



SEMI-ANNUAL REPORT ON PROGRESS

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

OF THE PUBLIC ADMINISTRATION REFORM
COORDINATOR'S OFFICE

FOR THE PERIOD JANUARY 1ST, – JUNE 30, 2010

JULY 2010



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Abbreviations

AP1	Action Plan 1
BD BiH	Brčko District of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CSA	Civil Service Agency
DEP	Directorate for Economic Planning
DfID	Department for International Development of the Government of the United Kingdom
DMA	Department for Macroeconomic Analysis
ECD	European Commission Delegation
ECDL	European Computer Driver's Licence
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
HRMIS	project of establishment of Human Resources Management Information System
IPA	Instrument of Pre-Accession Assistance
IMF	International Monetary Fund
NSG (UK)	National School of Government of the United Kingdom
PIFC	Public Internal Financial Control
PAR	Public Administration Reform
RS	Republic of Srpska
SEPARB	project of support to the public administration reform in BiH on the level of state and entities
Sida	Swedish Agency for International Development and Cooperation
SIGMA	Support to development of administration and management
SPPD	Strengthening National Capacities for Strategic Planning and Policy Development
TEMPUS	programme of international cooperation in the area of higher education and regional cooperation
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

1 Summary

- **Progress** in implementation of measures from the Action Plan 1 of the Strategy of Public Administration Reform in the period January 1st – June 30, 2010 is **4.66 per cent**, and the total implementation is now **43.72 per cent**.
- In total, **since the start of implementation** of the Action Plan 1 until June 30, 2010 **the biggest progress in implementation has been achieved in the reform area of Institutional Communication: 58.21 per cent, and the smallest is in the area Information Technologies: 32.26 per cent**.
- The Secretariat General of the CoM of BiH (except for the part prepared by the Information Service of the Secretariat General of the Council of Ministers of BiH), the Ministry of Finance and Treasury of BiH, the Directorate for European Integration of BiH and the Ministry of Justice of BiH did not deliver their reports to the PARCO, although the Request to Deliver Reports was sent to them in a timely manner and they were given a realistic deadline for their delivery.
- Six projects financed by the Public Administration Reform Fund are in various stages of tender procedure, for one project tender documentation has been prepared, and one is in the phase of preparation of the terms of reference. For six projects, contracts on consultancy services were signed, of which three projects are in the implementation phase, and three projects were completed.
- Policy Making and Coordination Capacities: In June 2010 implementation of the project "Improvement of Rules and Procedures for Legal, Other Regulations and General Acts Drafting in BiH" began, financed by the PAR Fund, and the implementer is the Faculty of Economics Sarajevo. In the second half of July it is expected to sign a contract with the most favourable bidder for the project "Blueprint of Development of Central Bodies of Governments in BiH - Implementation of Phase I" which is also funded by the PAR Fund.
- Public Finances: There are great differences in introduction of the treasury system in the municipalities in the Republic of Srpska and the Federation of Bosnia and Herzegovina. Of 63 municipalities in the Republic of Srpska, the treasury system was introduced in 37, while in the Federation of BiH, the treasury system was introduced only in one municipality.
- Human Resources Management: General observation is that in this reporting period there was a low level and intensity of activities related to the contents of measures and indicators of progress from the Action Plan 1.
- Administrative Procedure: Activities have continued on implementation of the project "Draft of Administrative Decision Making in BiH Quality Improvement Programme" which is financed by the Public Administration Reform Fund. The project implementer is Zamm media d.o.o. Sarajevo.
- Institutional Communication: In the Brčko District of BiH the Sector for Information was established with integrated functions of internal and external communication, so it has been noted that the central unit for information has become operational.
- Information Technologies: Lack of Agency for Information Society on the level of BiH, which would be the main bearer of the planned activities in the reform area of IT, presents a problem with significant influence on dynamics of implementation of the Action Plan 1.

2 Introduction

According to the annual work plan of the Council of Ministers of BiH for 2010, the Public Administration Reform Coordinator's Office (hereinafter: the PARCO) obligated itself to the Council of Ministers of BiH to deliver regular reports on the progress in implementation of the Strategy of the Public Administration Reform (hereinafter: the PAR Strategy) and donor activity, as well as on monitoring and evaluation, quarterly and annually, in accordance with the Strategy of the Public Administration Reform in BiH. The Council of Ministers of BiH, at the 120th session, held on April 29, 2010, draw attention of the PARCO that in future, instead of quarterly, the Reports on Progress in implementation of the Action Plan 1 of the PAR Strategy are to be delivered semi-annually.

This report shows in detail total degree of implementation of the measures from the Action Plan 1 (hereinafter: AP 1) of the PAR Strategy (in percentages) from January 1st to June 30, 2010, for every one of the six reform areas respectively (on the state level, entity level and the level of the Brčko District of BiH). In the annex to this report is a detailed presentation of a degree of implementation of all the measures from the AP1, with relevant comments. Progress in implementation of the reform measures is being monitored by the means of "objectively verifiable indicators" (OVIs), which for this purpose were developed by the PARCO. OVIs are measurable parameters with the help of which the implementation of concrete measure is followed and evaluated.

In preparation of periodic reports, different sources of information available to the PARCO were used, including: data from the progress reports submitted by the entity public administration reform coordinators, as well as by the members of the supervisory teams from the state level, overviews of the adopted regulations significant for the reform area, monitoring of implementation of donor projects and initiatives in which the PARCO is involved, external data from the donors, and information on the activities and projects whose initiator and bearer is the PARCO.

The report for the first half of 2010 was timely submitted from the Republic of Srpska, as well as reports from the Civil Service Agency of BiH, the Information Service of the Secretariat General of the CoM BiH, the Ministry of Communication and Transport of BiH, the Legislation Office of BiH and the Agency for Identification Documents, Records and Exchange of Data of BiH.

The Report on Implementation of the AP 1 on the level of the Federation of BiH for the first half of 2010 was late, as well as the report from the Brčko District of BiH.

The Secretariat General of the CoM of BiH, the Ministry of Finance and Treasury of BiH, the Directorate for European Integration of BiH and the Ministry of Justice of BiH did not deliver their reports to the PARCO, although the Request to Deliver Reports was sent to them in a timely manner and they were given a realistic deadline for their delivery.

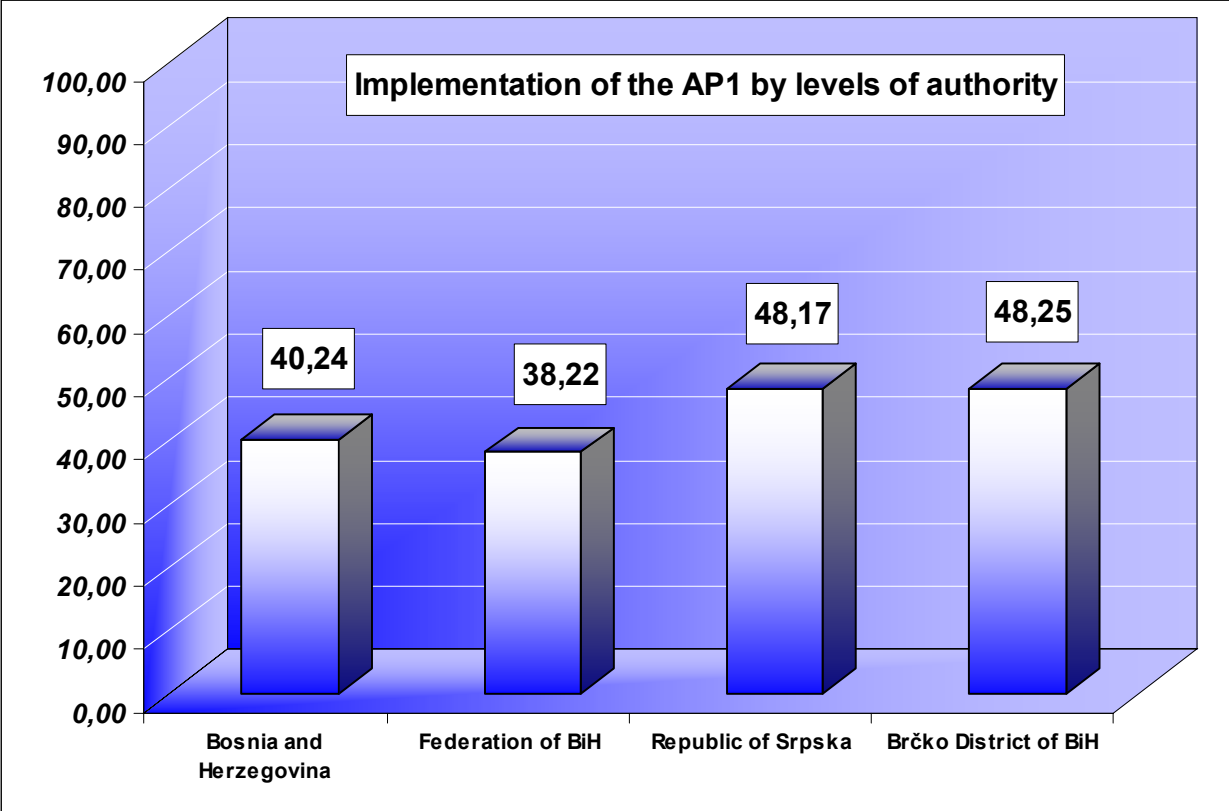
In total, since the start of implementation of the Action Plan 1 until June 30, 2010 the biggest progress in implementation was achieved in the reform area of Institutional Communication: 58.21 per cent, and the smallest is in the area of Information Technologies: 32.26 per cent.

The biggest degree of implementation of the measures from the Action Plan 1 since the start of implementation of the Action Plan 1 until June 30, 2010 was achieved in the Brčko District and the Republic of Srpska, which expressed in percentages amounts to over 48 per cent.

Table below gives the overview of total achieved progress since the start of implementation of the AP1 until June 30, 2010 for the state level and the level of the entity and the Brčko District of BiH authorities.

Table 1: Overview of implementation of the AP 1 by June 30, 2010 by levels of authority

Bosnia and Herzegovina	40.24
Federation of BiH	38.22
Republic of Srpska	48.19
Brčko District of BiH	48.25



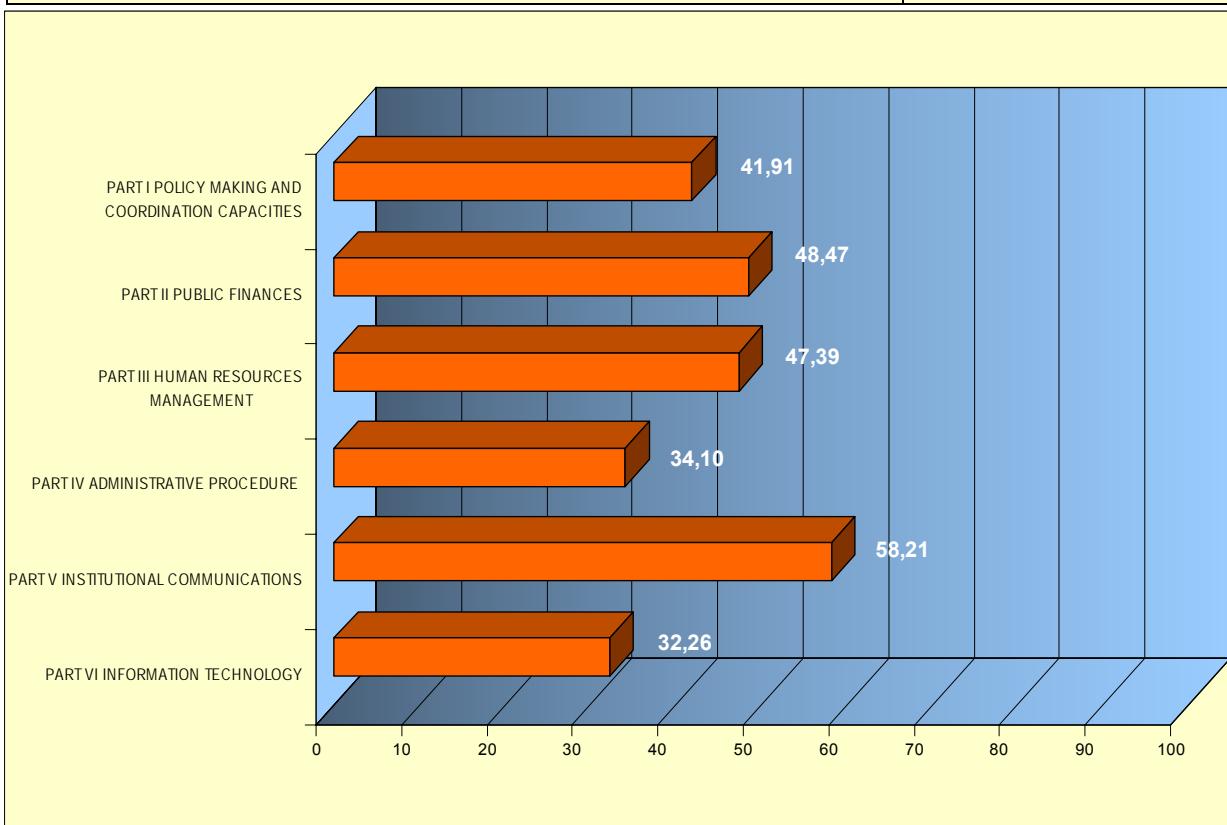
3 Overall Overview of Activities during the Reporting Period

Overall implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH by June 30, 2010 amounts to **43.72 per cent**.

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

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

ACTION PLAN 1 OF THE STRATEGY OF THE PUBLIC ADMINISTRATION REFORM IN BIH	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	41.91
PART II PUBLIC FINANCES	48.47
PART III HUMAN RESOURCES MANAGEMENT	47.39
PART IV ADMINISTRATIVE PROCEDURE	34.10
PART V INSTITUTIONAL COMMUNICATIONS	58.21
PART VI INFORMATION TECHNOLOGY	32.26

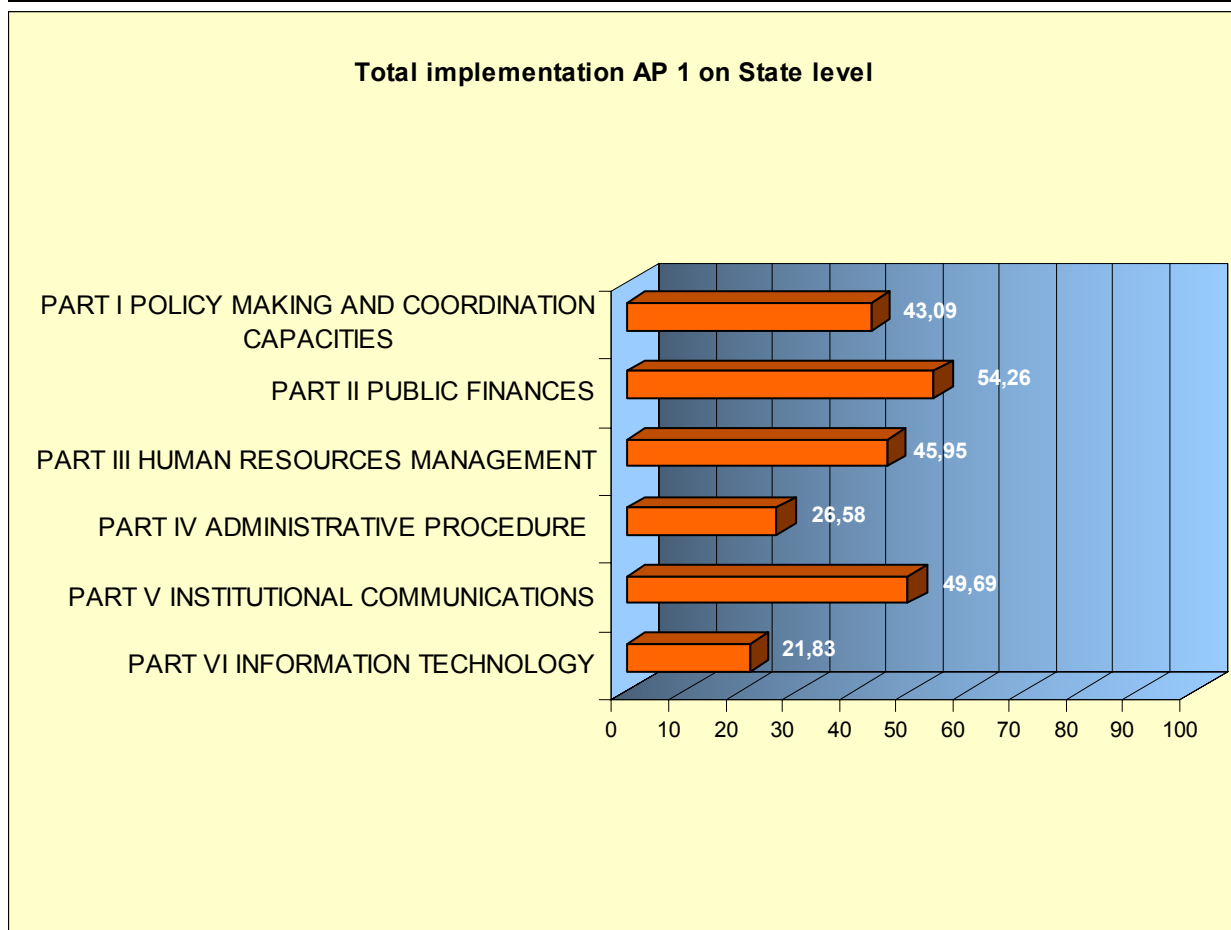


* Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

The following tables show the total achieved level of implementation on the state level, entity level and the Brčko District of BiH level of authority, by June 30, 2010.

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

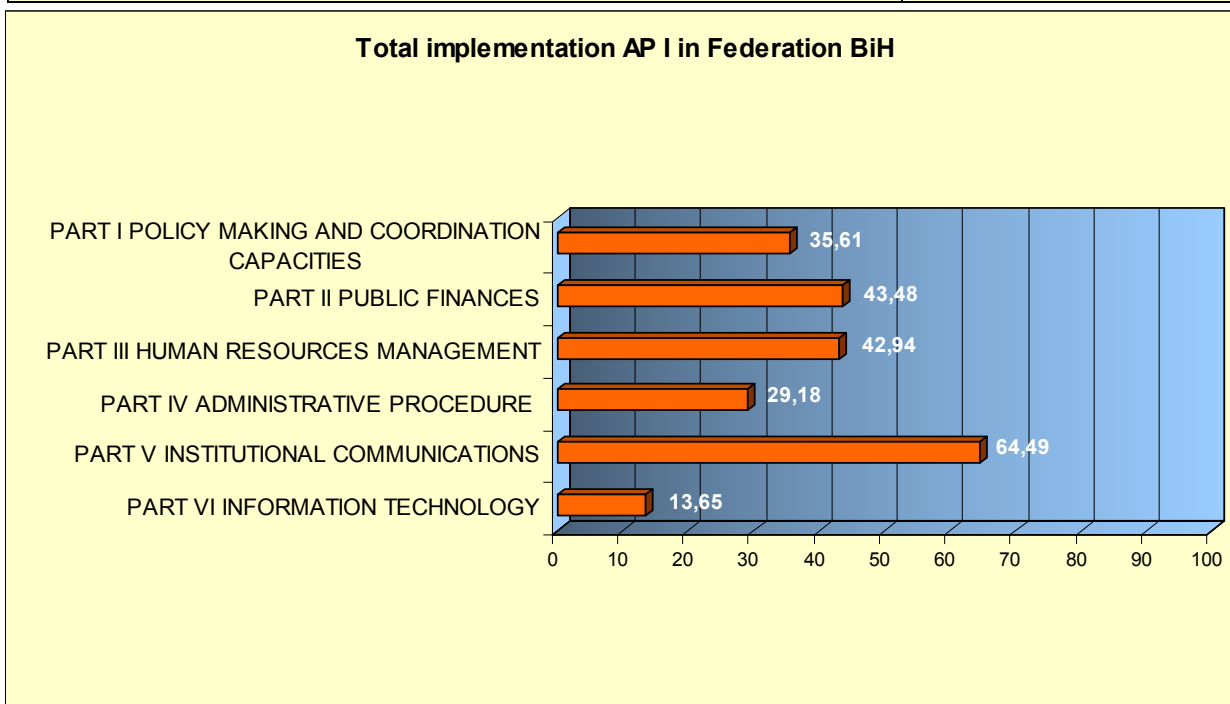
BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	43.09
PART II PUBLIC FINANCES	54.26
PART III HUMAN RESOURCES MANAGEMENT	45.95
PART IV ADMINISTRATIVE PROCEDURE	26.58
PART V INSTITUTIONAL COMMUNICATIONS	49.69
PART VI INFORMATION TECHNOLOGY	21.83



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

Table 4: Cumulative implementation of the AP 1 of the PAR Strategy in BiH by reform areas – the FBiH level

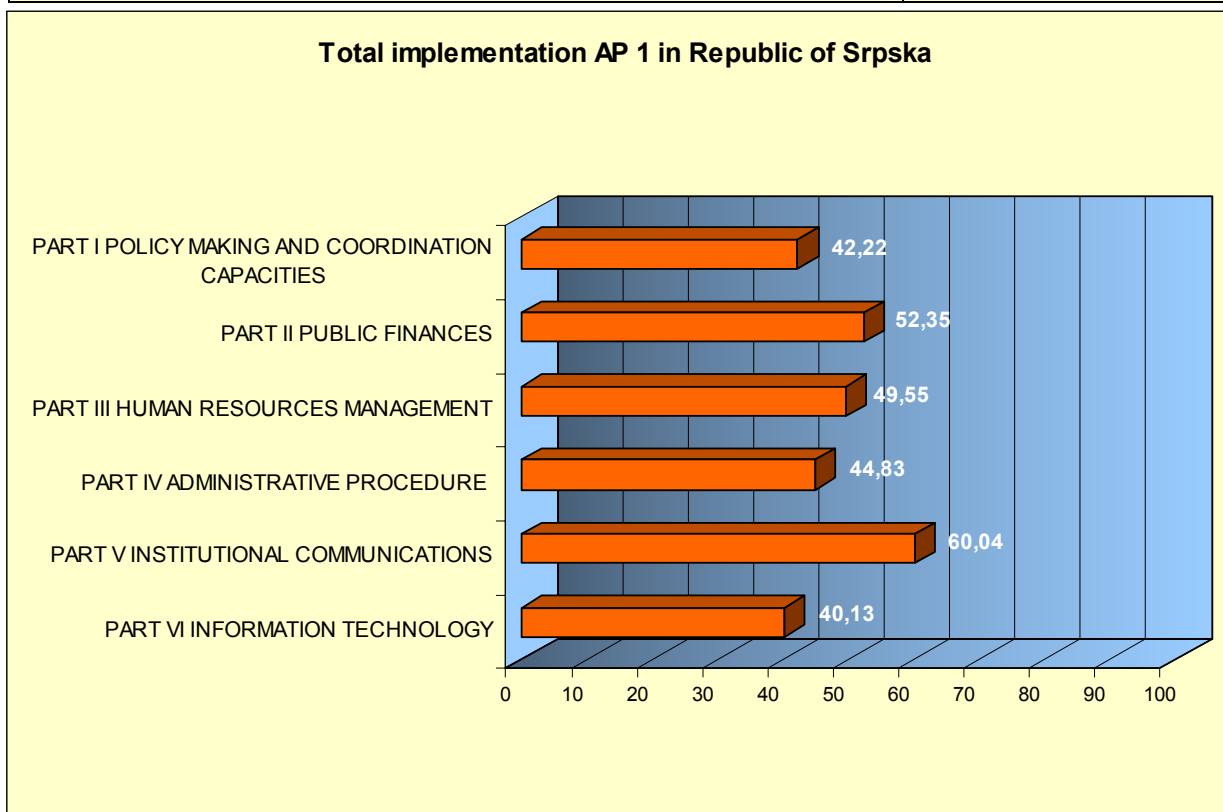
the FBiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	35.61
PART II PUBLIC FINANCE	43.48
PART III HUMAN RESOURCES MANAGEMENT	42.94
PART IV ADMINISTRATIVE PROCEDURE	29.18
PART V INSTITUTIONAL COMMUNICATIONS	64.49
PART VI INFORMATION TECHNOLOGY	13.65



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

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

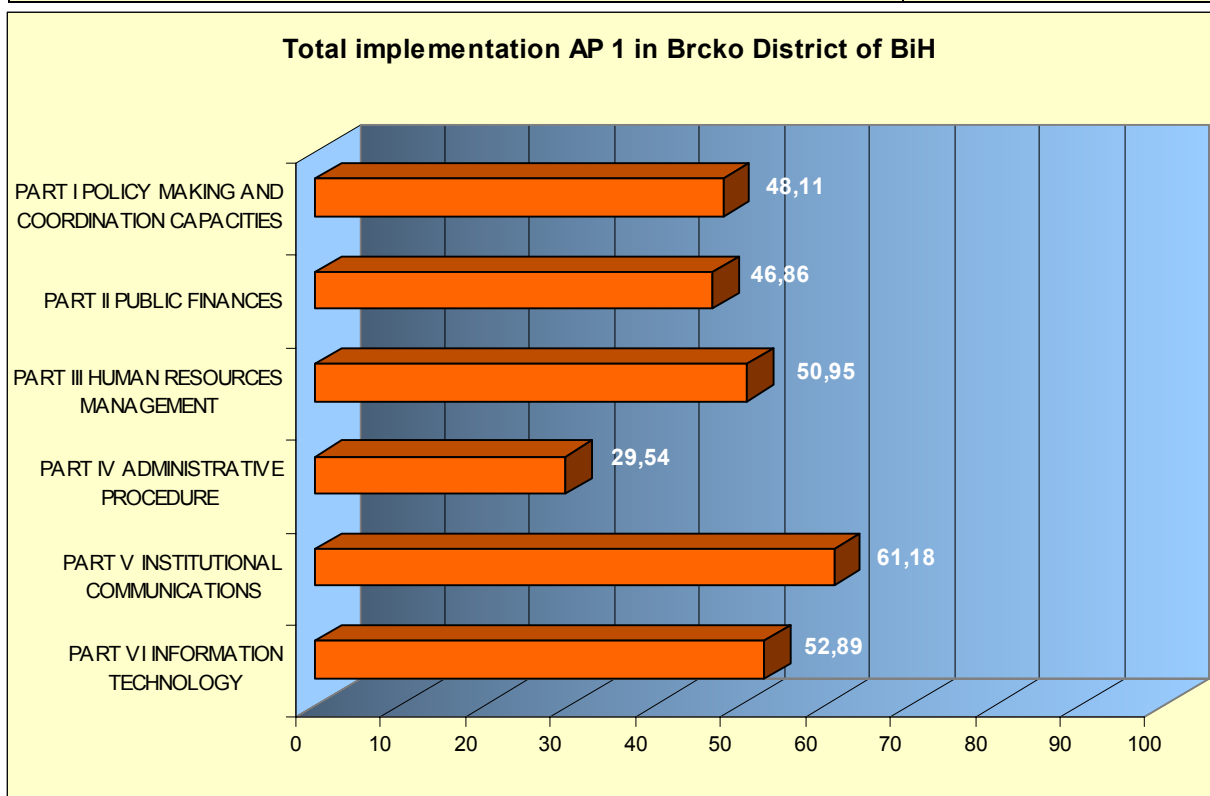
the RS level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	42.22
PART II PUBLIC FINANCES	52.35
PART III HUMAN RESOURCES MANAGEMENT	49.55
PART IV ADMINISTRATIVE PROCEDURE	44.83
PART V INSTITUTIONAL COMMUNICATIONS	60.04
PART VI INFORMATION TECHNOLOGY	40.13



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

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

the BD BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	48.11
PART II PUBLIC FINANCES	46.86
PART III HUMAN RESOURCES MANAGEMENT	50.95
PART IV ADMINISTRATIVE PROCEDURE	29.54
PART V INSTITUTIONAL COMMUNICATIONS	61.18
PART VI INFORMATION TECHNOLOGY	52.89



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

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

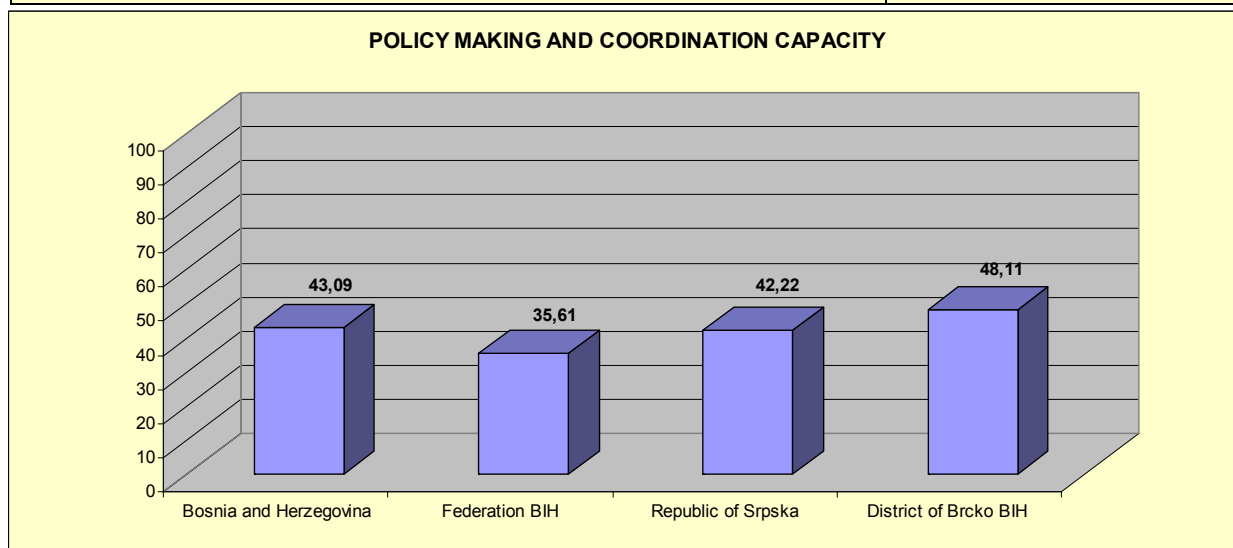
3.1.1 Policy Making and Coordination Capacities

Implementation of the Action Plan 1 in the area Policy Making and Coordination Capacities, on the state, entity and the level of the Brčko District of BiH, amounts to **41.91 per cent**.

Table 7 shows the total progress in the implementation of the Action Plan 1 for the reform area of Policy Making and Coordination Capacities.

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

POLICY MAKING AND COORDINATION CAPACITIES	Implemented
Bosnia and Herzegovina	43.09
the Federation of BiH	35.61
the Republic of Srpska	42.22
the Brčko District of BiH	48.11



During the first half of 2010, activities have continued on development and implementation of the key projects for this area: “Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of Phase I”, “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD”, “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”, “Transposing EU Legislation in the Legal System of BiH”. Also, activities have continued on development of three new projects: “Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of Phase II”, “Better Regulation/Management in the Bodies of Public Administration in Bosnia and Herzegovina” and “Design of Software for Support to Drafting Laws and Monitoring of Their Implementation”.

Procedure of public procurement for the project “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of Phase I”, which is being financed by the PAR Fund, has ended, and it is expected to sign the contract between the PARCO and the most favourable bidder – Consortium Progeco S.r.L, EDA Banja luka and Europartner Group.

In June 2010, the contract was signed with the Faculty of Economics Sarajevo, as the most favourable bidder, for the project “Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH”, which is being financed by the PAR Fund, thus initiating implementation of the Project.

Based on conclusions from the 56th Session of the Council of Ministers of BiH, the PARCO during this reporting period as well, continuously monitored implementation of the project

“Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD”, in order to ensure that this project fully corresponds with the objectives of the Strategy of the Public Administration Reform in BiH and regularly reported on that to the Council of Ministers of BiH. The third semi-annual report on implementation of the project “Strengthening BiH Capacities for Strategic Planning and Policy Development – SPPD” was discussed and adopted at the 117th session of the Council of Ministers of Bosnia and Herzegovina, held on March 25, 2010. By signing the Memorandum of Understanding between the UNDP and the project beneficiaries, on March 10, 2010, implementation of project activities started in three new sectors: agriculture, social protection and small and medium enterprises, which ushers the SPPD project in its second phase of intensified activities in assisting department ministries in operability of the existing strategic plans and their better connection with budget planning, and improving the process of policy development and strengthening capacities of the ministries for preparation of legislation.

After the PARF JMB adopted the terms of reference “Transposing EU Legislation in the Legal System of BiH”, the tender documentation for this project was prepared and the procedure of public procurement of consultancy services for this project was initiated, and currently is ongoing.

Meeting of the Supervisory team for the area of Development of Capacities for Policy Making and Coordination was organised, but because the members did not attend, it was not held.

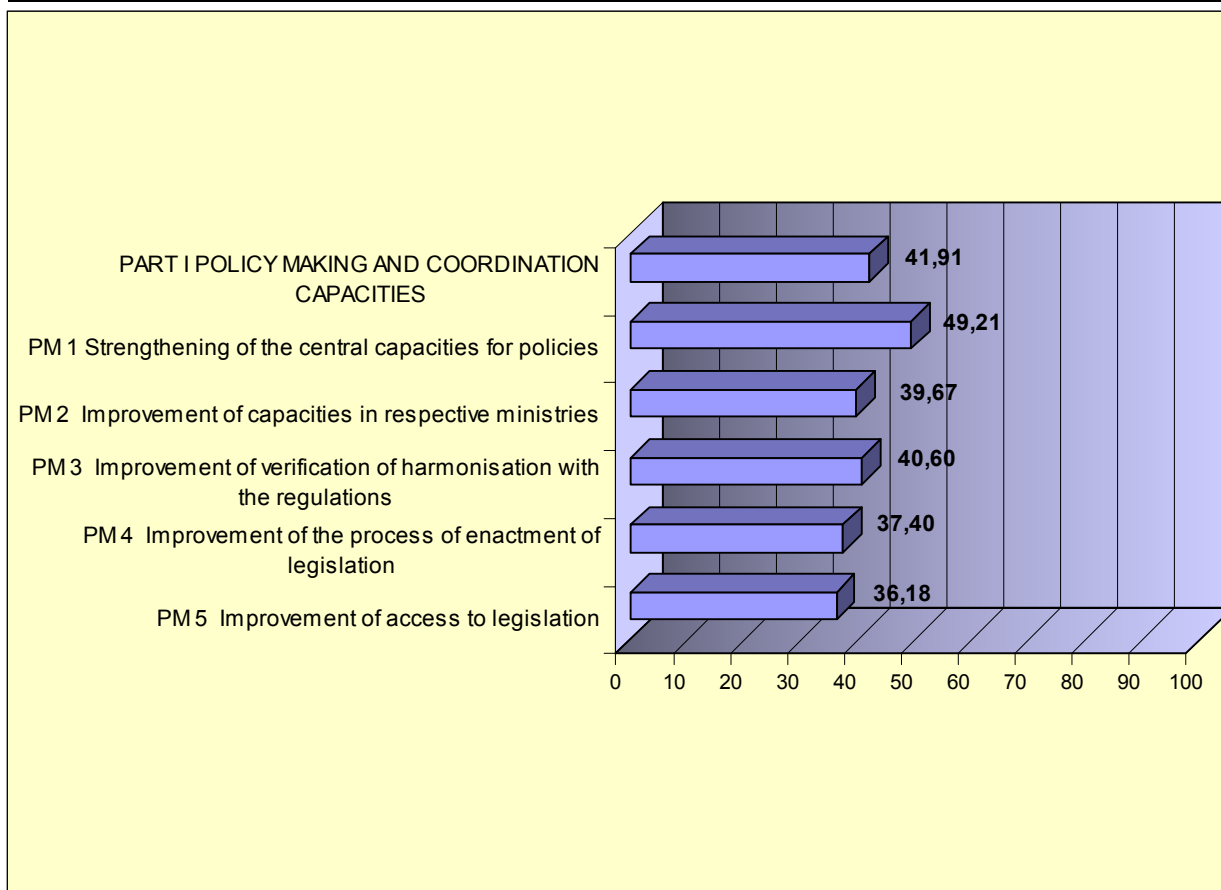
In the next period, the following activities have been planned:

- Implementation of the measures from the AP 1 of the Strategy of the Public Administration Reform by the Institutions and through projects.
- Identifying priorities, analysis of the condition and needs within the reform area.
- Constant monitoring of implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, and preparation of reports.
- Monitoring of implementation of the started projects and their direction to fulfilment of objectives of the Strategy of the Public Administration Reform in BiH.
- Appointment of new deputy member of the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination on behalf of the Government of the Republic of Srpska.
- Implementation of the procedure of public procurement for the approved projects from the reform area.
- Continuation of activities on development of new projects “Blueprint of Development of Central Bodies of Governments in BiH – Implementation of Phase II”, “Better Regulation/Management in the Bodies of Public Administration in Bosnia and Herzegovina” and “Design of Software for Support to Drafting Laws and Monitoring of Their Implementation”.

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

Table 8: Overview of the activities and measures for the reform area of Policy Making and Coordination Capacities

COMPONENT OF THE ACTION PLAN 1	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIES	41.91
PM 1. Strengthening of the central capacities for policies	49.21
PM 2. Improvement of capacities in respective ministries	39.67
PM 3. Improvement of verification of harmonisation with the regulations	40.60
PM 4. Improvement of the process of enactment of legislation	37.40
PM 5. Improvement of access to legislation	36.18



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

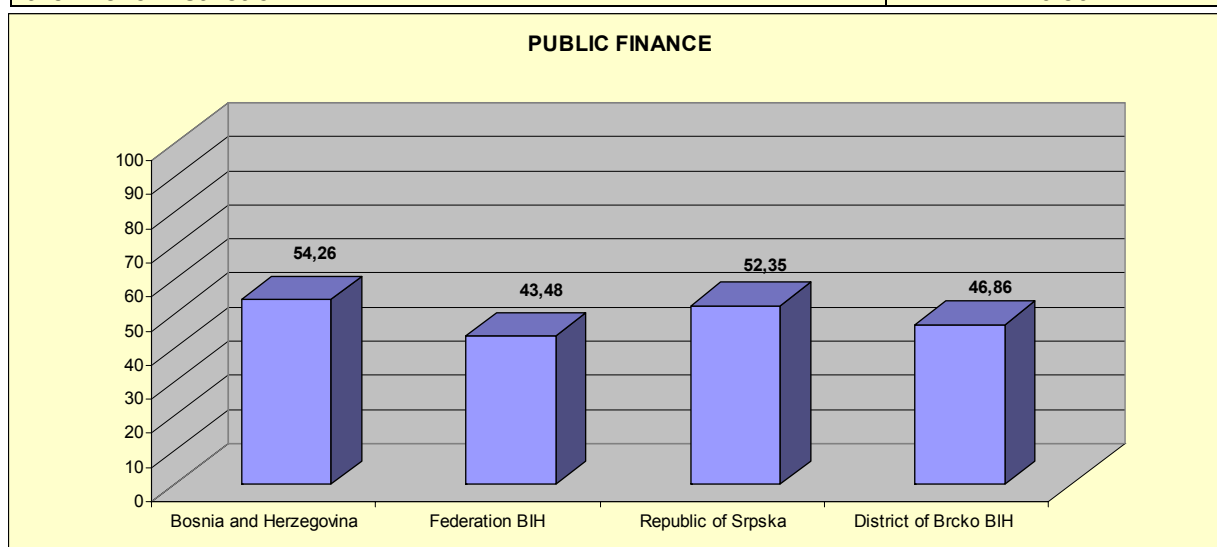
3.1.2 Public Finances

In the reporting period, implementation of the AP 1 in the area of Public Finances on the state, entity and the level of the Brčko District of BiH amounted to **48.47 per cent**.

Table 9 shows the total progress in implementation of the Action Plan 1 for the reform area of Public Finances.

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

PUBLIC FINANCES	Implemented
Bosnia and Herzegovina	54.26
the Federation of BiH	43.48
the Republic of Srpska	52.35
the Brčko District of BiH	46.86



The Fiscal Council discussed drafting of the document Global Framework of Fiscal Balance and Policies in BiH 2011 - 2013 and put the Advisory Group in charge to prepare, as soon as possible, the document Global Framework of Fiscal Balance and Policies in BiH for the period 2011 - 2013.

The FBD of the Brčko District for the period 2011 – 2013 was adopted at the session of the Government of the BD BiH, which was held on June 22nd, 2010.

The third phase of the **Project to Strengthen Public Finance Management in BiH**, funded by the Government of Great Britain Department for International Development (DfID), began at the end of the first quarter of 2009. In 2010, the Sectors for Budget at all levels, with the technical assistance of the SPEM project, continued to provide assistance to budget users in order to improve new methodology of budget planning – programme budgeting. The SPEM 3 project continues with these activities until the April next year.

Regarding transparent spending of public assets on the level of the state, within the ACE Project, coordination of all authorities through the Sector for coordination of International Assistance of the MFT BiH was established.

Following the Decision on Annulment of the Tender of December 25, 2009, the work on the project “Budget Management Information System (BMIS) continued in the first half of 2010. The PARCO, in cooperation with the members of the Supervisory Team for the reform area of public finance and the IT experts from all four administrative levels, changed the project proposal and the terms of reference, and prepared the new tender documentation for the BMIS project, and they were approved by the PARF JMB. In preparing the aforementioned documents, the PARCO was assisted by the IT consultant and the consultant for public procurements, taking into account that the entire procedure takes place in accordance with the Law on Public Procurements. Also, the member of the Commission for Public Procurement for

the BMIS project was appointed on behalf of the users. The public procurement procedure is ongoing.

In this reporting period, the Supervisory Team adopted the project proposal and the terms of reference for the individual project of the originator the Brčko District of BiH, “**Computerisation of the Treasury System of the Brčko District**”.

In the Republic of Srpska, the local treasury systems were established in 37 of the total of 63 municipalities. According to the plan, the RS will complete introduction of the treasury system in other municipalities by the end of February 2011.

In the Federation of BiH, the treasury system was introduced in only one municipality (Municipality of Novi Grad Sarajevo). The framework deadline for introduction of the treasury system in local administration in the FBiH is May 2011.

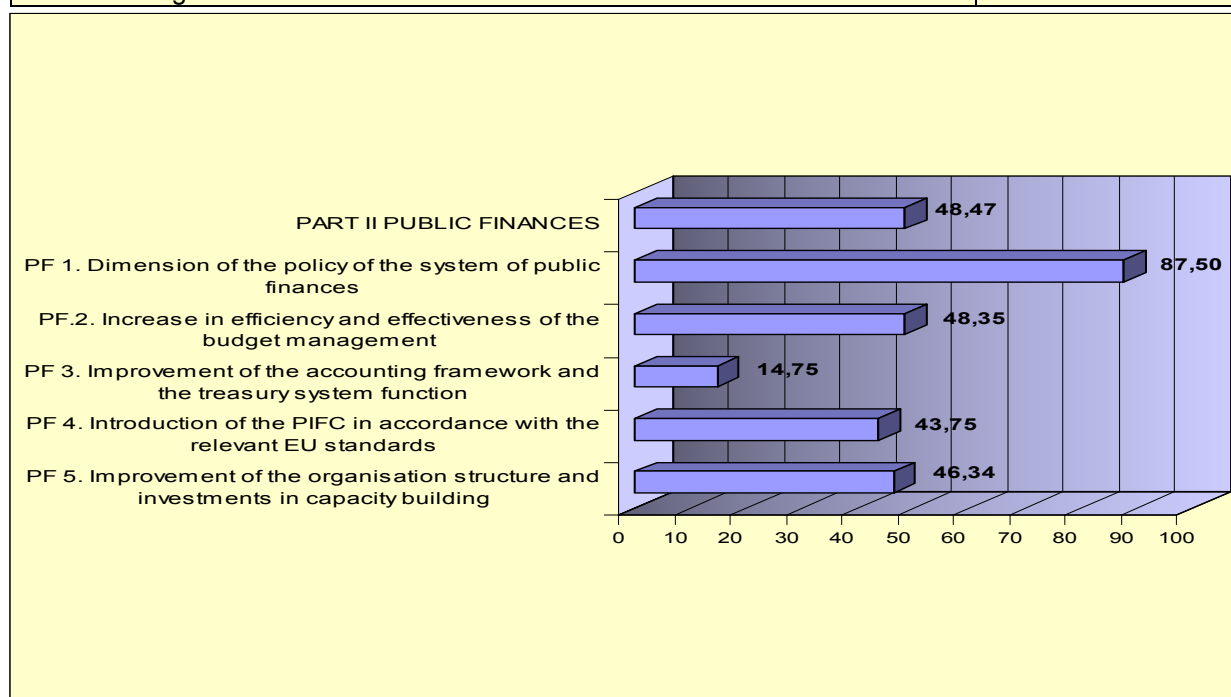
In the Brčko District, the Office for Audit of Financial Operations with 12 employees was established, the Draft Law on Internal Audit was prepared and harmonized with the identical laws of the State and the Entities.

In March 2010, the European Commission selected the international consultant which will implement the project **Public Internal Financial Control - PIFC** in the public sector of all the levels of authority in BiH. Implementation of the procedure of contracting between the selected consultant and the European Commission is ongoing.

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

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

COMPONENT OF THE ACTION PLAN 1	Implemented
PART II PUBLIC FINANCES	48.47
PF 1. Dimension of the policy of the system of public finances	87.50
PF.2. Increase in efficiency and effectiveness of the budget management	48.35
PF 3. Improvement of the accounting framework and the treasury system Function	14.75
PF 4. Introduction of the PIFC in accordance with the relevant EU Standards	43.75
PF 5. Improvement of the organisation structure and investments in capacity Building	46.34



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

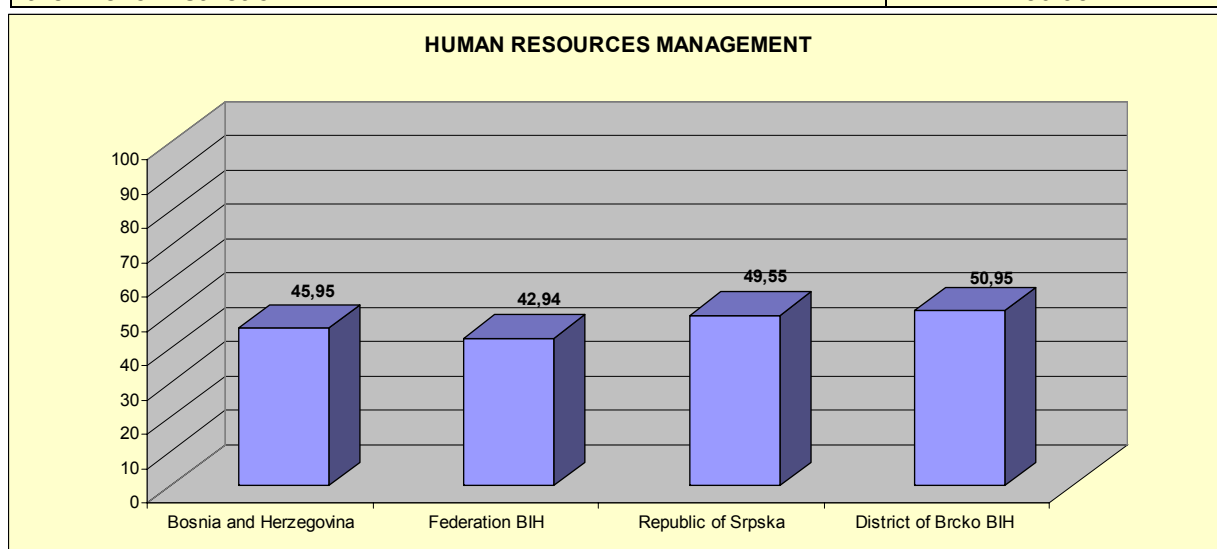
3.1.3 Human Resources Management

In this reporting period, the AP 1 implementation in the area of Human Resources Management at the state, the entity and the Brčko District of BiH level is **47.39 per cent**.

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

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

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	45.95
the Federation of BiH	42.94
the Republic of Srpska	49.55
the Brčko District of BiH	50.95



General observation is that in the second part of the reporting period there was a trend of a low level and intensity of activities related to the contents of measures and indicators of progress from the Action Plan 1, which was a characteristic of the reporting period during the first trimester of this year.

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

- The House of Representatives of the Parliamentary Assembly of BiH, at the 79th session adopted in the second reading the Proposal of the Law on Changes and Amendments to the Law on Work in the Institutions of BiH.
- The Council of Ministers of BiH, at the 117th session, at the proposal of the Ministry of Finance and Treasury of BiH, adopted the Methodology for Job Classification of High School Level of Education in the salary grades. In addition, at the proposal by the Civil Service Agency of BiH, they adopted the Decision on Changes and Amendments to the Decision on the Manner of Taking the Public and Professional Examination.
- Under the auspices of the CSA BiH, the HRM Forum was initiated. The HRM Forum is an informal initiative that should enable the professionals in the field of human resource affairs to share information, experiences and lessons learned while working in HRM affairs in the civil service. This activity is important in terms of overall support to reform in the area of civil service reform and implementation of a set of measures in the area of the Action Plan 1 – HRM 2.
- Implementation of the Twinning project “Capacity Building in the Field of Training Management in the Institutions of BiH”, which is being implemented by the Finnish Institute for Public Management, in partnership with the Civil Service Agency of BiH,

which began in March, continued with the planned trainings for civil servants working on human resources affairs.

- The Civil Service Agency BiH launched development of an information system for electronic notification to the candidates in the vacancy procedures (system *MojKonkurs*).
- The Constitutional Court of the Federation of BiH, at the session held on April 20, 2010, adopted the judgment on lack of harmonisation of the Law on Civil Service in the Federation of BiH with the Constitution of the FBiH.
- The Government of the FBiH, at the 138th session deliberated and adopted the Report of the Civil Service Agency of the FBiH on work and the condition of the employees in the bodies of administration in the FBiH in 2009 and the Work Plan of the FBiH CSA for 2010, and they also adopted a number of conclusions which, among other things, relate to the obligation to create a consistent Law on Civil Servants and Employees in the FBiH which would include all the proposals stated in the Report.
- The Government of the Federation of BiH, at the 149th session established a new Proposal of the Law on Salaries and Allowances in the Bodies of Government in the FBiH.
- At the level of the Republic of Srpska, the Civil Service Agency drafted the Proposal of the Human Resource Plan for 2010, and submitted it to the Government of the RS for adoption.
- The Civil Service Agency of the RS enacted the new Programme for Taking the Professional Exam for work in the administration of the Republic of Srpska.
- In the Brčko District of BiH activities are ongoing to prepare the new Law on Civil Service as well as implementing regulations, and the Law on Salaries. The Three-Year Plan of Training of Public Servants and Employees was drafted, but was not adopted at the level of the Government of the BD BiH due to lack of funds. The Plan of Professional Improvement of Civil Servants and Employees for 2010 is also being prepared based on the results of annual performance appraisal of employees in 2009, but the budget does not provide necessary funds for its implementation. Based on the Plan of Needs for Personnel for 2010, the Decision on Implementation of the Plan of Employment was prepared. That plan was continuously implemented during the reporting period. Within the policy of rejuvenation of personnel, the Government of the Brčko District adopted the Program of Employment for approximately 500 trainees in 2010.
- Implementation of the project of introduction of Human Resources Management Information System (HRMIS) will officially end at the end of the reporting period. On the side of the beneficiaries, activities will continue through installation of the system in individual institutions.
- In the reporting period, following adoption of the inception report of the project, several different activities of the project "Development of Performance Management System in the Structures of Civil Service in BiH" were implemented. This project is being financed by the PAR Fund.

The Civil Service Agency of BiH organised in mid-May the training entitled "Electronic Administration: Change Management, Project Management and Business Processes Reengineering in Administration". The training included technical, managerial and social skills needed to manage and implement the e-Government projects. In addition, the CSA BiH, in the reporting period, launched new cycles of compulsory management trainings for managing civil servants in 2010 (eight modules in total), as well as the cycle of horizontal trainings "Development of Social Skills in the Work Environment" (Soft Skills) for non managing civil servants. In cooperation with the Regional School for Public Administration (ReSPA), the CSA BiH ensured regular information about the planned training activities within this programme

during the reporting period and carried out coordination of the process of application of interested civil servants from the level of BiH institutions and other administrative levels.

The Civil Service Agency of the Federation of BiH, during the reporting period, organised education of the civil servants in the following areas: interviews maintenance skills, effective meetings, mediation - a manner of solving disputes peacefully, communication and time management, and courses in application of regulations in various fields and training programs for newly employed civil servants.

The Civil Service Agency of the RS implemented in the reporting period specific programme of IT training entitled "Web Services, Security of Web Applications and Web Services of the PKI".

In Brčko, on June 3rd, 2010, the National School of Public Administration (BNSPA) was officially opened as a joint project of the Brčko District of BiH and the European Public Law Organization (EPLO). This school will function as an institution of higher education, designed for training and improvement of public servants and employees, elected officials from local level and judges of administrative competence. Besides the master program, the school will organise also trainings in the form of seminars, intended for civil servants and employees, as well as professional persons and experts who collaborate with the public sector. At the level of the Brčko District of BiH, according to submitted information, the Plan of Professional Improvement of Civil Servants and Employees for 2009 was not implemented due to lack of funds in the budget, and it has been emphasized that for the current year as well, the provided funding for training programmes and improvement is in the very small amount.

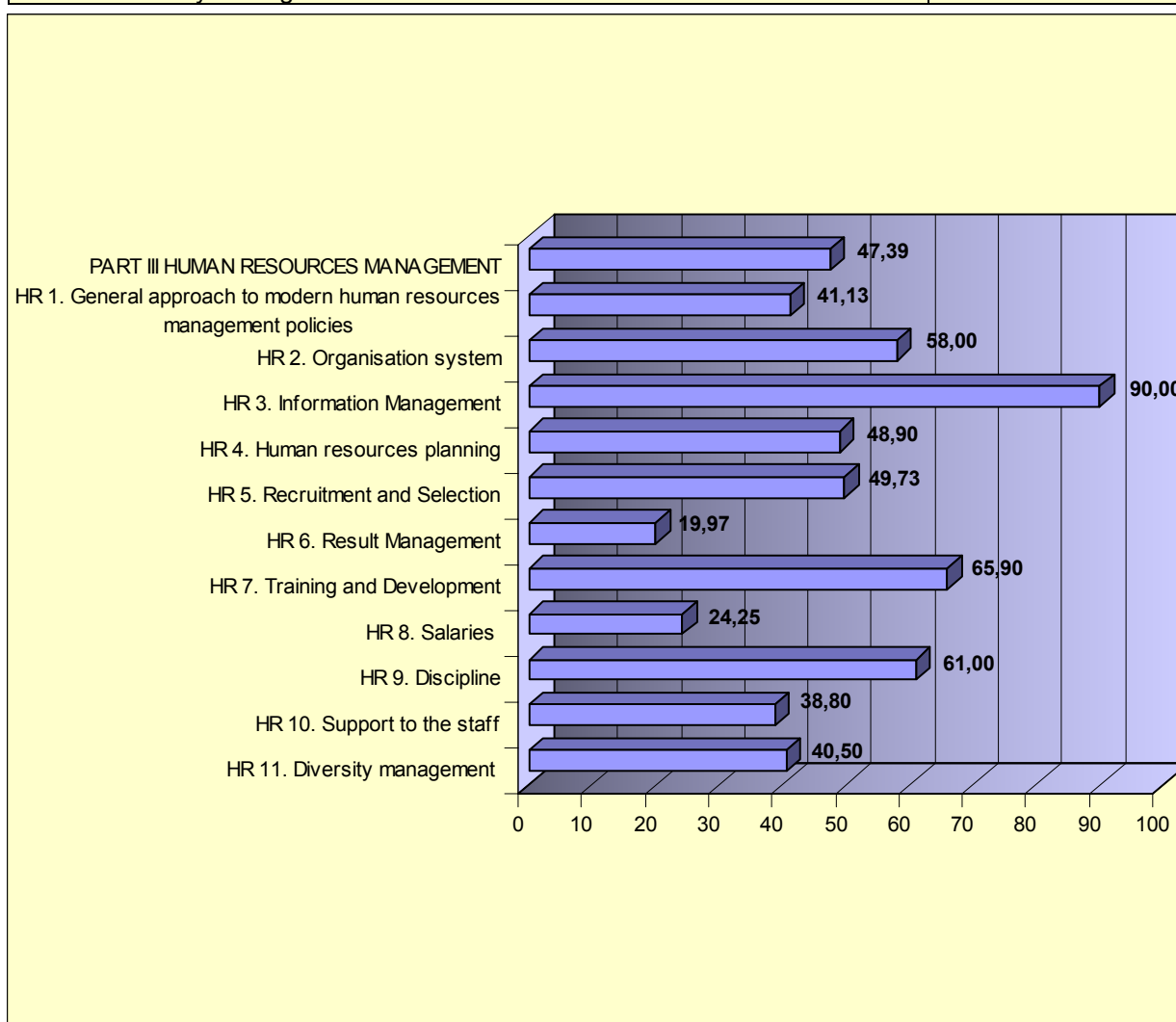
For the next period, the following activities were planned:

- Harmonisation of the document "Analysis of Implementation of the Public Administration Reform in the area of Human Resources Management" with the representatives of the relevant institutions, and revision of the contents of the reform measures and activities in the area of HRM with the support of the experts of the technical assistance team of the project "Strengthening the Capacities of the Public Administration Reform Coordinator's Office in BiH".
- Ensure consistent implementation of the approved projects in the reform area, which are financed by the assets of the PAR Fund.
- Harmonise priority areas of work based on common needs and identify new proposals of projects for support to reform in the area of human resources management. Identify (new) additional sources of financing for projects and other forms of provision of technical and expert assistance.

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

Table 12: Overview of the activities and measures for the reform area of Human Resources Management

COMPONENT OF THE ACTION PLAN 1	Implemented
PART III HUMAN RESOURCES MANAGEMENT	47.39
HR 1. General approach to modern human resources management policies	41.13
HR 2. Organisation system	58.00
HR 3. Information management	90.00
HR 4. Human resources planning	48.90
HR 5. Recruitment and selection	49.73
HR 6. Result management	19.97
HR 7. Training and development	65.90
HR 8. Salaries	24.25
HR 9. Discipline	61.00
HR 10. Support to the staff	38.80
HR 11. Diversity management	40.50



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

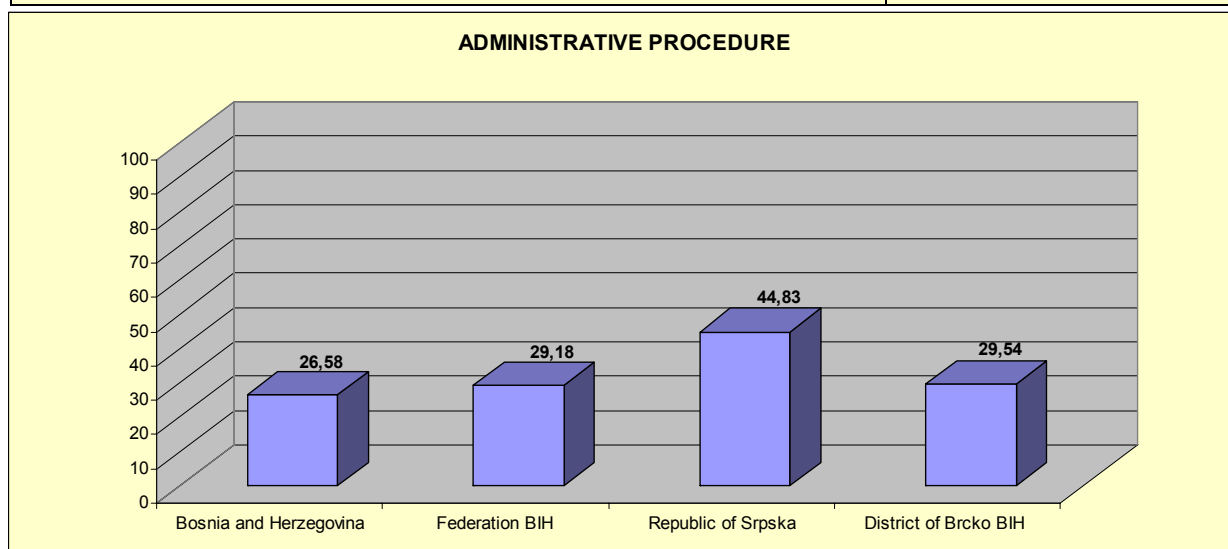
3.1.4 Administrative Procedure

In the reporting period, implementation of the AP 1, in the area of Administrative Procedure, at the state, entity and Brčko District of BiH level is **34.10 per cent**.

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

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

ADMINISTRATIVE PROCEDURE	Implemented
Bosnia and Herzegovina	26.58
the Federation of BiH	29.18
the Republic of Srpska	44.83
the Brčko District of BiH	29.54



The most important activities in the reporting period in the area of Administrative Procedure include the following:

- The Council of Ministers of BiH, at the 109th session, held on December 22nd, 2009 adopted the Decision on Electronic Operations and e-Government in the Council of Ministers of BiH (Official Gazette of BiH no. 7/10). This decision defines electronic operations, which includes working with clients, use of equipment, handling of documentation, communications with clients and other public entities and performing clerical tasks, and the basics of work of e-Government in the Council of Ministers of BiH.
- The National Assembly of the Republic of Srpska, at the 37th session, held on May 11, 12 and 13, 2010, adopted the Law on Amendments to the Law on General Administrative Procedure. The Law on Amendments to the Law on General Administrative Procedure (Official Gazette of the RS no. 50/10) stipulates that the manager of an administrative body may authorize other officer to conduct administrative proceedings and make a decision or conduct administrative proceedings, and obligation of the second instance body is foreseen that it has to make a decision on the appeal based on merits. Also, the possibility of electronic communication between the bodies and parties is envisaged, and the conditions which need to be fulfilled by the person authorized to make decisions and conduct administrative proceedings have been prescribed.
- The Republic bodies of administration submitted to the Government of the RS the report on the condition of administrative decision making and the plan of solving pending cases from the earlier period.

- The Government of the Federation of BiH and the International Finance Corporation (IFC) joined together in the Regulatory Reform in Project the Federation of BiH. Consequently, implementation of the second phase of the project is ongoing, which involves comprehensive analysis, simplification and improvement of administrative procedures at the level of the FBiH. Phase II covers broader aspect which aims to harmonisation of regulation regarding simplification of administrative procedures (permits, approvals, licenses, certificates, etc.) in the segment of the business sector. At the 139th session, held on April 14, 2010, the Government of the Federation made actual the conclusions adopted at the 133rd session from February 2010, related with adoption of the Decision on Adoption of the Report on Implementation of the First Phase of Regulatory Reform in the Federation of Bosnia and Herzegovina. The federal ministries and other federal administrative bodies are in charge of delivery to the FBiH Government amendments to the laws in accordance with the package of recommendations submitted by the Federal Administration for Inspection Affairs, so the Government of the Federation could discuss them and in the form of proposals send them to the parliamentary procedure.
- At the 27th session, held on June 2nd, 2010, the Assembly of the Brčko District adopted in the second reading the Draft Law on Electronic Document and the Draft Law on Electronic Signature.

In this reporting period, activities have continued in implementation of the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”, which is financed by the Public Administration Reform Fund. This Project is being implemented by the Zamm media doo Sarajevo. The PARCO in cooperation with Mr. Wolfgang Rusch (SIGMA), an expert in administrative procedure, held a meeting with the implementer of the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme” and the expert engaged in implementation of the said project. It has been planned to hold bilateral meetings with representatives of all administrative levels in BiH, but due to commitments of SIGMA experts, they were postponed.

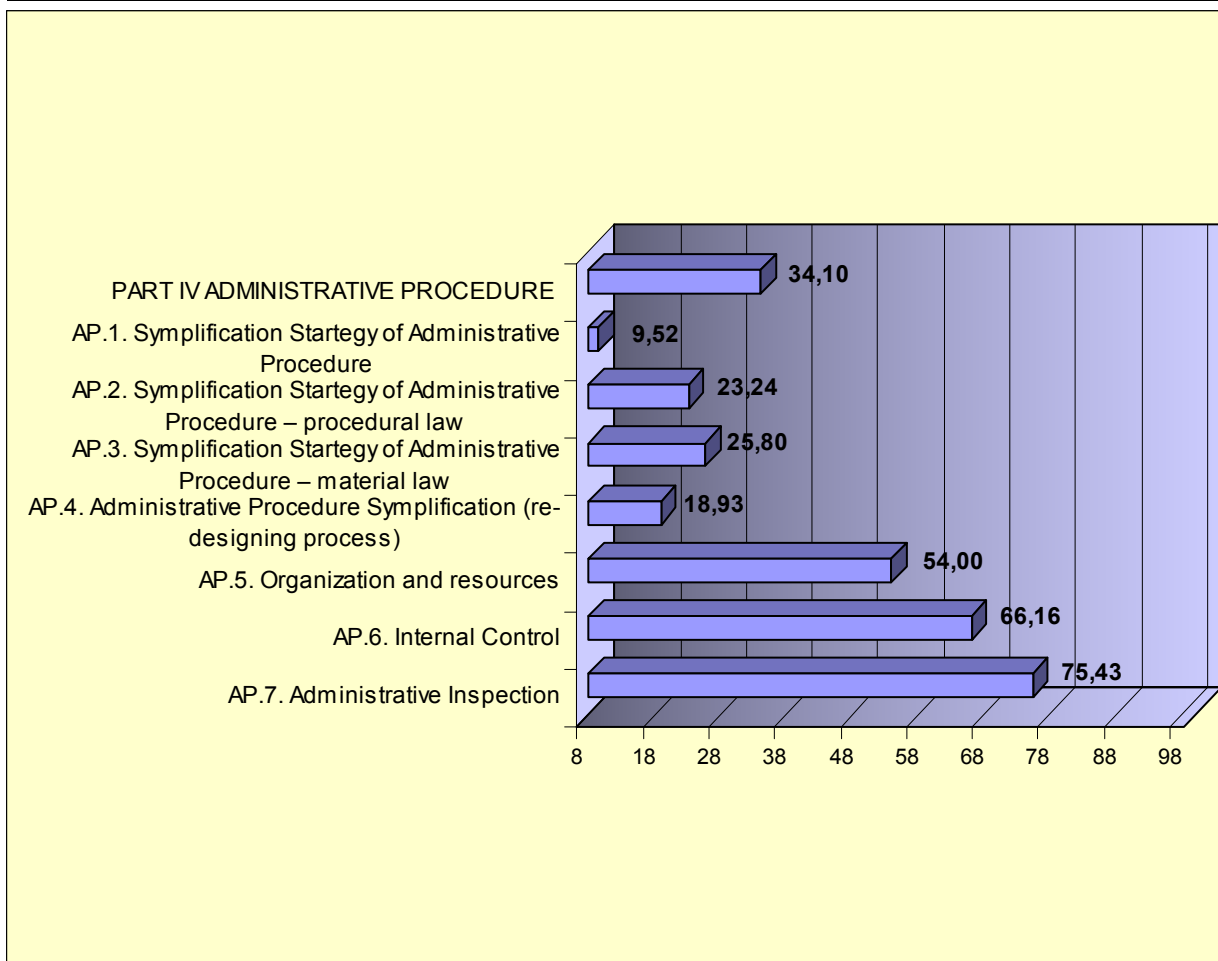
In the next period, the following activities were planned:

- The PARCO, in cooperation with Mr. Wolfgang Rusch (SIGMA), expert in administrative procedure, plans to have a workshop in September.
- Monitoring implementation of the project “Draft of Administrative Decision Making in BiH Quality Improvement Programme”.
- Cooperation with the TA Team and the short term expert for the reform area of Administrative Procedure.
- Organisation of meeting of the members of the Supervisory Team for the reform area of Administrative Procedure.
- Continue with the activities on preparation of the logical framework and the project proposal for the project “Education of Leaders of Administrative Procedures and the Administrative Inspectors”.

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

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

COMPONENT OF THE ACTION PLAN 1	Implemented
PART IV ADMINISTRATIVE PROCEDURE	34.10
AP.1. Simplification Strategy of Administrative Procedure	9.52
AP.2. Simplification Strategy of Administrative Procedure - procedural law	23.24
AP.3. Simplification Strategy of Administrative Procedure - material law	25.80
AP.4. Administrative Procedure Simplification (redesigning process)	18.93
AP.5. Organisation and Resources	54.00
AP.6. Internal Control	66.16
AP.7. Administrative Inspection	75.43



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

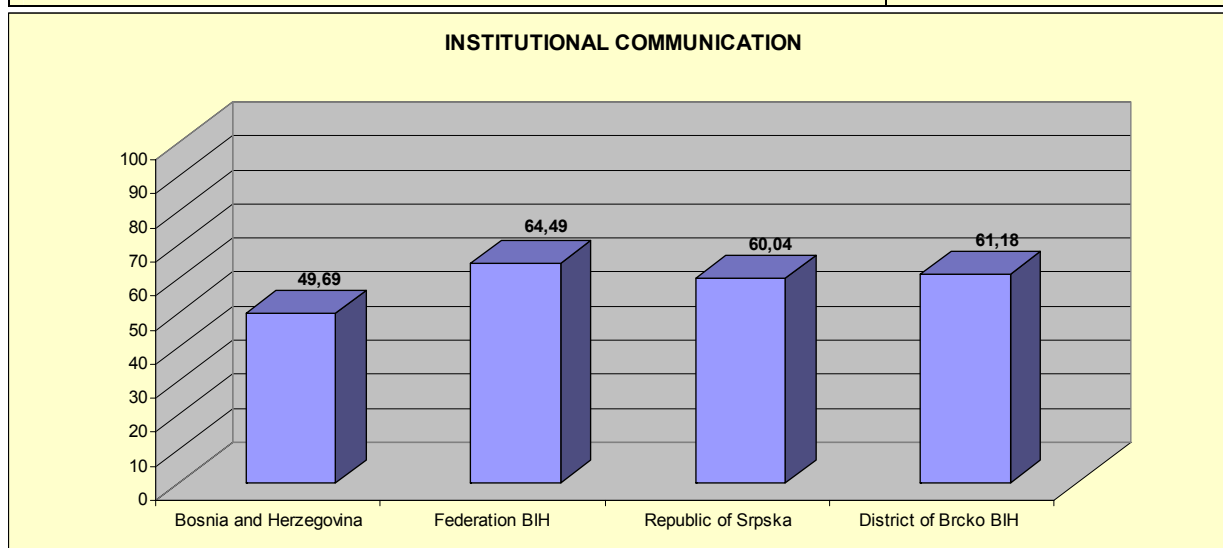
3.1.5 Institutional Communications

In the reporting period, the AP 1 implementation in the area of Institutional Communications at the state, entity and Brčko District of BiH level is **58.21 per cent**, which is an increase of 17.77 per cent in relation to the previous reporting period.

Table 15 gives the overall progress in implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Institutional Communications.

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

INSTITUTIONAL COMMUNICATIONS	Implemented
Bosnia and Herzegovina	49.69
the Federation of BiH	64.49
the Republic of Srpska	60.04
the Brčko District of BiH	61.18



This significant progress is a result of the effects of successfully implemented three joint projects funded from the Public Administration Reform Fund, and of the significant individual progress on the level of the Brčko District, stemming from fulfilling a key precondition: establishment of the central unit for information. Thanks to the improved cooperation with the Supervisory Team for Institutional Communication, availability and quality of information based on which the report was prepared has improved.

In the reporting period, all three projects financed from the Public Administration Reform Fund have been fully implemented.

The project “Strategic Communication” has been successfully completed. Within the project, a research on public perception of the governments in BiH and their communication activities was carried out, as well as analysis of compliance of the existing communication strategies (RS and FBiH), with the AP1. In this reporting period, there was a meeting of the Working Group composed of beneficiaries and the representatives of the PARCO, where drafts of communication strategies and action plans for each level were finalised. Draft documents were presented to the beneficiaries and delivered at their disposal. Project activities have directly contributed to the fulfilment of the measures in the area IC 2. It is expected that the central units for information ensure inclusion of these documents in the agenda of the sessions of the governments and their adoption.

The project “Training of Public Relations Officers” was completed as scheduled – June 2010, with a duration of five months. The Consultant conducted a survey among the public relations officers at all levels, which served as the basis for further project activities. During March, there was training from the field of public relations in Sarajevo, Mostar and Banja Luka, which was attended by a total of 70 public relations officers from all levels. There was also a study visit to Slovenia, in which 2 representatives from each level took part. During that visit they were

presented with a manner of work and practice in the area of institutional communication and PR in the EU member state. There was also the conference “PR Network” in Teslic, which brought together public relations officers, and representatives of NGO sector. Over 70 participants had the opportunity to listen to eminent speakers and link with colleagues from other institutions. A unique Manual for Public Relations was prepared and distributed to all central units for information. The project has contributed to implementation of measures from the areas of IC 1, IC 5 and IC 8.

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

Information Service of the Secretariat General of the Council of Ministers of BiH has issued the second issue of the bulletin “INFO of the Council of Ministers”, which represents a concrete step in terms of sustainability of the project “Establishment of Network of Info Stands”. Introduction of practice of regular publishing of this bulletin was announced. Also, the practice of exchange info materials through the info stands between the levels has continued.

In the reporting period there were two meetings of the Supervisory Team, and four bilateral meetings with the members of the Supervisory Team on the occasion of beginning of implementation of the project “Training of Public Relations Officers”. In addition, the meetings were held also with the working groups within the project “Strategic Communications” and “Training of Public Relations Officers”. The intensity and quality of cooperation of the PARCO and Supervisory Team was significantly improved, which resulted in active participation of the members of the ST in all project activities and in significant contribution to improving the quality of project results.

In the reporting period, at the level of institutions of BiH the degree of implementation of the Action Plan 1 is 49.69 per cent, and the progress has been noted primarily through implementation of the aforementioned three projects, through the activities of the Information Service of the Secretariat General of the CoM BiH, which were fully implemented and are continuing (issuing bulletin, purchase of equipment, media monitoring, etc.), and by providing information on implementation of the project “eGovernment” by which the institutions of BiH are presented on the internet and integrated into a single intranet system.

At the level of the Republic of Srpska, implementation of the AP 1 is 60.04 per cent. Progress has been achieved by implementing projects, by continuous activities of the Bureau for Information of the Government of the RS within the measures that have been implemented in full (issuing brochures, communication with the media, etc.) as well as by providing data on the achieved progress within other institutions (PR officers engagement in certain institutions, etc.). All fully implemented measures that have been foreseen as continuous are being carried out as planned.

In the Federation of BiH, the degree of implementation is 64.49 per cent. Progress has been noted primarily by implementation of the projects “Establishment of Network of Info Stands”, “Strategic Communication” and “Training of Public Relations Officers”, and by the effects arising from the activities of these projects.

The progress on the level of the Brčko District is a major component of overall progress in this period. Established level of progress is 61.18 per cent, which is an increase by 40.31 per cent compared to the end of 2009. There are three generators of this significant progress. The first and most important is the final formal solution to the lack of Central Unit for Information, which

has been in all previous reports noted as a burning issue and an obstacle. The Organisational Plan of the Government of the BD BiH 01.1-05-042708/09 of December 31st, 2009, formally established the Information Sector with integrated functions of internal and external communications. Given that the majority of jobs stipulated for the Sector are filled, and the procedure to fill the remaining is in progress, it has been recorded that the Central Information Unit became operational. Taking into account the specificity of the administrative structure of the BD BiH, the function of public relations and communications has been integrated in this unit for all institutions of the Government of the Brčko District, and, unlike other governments, its existence and operation of this unit largely fulfils the AP1 measures fully. Therefore, most of the measures that treat resources, organization, etc., is now completely fulfilled. Another source of progress is implementation of the aforementioned three joint projects. The third source is a comprehensive analysis and review of the existing measures of the AP1, conducted by the members of the Supervisory Team from the level of the BD BiH, in cooperation with the PARCO. This analysis resulted in submission of updated, new and quality information and in registration of new and existing fulfilled AP1 measures in the area of IC. Improved quality and actuality of the submitted information directly contributed to the registered progress.

Establishment of the Central Unit for Information at the level of the Government of the Brčko District of BiH fulfilled the key precondition for further progress, both individual and overall, in the area of Institutional Communication. Such progress in the short term is possible because of the specific structure of the Government of the Brčko District of BiH, while because of more complicated structure and large number of institutions at other levels, complete fulfilment of the measures of the AP1 is significantly more complex and time consuming.

By establishing more active and better cooperation with the Supervisory Team in the segment of reporting, the progress has been made in registration of fulfilled measures as well as documentation and formal basis for noting the progress.

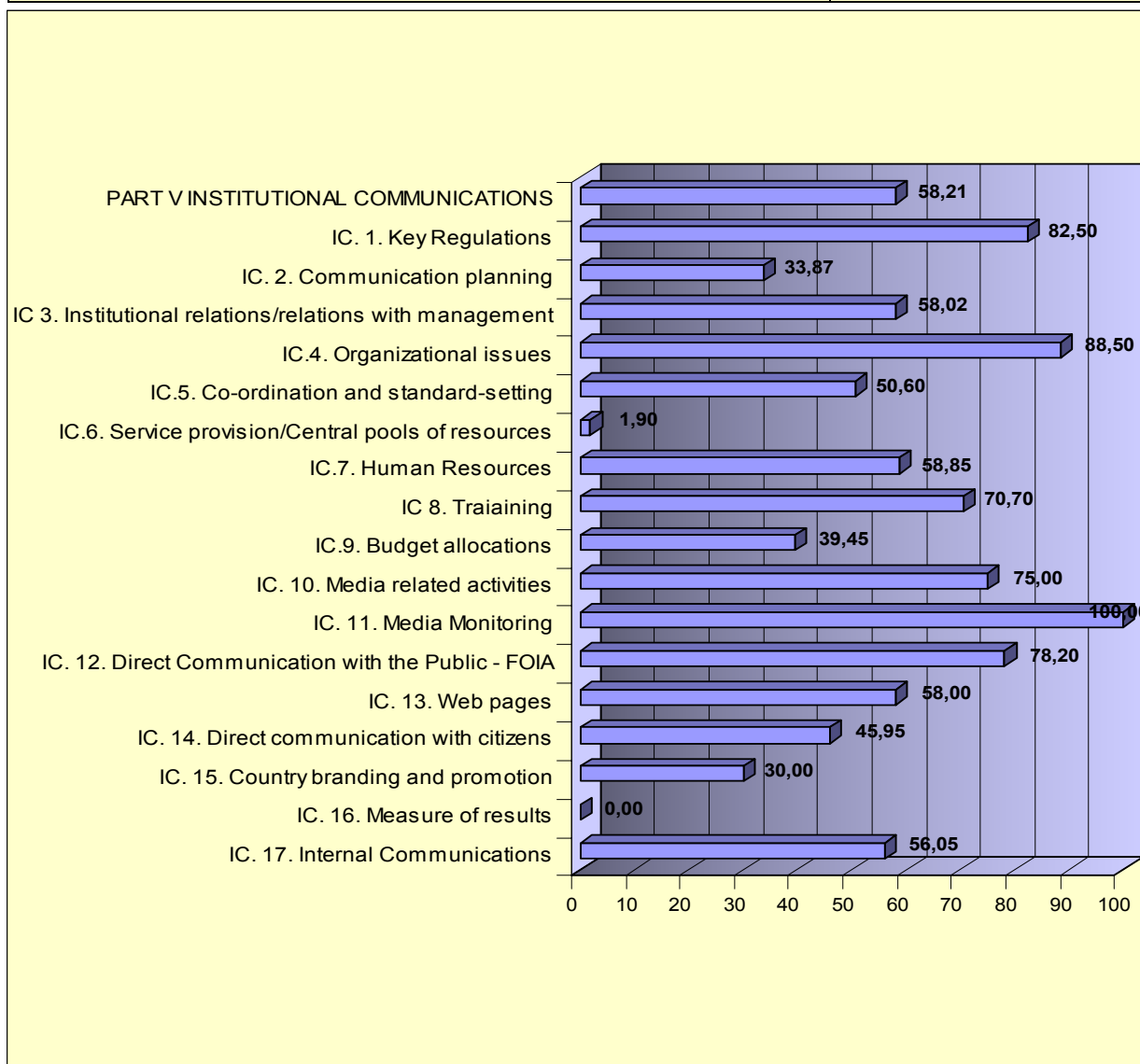
For the next period the following activities were planned:

- Implementation of comprehensive analysis of the condition of the AP1 in the area of Institutional Communication with the support of the Technical Assistance Team to the Public Administration Reform Coordinator's Office.
- Draft of project documentation for the project "Publication of Info Materials of the Council of Ministers of BiH and the Governments of the RS, the FBiH and the BD BiH".
- Development of the project "Feasibility Study for Establishment of the BH Information Centre".
- Preparation of new projects in cooperation with the Supervisory Team.
- Improvement of cooperation with the Supervisory Team in the activities of implementation of the measures of the AP1.

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

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

COMPONENT OF THE ACTION PLAN 1	Implemented
PART V INSTITUTIONAL COMMUNICATION	58.21
IC 1. Key Regulations	82.50
IC 2. Communication Planning	33.87
IC 3. Institutional Relation/Relations with Management	58.02
IC 4. Organisational issues	88.50
IC 5. Coordination and Standard Setting	50.60
IC 6. Service Provision/Central Pools of Resources	1.90
IC 7. Human resources	58.85
IC 8. Training	70.70
IC 9. Budget Allocation	39.45
IC 10. Media Related Activities	75.00
IC 11. Media Monitoring	100.00
IC 12. Direct Communication with the public - FOIA	78.20
IC 13. Web Pages	58.00
IC 14. Direct Communication with Citizens	45.95
IC 15. Country Branding and Promotion	30.00
IC 16. Measure of Results	0.00
IC 17. Internal Communications	56.05



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

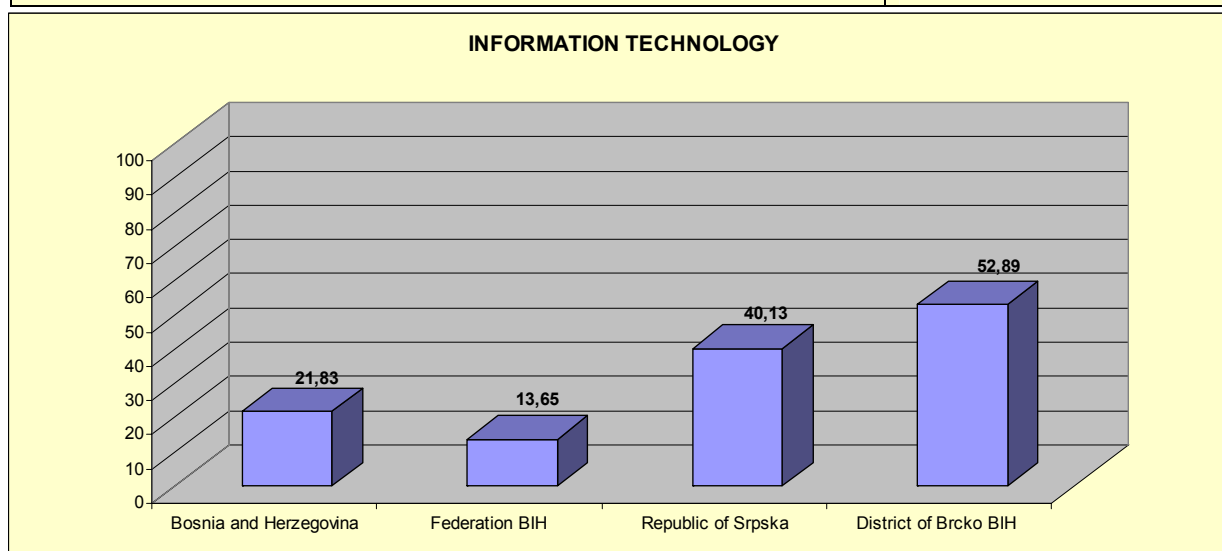
3.1.6 Information Technologies

In the reporting period, the AP 1 implementation in the area of Information Technologies at the state, entity and the Brčko District of BiH level is **32.26 per cent**.

Table 17 shows the overall progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH for the reform area of Information Technologies.

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

INFORMATION TEHNOLOGY	Implemented
Bosnia and Herzegovina	21.83
the Federation of BiH	13.65
the Republic of Srpska	40.13
the Brčko District of BiH	52.89



At the level of BiH, the Decision on Electronic Operations and e-Government was adopted by the Council of Ministers. Draft of documents has started within the “Policy of Software in the Institutions of BiH” in working subgroups. At this level, the initiative started for negotiations on joint licensing of Microsoft software for the public sector at the national level in order to achieve cost reduction for licenses. In the Republic of Srpska, a study was drafted on eLegislation as well as documentation for standardization of IT architecture. A member was appointed in the working group for drafting the Law on Agency for Development of Information Society of BiH. In the Federation of BiH, the Report on Implementation of Information System of Registry of Small and Medium Enterprises was adopted.

For the project “**One Stop Shop - Services for Assistance to Citizens**”, in the reporting period, the tender documentation was drafted, which was approved by the PARF JMB. The procedure of procurement was initiated and procurement notice was published. After taking the tender documentation, the bidders sent a series of questions asking clarifications, and they were duly answered. Because of objections to the tender documentation, the procedure was suspended, and respecting the arguments it was also annulled. Project proponent, the Brčko District, is familiar with the reasons for suspension of the project, and they were directed to further steps and necessary changes to the project documentation. It is expected that the Brčko District will deliver new project documentation.

The procedure of procurement of services for the project “**Design and Establishment of Interoperability Framework and Standards for Data Exchange**” was temporarily suspended due to complaint of a candidate to the decision on the outcome of the prequalification phase. The procurement procedure has continued after the deadline for appeal by notice to the appellant who appealed to the Decision on the outcome of the prequalification phase. In the next period, an invitation will be sent to the candidates who met the conditions in the phase of

prequalification to submit their bids.

Draft of project proposals has started for two project ideas: "Establishment of Video-Conference Centres" and "Promotion of Use of Information Technologies in Public Administration" with a direct reference to the Action Plan 1 in the chapter Information Technologies. After secondary research, project documentation was drafted for the project "Establishment of VC Centres", which was presented to ST at the meeting, held on June 3rd, 2010. The members of the ST from the Republic of Srpska, at the meeting, gave proposal of another solution for the project "Establishment of VC Centres", and after that, submitted the project documentation which was discussed at the session of the ST, held on June 23rd, 2010. Discussion and then conclusion found that representatives from the level of the FBiH will make a draft of new proposal with a solution, which was proposed at a meeting of the ST, which will be discussed by the ST at the next meeting.

The project "**Promotion of Use of IT in Public Administration**" is still in the phase of secondary research and information gathering for the purpose of drafting the project documentation.

The II phase of the project e-Government was suspended, because the Decision on Implementation of the II Phase of e-Government in the Council of Ministers of BiH was not adopted by the Council of Ministers of BiH, which resulted in withdrawal of the approved funds by the European Commission.

The Council of Ministers of BiH adopted the Decision on Electronic Operations and e-Government in the CoM BiH (Official Gazette of BiH no. 7/10) which, among other things, defined that the tasks of e-administration are to be entrusted to the Office for e-Government within the Secretariat General of the CoM BiH, and it ordered that within 30 days amendments to the Rulebook on Internal Organization and Systematisation of Jobs are to be drafted. However, due to the moratorium on new employment in the institutions of BiH, implementation of the decision is questionable in the current year.

In the first quarter of 2010, the subgroups of the working group for drafting the documents within the "Policy of Software in the Institutions of BiH" began drafting these documents. The PARCO, within the subgroup for interoperability in the Ministry of Communications and Transport of BiH, submitted the document "Interoperability Framework in the Institutions of BiH - the Guide for Preparation" with proposal of measures necessary to take already in the preparatory phase of drafting the final document of interoperability framework. The guide also contains an XML scheme for two e-services: tax return and the change of residence.

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

At the same level, in the reporting period, the procedure began of enabling the certification system to issue digital certificates to the bodies of state administration. The Draft Law on Information Security was completed. By coordination of activities implementation of the strategy of eHealth began, coordination of activities in the project of electronic maintenance of registry books and land registries. There was establishment of the work group who drafted the Law on Information Security in the RS. Ongoing is development of strategy for development of information society, which should be adopted at the end of the year. There was renewal of the contract of the Government of the RS with the company Microsoft for a period of three years.

For the project of introducing a single register of small and medium enterprises in the FBiH, the Federal Government adopted the report on implementation. It has been proposed to appoint interdepartmental body tasked with drafting a plan of further actions for implementation of the project. The register would contain socio-economic indicators and indicators of physical volume for small and medium enterprises and it would contribute to implementation of activities from the chapter IT 4.3. of the AP 1. The Government of the Federation of BiH, at the 136th session, held in March 2010, discussed a report on execution of the strategic contract of the Government of the FBiH with the company Microsoft BiH. The report was adopted and a

decision was made to continue the project in accordance with the planned budget assets. Special attention was given to execution of obligations of the Secretariat General from the scope of information technologies. The Secretariat General of the Government of the FBiH was put in charge to pay special attention in the next period to the following activities:

- Preparation of project for building the system for internal communication.
- Coordination, timely and complete information to the federal administration authorities and to the federal administration organisations on the benefits of using the rights from the contract in order to avoid single orders of Microsoft software and tools, and in order to gain advantages through the Contract on Volume Licensing. All the institutions on the level of the FBiH were also put in charge to inform the Secretariat General of the Government of the FBiH in case of planning, designing and building computer systems and procurement of IT equipment based on Microsoft technologies.
- Analysis of the condition of the IT system, equipment and staff in the federal bodies of administration and administrative organisations.
- Until establishment of a central unit for information society in the FBiH, in coordination with other IT services, of other bodies of civil service, work on creating preconditions for defining policy of software and building a network for public administration at all levels of the FBiH.

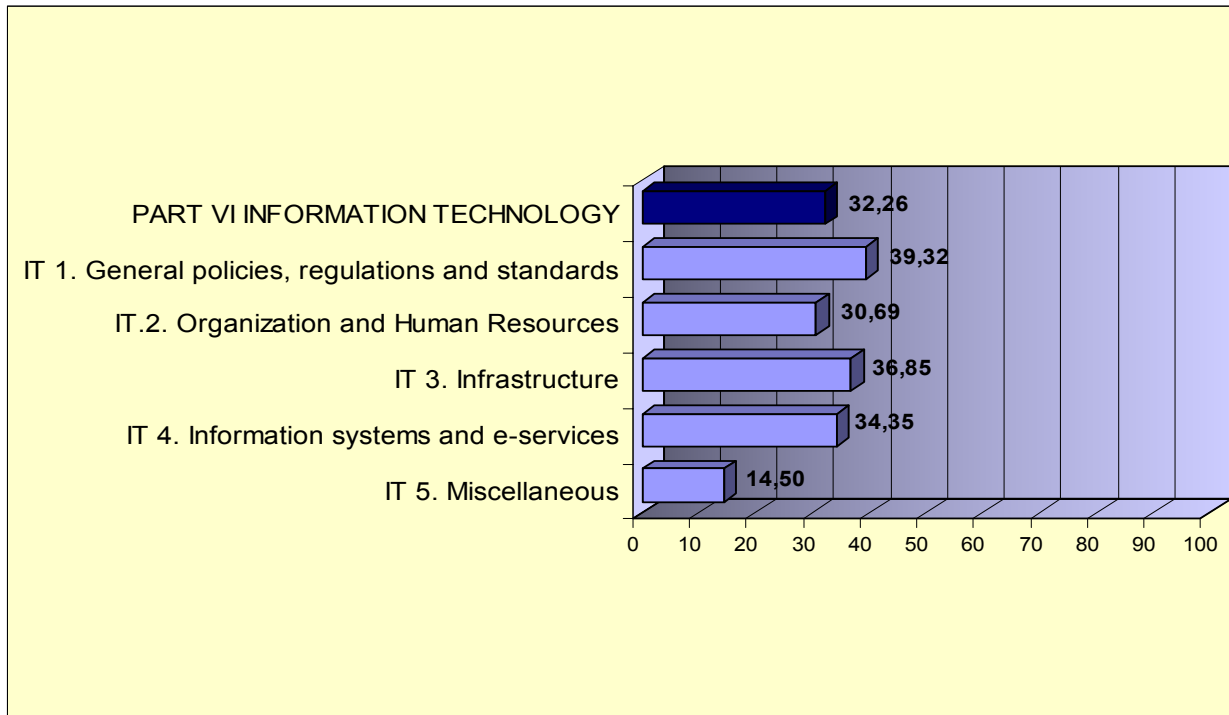
For the next period, the following activities were planned:

- Implementation of procurement of services for the project “One Stop Shop – Services for Assistance to Citizens”.
- Initiation of the second phase of the restricted procedure of procurement of services for the project “Design and Establishment of Interoperability Framework and Standards for Data Exchange”.
- Finalisation of the project proposal and the terms of reference “Establishment of Video-Conference Centres”.
- Preparation and adoption of all remaining laws and legal regulations, implementation of activities for implementation of 12+8 services for citizens and economy, introduction of codebook of IT jobs, and verification of computer literacy of the existing staff in the Government of the RS.
- Because of slow dynamics in implementation of measures of the AP1, at the level of the FBiH, in the next period, many significant activities were foreseen with the objective of improvement: of legal regulations, institutional and human resource capacities, infrastructure, trainings, internal and external communication by standardising web pages and by introduction of intranet.

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

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

COMPONENT OF THE ACTION PLAN 1	Implemented
PART VI INFORMATION TEHNOLOGIES	32.26
IT 1. General policies, regulations and standards	39.32
IT.2. Organisation and human resources	30.69
IT 3. Infrastructure	36.85
IT 4. Information systems and e-services	34.35
IT 5. Miscellaneous	14.50



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

3.2 Implementation of the Action Plan 1

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

Public Administration Reform Fund:

The PARF JMB approved 14 projects so far. For six projects Contracts on consultancy services were concluded, of which three projects were completed, having in mind that for one of them not all payments have been made. The amount of total assets for the contracted projects is 2,424,446.45 KM. Of eight remaining approved projects, two are in the phase of preparation of project documentation, five projects are in the public procurement phase, while for one project signing of the contract is expected soon. Reserved assets for these eight approved projects are 8,537,005.38 KM.

Most of the projects were developed by the PARCO, and those are the following projects:

1. **Establishment of Network of Info Stands** – Proponent of the project is the PARCO, and the project covers the area IC 14. Direct communication with citizens from the Action Plan 1 of the PAR Strategy. Implementer of the project is “Deloitte” d.o.o. Zagreb, and value of the project is 148,395.21 KM. This project is completed.
2. **Strategic Communications** – Proponent of the project is the PARCO, and the project covers the area IC 1. Key Regulations from the Action Plan 1 of the PAR Strategy. Implementer of the project is consortium “Djikić consulting services” and “Đikić” d.o.o. Sarajevo, and value of the project is 145,579.32 KM. This project is completed.
3. **Training of Public Relations Officers** - Proponent of the project is the PARCO, and the project covers the area IC 8. Trainings from the Action Plan 1 of the PAR Strategy. Implementer of the project is “Prime Communications” d.o.o. Banjaluka, and the contracted value of the project is 128,285.88 KM. All the activities of the project have ended by June 29, 2010.
4. **Design and Establishment of Interoperability Framework and Standards for Data Exchange** - Proponent of the project is the PARCO, and the project covers the areas IT 4.1 Develop standards for systems architecture and development of applications, IT 4.2 Establish interoperability framework of e-Government, and IT 4.3 Develop strategy of public registers and develop them. The approved budget of the project is 1,029,744.50 KM.
5. **One Stop Shop – Services for Assistance to Citizens** – Proponent of the project is the Brčko District of BiH, and the project covers the areas IT 3.1 Establish backbone network for public administration, IT 3.3 Establish unique access point for exchange of information within administration, IT 4.5 Establish common standard for web sites of institutions of public administration and implement it, IT 4.6: Design portal of BiH, and IT 4.7 Implement 20 e-services from e-Europe 2005. The approved budget of the project is 582,894.00 KM.
6. **Draft of Administrative Decision Making in BiH Quality Improvement Programme** – Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 of the PAR Strategy related with the AP 1.1 Strategy of simplification of administrative procedure for the whole state. Implementer of the project is “Zamm media” d.o.o. Sarajevo, and the contracted value of the project is 444,600.00 KM.
7. **Budget Management Information System (BMIS)** - Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 related with the PF 2. Increase in efficiency and effectiveness of budget management and PF 2.1.6. Develop software for budget drafting which is compatible with the treasury system. The approved project budget is 1,830,656.88 KM.

8. **Training of Civil Servants for Application of Information Technologies and Work on Computers** - Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 related with the HR 7.3 Special requests for technical or expert training and IT 2.8 Increase computer literacy of civil servants. Approved project budget is 825.000.00 KM.
9. **Development of Performance Management System in the Structures of Civil Service in BiH** - Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 related with the HR 6.1 Performance management and HR 6.2 Probation work and introduction in duties. Implementer of the project is consortium "Djikić consulting services" and "Đikić" d.o.o. Sarajevo, and the contracted value of the project is 760.383,00 KM.
10. **Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase 1** - Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 related with the PM 1. Strengthening central capacities for policies. Approved project budget is 2,000,000.00 KM.
11. **Improvement of Rules and Procedures for Legal, Other Regulations and General Documents Drafting in BiH** - Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 related with the PM 2.2 Establishment of consistent policy on quality of regulations, PM 3. Improvement of verification of harmonisation with regulations and PM 4. Improvement of the process of enactment of regulations. Implementer of the project is the Faculty of Economics in Sarajevo. Contracted value of the project is 786,041.57 KM.
12. **Transposing EU Legislation in the Legal System of BiH** - Proponent of the project is the PARCO, and the project covers measures and activities of the AP 1 related with the PM 3.4 Improvement of verification of harmonisation with the regulations (EU acquis). Approved project budget is 400,000.00 KM.
13. **Publication of Information Materials of the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH** - Proponent of the project is the PARCO, and the project covers the measure from the AP 1 IC 14. Publish and distribute fliers, brochures and other information of public significance. Approved project budget is 274,000.00 KM.
14. **Establishment of Modern Departments for Human Resources Management in the Bodies of Administration in BiH** – Initially, the project proposal was prepared by the Civil Service Agency of the FBiH in cooperation with the UNDP BiH, entitled "Establishment of Modern Departments for Human Resources Management in the Ministries and Institutions of the Federation of Bosnia and Herzegovina". After discussing the project idea at the session of the Supervisory Team for the reform area Human Resources Management and additional consultations, and based on demonstrated support by the representatives of other levels of authority, the PARCO prepared the joint project proposal, which widened the scope of the project to all four structures of civil service in BiH. The project covers the measures and activities of the AP 1, related with HR 4.3.3. Development of capacities in respective institutions. Approved project budget is 1,594,710.00 KM.

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

Problems during Implementation/Deviations from the Action Plan 1

In this reporting period, the following problems were identified, which significantly influence implementation of the Action Plan 1:

- The problem with the greatest influence on dynamics of implementation of the AP1 in the area of Information Technologies is the lack of the Agency for Information Society on the level of BiH, which is the bearer of 88 per cent of the activities of the Action Plan 1 of the

PAR Strategy. The Law on Establishment of the Agency for Development of Information Society is still not adopted. Urgent activities and competencies, which suppose to belong to the Agency for Information Society, the Ministry of Transport and Communication tried to implement with its own capacities. In order to be able to more adequately answer these urgent needs, there was a plan to change the rulebook on systematisation, which would establish two new departments (Department for e-Administration, and it has also been foreseen to establish the Office for Accreditation of Verifiers on the level of BiH, which would be in charge of implementation of the PKI). The Ministry of Transport and Communication of BiH, also on several occasions, sent various versions of Draft Law on Agency for Development of Information Society of BiH, and currently there are activities on sending the Law in the parliamentary procedure again, after entity harmonisation, but in spite all that, the assumptions are that the Law on Agency for Information Society will not be adopted in 2010.

- Implementation of the Action Plan 1 is hindered by slow procedures of adoption of accompanying laws, acts, decisions and documents, because of which, for example, the Law on Electronic Signature of BiH is not yet implementable.
- Human resources deficit in the area of IT in many institutions of public administration represents a serious problem and threatens to endanger sustainability of already existing and ongoing projects, which are being implemented, and it also represents an obstacle to start implementing earlier planned projects.
- Inadequate quality of data on progress submitted by the administration bodies in charge of implementing reform measures, from the aspect of verifiability and fulfilment of the essence defined by the methodology of monitoring of progress of implementation of the measures of the Action Plan 1 of the PAR Strategy.
- Inability of representatives appointed in the Supervisory Team to provide implementation of certain measures of the AP1 which require engagement of management from the highest level (from the formal aspect).
- Hold-ups in implementation of projects because of lengthy appeal procedures within implementation of procedures of public procurements for implementation of projects.
- Failure to adopt previous Proposal of the Law on Salaries and Allowances in the Bodies of Administration of the Federation of BiH by the Federal Parliament.
- Movement of deadlines in preparation of the new/changes of the Law on Civil Servants and Employees in the FBiH and the Law on Civil Servants on the level of the Brčko District of BiH.
- Insufficient human capacities and slow installation of the HRMIS in the bodies of civil service.
- Deviations in implementation of activities and measures from the Action Plan 1, for which it has been set to have several responsible institutions, i.e. for which there are no precise exclusive competencies of respective institutions (as stated in the semi-annual progress report submitted from the level of the FBiH), as well as weak coordination of measures for which, by their contents, it has been set to be fulfilled through joint work.
- Insufficient representation of measures of the AP1 from the reform area of Human Resources Management in annual operation plans of work of department ministries and displacement of responsibility for reform out of the competency framework of some of the administration bodies (as stated in the semi-annual progress report submitted from the level of the FBiH).
- Limitation and insufficient amount of assets which are provided from the adopted budgets at all levels of administration for training and development. There is a special accent on rigorous decrease at the level of the Brčko District, because of the budget which has not been executed for the previous year and possible decrease of assets for training through

rebalance of the budget for the level of the FBiH (in the information submitted by the competent institutions in the reform area of Human Resources Management, there is no precise data on the amounts of approved assets for training for the current year).

- Insufficient representation of measures from the AP1 with the PAR Strategy in the annual operation plans of work of governments.
- Treatment of jobs related with the public administration reform as additional jobs with regular jobs.
- Deputy member of the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination on behalf of the Government of the Republic of Srpska, since January 2010, does not execute the said duty any more, which in this reporting period slowed down the activities of the Supervisory Team.

Proposals for Overcoming the Problems

- It is necessary that centres of executive authority, which appointed the representatives in the supervisory teams, stimulate the work of the civil servants in these interdepartmental bodies and ensure their continuous and responsible relationship towards the public administration reform.
- Provide assets in the budgets, needed for long-term maintenance of the HRMIS and intensify activities of installing the system in respective institutions.
- Activate “internal trainers” in the civil service of the Brčko District of BiH and provision of funds for their education and work.
- Facilitate activities on adoption of the new Law on Civil Service on the level of the Brčko District of BiH.
- Introduction of legal provisions ensuring promotion of civil servants in career in accordance with the annual evaluation of work and improvement of evaluation procedures – on the level of the Brčko District.
- Through rebalance of the budget of the Brčko District of BiH for 2010, plan funds for training.
- Facilitate implementation of the project “Training of Civil Servants for Application of IT and Work on Computers” - (according to the data from the semi-annual report on progress from the Republic of Srpska).
- Initiation of procedure for appointment of new deputy member of the Supervisory Team Development of Capacities for Policy Making and Coordination on behalf of the Government of the Republic of Srpska.
- Establish and enable operational work of the Agency for Development of Information Society of BiH.
- Intensify cooperation and communication between the entity PAR coordinators and the PAR coordinator of the Brčko District with the Supervisory Team for IT, for the purpose of facilitating flow of information and shortening the deadlines, especially in the procedures of approval of project proposals and tender documentations.
- Improve flow and exchange of information between all the representatives of implementation structures for implementation of the reform. This especially relates to communication between the members of the supervisory teams from different levels of authority (but also within the same level of authority), entity coordinators and the coordinator of the Brčko District of BiH, and communication towards the PARCO.

- Analyse implementation of the AP 1, in order to identify potentially redundant or unachievable measures, and enable unhindered application of the principle of coherence in implementation of the PAR Strategy, and define methodology for updating contents of the whole Action Plan 1 and harmonisation of the approach and priorities in all reform areas with representatives of appropriate institutions.
- Ensure timely delivery of information, which institutions deliver to the PARCO for the report on monitoring the progress in implementation of the reform.

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

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