regarding the differences in administrative structure, that at the level of the FBiH span over the cantonal to the local level. The measures related to development of policies of the HRM in all the structures of administration, which need to be based on harmonised principles, and directions of work regarding reforms in the area of HRM, have been transferred in the Revised Action Plan 1 (RAP 1).

## **HRM 2. Organisational Setting**

At all levels, the regulations stipulated complementary functions and competencies of the central HRM institutions (CSAs and Sub-Department for HR of the Brčko District), but there is no intergovernmental common strategy for HRM units. The progress has been made in the field of continuous strengthening of capacities of the central HRM institutions through various forms of trainings and activities of the projects of technical assistance (twining at the level of BiH, UNDP in the FBiH and SEPARB / DfID in the RS), and through improvement of internal organisation and systematisation of jobs and achievement of adequate human capacities. There are differences in defining policies and legal assumptions for HRM departments in respective institutions between the levels of administration (at the level of BiH and the RS there are legal provisions related with their establishment, at the level of BiH they are planned through changes of the laws, while in the Brčko District, because of the specificity of organisation and the size of the civil service this function is centralised). Central HRM institutions are predominantly oriented to jobs and functions in accordance with the regulations establishing their competencies and they deal insufficiently with development of policies in this field, but it has to be born in mind that additional competencies of the agencies are decided on at the political level. However, in the field of training and development of the civil service, a significant progress has been achieved, where the central institutions took over an active role in preparation of mid-term strategic documents.

Regarding coordination between the central HRM institutions, they cooperate in implementation of the PAR through work in the Supervisory Team for the area of HRM, implementation of projects of common interest and especially in the segment of training (previously signed MoU – Agreement on Cooperation in the Field of Training between the CSAs and the Sub-Department for HR of the BD BiH). A special formal structure of cooperation and coordination between the four central HRM offices was not implemented, except for the existing coordination / implementation structure for PAR, although there is a prominent informal cooperation and communication that takes place continuously in everyday work.

Regarding building of peripheral capacities for HRM at the level of individual institutions, a progress has been achieved through measures of training of trainers and specialists for HRM through individual activities and various projects (TEMPUS, SEPARB, UNDP-NICO, CSA BiH – Twining for Training Managers). Development of network of civil servants experts – practitioners for HRM was recorded at the level of the RS and the BiH institutions. Further efforts are needed on continuous strengthening of capacities of managers and line managers for HRM, as well as specialist staff for HRM. The PARCO, in cooperation with the Supervisory Team, prepared a common project “Establishment of Modern Departments for Human Resources Management in the Bodies of Administration in BiH”, which will be financed by the funds of the PAR Fund, with the objective of support to implementation of the group of activities from this area. The project is in the tender procedure and the start of its implementation is expected in the following period. The measures related to further strengthening of capacities of the central HRM institutions in the field of development of strategies and policies, parallel with building of the HRM function and its independence at the level of respective institutions, have been transferred in the Revised Action Plan 1 (RAP 1).



### **HRM 3. Information Management**

In a technical sense, this segment has been greatly implemented through a special project of development of technical specifications for information system for human resources management (HRMIS) and in continuation, through implementation of a software solution of the HRMIS and building of capacities for its application in all the structures of the civil service. The project, financed by the European Commission, ended in the second half of 2010, and the PARCO followed its implementation through the steering board of the project. In late 2010, there was a setback in further implementation of the project results at the level of the beneficiaries of the system because of legal inconsistencies related with processing of personal data of the civil servants, as well as because of lack of funds to close a contract on technical support with the implementer. At the levels of the RS and the FBiH, the option of introduction of this technical solution, in addition to financial funds for maintenance, was also conditioned by further use of the existing central registers on civil servants. The following measures that were transferred to the RAP 1 imply introduction of the system in operative work at the level of respective beneficiary institutions (at administrative levels where the beneficiaries consider this technical solution purposeful) and to achieve full functionality of all the components of the system, and to use the system as a tool for support in decision making at the level of management.

### **HRM 4. Human Resources Planning**

In the field of human resources planning, a significant progress has been recorded at the level of the RS and the Brčko District of BiH, where appropriate regulations have been enacted and where the practice of regular preparation of human resources plans is being used (in the Brčko District, that is an organisational plan of administration, based on which annual decisions on implementation of employment plan are being prepared), while at the state level, these activities are partially implemented in the process of budget drafting – through submission of the employment plans. From the aspect of methodology for evaluation and analysis of jobs / analytical jobs evaluation, it was being developed through the previous projects of the UNDP and the DfID / SEPARB at the level of the entities the FBiH and the RS respectively, and it was tested through the joint pilot project of the PARCO – SEPARB – UNDP “Recruitment and Selection of Staff” on a sample of institutions from all administration levels. The RAP 1 comprised revised measures related to introduction of a modern HRM planning in the process of annual planning of the governments / CoM BiH and respective institutions and its linking with budget drafting and mid-term planning documents from the area of HRM.

In the second segment of this chapter, related to the intentions stipulating common classification of jobs and grades in the whole BiH, no progress has been achieved. Measures were not implemented in a manner stipulated by the contents of the AP 1, regarding reaching, through the common work of the intergovernmental workgroup, the common classifications of all the jobs and grades, since the classifications of jobs and pay grades were established independently by the levels of government through the existing laws. However, there was a progress in the sense that there was a work on respective levels of administration on development of classification of positions in the civil service. The measures related to the jobs analysis and classification of jobs in the civil service were transferred in the RAP 1, where a separate chapter stipulates classification of jobs in each respective structure of the civil service in BiH, standardisation of job descriptions, and as a result of the aforementioned, changes in systematisation of jobs.

In the segment related to “introduction of common profiles of competencies for specific positions in all the sectors”, and development of competency framework for respective categories of employees a progress has been made in the RS through development of competency framework for managing civil servants. The pilot project PARCO-SEPARB-UNDP “Improvement of the Process of Recruitment and Selection of Employees in the Civil Service”, which comprised institutions from different levels of administration, additionally affirmed usage of the competency framework in the process of employment and selection of employees.

Within the pilot project, a draft competency framework for the category of non-managing civil servants was developed as well. Continuation of work on establishment of competency frameworks and their practical application was foreseen by the measures adapted and incorporated in the RAP 1. The PARCO also prepared a special project proposal **“Modernisation of the System of Human Resources Management in the Structures of Civil Service in BiH” for the IPA 2011**, which covers all the previous three groups of activities and the measures incorporated in the RAP 1.

## **HRM 5. Recruitment and Selection**

The Action Plan 1 stipulated a total of 8 groups of different activities in this segment, of which majority is partially implemented. Related with the activities of establishment of needs for evaluation of work and qualification of jobs, through implementation of the pilot project “Improvement of the Process of Recruitment and Selection of Staff in the Civil Service”, related with support to implementation of the measures from the chapter HRM 4. “Planning” and HRM 5. “Recruitment and Selection” of the AP 1, activities have been implemented regarding establishment of methodology for jobs analysis. The purpose of the project was directed to improvement of the existing job descriptions of the employees of the bodies of the civil service / administration and procedures of selection of candidates, using results of the analysis of the jobs and the competency framework. From the aspect of the activity concerning availability of publication of vacancies, it can be pointed out that the measures of the AP 1 are almost completely implemented, where availability of information on the vacancies was ensured on the websites of the CSAs and where the earlier provisions on publication in the official gazettes were revised.

Regarding the measures related to decrease of expenses and shortening of time needed in the process of application to the vacancies in the civil service, a progress has been achieved through various activities by the levels of administration, directed to simplification of the process of application to the vacancies, shortening of deadlines and elimination of unnecessary documents (inter alia also through recommendations of the UNDP project “Modernisation and Harmonisation of Practices and Procedures in the Civil Service”). Identical form of application of the candidates was not implemented as such, but the content of the application form was to a great extent standardised by the levels of administration. At the level of the FBiH and the BD BiH, procedures of submission of documentation have been significantly simplified, while the concept of “online” application is possible at the level of the RS and it is being introduced at the level of BiH through the system Moj Konkurs. Recommendations related to efficient verification of applications by the central personnel units were completely implemented.

In the group of activities related to the process of selection, a partial progress has been made, which was generated through the previous projects and individual programmes of trainings for the staff involved in the process of selection of personnel, which were implemented by the central institutions for HRM (usage of the competency framework in interviews was tested through the pilot project PARCO-SEPARB-UNDP “Recruitment and Selection of Personnel”). This is an important segment of measures, which requires further work on improvement of methodology of selection and continuous building of capacities of the members of the commissions for selection of staff. The measures from this group were given a special importance in progress analysis; they were developed and incorporated in the RAP 1.

Regarding recommendations related to standardisation and mutual recognition of professional exams, this problem was regulated directly through regulations and/or existing practices. Common policy of exams / exam questions cannot be implemented from the aspect of the existing administrative framework and legislation, where the programmes of professional / public exams of general knowledge are set independently by administrative levels (with remark that the contents and structure of the exam are complementary and similar). Recommendations for financial aspect of the exam are almost fully implemented.

Activity related with establishment of the options and proposals for a greater degree of independence of the central HRM institutions in appointment of all the categories of the civil servants was not implemented, considering that the existing laws by the levels regulated their competency and that there was no readiness for changes in this segment.

Measures directed to creation of preconditions for increased mobility of civil servants through various changes of the laws and bylaws (taking over civil servants in case of transfer of competencies, institute of direct taking over of civil servants, rulebook defining similar jobs, etc.) have been partially implemented. Significant progress in this aspect was achieved especially at the level of the BiH institutions. Through changes of the laws, the mechanisms of transfer and internal employment have been improved at all the levels (especially at the level of BiH and the RS). The matter of redundancy was regulated through the existing regulations, where the existing legal solutions on redundancy have similar general elements at the level of BiH, the FBiH, the RS and the BD BiH, but with lack of work on common policies on the matter of redundancy for all administrative levels. Direct activities related to mobility were not incorporated in the RAP 1, considering that it was not possible to ensure agreement on the manner of their practical implementation.

In the segment of the activities related to the measures directed to a progress in a career in the civil service, no strategy or policy for attraction of members of various “endangered groups” and youth in the civil service was recorded, apart from the programmes that implemented more mass employment of trainees in the civil service. From the aspect of increased mobility of information on employment, a wide availability of vacancy announcements was ensured through the websites of the central institutions. There are also various degrees of development and implementation of trainee programmes (with existence of relevant regulations at all the levels) and practices by levels of administration, having in mind that there is a need for further improvements of the system of training and keeping the trainees. Regulations significant for the practices of promotion have been improved to a certain extent. There is a recommendation that predictability of career advancement should be balanced with the elements of a classic position system, which underlies the structures of civil service in BiH. At all the levels, there is a need, as well as agreement, to continue the work on improvement of the concept of career management also in the system of civil service management. Measures related to promotion of the civil service and its values are incorporated in the RAP 1.

## **HRM 6. Performance Management**

The biggest individual progress in the previous period was implemented at the level of the Brčko District, where the system of work performance management was linked with the plans of employment and other processes of HRM. Through the common project in this area, “Development of Performance Management System in the Structures of the Civil Service in BiH”, financed by the PAR Fund, whose implementation is ongoing, by the end of the project a significant part of the measures from this chapter will be implemented. Activities are directed to improvement of the existing system of monitoring of work efficiency through development of policies in this segment, improvement of regulations and procedures, building of capacities and awareness rising in managers on importance of this function of the HRM system (special trainings for evaluators and managers). The project also addressed the activities regarding improvement of the concept of probation work. Individual activities related with introduction in duties were implemented at all the levels through special programmes of training for newly employed, implemented by the central personnel institutions, but there are also various practices of introduction in duties at the level of individual institutions. Further work in this segment was foreseen through the objectives and activities incorporated in the RAP 1.

## **HRM 7. Training and Development**

In this segment of the activities, a significant progress was achieved in the previous period of implementation of the AP 1 in the area of HRM. The progress on development of the

capacities of the managers for establishment of the training needs was established through individual activities and programmes of the central HRM institutions, and through previous projects, which covered the components of training management (CSTP – project of training of civil servants / UNDP, SEPARB / DfID, twining for the CSA BiH etc.). Analysis of the training needs is being continuously implemented among the institutions and the bodies of the civil service in cooperation with the central personnel units, where the priority is given to the horizontal trainings, significant for the whole civil service. Data on analyses of the needs for a specific training, implemented at the level of individual institutions, are not available. The need was established to continue a continuous work on analysis of the training needs during the performance management cycle, so these activities were transferred to the RAP 1.

Strategies of training and development, with accompanying implementation plans, were developed at the level of the RS, the FBiH and the Brčko District, as well as the plans of annual trainings at the level of the institutions of BiH. In 2010/2011, the trend of preparation of mid-term strategic documents for the area of training and development of the civil service continued. At the levels of BiH and both entities, the programmes of training and development of “internal trainers” in the civil service have been implemented. Problematic is the measure of allocation of funds and provision of the budget for trainings in the recommended volume of 3 per cent. These measures were partially modified and transferred in the contents of the RAP 1.

Specific measure of the AP 1, related to establishment of the Institute for Public Administration for the territory of BiH was not implemented. With support of the UNDP and with coordination of the PARCO, during 2008, a special Feasibility Study was prepared, related with establishment of the institute as the centre for training of the civil servants, but it was not possible to ensure agreement on the offered modalities that would be acceptable for all the levels of administration.

Related with the group of activities regarding the special requirements for professional and technical training, the measures were, to a significant extent, implemented through coordination of central institutions for HRM in implementation of common training projects (CSTP / UNDP, SEPARB – Shaping the Future, trainings in European integration, IT training by the ECDL standard through a special project from the PAR Fund etc.) and implementation of several horizontal training programmes. The structures of the civil service in BiH, in the past period, also improved cooperation with the Regional School for Public Administration (ReSPA), with headquarters in Danilovgrad in Montenegro, through participation in training programmes and other activities of this regional establishment. Based on the needs for continuation of cooperation of the CSAs with individual institutions in the field of establishment of the training needs and preparation of the plans based on complementary development needs, the contents of specific activities in this segment was established and incorporated in the RAP 1.

## **HRM 8. Salaries**

In the past period, in implementation of this group of measures, only limited progress has been recorded. At all administrative levels, special laws have been established, which regulated the field of salaries and allowances for the employees in the bodies of the civil service / administration. Implementation of the measures was not implemented in the manner established by the AP1, through a common intergovernmental work group, that was supposed to establish initial settings related to policies of the salaries, principles and draft of the overall framework of work. During the previous period, various dynamics of adoption of laws has been recorded and the matter of salaries was being separately solved at each of the levels of authority. Various solutions are present regarding the volume of application of regulations on salaries at certain administration levels and classification of pay grades, where the matter of advancement by internal pay grades for civil servants and employees was differently solved. Budget restrictions, because of arrangements with international financial institutions, and austerity measures had, in the past period, as a consequence also limitations in application of

certain provisions of the law on salaries, related to the possibility of advancement. Updated measures from this segment, including also the activities on improvement of regulations on which the system of salary coefficients is based, are incorporated in the contents of the RAP 1.

### **HRM 9. Discipline**

This group of activities has been almost completely implemented through bylaws developed in detail, regulating the matter of disciplinary responsibility of the civil servants and through implemented changes of the laws and implementation acts, with the objective of improvement of subject procedures, that were implemented at all levels. Regarding the measures related to development of the capacities and procedures on the side of the board of the state service for appeals, a partial progress has been achieved, according to the available information (education of the board members was implemented through general programmes of training for HRM). It has been recorded that appeal boards submit annual reports on work regularly, and that the general characteristic at all levels was that in the past period a relatively small number of disciplinary procedures was initiated.

### **HRM 10. Support to the Staff**

At all levels, there is a developed structure of the web pages of the CSAs and the lines of communication with individual bodies of the civil service and employees, through which information significant for work and functioning of the civil service is regularly exchanged. There is no record on existence of special handbooks / guidelines for staff in individual institutions, but several publications from the field of HRM were developed through individual projects (UNDP, SEPARB / DfID, OSCE). At the level of the RS, within publication activities, a special magazine, "Moderna uprava", was initiated and being published, through which, inter alia, various information on current affairs in the work of administration, European integration, reform process etc. were made available to the employees. Operability of the HRMIS should facilitate further communication flows and mobility of information, where it can be expected to have efficiency of services at a higher level with introduction of this system in everyday work, and especially, by establishment of HRM units at the level of individual institutions.

### **HRM 11. Diversity Management**

In the first group of activities from this chapter, related to development of policies for fulfilment of conditions in relation to national representation, a limited progress has been recorded. No overall monitoring system was recorded, which would ensure monitoring of the condition regarding national representation. At individual levels, there are mechanisms of monitoring of the degree of national representation (through reports and data gathered from individual institutions) and through reports for governments. There is no record of activities of draft of common policies directed to increase of national representation in the civil service in the whole BiH, with the exception of the initiative that was started at the level of the FBiH for introduction of the Law on Provision of Proportional Ethnic Representation in the Bodies of Administration and Local Self Governance in BiH.

In the second group of activities, which stipulate adoption of the *acquis* on equal opportunities and non-discrimination, the measures have been implemented in full, through the existing laws on civil service at various levels of authority, where general provisions on non-discrimination and equal opportunities regarding the HRM policies were incorporated. At the levels of the FBiH, the RS and the Brčko District of BiH, the codices of ethics for work of the civil service have been enacted and improved, while in the institutions of BiH – adoption of the code of ethics is pending. Also, in 2009, the Law on Ban of Discrimination was adopted, which stipulated obligation of harmonisation with the other laws.

## 5.1.4 Administrative Procedure

### Implementation by Chapters

The table below gives an overview by chapters for the reform area of AP.

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART IV ADMINISTRATIVE PROCEDURE</b>	<b>41.17</b>
AP 1. Strategy of Simplification of Administrative Procedure	68.00
AP 2. Strategy of Simplification of Administrative Procedure – Procedural Law	24.96
AP 3. Simplification of Administrative Procedure – Material Law	28.15
AP 4. Simplification of Administrative Procedure (Redesigning Process)	22.06
AP 5. Organisation and Sources	54.57
AP 6. Internal Control	63.29
AP 7. Administrative Inspection	75.48

\* Detailed description of the implemented measures with comments can be found in the monitoring table in the Annex 1 to this Report.

### **AP 1. Strategy of Simplification of Administrative Procedure**

The objective of the reform measures in this chapter is to ensure the highest possible degree of harmonisation of the procedural laws at all the levels of authority, in order to ensure an equal treatment of all the citizens of BiH, irrelevant of where they live and where they appear as users of the service of public administration. This would ensure the widest base for usage of information technologies, both in order to provide the possibility of initiation of the procedure by e-mail and in the whole procedure, including communication of the bodies and parties in all instances when it is possible. The procedural law would give a precise definition of administrative matter, which would link administrative decision making, as a form of action of administrative body, with the legal norm. There will be an analysis of the provisions of the existing LAPs at all the levels and proposals will be prepared for their change, in order to widen their application to various groups of providers of services (schools, hospitals, etc.). These proposals will include the minimum of procedural requirements in the form of general principles of administrative actions, applicable to execution of any public authorities. Also, procedural guarantees will be introduced for enacting a first instance decision by including a provision that explicitly requires the first instance bodies to enact a decision, which denies the practice of bureaucratic “decision making”, which assumes enacting a so called “negative decision”, in case the first instance body does not enact a decision within a deadline stipulated by the law, which in practice takes a long time.

At the BiH administrative level, the Law on Amendments to the Law on Administrative Procedure was adopted, elements have been identified that would be a starting basis for change of the Law on Administrative Procedure with the objective of quickening the procedures of decision making by the requests of the clients, as well as with the objective of facilitating usage of new technologies, which quicken the existing procedures of maintenance of administrative procedure. The Ministry of Communication and Transport of BiH proposed changes in the Law on Administrative Procedure, regarding the needs of functioning of electronic operations and the project e-Government. The Law on Amendments to the Law on Administrative Procedure of BiH was adopted.

The Government of the RS adopted the Law on Amendments to the Law on the Republic Administration, which achieves harmonisation of this law with the Law on General Administrative Procedure. Additionally, the Law on Amendments to the Law on General Administrative Procedure was adopted.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 1. Simplification of Administrative Procedure.

## **AP 2. Strategy of Simplification of Administrative Procedure – Procedural Law**

In this segment, a complete focus was directed to the procedural obligation of the second instance body to decide based on merit, in order to decrease the possibilities of unnecessary prolonging of the administrative procedure (returning for a repeated decision making) to a minimum or remove them completely, only for the case when the second instance authority has enough bases (facts) on which such decision could be based. The Republic of Srpska solved this issue by amendments to the LAP in 2010, stipulating this obligation by the article 227 of the Law. This change is of a great use for more efficient administrative decision making in a sense of shortening duration of administrative procedure. Introduction of this change would remove the possibility of leading long procedures, which occur when the second instance body returns the case to a repeated procedure and decision making to a first instance body. In such case the first instance body is obligated to implement the procedure again and make a decision, which opens the possibility again to the party to appeal again against that decision, which draws again a second instance decision making, when the appeal body again has the possibility to return the case to the first instance body for a repeated decision making. If the second instance body would make a decision based on merit, sometimes a multi-year administrative procedure would be ended after the first appeal. Adequate and timely engagement of the second instance body, in these cases, would be ensured by periodic controls of the inspection.

The Government of the FBiH, in August 2008, adopted the Information on initiation of the project Regulatory Reform – Guillotine of Regulations in the FBiH, and related with that, adopted the conclusions on implementation of the Project. Also, the Government of the FBiH, in November 2008, adopted the Decision on Giving Agreement to the Memorandum of Understanding between the Government of the FBiH and the International Financial Corporation, which obligated the Government to ensure comprehensive simplification and improvement of legislation, i.e. administrative procedures, with the objective of creating conditions for improvement of business in BiH, through decrease of expenses and risks for business. After this activity, the next would be to give agreement of the Government of the FBiH to the Contract with the IFC and to establish a body for monitoring of implementation, as well as appointment of the Technical Unit for Implementation. Additionally, in April 2009, the Government of the FBiH enacted the Decision Giving Agreement to the Agreement on Cooperation of the Government of the FBiH and the International Financial Cooperation.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 1. Simplification of Administrative Procedure.

## **AP 3. Simplification of Administrative Procedure – Material Law**

The reform in this segment stipulates that the central institution at each level of government is competent for administrative procedure (MJ BiH, MALSG RS, MJ BiH and sectors of the Government of the BD BiH responsible for AP), and that all the bodies of administration are to draft a list of their competencies (competencies for decision making in concrete administrative matters) given to them by the material laws, for the purpose of establishing a register.

The National Assembly of the RS enacted the conclusion requesting the Government of the RS to enact laws which would reorganise the Government, ministries, administrations and other Government organisations, with the objective of more efficient organisation and better results. The Government of the RS appointed an inter-department work group to draft the Law. The inter-department workgroup prepared the following laws: the Law on Government, the Law on Republic Administration and the Law on Civil Servants, which came into force in December 2008. The said Laws will contribute to establishment of more efficient public administration in the RS.

The Government of the FBiH, in April 2009, enacted the Decision Giving Agreement to the Agreement on Cooperation of the Government of the FBiH and the International Financial Cooperation. The objectives of the project are: assistance in improvement of climate for businesses in the FBiH through decrease of expenses and risks for business, comprehensive simplification and improvement of quality of the laws related to inspection in the FBiH (first phase of the reform), comprehensive simplification and improvement of administrative procedures at the level of the FBiH (second phase of the reform) and provision of technical assistance in creating regulatory overview and the process of guillotining, help-desk during guillotining and overview. Also, the Government of the FBiH and the International Financial Corporation (IFC) entered together in the project of Regulatory Reform at the level of the FBiH. Accordingly, implementation of the second phase of the project is ongoing, which implies comprehensive analysis, simplification and improvement of administrative procedures at the level of the FBiH. The Phase II covers a wider aspect, which is intended to harmonise regulations in the sense of simplification of administrative procedures (permits, agreements, licences, certificates, etc.) in the segment of business sector.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 1. Simplification of Administrative Procedure.

#### **AP 4. Simplification of Administrative Procedure (Redesigning Process)**

Reforms in this segment of the AP 1 will improve the process of mutual communication of the bodies of administration, as well as communication of bodies of administration and parties by creating the widest possibilities for use of the IT (portals of bodies with links to the institutions that are necessary / useful for concrete legal situations on which the body / institution in question makes decisions). It will be necessary to introduce in the new LAP the institute of "one stop shop", as a form of a new instrument for elimination and/or decrease of bureaucratic procedure. In these places, the beneficiaries of the services (citizens) will be ensured that they can, in front of one body of administration, obtain an administrative act (specific decision) whose enactment would normally require joint work of several bodies of administration. This new, simplified manner of public service is in accordance with the tendencies in the European Union law, which aims at reducing administrative barriers and simplifying, as much as possible, the administrative procedure and contact of citizens and legal persons (above all else subjects of business / economy law) with the bodies of administration. Through the "common administrative spot", parties and other interested persons will obtain necessary information, advice, forms and other assistance from the competency and scope of work of the administration body. If, for achievement of a certain right of the party, it is necessary to have several administrative or other procedures, the party will be able to submit all the requests in a "common administrative spot", which would be then sent, through official channels, to the competent public law bodies. It is important to stress that this manner of receiving requests of parties will not have any impact on real and location competency of the public law bodies for decision making in administrative and other procedures.

At the state level, the Law on Electronic Signature was enacted and a set of rulebooks and legal documents was drafted for normal functioning of the project e-Government (Decision on Electronic Operations and e-Government of the Council of Ministers of BiH, Decision on Use of Communication Rooms of e-Government of the Council of Ministers of BiH, Decision on Amendments to the Rules of Procedure of the CoM BiH, Specific Instruction on Design and Maintenance of Web Pages of the Institutions of BiH), as well as the Law on Amendments to the Law on Administrative Procedure (proposal), while the Law on Information Society Agency is being prepared. The Memorandum of Understanding related to implementation of the GAP project of administrative responsibility was signed. This memorandum established the work on improvement of the legal framework regulating electronic processing of data. Documentation basis the Memorandum of Understanding between the Union of Cities and Municipalities of the RS and the Project of Administrative Responsibility, phase II (GAP).



In the Republic of Srpska, the following laws have been adopted: the Law on Electronic Signature, the Law on Electronic Document and the Law on Registrar Books of the RS. Bylaws with the Law on Electronic Signature have been enacted and the Information Society Agency was established. The National Assembly of the RS adopted the Proposal of the Strategy of Development of Local Self Governance in the RS for the period 2009 – 2015. The Strategy provides a programme of improvement of availability of the services, which would introduce e-administration in all local communities with a unique information system of local self governance in the RS. Also the programme of e-participation will be established, which would develop platforms of e-participation of the citizens in the processes of decision making and enable the administration and the citizens for usage of the mechanism of e-participation. The National Assembly of the RS adopted in June 2009 the proposal of the Law on Electronic Operations of the RS.

At the level of the FBiH the Draft Law on Registrar Books has been established and sent in the parliamentary procedure. The Government of the FBiH supported enactment of this Law with amendments and put the Federal Ministry of Interior in charge of implementing it. The draft was adopted in both houses and sent in the public discussion.

The Government of the BD signed a protocol on electronic exchange of documents entitled "Faster to Urban Planning and Building Permits in Brčko". The Law on Amendments to the Law on Administrative Procedure of the Brčko District of BiH was adopted.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 1. Simplification of Administrative Procedure.

## **AP 5. Organisation and Sources**

By implementation of measures from this chapter, the central institutions responsible for the matters of administrative procedure at each level will have a support of the Civil Service Agencies or similar bodies, which would harmonise the common schemes for training of civil servants authorised for decision making in administrative matters (experts for administrative procedure within the institutions, officers responsible for leading the administrative procedure, training for administrative inspectors and inspectors as a whole). This would ensure their constant training, with stressing that training is mandatory, where it will be stressed that active participation of managers of administrative procedures and inspectors is expected. Obligation of permanent acquisition of new knowledge will be introduced, which will contribute to greater efficiency of work of public administration, and constant raising of the level of provision of services to the citizens in the field of administrative decision making. The Civil Service Agency of BiH, the entity civil service agencies and the Agency of the Brčko District of BiH are in charge of continuous trainings.

At the state administrative level, the Rulebook on Amendments to the Rulebook on Internal Organisation of the Ministry of Justice of BiH has been adopted, which stipulated, inter alia, execution of jobs related with analyses and reporting on practices of administrative decision making within the institutions of Bosnia and Herzegovina, including support to the units and the sectors.

In the Republic of Srpska, the Law on State Administration was adopted, and currently the bylaws are being drafted.

In the Federation of BiH, in 9 bodies of administration, the existing job descriptions have been improved and the Rulebooks on Internal Organisation and Systematisation have been enacted.

At the level of the Brčko District of BiH, in administrative sense, the Rulebook on Internal Organisation has been changed.

Through the said changes of regulations at all administrative levels in BiH, the necessary needs for training have been identified, related with managing of administrative procedure, both for the newly employed and for the civil servants with work experience. The central

institutions, responsible for the matters of administrative procedure at each level, pointed out, as priority, the need for training related with administrative procedure. A documentation basis is the Programme of Training drafted by the Civil Service Agency of BiH, the entity agencies and the Agency of the Brčko District, as well as reports and minutes on the needs for the training.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 5. Strengthening of Capacities.

#### **AP 6. Internal Control**

This chapter stipulated preparation of periodic and annual reports on work, which are being submitted to the competent institutions, but there is still no adequate system of monitoring. In order to incite the management to constantly improve the practices of decision making in administration, the bodies of administration at all administrative levels in BiH should establish internal system of monitoring of quality of work.

At the BiH administrative level, the Law on Amendments to the Law on the Ministries and Other Bodies of Administration of BiH has been adopted. The Rulebook on Amendments to the Rulebook on Internal Organisation of the Ministry of Justice of BiH has been adopted, which stipulated, inter alia, execution of jobs related with analyses and reporting on practices of administrative decision making within the institutions of BiH, including support to the units and the sectors. The matter of disciplinary responsibility of the civil servants was regulated by the Law on Civil Service in the Institutions of BiH and by the Rulebook on Disciplinary Responsibility of the Civil Servants in the Institutions of BiH.

The Conclusion of the Government of the RS put all the republic bodies of administration in charge of drafting a report on the condition of administrative decision making and the plan of solving unsolved cases from the earlier period and to submit them to the Government. The Law on the Republic Administration has been adopted, and based on it the Order on the Principles for Internal Organisation and Systematisation of Jobs in the Republic Bodies of Administration of the RS. From the said law stems the obligation of all the republic bodies of administration to harmonise their rulebooks with this Order, thus establishing appropriate structures and staff. The matter of disciplinary responsibility was regulated by the Law on Civil Servants of the RS and by the Order on Disciplinary and Material Responsibility in the Republic Bodies of Administration in the RS.

The LAP of the Brčko District of BiH stipulated financial fines for violations of the provisions of the LAP. Additionally, the Law on Violations of the BD BiH has been adopted.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 3. Supervision.

#### **AP 7. Administrative Inspection**

The reform in this segment was directed to the role of administrative inspection in the field of administrative decision making (implementation of the LAPs) and ensuring quality services to the citizens, through introduction of common rules of procedure for administrative inspection, which would ensure equal procedure in inspection supervision.

At the level of BiH, the Rulebook on Amendments to the Rulebook on Internal Organisation of the Ministry of Justice has been adopted, which systematised five administrative inspectors, and until now this function was executed by three administrative inspectors.

The Law on Organisation of Administration in the FBiH stipulated competency and position of the Federal Administrative Inspection, as well as principles for organisation of cantonal, city and municipal administrative inspections. Additionally, this law stipulated basic provisions on inspection supervision, which are being applied on all the inspection organised in the bodies of administration. A special Law on Inspections was enacted as well. The Administrative

Inspection is still within the Ministry of Justice of the FBiH and it is necessary to work on increase of its capacity, both in staff and in material-technical resources. The jobs of administrative supervision are being executed by only 4 administrative inspectors, which is insufficient. The chief federal administrative inspector has been appointed.

In the Republic of Srpska, the new Law on Administrative Inspection has been enacted, in which the competency of administrative inspector was widened on planning of activities and verifications of all aspects of the procedure. The Rulebook on the Contents and Manner of Maintenance of Records on Implemented Inspection Supervisions of Administrative Inspectors has been enacted, as well as the Rulebook on the Form, Appearance, Contents and Manner of Issuing of Official Identification Document of Administrative Inspector. The Programme of Work of Administrative Inspection for the next year has been adopted. Administrative inspection in the Republic of Srpska was established on the principle of territorial division of inspectors (present systematisation of jobs in the Ministry of Administration and Local Self Governance). The jobs administrative inspectors were filled in accordance with systematisation of jobs in the Ministry of Administration and Local Self Governance of the RS.

In the BD BiH, the number of administrative inspectors has been increased from one to two, which is an optimum for the BD BiH.

A part of the measures from this chapter is contained in the RAP 1, entitled AP 3. Supervision.

## 5.1.5 Institutional Communication

### Implementation by Chapters

In the area of Institutional Communication, the focus was on building and establishment of efficient and effective system of communication. Therefore, the accent was on establishment of legislative and legal framework, on introduction of the principle of strategic communication, on building of technical and human capacities (employment, educations, status, etc.), and on introduction of good practices (direct communication with citizens, access to information, media relations, media monitoring, websites, etc.), and strengthening of institutional and internal communication.

The table below gives an overview by chapters for the reform area of IC.

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART V INSTITUTIONAL COMMUNICATION</b>	<b>69.15</b>
IC 1. Key Regulations	87.50
IC 2. Communication Planning	62.16
IC 3. Institutional Relations / Relations with Management	61.02
IC 4. Issues of Organisation	98.00
IC 5. Coordination and Standard Setting	52.65
IC 6. Provision of Services / Common Resource Centres	24.90
IC 7. Human Resources	67.61
IC 8. Training	72.95
IC 9. Budget Allocation	51.95
IC 10. Activities Related with Media	80.00
IC 11. Media Monitoring	100.00
IC 12. Direct Communication with the Public - FOIA	85.60
IC 13. Web Pages	75.30
IC 14. Direct Communication with Citizens	65.55
IC 15. Branding and Promotion of the Country	57.50
IC 16. Measurement of Results	0.00
IC 17. Internal Communication	56.05

\* Detailed description of the implemented measures with comments can be found in the monitoring table in the Annex 1 to this Report.

The Brčko District of BiH, in comparison with other levels of authority, has significantly simpler structure (Mayor, Government, departments of the Government). From the aspect of communication, the central unit for information of the Government (Sector for Information) plays the role of spokesperson of all the institutions, i.e. the Sector for Information and its employees are the service for all the departments of the Government. In such a situation, individual activities at the level of the Sector for Information generate significant progress, while at the other levels, coordinated activity of greater number of institutions (ministries, agencies, etc.) and of greater volume is necessary for equivalent progress. Therefore, in certain joint activities of the same volume for all the levels, the level of the Brčko District of BiH generates a much greater percentage of progress in relation to other levels.

Main bearers and initiators of activities in the area of Institutional Communication, as representatives of the Governments, are the Information Service of the Secretariat General of the Council of Ministers of BiH, the Information Office of the Government of the Federation of BiH, the Bureau for Information of the Government of the Republic of Srpska, and the Sector for Information of the Government of the Brčko District of BiH (central units for information / public relations).

## **IC 1. Key Regulations**

This chapter of the AP1 focuses on formal building of efficient and effective system of communication. In other words, the measures are related to enacting appropriate acts, i.e. documents regulating institutional communication.

In that respect, all four levels enacted such documents in the form of the Programme of Tasks with Standard Procedures in Achieving Relations of the Government with Public and in the form of Conclusions (FBiH), the Rulebook on Internal Organisation and Systematisation of the Secretariat General and the Ministries (CoM BiH), the Protocol and Specific Instruction on Standard Operating Practices of Public Relations Officers (RS) and the Specific Instruction of the Mayor on Media Presentation of the Government (BD BiH).

Within the project “Draft / Revision of Communication strategies of the CoM BiH, entity governments and the Government of the BD BiH” and “Training of Public Relations Officers” workgroups have been established (supervisory team and representatives of other institutions) and principles of communication strategies have been agreed, as well as contents of the training and the common manual for public relations. Such principles are contained in the Rules of Procedure of the Government of the RS from 2009 (it is expected that updated communication strategies, developed through the said project, will be adopted), in the adopted strategies of the CoM BiH and the BD BiH, while the existing strategy of the Government of the FBiH did not contain such principles, and the revised strategy was prepared through the said project, but it was not yet adopted.

The project Draft / Revision of Communication Strategies of the CoM BiH, the Entity Governments and the Government of the BD BiH was implemented in 2009 / 2010, and the revised strategies were handed to the beneficiaries in 2010. Because of the mid-term character of these documents and the period of adoption (at the levels of the RS and the FBiH, the documents were not yet adopted), it was not possible to periodically update these documents.

## **IC 2. Communication Planning**

In the segment related to improvement of strategic communication, the key precondition was preparation of communication strategies for all levels of authority, with principles harmonised for the AP 1, and preparation of action (communication) plans, which constitutes annual operability of the strategy. The Council of Ministers of BiH and the Government of the BD BiH had no such documents, while the Governments of the FBiH and the RS adopted the communication strategies during 2007 and 2008. However, those documents were not harmonised with the AP 1 in the area of institutional communication and the requirements set by the Strategy and the AP 1. Therefore, the PARCO prepared and implemented the project “Draft / Revision of Communication Strategies of the CoM BiH, the Entity Governments and the Government of the BD BiH”. Through that project, in cooperation with the Supervisory Team for IC, the new strategies were harmonised and prepared for the CoM BiH and the BD BiH, and the strategies for the FBiH and the RS were revised. The CoM BiH and the BD BiH adopted the said documents and started applying them in everyday work, while adoption at other two levels is pending.

Within preparation of the Strategies, there was a public opinion research for each level respectively, in cooperation with the central information / public relations units. Unfortunately, because of being late in drafting, and especially in adoption of these documents, in relation to the deadlines stipulated by the AP 1, it was not possible to make any evaluation of implementation of communication strategies / action plans.

Regarding creation of preconditions for improvement of communication planning within the institutions, all the governments recognised and stressed the need to adopt the communication strategy, and through accepting and participating in the said project they received the drafts communication strategies. While at the level of the governments the bearers of this activity, the Information Service (CoM BiH), the Bureau for Public Relations

(Government of the RS), the Information Office (Government of the FBiH), fulfilled this measure, the other institutions of all the levels only sporadically (by the information at the PARCO's disposal) were enacting their annual operation plans of communication activities, which was the requirement of the AP 1. In case of the BD BiH, adoption of the Action (Communication) Plan meant, at the same time, adoption of the operation plan for all the institutions (departments of the Government).

In the segment of requirements of the AP 1 for incorporation of the communication plans in the budget, only a part of the institutions from the level of the CoM BiH, the FBiH and the RS fulfilled this measure. At the level of the CoM BiH, the central unit (Information Service) does not have its own budget and budget planning of communication activities is not being done as a separate process; in the FBiH, the central unit has its own budget; in the RS, the Public Relations Bureau and a part of the ministries has communication activities as a budget item, while in the BD, the Sector for Information is an independent budget user, which makes this measure for that level completely fulfilled.

### **IC 3. Institutional Relations / Relations with Management**

This chapter treats positioning of information / public relations officers in the hierarchy of the institution, regarding decision making, timeliness of received information and ensuring quality communication currents in the institution. Objective of this chapter is building the system of institutional communication with positioned officers as key points for creation, analysis, flow and distribution of information.

Regarding ensuring participation of PR officers / offices in the process of decision making, there was no preparation or implementation of structured training / seminars on any level for senior management on strategic and institutional communication (except for few sporadic trainings for managers of institutions (FBiH and RS)). From the other side, a formal basis was established for participation of information / public relations officers in decision making as well as unhindered access to information within the institution, through Rulebooks (CoM), Protocol for Public Relation Officers (RS), Rules of Procedure of the Government (FBiH) and Organisation Plan and Rules of Procedure of the Government (BD BiH).

Regarding establishment of adequate status of information / public relations officers, at all levels, through formal acts, status of these officers was established as civil servants, with prescribed minimum level of expertise and functions. However, the request that these officers, in the hierarchy, are formally responsible directly to the top management, has been fully fulfilled only in the BD BiH (Sector for Information), while at the other levels, it has been fulfilled partially (RS, FBiH), while for the level of the CoM, no adequate information has been recorded. Also, formal basis for establishment of mechanisms of regular reporting to the top management by the information / public relations officers has been established in appropriate acts at the levels of the FBiH, the RS and the BD BiH.

Although the request for formal separation of institutional and political communication was in practice respected and defined through the Laws on Civil Service and Rulebooks of Institutions, this measure was established as only partially fulfilled. The basic reason for such condition is inability to receive information for all the institutions from all the levels, so the progress was registered only for the institutions for which documentation basis was received. In this case, those are the central units for information of all the levels and certain number of institutions (exception is the level of the BD BiH, where this measure was fully fulfilled because the role of the Sector for Information).

### **IC 4. Issues of Organisation**

This chapter of the area of Institutional Communication implies increase of capacities for information / public relations in the institutions of all the levels. In accordance with that, the request that every ministry has at least one officer for information / public relations is fully fulfilled at the level of the RS and the FBiH (ministries) and the BD BiH (Sector for Information

and Spokesperson of the Government), while at the level of the CoM BiH two ministries do not have officers of appropriate profile (other key institutions, such as the Directorate for European Integration, the PARCO, the Directorate for Economic Planning etc., fulfilled this request).

Request that smaller institutions formally have a basis for use of resources of the central units for information / public relations was fully fulfilled at all 4 levels, through Rulebooks and Regulations on Secretariats of Governments. The most significant condition in this chapter was related with establishment of the central unit for information / public relations at the level of the BD, as the key bearer of the institutional communication. That request was fulfilled through the Organisational Plan of the Government of the Brčko District of BiH of December 31<sup>st</sup>, 2009. Although the Sector for Information is not yet fully filled through vacancy procedures, its formal establishment and status of independent budget user signify establishment of the system for institutional communication at this level of authority.

### **IC 5. Coordination and Standard Setting**

Request for establishment of the system and regular practice of coordination and communication between the information / public relations officers, both within their level (Government) and with officers of other levels and the non-governmental sector represent the basis of this chapter. In that sense, at all levels, through formal documents, obligation of regular meeting of officers from the same level has been established (in coordination of the central information / public relations units), as well as cooperation and exchange of information and joint activities. From the aspect of cooperation with the non-governmental sector, all the levels have updated lists / registers of non-governmental organisations (NGO), however, regular meetings and consultations with the NGO are still not regular practice of institutions at all levels, but they are more sporadic activities of individual institutions. The biggest progress in that segment was achieved at the level of the CoM BiH through signing of the Agreement on Cooperation of the CoM BiH and the NGO sector from 2007. The progress in this segment was achieved also through the project of the PARCO "Training of Public Relations Officers", within which, for the first time, there was a conference entitled "PR Network", which gathered most of the information / public relations officers from all the levels and representatives of the NGO sector.

Regarding incorporation of the NGOs in the distribution scheme, information was available only for the central information / public relations units, which fulfil this obligation fully, while for certain institutions more detailed information were not available. At the level of the BD BiH, because of the aforementioned specific structure, this measure was fully fulfilled by the Sector for Information as the bearer of the activity.

### **IC 6. Provision of Services / Common Resource Centres**

This segment was related primarily with provision of technical resources necessary for quality work of central information / public relations units and other key institutions. In that sense, most of the institutions have the basic equipment necessary for work, while general standard of equipment, as formal basis for equipment of information / public relations units / officers was not enacted at all the levels and within all the institutions. The biggest progress in that field was achieved in the RS, where this measure was fulfilled almost ¾ and where big number of key institutions has established these standards, while on other three levels this measure was fulfilled at the level of little less than 50 per cent, i.e. in part of the institutions.

Regarding requests for establishment of the "Common Resource Centre" of all the governments, through the discussion with the beneficiaries (Supervisory Team, representatives of the Institutions, Governments, central units for information / public relations) it has been concluded that this measure as such is both unnecessary and impossible to implement, and that no activities in that field were planned, and that needs for equipment and their procurement are individual for all the levels. Following these conclusions, there was also no initiation of activities for implementation of feasibility study for

establishment of this common resource centre. Also, because of being late with the activities in this segment in relation to the deadlines, and planned and implemented activities of revision of the Action Plan 1, the functional review of the IC capacities was postponed for the next period.

However, although the activities on technical equipment in the sense of resource centre were evaluated as impossible to implement and unnecessary, certain moves have been achieved. According to the received information, most of the key centres for institutional communication participates in planning of procurement of equipment for institution and has equipment of satisfactory quality. Besides, indirect contribution in this area will be achieved also through the project of the PARCO from the area of Policy Making and Coordination Capacities. That is, the project in implementation – “Blueprint of Development of Central Bodies of Governments in BiH – Phase I” (reform area of PM), has, as one of its objectives, building of an effective system of communication between the Governments (Secretariats General) and other institutions. Through the project, the IT Gap Analysis drafted, the needs were specified and the budget of BAM 200,000 was provided for procurement of IT equipment for all 4 governments, which represents a common activity of all the levels, which will improve the capacities for institutional communication.

## **IC 7. Human Resources**

Within human resources, the AP 1 set several requests.

As the first, the request was pointed out to direct new potentials to the key items of the system of institutional communication. In that sense, employment of all the necessary and foreseen information / public relations officers in all the institutions was implemented in the volume of approximately of 2/3 at all the levels, and it is necessary to fill also the remaining vacant positions of this profile (especially in the ministries, agencies and other larger institutions). Because of impossibility to increase this employment to a large extent, it is necessary to properly and optimally use the existing and new employees, so the request was set to enact formal document that defines policy of use of these staff, which has been implemented at the levels of the FBiH and the BD BiH.

The request for improvement of use and effectiveness of the existing potentials, demands of all the institutions to clearly define in their documents (Rulebooks on Systematisation) functions and position of the information / public relations officers, together with job descriptions. According to the available information and delivered documentation basis, the biggest level of progress is in the FBiH, while at the levels of the CoM BiH and the RS, this measure is on a rather low level (1/4). In the BD, this measure was fully fulfilled because of specific structure. In practice, the real progress is surely significantly higher, but it could not be registered because of failure to submit information and documentation basis.

However, regarding requirements that professional skills of officers should suit the requirements of the job, the minimum standards of qualification were defined at all the levels. Clear requirements for professional qualifications and experience were defined also at the levels of the Governments (central information / public relations units), ministries, and all the other institutions which have defined these jobs in their Rulebooks.

## **IC 8. Training**

Training for information / public relations officers is available through the civil service agencies at all the levels, both from the area of communication and public relations, and from the other areas. Significant contribution in this segment was achieved through the common project of the PARCO “Training of Public Relations Officers”, through which, research of training needs was implemented, a plan was formulated and standardised training was implemented from the most significant segments of strategic / institutional communication and public relations, which covered over 80 per cent of officers from all the levels. Also, individual trainings at all the levels have been registered, so this measure is almost completely fulfilled. Considering



the continuous character of this measure, the note that the measure is fulfilled, in practice means that the mechanism has been established and practice introduced of regular organisation and implementation of trainings for information / public relations officers, and that the practice should be continued.

Familiarising with European practices, in addition to the trainings, is achieved also through structured study visits to other countries and "twinning" projects with institutions of other countries. In the segment of communication and public relations, several of these visits and projects have taken place at all the levels, and a special accent was on a joint study visit, organised within the said project "Training of Public Relations Officers", where the representatives of the central information / public relations units visited the institutions of the Government of Slovenia and familiarised themselves with their practices, plans and results.

Of course, because of expenses of these visits it is very hard for individual budget users to plan and organise them, but because of great significance of familiarising with modern practices, it is possible to use certain projects and sources of donor assistance (IPA, Public Administration Reform Fund, bilateral donors, twinning projects, etc.).

### **IC 9. Budget Allocation**

Regarding recognition of significance of communication activities during budget planning and provision of budget for such activities, no big moves have been made. The measure was partially implemented at the levels of the FBiH and the RS, where the central units for information / public relations have their own budgets, but other institutions do not put communication activities as separate items during budget planning. At the level of the CoM BiH, no progress has been recorded because the Information Service of the Secretariat General of the CoM BiH does not have its own budget, and also there are no data on budget planning of these activities in other institutions. From the other side, the budget of the BD BiH provided the funds for the Sector for Information as independent budget user, so this measure was completely fulfilled.

However, through the activities on preparation of communication strategies of the governments, it has been pointed out to the significance of providing funds for its implementation. In other words, adoption of communication strategies at the level of the governments (or individual institutions) implies also provision of funds for implementation of accompanying annual action (communication) plans and planning of funds in the budgets for communication activities.

### **IC 10. Activities Related with Media**

Objective of the reform in this segment was clarification and simplification of communication with media, i.e. establishment of formal framework for establishment of the practice of efficient communication with media. In that sense, all the levels formally defined guidelines and principles of communication with media through the Rulebook on Internal Systematisation and Organisation of individual institutions (CoM BiH), Specific Instruction on Standard Operating Practices of Public Relations Officers (RS), Regulations of the Government (FBiH) and Rules of Procedure of the Government and Specific Instruction on Media Representation of Work of the Government (BD BiH). Also, these guidelines and principles are partly defined by the freedom of information acts of BiH, the RS, the FBiH (BD BiH applies the law of BiH) as well. Regarding enacting a guidebook / handbook for media relations, only at the level of the RS this kind of act exists. Also, all the levels (with accent on central units for information / public relations) maintain and regularly update the lists of media representatives at all the levels. Additionally, at the levels of the CoM BiH, the RS and the FBiH, the central units for information / public relations prepare and update the lists of journalists who cover and monitor certain areas of work of administration. In the BD BiH, these lists do not exist because the media do not delegate permanent journalists who monitor the work of the Government of the BD BiH (according to the received information).

## **IC 11. Media Monitoring**

Regarding media monitoring, it can be noted that the measures have been fully fulfilled, which, considering their continuous character, means that certain settings of the system of communication with media and media monitoring have been established, and that practices that need to be further implemented and improved have been introduced. Related with that, all the central units for information / public relations implement daily media monitoring and distribute to the ministries of the governments. Also, all the units implement regular and theme press clippings and distribute them. According to the available data, all the units organise also electronic distribution of reports on monitoring to all the interested parties.

## **IC 12. Direct Communication with the Public - FOIA**

Regarding requirements of ensuring fulfilment of responsibilities of all the institutions to the freedom of information acts, the key requirement is engagement of appropriate officers for action by this law in all the institutions and changes to the Rulebook on Internal Organisation accordingly. According to the available information, this measure was fully fulfilled only in the BD BiH (Sector for Information), while at the levels of the RS and the FBiH, less than half of the institutions have employees on these jobs (or persons to whom these jobs have been delegated). At the level of the CoM BiH, the percentage of engaged officers for action by the FOIA is very small, and it is necessary to initiate fulfilment of this measure to a greater extent.

In accordance with the freedom of information acts, all the levels have prepared a guide or a similar document with information on exercise of the right to free access to information. Regarding legal obligation of existence of index register of information, the guide and requests for access to information, in addition to the possibility of acquiring them in the central units for information / public relations, by the research of the PARCO, the condition by the levels is as follows:

- At the level of the CoM BiH, these documents are published at the web sites of 26 institutions;
- At the level of the FBiH, these documents are published at the web sites of 11 institutions;
- At the level of the RS, these documents are published at the web portal of the Government, which includes all the ministries and the institutions;
- At the level of the BD BiH, these documents are published at the web portal of the Government, and cover all the departments of the Government.

## **IC 13. Web Pages**

Regarding presentation of governments and institutions on the Internet, there was a requirement that every larger institution has to have its own web page, while smaller institution could be presented on web pages of other institutions. This measure has been implemented at all the levels. At the level of the CoM BiH, the project "e-Government" has been implemented, within which the web pages for the ministries and key institutions have been redesigned, harmonised and created; at the level of the RS, the new portal of the Government covers presentation of all the ministries and larger institutions; the portal of the Government of the BD BiH covers all the departments of the Government. According to the research by the PARCO, 51 institutions at the level of the CoM BiH have web pages, at the level of the FBiH 41 institutions, while at the level of the RS and the BD BiH there are portals of the governments.

Also, because of efficiency, quality and timeliness of publication of contents at the web pages, the AP 1 set the requirement that information / public relations units / officers control the contents and be responsible for publication of the contents at the web pages of the institutions, which would require appropriate changes in the Rulebooks on organisation of the institutions. In addition to the BD BiH, this measure has been partially implemented at other levels, with approximately half of institutions at the levels of the RS and the FBiH, and only

few key institutions at the level of BiH (according to the received data, Secretariat General, CSA, DEI). Regarding promotion of the website, it is necessary that in addition to the promotion activities related with the web pages themselves, there is also a formal request that at the memoranda, publications and all the acts of the institutions there is also a clearly stated web address. In that sense, the measure has been fully fulfilled at the levels of the RS and the BD BiH, while at the levels of the CoM BiH and the FBiH, it has been fulfilled partially.

Regarding provision of consistency and quality of the web sites, at the levels of the CoM BiH and the RS the standards for design, quality and minimum contents of the websites have been established (Specific Instruction on Design and Maintenance of Web Sites of the Institutions of BiH of 2009, and Book of Graphic Standards of the Government of the RS), while at the level of the FBiH, these measures have been fulfilled partially. Nevertheless, regarding formal obligation of regular update of web pages at all the levels, that obligation has been stressed through documents on institutional communication, documents of the governments, and communication strategies.

#### **IC 14. Direct Communication with Citizens**

Key objective of this chapter is provision of information to the citizens without intermediary, so the focus of the reform in this part is at the same time also on establishment of the formal basis, as well as on the practices and activities contributing to achievement of this objective. In that sense, at all four levels (central units for information / public relations) a formal obligation of provision of information to the citizens has been pointed out through the freedom of information act, as well as through other channels, and those obligations have been put in the government documents and documents of the institutions, as well as in the communication strategies. Additionally, regarding organisation of events directed directly to the citizens, a significant number of activities undertaken by individual institutions has been registered (public discussions, open door days, events, promotion campaigns), so overall progress in that segment, by the levels, has been evaluated as partial, which means that certain practice has been established and certain activities implemented, but not to a sufficient extent. Even with full fulfilment of this measure, because of its continuous character, it is requested that the measure is still continuously implemented. Similar situation is also with the measure of issuing and distribution of leaflets, brochures and other information of public significance, with accent on work of the central information / public relations units, which continuously implement these activities through their periodic and regular publications. Additionally, the progress in this segment was achieved also through the project of the PARCO "Establishment of Network of Info Stands", where the concept of info stands was introduced as a channel of communication and exchange of these materials, and one issue of bulletin on work of the CoM BiH, the Government of the RS, the Government of the FBiH and the Government of the BD BiH has been issued for each level respectively. The said bulletins have come to be a practice, so already 6 issues of the bulletin "INFO of the Council of Ministers" and two issues of the bulletin of the Government of the BD BiH have been published.

Measure that stipulates placement of boxes for complaints, comments and objections of citizens, as mechanisms of information gathering, has been fulfilled partially at all the levels, in a sense that at the levels of the governments and the central units these mechanisms exist (boxes, possibility to communicate by e-mail), while in great number of other institutions that is not the case. When it comes to the measure of organising the day of open doors as one more mechanism and practice of communication with citizens, there was no great progress. At all the levels, these activities are sporadic and they take place depending on the character of the institution (e.g. the Ministry of Defense of BiH regularly organises these events). One of the positive examples in this segment is recent activity of the Government of the RS, which produced, recorded and distributed to the radio stations 16 radio broadcasts on the work of the ministries in the first 100 days of the Government of the RS.

#### **IC 15. Branding and Promotion of the Country**

Requests of this chapter are related with promotion of the state abroad by the diplomats and managing civil servants, for the purpose of recognisability and creation of a brand of Bosnia and Herzegovina. However, measures foreseen by the AP1 in this segment have shown themselves as impossible to implement in full capacity in practice. The reasons for that are postponements in relation to the deadlines set by the AP1, constitutional and administrative setting of the country, necessity of political support and decisions for implementation of these decisions, and inability of civil servants and central information / public relations units to initiate these activities at a “high” level.

In that sense, the request to enact the decision or agreement on branding at the level of all the governments has never been fulfilled, and at the same time it has been evaluated by the representatives of the beneficiaries as impossible to implement to that extent. One of the reasons for that, in addition to potential influence of politics, is also the fact that it is necessary to provide budget funds for implementation of such agreement. However, the progress in this segment has been achieved in the sense of activities and initiatives, so in the reporting period the governments of all the levels had activities of international promotion of the state, the entities and the District, such as participation at the EXPO fairs (CoM BiH), financing of promotional video “Enjoy Life” presented at the CNN (FBiH), promotional campaign “Za ljepšu Srpsku (For More Beautiful Srpska)”, videos and promotional materials (RS), participation in fairs and presentation of potentials of the District abroad (BD BiH).

Regarding requirements for use of the BiH diplomatic network in promotion abroad, this measure is related only with the level of the CoM BiH because of competencies of the state level over foreign policy and diplomatic network (Ministry of Foreign Affairs of BiH). This measure has been partially fulfilled through standardised training for diplomats and ambassadors implemented by the MFA BiH, however, functions of the diplomats have not been widened in the sense of obligation of promotion and branding through special acts (which is the request of this measure of the AP 1), and there are no information on maintenance of special, theme seminars for diplomats who would deal with communication, promotion and branding. Difficulty in organisation of these seminars is also availability of diplomats, considering the nature of their job.

Regarding engagement of the institutions in promotion abroad, there has been certain progress (according to the available information). In the sense of activity of the managers of the institutions on promotion abroad (contacts with international environment, seminars and conferences, etc.) at the levels of the CoM BiH, the FBiH, the RS and the BD BiH (central information / public relations units), there is a practice of monitoring of such appearances, summing up their contents and preparation and periodic distribution of media monitoring to the identified beneficiaries. Next, regarding development of the set of promotional materials used for the purpose of promotion during contacts of the institutions and their representatives with the international environment, the levels of the RS and the FBiH fulfil this continuous measure fully through regular activities on development of these materials (promotional videos, campaigns, brochures, monographs), while a part of the institutions at the level of the CoM BiH also implements similar activities. For the level of the BD BiH, there is no available information on these activities.

Of course, all the measures of the AP 1 regarding promotion abroad and branding of the country have a continuous character, which means that even when the measure is registered as fulfilled for certain level, that level has established the practice of implementation of these activities, which needs to be continued, which is monitored through further monitoring of such measures.

## **IC 16. Measurement of Results**

In this entire segment there was no record of progress or any activity. Basis for that is primarily in the fact that adoption of communication strategies and action plans is a precondition for achievement, and thus measurement of results. Because of being late with the activities on preparation and revision of individual communication strategies and plans of

governments and institutions in relation to the deadlines stipulated by the AP 1, and being late in adoption of the said documents (no action plan of communication strategy passed the first year of implementation), it was not possible to monitor progress in this segment.

### **IC 17. Internal Communication**

Within development of the programme for improvement of internal communication, within the project of the PARCO "Establishment of Network of Info Stands", a workgroup has been established in the form of implementation team, and analysis of internal communication has been implemented in all the governments, which was delivered to the beneficiaries. This analysis should serve as the basis for further improvements and possible changes to the existing arrangements and documents on internal communication in the governments and the institutions.

Second request of the AP1 is related with positioning of the information / public relations officers as central points in the system of internal communication. Accordingly, except in the BD BiH, on other levels there were no changes in the Rulebooks and other acts in order to enable access of these officers to the top management (except in the central units and some institutions at all levels). Next, most of the institutions (according to the available information) did not adopt an act or similarly formally note the obligation that information / public relations officers attend the meetings of the top management (in order to have timely and quality information). As far as establishment of channels of internal communication, such as bulletin boards, information stands, information billboards, etc., over 90 per cent of the institutions at all the levels have at least one such channel and established practice of distribution of information in this manner. When it comes to adoption of intranet as modern, fast and efficient channel of internal communication, it exists only at the level of the CoM BiH, being established through the project "e-Government in the Council of Ministers of BiH", while at other levels intranet system does not exist. Also, all the institutions use e-mail as the means of communication and all the information / public relations officers of the institutions of all the levels have access to the internet as a key tool in every day work.

## 5.1.6 Information Technologies

### Implementation by Chapters

The table below gives an overview by chapters for the reform area of IT.

COMPONENT OF THE ACTION PLAN 1	Implemented
<b>PART VI INFORMATION TECHNOLOGIES</b>	<b>38.97</b>
IT 1. General Policies, Regulations and Standards	43.02
IT 2. Organisation and Human Resources	34.42
IT 3. Infrastructure	57.85
IT 4. Information Systems and e-Services	37.76
IT 5. Miscellaneous	14.50

\* Detailed description of the implemented measures with comments can be found in the monitoring table in the Annex 1 to this Report.

### **IT 1. General Policies, Regulations and Standards**

In the period 2006 – 2011 a significant progress has been achieved regarding enacted regulations in the field of telecommunications and information and communication (ICT) infrastructure, protection of personal information and exchange of data. At the level of BiH, in the Ministry of Communication and Transport of BiH, a Commission for Draft of Legal Regulations for e-Government of BiH has been established, while in the RS, in early 2010, a detailed study has been drafted on the necessary laws and other regulations in the area of IT, and in the BD BiH, ongoing is draft of the list of laws in this area that need to be harmonised with the requirements of the *acquis communautaire*. However, coherent and comprehensive legal framework for use of information technologies in public administration of BiH is still not satisfactory. Introduction of electronic services in BiH is greatly slowed down because of incomplete implementation of the Law on Electronic Signature, which was adopted in November 2006. That is, BiH adopted modern legislation, above all the Law on Electronic Signature, Electronic Legal and Business Operations and accompanying bylaws for the fields of electronic signatures, electronic government sessions, internet sites, and amendments to the Law on General Administrative Procedure, which sets the widest possible spectre of government procedures, with the objective of creating bases for electronic services. Next, in accordance with the *Strategy of e-Government 2009 - 2012*, the Government of the RS also adopted their own Law on Electronic Signature, Electronic Document and Electronic Operations, with adequate accompanying bylaws. The Regulation of the Government of the RS gave the jobs of electronic certification in the republic bodies of administration to the Agency for Information Society of the RS. Register of certification bodies is maintained by the Ministry of Science and Technology of the RS. Certification body Srpske pošte (postal company) is in the process of strengthening their technical and organisation capacities and acquiring equipment in order to start performing duties of provider of services of certification for ensuring qualified electronic certificates. Similarly, the BD BiH developed *Strategy of Development of Information Society of the Brčko District*, and the accompanying *Action Plan for the Period 2008 - 2010*, and the Law on Electronic Signature and Electronic Document of the BD BiH was also adopted and should enter into force on December 31<sup>st</sup>, 2011. That is the case, in spite the fact that the Law on the state level is completely harmonised with the EU standards and does not represent a framework law, but is the law that is, with appropriate bylaws, ready to be implemented in the RS, the FBiH and the BD BiH. The problem is also in its implementation, because it is necessary that the Ministry of Communication and Transport of BiH establishes the Office for Monitoring and Accreditation of certifiers, which is foreseen by the present law, for which, by the experiences from other countries of this size, a very small number of employees is needed. Additionally, certain smaller regulatory changes are needed in order to improve efficiency of legislation and remove unnecessary administrative burdens,

but all these changes can be implemented by change of bylaws, which at the same time decreases the need for time consuming and complicated legislative procedures of change of legislation. With the objective of solving this problem, the Ministry of Communication and transport of BiH, in late 2010, initiated the process of regulatory impact analysis and undertook comprehensive activities with all the stakeholders, and included in the consultations the representatives of the governmental, business and non-governmental sector. Result of this process is the final document of regulatory impact analysis that will be submitted for adoption to the CoM BiH. Parallel, in the RAP 1 as well, a special accent has been put on establishment of the system for full implementation of qualified electronic signatures in the country, because possible negative consequences of keeping the existing condition are huge, and are most visible in the business sector and B2B and G2B transactions, where insufficiently certain and efficient regulatory environment prevents increase of competitiveness through decreasing expenses and time necessary for business transactions and operations with the government.

BiH, in 2007, signed the *e-JIE Agenda + for development of information society in south-east Europe 2007 – 2012*, which promotes common, open and competitive internal IT market, gives priority to innovations and investments in research and education and tries to achieve inclusive e-Society, thus accepting *e-Europe*, *e-Europe +* and *i2010 – European Information society for growth and employment* as a general framework for development of information society and it committed itself to include the priorities included in them in appropriate domestic development policies and undertake concrete measures in the field of regulation, policy and strategy, related with electronic communication infrastructure and related services. In the past period, BiH also signed and ratified the *European Convention on Computer Crime*.

Strategic contracts with Microsoft have been signed at each level of authority, thus legalising the use of Microsoft software, with significant decrease of expenses for licences, based on the contract on group licences. Also, draft of documents within the *Policy of Software in the Institutions of BiH* has started in working subgroups, and in May 2011, implementation of the project *Design and Establishment of Interoperability Framework and Standards for Data Exchange* has started, which will focus on development of interoperability framework for administration for BiH (and the FBiH), and on development of a set of standards, recommendations, rules and technical specifications, which will describe the manners in which the organisations could interact, in order to ensure compatibility and cooperation of the systems, processes and human resources, and ensure provision of services of public administration which are unified and directed to users.

Important precondition for safe electronic exchange of data and provision of e-services is security. On that matter, a lot has been done on almost all the levels. At the state level, these activities were planned to be implemented through the working group for draft of documents within the *Policy of Software in the Institutions of BiH*. In the BD BiH, in 2006, a package of procedures and instructions for protection of the IT system in the BD BiH has been drafted and adopted, and the Board for Implementation of the *Policy of Security of the IT System of the BD BiH* has been established. In the RS, in 2008, the *Policy of Security of the Information System of the Government of the RS* has been adopted, and recently the *Law on IT Security in the RS* has been adopted, which stipulates establishment of the CERT body, which would work on coordination of protection and prevention of various forms of computer security incidents.

## **IT 2. Organisation and Human Resources**

The biggest reason for small percentage of implementation in the area of IT is said to be inexistence of the Agency for Information Society at the level of BiH, which was supposed to be the bearer of 88 per cent of activities of the subject reform area of the Action Plan 1 of the PAR Strategy. The new workgroup for development of the Draft Law on the Agency for Development of Information Society in BiH has been established in April 2010 by the decision of the Minister of Communication and Transport, but this was not the first time that a similar work group was established and it is questionable how much this time these efforts would bear fruits, because of inability to reach consensus on the competencies of the Agency.

At the same time, at each individual level, some sort of formal centralisation and coordination of IT functions for e-Administration has been achieved. Thus, for example, in the BD BiH, relatively small institutional complexity enabled easier centralisation of some IT functions in the Sub-Department for IT, which is competent for IT strategic planning, coordination, standards, concrete instructions and recommendations related with the IT, IT procurement and IT legislation. In the RS, the Sector for Information Technologies, within the Secretariat of the Government of the RS, performs centralised operation IT functions, while the newly established Agency for Information Society of the RS (AISRS) is competent for everything else, such as: coordination of development of the IT in public administration, in education and health care; establishment of measures of building of information systems; defining concepts of interconnection rules for information interoperability; expert verification of the projects from the field of ICT in the public sector; development of legislation in the area of IT; establishment of technological standards and standards of work processes in the area of IT; establishment of standards and procedures and undertaking measures for security and protection of data of information systems, etc. In the FBiH, there is a similar office within the Secretariat, such as the Sector for Information Technologies within the Secretariat of the Government of the RS, but it has no formal competencies, which represents a problem in coordination of IT activities at this level. At the state level, the Decision on Electronic Operations and e-Government in the Council of Ministers of BiH, which sets electronic operations, which cover work with clients, use of equipment, handling documents, communication with the parties and other public subjects and office operations, and basis of work of "e-Government" in the Council of Ministers of BiH, stipulated that operations of e-administration at the state level are to be entrusted with the Centre for "e-Government" in the Council of Ministers within the Secretariat General of the Council of Ministers. Accordingly, the Secretariat General of the Council of Ministers of BiH already made amendments to the Rulebook on Internal organisation and Systematisation of Jobs. The said Centre for "e-Government" was established with approved Rulebook on Internal Systematisation for 6 posts, of which 2 are already filled.

Next, the e-Administration in public administration of BiH is still marginalised and led exclusively by the IT personnel, while the management still greatly does not see the potentials of IT in public administration reform. Information technologies, for the management in public administration of BiH, irrelevant of the administration level, still represent only "procurement of computers", although e-Administration actually implies deep structural and cultural changes that are needed in the whole public sector, if the IT is supposed to provide the greatest possible benefit to the citizens and tax payers. Therefore, it is not surprising that manners and conditions of employment in the institutions of public administration are not competitive with those in the private sector, and that qualified IT human resources available to the public administration are not sufficient. Related with this, the Council of Ministers, in 2009, enacted the Decision, according to which, because of performing complex information-application tasks, the IT personnel could achieve an addition to the salary of up to 50 per cent of the basic salary, but implementation of the said decision was not approved by the Ministry of Finance and Treasury of BiH because of the conditions set by the IMF.

Clear division between the centralised and decentralised IT functions, and centralisation of the internet, e-mail, antivirus protection, protection of computer network from invasion from outside and other services was implemented at almost all the levels of authority, but rules for outsourcing services regarding the functions that cannot be performed within the administration based on the nature of the functions, existing assistance, detailed cost and benefit analyses, positive experiences of other countries, etc. are still missing at majority of the levels.

Next, certain budget funds for continuous professional education of IT personnel were provided at all the levels of authority. The ECDL standard, at almost all the levels, became actually a minimum level of computer literacy of civil servants, and in the last period, for over 2000 civil servants, trainings were provided for application of information technologies and work on computers by the ECDL standard. These activities should be continuous, because computer literacy of the civil servants is a precondition towards final objective of increase of



efficiency of public administration.

### **IT 3. Infrastructure**

The basis for development and implementation of IT systems, applications and electronic services in all the areas of administration is a secure and reliable ICT infrastructure. In almost all the individual institutions, at all the levels of authority, more or less standard configured work stations have been provided, local networks have been completed and common and constant access to the internet has been provided, with common services and security solutions wherever possible. As a result, majority of employees in public administration throughout BiH are enabled to use a computer with basic functions, such as use of e-mail, Microsoft Office, access to internet etc. Agreement with Microsoft has been signed at all the levels of authority, and it is regularly renewed. It can be noted that the condition in this area has been significantly improved at all the levels of authority, whether at own expense, or with financial assistance of international donors. And although improvements in this area are always possible, they are currently the most needed in the FBiH, where link between the federal institutions is limited, and that is especially the case with the cantons and the municipalities.

For use of electronic signatures, the basic technical component is one or more public key infrastructures (PKI). In BiH, in the reporting period, several independent infrastructures have been introduced, primarily electronic banking, which covered over 10,000 companies. The IDDEEA also implemented the project of design of the PKI for users at the locations where personal documents are being issued, and for the near future, the central PKI has been planned for all the citizens and issuing of certificates for electronic ID cards. The Agency for Information Society of the RS, by the Regulation of the Government of the RS, has been designated as bearer of the activities of electronic certification for the bodies of state administration, and it implemented the project of design of the PKI for the bodies of public administration of the RS.

### **IT 4. Information Systems and e-Services**

In BiH, in the past period, several advanced and big information systems have been introduced, such as IDDEEA information systems, information systems of tax administrations, court register of business subjects, information system of craft register and register of small and medium enterprises in the FBiH, etc. Digitalised data bases of land books in both entities have also been completed in this year and are available at the web pages of the Ministries of Justice of the FBiH and the RS and at the web portal e-Srpska and they are currently being harmonised with the cadastre. In the RS, the project Services of Electronic Registrar Books has been completed. Important information systems were developed, supporting horizontal functions, i.e. functions that are common for most of the institutions, such as information system of treasury operations, human resources management system, electronic sessions of the governments, system for publication of information on public procurements. In the BD BiH, all the basic registers were designed (citizens, legal entities, employed / unemployed persons, bearers of residence rights, health insured, cadastre of land and real-estate), and within the project one-stop shop, it is foreseen to procure an integration platform and interactive web portal, through which the citizens would submit their requests and cases to the Government of the BD BiH. Next, out of 12 + 8 + 3 e-services from the e-JIE *Agenda Plus*, the IDDEEA will soon provide three of them, personal documents (ID cards, driver's licences and passports), registration of vehicles and report of change of residence, having in mind that slow implementation of the laws on electronic signature hinders that these services become transaction services.

However, the existing practice in BiH, with exception of the BD BiH where most of the systems were designed on the same platform because of small complexity, is that institutions mostly implement the new IT systems with specifications and solutions relevant for their special needs, but without adequate attention to the need for linking and exchange of data with the

ICT systems of other institutions and use of already existing data if they already exist in the ICT systems of other institutions. As a result, implementation of the projects in the field of e-Administration in BiH only increases overall diversity of incompatible ICT solutions, instead of every project contributing bit by bit to building of flexible and multi-usable solutions which would ensure essential blocks for provision of services to the citizens. Therefore, it is of utmost importance that in May 2011, at all four administrative levels, implementation of the project *Design and Establishment of Interoperability Framework and Standards for Data Exchange* started. This project covers development of interoperability framework for administration for BiH, and development of set of standards, recommendations, rules and technical specifications that would describe the manners in which the organisations could interact in order to ensure compatibility and cooperation of the systems, processes and human resources, and ensure provision of unified and user directed services of public administration. Additionally, the project also planned development of standards for systems architecture and development of applications, and development of strategy for public registers. By implementation of this project, BiH would fulfil the accepted obligations from the *e-JIE Agenda* +, and also implement three very important activities from the AP 1, that have been also transferred to the RAP 1.

Most of the public institutions of all the levels have their own web site or portal and most of them are in accordance with the established criteria for development of web sites of the institutions of public administration, that regulate quality of contents and structure. At each level the portals have been established, which still need to be significantly upgraded, so in the future they would be a real one-stop-shop – with services organised around every day events, so this activity has been transferred in the RAP 1.

## **IT 5. Miscellaneous**

In the past period, e-Administration has been satisfactorily promoted at all administration levels, and several seminars were implemented for the managers on potentials of the IT in administration reform. However, it is still necessary to continuously work on ensuring active participation of all, and especially senior management, towards introduction of IT in the operations of administration, in order to develop awareness that e-administration is not only a matter of information technologies, but that information technologies are a tool for improvement and rationalisation of processes, bigger openness and transparency and bigger quality of services of public administration. Statistical parameters of development of e-Administration exist through monitoring of implementation of the AP 1, and RAP 1. In the past period, through the PARCO and the centres for e-Administration of each individual level, significant efforts have been achieved in order to avoid overlapping of donor assistance.

## 6 Following Steps and Recommendations

After the conclusion to analyse the existing AP 1 of the Strategy of Public Administration Reform has been enacted and after a great number of meetings of the supervisory teams, coordinators and experts in these areas, the PARCO prepared the Revised Action Plan 1 for all six reform areas with precise objectives, activities, bodies that are in charge of implementation and deadlines for implementation of individual measures that the institutions of administration in BiH need to implement by the end of 2014 at the latest. Great number of unimplemented measures from the AP 1 has been analysed and modified and transferred in the RAP 1 in order to ensure continuous work on implementation of the public administration reform in BiH, which can be seen from the table in the Annex 2. Adoption of the RAP 1, at the 153<sup>rd</sup> session of the Council of Ministers of BiH, held in June 2011, made a significant step to quickening of the process of the reform and further strengthening of the public administration in BiH.

In the next period, it is expected that the RAP 1 will be discussed and adopted by the Government of the Federation of BiH, the Government of the RS and the Government of the Brčko District of BiH. Parallel with that, the PARCO, in cooperation with the Technical Assistance Team to the PARCO (EUPAR), is developing a new improved system of reporting, monitoring and evaluation of the Revised AP1, which will be by the end of the year fully developed, and capacities for its implementation strengthened and operational.

Additionally, the PARCO, in the next period, will prepare overview of the activities from the RAP 1 that the institutions of BiH need to implement during this and the next year, and deliver it to the competent institutions, so it would be incorporated in the annual programmes of work of the Institutions of BiH.

The table below gives a comparative overview of the structure of the chapters of the AP 1 and the Revised AP 1.

<b>Action Plan 1 (2007 – 2010)</b>	<b>Revised AP 1 (2011 – 2014)</b>
<b>PART 1: POLICY MAKING AND COORDINATION CAPACITIES</b>	<b>PART 1: STRATEGIC PLANNING, COORDINATION AND POLICY MAKING</b>
PM 1. Strengthening Central Capacities for Policies	SPCPM 1. Strategic Planning
PM 2. Improvement of Capacities in Individual Ministries	SPCPM 2. Policy Making, Coordination and Better Regulation
PM 3. Improvement of Verification of Harmonisation with Regulations	
PM 4. Improvement of the Process of Enactment of Laws	
PM 5. Improvement of Access to Regulations	
<b>PART 2: PUBLIC FINANCE</b>	<b>PART 2: PUBLIC FINANCE</b>
PF 1. Dimension of the Policy of the System of Public Finance	PF 1. Dimension of the Policy of the System of Public Finance
PF 2. Increase in Efficiency and Effectiveness of Budget Management	PF 2. Increase in Efficiency and Effectiveness of Budget Management
PF 3. Improvement of Accountancy Framework and Treasury System Function	PF 3. Improvement of Accountancy Framework and Treasury System Function
PF 4. Introduction of the PIFC in accordance with the relevant EU Standards	PF 4. Introduction of the PIFC in accordance with the relevant EU Standards
PF 5. Improvement of Organisation Structure and Investment in Capacity Building	PF 5. Improvement of Organisation Structure and Investment in Capacity Building
	PF 6. Development of Public Private Partnership

	PF 7. System of Public Procurements
	PF 8. Increase in Efficiency of Public Debt Management
<b>PART 3: HUMAN RESOURCES MANAGEMENT</b>	<b>PART 3: HUMAN RESOURCES MANAGEMENT</b>
HRM 1. General Approach to Modern Policies of Human Resources Management	HRM 1. General Approach to HRM
HRM 2. Organisational Setting	HRM 2. Organisational Setting
HRM 3. Information Management	HRM 3. Information Management
HRM 4. Human Resources Planning	HRM 4. Planning
HRM 5. Recruitment and Selection	HRM 5. Recruitment and Selection of Staff
HRM 6. Performance Management	HRM 6. Performance Management
HRM 7. Training and Development	HRM 7. Training and Development
HRM 8. Salaries	HRM 8. Analysis of Jobs and Classification of Work Places in Civil Service
HRM 9. Discipline	HRM 9. Salaries
HRM 10. Support to the Staff	HRM 10. Total Quality Management - TQM
HRM 11. Diversity Management	
<b>PART 4: ADMINISTRATIVE PROCEDURE</b>	<b>PART 4: ADMINISTRATIVE PROCEDURES AND ADMINISTRATIVE SERVICES</b>
AP 1. Strategy of Simplification of Administrative Procedure	AP 1. Simplification of Administrative Procedure
AP 2. Strategy of Simplification of Administrative Procedure – Procedural Law	AP 2. Improvement of Satisfaction of Beneficiaries of Services
AP 3. Simplification of Administrative Procedure – Material Law	AP 3. Monitoring / Control
AP 4. Simplification of Administrative Procedure (Redesigning Process)	AP 4. Execution
AP 5. Organisation and Sources	AP 5. Strengthening of the Capacities
AP 6. Internal Control	
AP 7. Administrative Inspection	
<b>PART 5: INSTITUTIONAL COMMUNICATION</b>	<b>PART 5: INSTITUTIONAL COMMUNICATION</b>
IC 1. Key Regulations	IC 1. Communication Planning
IC 2. Communication Planning	IC 2. Issue of Organisation
IC 3. Institutional Relations / Relations with Management	IC 3. Coordination and Standard Setting
IC 4. Issues of Organisation	IC 4. Human Resources
IC 5. Coordination and Standard Setting	IC 5. Activities Related with Media
IC 6. Provision of Services / Common Resource Centres	IC 6. Media Monitoring
IC 7. Human Resources	IC 7. Direct Communication with the Public – Freedom of Information Act (FOIA)
IC 8. Training	IC 8. Web Pages
IC 9. Budget Allocation	IC 9. Direct Communication with Citizens
IC 10. Activities Related with Media	IC 10. Public Campaigns
IC 11. Media Monitoring	IC 11. Measurement of Results
IC 12. Direct Communication with the Public - FOIA	IC 12. Cooperation with Civil Sector
IC 13. Web Pages	
IC 14. Direct Communication with Citizens	

IC 15. Branding and Promotion of the Country	
IC 16. Measurement of Results	
IC 17. Internal Communication	
<b>PART 6: INFORMATION TECHNOLOGIES</b>	<b>PART 6: E-ADMINISTRATION</b>
IT 1. General Policies, Regulations and Standards	IT 1. General Policies, Regulations and Standards
IT 2. Organisation and Human Resources	IT 2. Strengthening of the Capacities
IT 3. Infrastructure	IT 3. ICT Infrastructure
IT 4. Information Systems and e-Services	IT 4. Information Systems, e-Portals and e-Services
IT 5. Miscellaneous	

*\* detailed comparative overview of the activities contained in the RAP 1, and changes in relation to the AP 1, is given in the Annex 2 – Table of Unimplemented and Transferred Reform Measures*

## **General Recommendations**

Through monitoring of implementation of the Action Plan 1, certain factors have been recognised which were limiting and slowing down the progress in implementation of the measures from the action plan. Since the public administration reform, in the period 2011 – 2014, was planned through the reform measures contained in the Revised AP 1, whose operational implementation is yet to begin, it would be very significant to use the learned lessons and overcome the “bottlenecks” and problems during implementation, and influence the limiting factors in order to overcome the problems.

In order to overcome the said problems, the following is necessary:

1. The Council of Ministers of BiH, during adoption of the RAP 1, obligated the institutions at the level of BiH by the Conclusion to include the objectives, activities and indicators of successfulness from the Revised Action Plan 1 for implementation of the Strategy of PAR in their annual programmes of work and other documents of strategic planning. In the process of preparation of annual programmes of work of the Governments / CoM and individual institutions responsible for implementation of the reform, it would be necessary to ensure harmonisation and linking with the measures from the RAP 1, through incorporation in annual plans / programmes of work and their implementation in accordance with the dynamics established by the strategic documents.
2. Ensure budget funds for operational application of individual measures, which will be incorporated in annual programmes of work of the institutions at all four administrative levels in BiH.
3. Ensure participation by the entity and the district governments in financing of the common projects in the field of public administration reform in BiH. That is, the draft Annex to the *Memorandum of Understanding*, which is in the phase of harmonisation, stipulates that 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 will allocate annually from their budgets also the funds for financing of the PARF, whose amounts will be set by their decisions. The Council of Ministers of BiH adopted the Information on the Need to Allocate Budget Funds for Public Administration Reform with Proposal of Conclusions, as well as the proposal of the Decision on Allocation of Funds from the Budget of the Institutions of BiH and International Obligations of BiH for 2011 for Co-Financing of the PARF, which proposed to allocate from the overall budget the amount of 0.01 per cent for financing of the public administration reform. This proposal was presented to the other governments as well.
4. Improve communication between the key institutions for implementation of the reform (bearers of activity) and the PARCO, in the sense of timely submission of information to

- the PARCO regarding planned individual activities stemming from the RAP 1 and enable inclusion of the PARCO in the process of monitoring of implementation of these activities.
5. In accordance with the obligations stemming from the *Common Platform on the Principles and the Manner of Implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in Bosnia and Herzegovina*, regarding responsibilities of implementation structures, fully use the capacity of the supervisory teams for reporting on the progress.
  6. At all levels of authority, identify priority areas for development of common projects directed to implementation of the activities from the RAP 1, for the purpose of efficient and effective programming of division of funds of the PARF in the overall period of implementation of the RAP 1, in order to ensure harmonisation in implementation of the reform.
  7. Harmonise methodology and procedures for monitoring and evaluation of the progress in implementation of the RAP 1 at the level of the PARCO and implementation structures in order to ensure quality monitoring and reporting on the progress in accordance with the new system.
  8. Strengthen capacities for coordination of PAR at all the levels, including professionalization and independence of the position of the PAR Coordinator at the level of the entities.
  9. Strengthen capacities of implementation structures and representatives of the key institutions for implementation of the PAR in the segment of preparation and development of project ideas, in order to ensure as big as possible number of quality projects for implementation of the measures from the RAP 1, and financing of the reform by withdrawing IPA funds, and using other available funds of donor assistance.

# **ANNEX 1 – M&E Table of Implementation of the Measures from the AP 1 of the PAR Strategy**

(TABLE IS ON THE CD ATTACHED TO THIS REPORT)

## **ANNEX 2 – Table of Unimplemented and Transferred Reform Measures**

(TABLE IS ON THE CD ATTACHED TO THIS REPORT)