



# ANNUAL REPORT ON WORK

January - December

# 2013

OF THE PUBLIC ADMINISTRATION REFORM  
COORDINATOR'S OFFICE

January 2014



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## 1 Summary

- ✚ Earlier this year, the list of new projects was expanded from 17 to 24, and with the representatives of the four levels of government the priority projects for 2013 have been agreed, i.e. ten of them.
- ✚ During the year, the PARCO worked on development of thirteen projects, one project was the result of cooperation with the GIZ, funding for one project was planned from bilateral donor funds, and other projects were planned to be financed by the Public Administration Reform Fund.
- ✚ In 2013, the PARF JMB approved seven project proposals and four terms of reference (priorities for 2012 and 2013), and the tender documentation for four projects. Currently, implementation of one project financed by the Public Administration Reform Fund is ongoing.
- ✚ Successful completion of the project "Budget Management Information System" (BMIS). Additional 76 licences have been delivered and design of additional software module for automatic salary planning with the system for calculation of salaries has been ensured. Beneficiaries at all the levels are satisfied with the results of the project. The budget for 2014 has been planned in the BMIS. The PARCO is preparing a project of widening the system by additional software component for gender responsible budgeting.
- ✚ The final report of the project "Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the phase I" has been adopted.
- ✚ The first phase of the project "Establishment of the BH portal" from the area of e-Administration, organised around every-day-life events, has been completed. The portal is one of the first steps towards provision of e-services to the citizens, and it is financed by the German GIZ.
- ✚ In 2013, one monitoring report and three evaluation reports of the projects financed by the Public Administration Reform Fund have been prepared. Two evaluation reports are being prepared.
- ✚ The Action Plan of Combat Against Corruption in the Public Administration Reform Coordinator's Office has been prepared.
- ✚ The Mid-Term Strategic Plan of the Public Administration Reform Coordinator's Office for the period 2014 - 2016 has been prepared.
- ✚ Implemented performance audit on the topic "Results of the Public Administration Reform". The report contains recommendations addressed to the institutions of BiH responsible for implementation of the reform, the Joint Management Board of the Public Administration Reform Fund, the PARCO and the Council of Ministers of BiH.
- ✚ After the House of Representatives of the Parliamentary Assembly of BiH adopted the Resolution on Establishment of e-Administration, the PARCO, in accordance with the conclusion of the Council of Ministers of BiH, prepared the Operations Plan for establishment of the Interoperability Framework at the level of the institutions of the CoM BiH. At the beginning of the year, the PARCO project "Design and Establishment of Interoperability Framework and Standards for Data Exchange" was officially completed, adoption of the documents stemming from this project is pending.
- ✚ Implementation of three projects financed by the IPA programme has started: "Blueprint of Development of Central Bodies of Governments in BiH - Phase II", "Support in Management and Implementation of Public Administration Reform in Bosnia and Herzegovina", "Education of Managers of Administrative Procedures and Inspectors", in which the PARCO participates actively, as a direct beneficiary of one and a member of the steering committees of all three projects.
- ✚ Completed first phase of the Programme of Strengthening of Public Institutions, as a result of cooperation between the PARCO and the German Society for International Cooperation (GIZ). Through this Programme, nine institutions received assistance, including the PARCO. Later in the year, the talks started on direction of development of the second phase of the Programme, which should take place in the period 2014 - 2016. The institutions received a significant

assistance in capacity strengthening, development of strategic documents, establishment of cooperation.

- ✚ Ongoing preparation for introduction of the model of total quality management in public administration. In cooperation with the GIZ, "Comparative Analysis of the Quality Management Model in Public Administration of BiH" prepared. A CAF model has been chosen, and the vision of the PARCO is to become a national resource centre for that model of quality management, dissemination centre and promoter of its values to the administration institutions.
- ✚ Prepared "Draft Policy Framework for Development of Human Resources Management in the Civil Service Structures in BiH" as a result of cooperation of competent institutions in the field of human resources management reform and support provided by the SIGMA.
- ✚ In the first half of the year the Council of Ministers of BiH and the Government of the Brčko District adopted the Bases of Development of the Second Action Plan of Public Administration Reform; by the end of the year, there are still no decisions by the entity governments.
- ✚ The Council of Ministers laid down the proposal of a new annex to the Memorandum of Understanding for Establishment of the PAR Fund, by which the Danish Ministry of Foreign Affairs joins the PARF, with the announced investment of EUR 3.76 million for the period 2014-2016. The PARCO awaits the approval of the Presidency of BiH to sign this document.
- ✚ So far, BAM 6,974,214.66 has been spent from the Public Administration Reform Fund, over BAM one million of VAT has been returned, which will be used for financing of new projects.
- ✚ The PARCO continued the activities to promote the public administration reform, this year among the civil servants at all four administration levels; the workshops held in Sarajevo, Banja Luka and Brčko.
- ✚ There were three press conferences, at which the projects and the results of the work of the PARCO have been presented.

## 2 Introduction

The Public Administration Reform Coordinator's Office (hereinafter: the PARCO), in accordance with the obligation from the Law on Administration of BiH, the Programme of Work of the Council of Ministers of BiH and the Decision of the Council of Ministers of BiH<sup>1</sup>, reports on its work every six months. This report covers the activities of the PARCO, which were undertaken in the period 1st January - 31st December 2013, directed towards execution of functions stipulated by the Decision on Establishment of the PARCO<sup>2</sup>, the Strategy of Public Administration Reform<sup>3</sup> in BiH and the Common Platform on the Principles and Manner of Implementation of the Action Plan 1 of the PAR Strategy<sup>4</sup>.

Preparation of project documentation and implementation of projects was in the focus of activities of the PARCO in 2013 as well. The projects the PARCO prepares, which are financed by the Public Administration Reform Fund (the PARF) are directed toward fulfilment of the measures from the Revised Action Plan (RAP) 1 of the Public Administration Reform Strategy in a way to fulfil the measures at the same time at the level of the state, the entities and the Brčko District. In the first half of the year, after consultations within the structure for implementation of the public administration reform process, the PARCO prepared a list of projects to be financed by the Public Administration Reform Fund. These are 24 projects for which the funds have already been provided in the PARF or financing has been agreed with the donors in the coming period. At the same time, the priority projects from the list have been chosen and harmonised, six of them. During the year, the PARCO was preparing the project documentation for these, as well as for other projects, which were declared priorities in the previous year. Details on the projects were provided in the chapter 4 of this Report.

The functions of the PARCO from the **Strategy**: coordination, direction of the reform process and monitoring of the results of implementation of the Strategy and the AP. **Common Platform**: The PARCO leads the overall coordination of implementation of the measures from the RAP 1 in six reform areas - Strategic Planning, Coordination and Policy Making, Public Finance, Institutional Communication, Human Resources Management, Administrative Procedures and Administrative Services and e-Administration. **The Decision**: The coordinator is in charge of "coordination of activities regarding preparation, enacting and implementation of Strategy of PAR in BiH" and "providing opinion to the chairperson of the Council of Ministers of BiH on the most important matters regarding the reform".

As a result of the activities that were initiated in the previous year, the Council of Ministers of BiH adopted in the reporting period a special report on execution of the Operations plan for implementation of unimplemented obligations from the RAP1<sup>5</sup>. The Council of Ministers adopted this plan in late 2012, at the initiative of the PARCO, as a result of efforts to facilitate implementation of unimplemented measures from the RAP 1. In the reporting year, the PARCO continued to implement monitoring of the process of the public administration reform, and reporting to the Council of Ministers on the achieved progress, and to the other actors in the process on the adopted reports and recommendations.

At the beginning of the year, the PARCO received support of the Council of Ministers also for start of preparation of the second action plan. In the first half of the year, the Council of Ministers of BiH, and then the Government of the Brčko District of BiH adopted the acts on preparation of the second action plan. By the end of the year, the entity governments have not yet adopted these documents.

Management of the PARF and cooperation with the new donors were important activities in this reporting period as well. In the first half of 2013, cooperation with the Ministry of Foreign Affairs of Denmark has been established, which will, after signing the Annex IV to the Memorandum of Understanding for Establishment of the PARF, join the PARF. Details on it were given in the chapter

<sup>1</sup> The Council of Ministers of BiH, at the 120th session of April 29, 2010, put the PARCO in charge of submitting the reports to the Council of Ministers of BiH every six months in the future, instead of quarterly.

<sup>2</sup> Decision of the Council of Ministers of BiH from 2004

<sup>3</sup> 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 adopted the PAR Strategy and the Action Plan 1 in 2006

<sup>4</sup> The Common Platform was signed by the Council of Ministers of BiH, the Government of the RS, the Government of the FBiH and the Government of the RS in 2007

<sup>5</sup> Report on Implementation of the Operations Plan for implementation of unimplemented obligations from the area of public administration reform for 2011 - implementation of the Conclusion of the Council of Ministers was adopted at the 35th session of the CoM BiH, held on 17 January 2013.

5. The PARCO continued cooperation also with the German Society for International Cooperation - GIZ through the Programme of Strengthening of Public Institutions in BiH, as described in the chapter 3 of this report.

Of nine activities of the PARCO, which were incorporated in the Programme of Work of the Council of Ministers of BiH for 2013, the PARCO fulfilled seven, and two remained unfulfilled. These are the Decision on the Change of the Status of the PARCO, and the Decision on Establishment of Intergovernmental Work Group for Preparation of the Second Action Plan. The PARCO gave up preparing the first decision in 2013 and notified on that the Secretariat General of the Council of Ministers of BiH, while the second decision was not submitted to the CoM, because a precondition for that was adoption of the document on start of preparation of the second action plan at the level of the entities.

In accordance with the recommendations of the Office for Audit of the Institutions of BiH, the Action Plan of Combat Against Corruption in the Public Administration Reform Coordinator's Office was prepared.

With the assistance of the GIZ expert, the Mid-Term Strategic Plan of the Public Administration Reform Coordinator's Office for the period 2014 - 2016 was prepared.

### 3 Coordination

The PARCO is in charge of coordination of the public administration reform process in the country, with the help of the mechanism for implementation of the reform measures, established by the Common Platform on the Principles and the Manner of Implementation of the Action Plan 1 of the Strategy of Public Administration Reform in BiH. Political coordination of the reform is the competency of the Coordination Board for Economic Development and European Integration. Overall coordination is maintained by the PARCO, and coordination within each respective level of authority is within the competence of the entity and the Br ko District of BiH coordinators. Supervision over implementation of measures from the Action Plan is implemented by the Supervisory Teams in each reform area, while the practical implementation is within the competence of the Implementation Teams, established for each project separately. The following part provides overview of activities of the key actors in the reform process.

#### *Political Coordination*

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In accordance with the conclusions of the Council of Ministers of BiH from 2009<sup>6</sup> and 2011<sup>7</sup>, in 2012, the PARCO initiated the session of the Coordination Board, but it was not held in 2013 either.

#### *Coordination with the Entity Coordinators and the Coordinator of the Br ko District of BiH*

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In the reporting period, there were four meetings of the PAR coordinators of BiH, the entities and the Br ko District of BiH, and the key topics were updating the list of new projects and establishment of the priority projects for 2013. That is, the Joint Management Board of the Public Administration Reform Fund, in early 2012, enacted the conclusion that that list of priority projects by reform areas would be the basis for planning of division of funds from the PARF. The list contained 17 projects, of which six were declared priorities for 2012. At the meeting, held in February, the coordinators agreed that it would be necessary to set the priorities for 2013, and establish a list of projects that would be financed by the unspent funds of the PARF. It has been agreed that the list would be delivered to the Supervisory Teams, and then to the Joint Management

The coordinators agreed a new list of the projects, priorities for 2013 and agreed on the projects that would be financed by the unspent funds of the PARF. Topics of conversations were also the project documentations, the second action plan, accession of the Danish donor to the PARF and promotion of the public administration reform.

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<sup>6</sup> 103rd session of the Council of Ministers of BiH, held on November 5, 2009

<sup>7</sup> 153rd session of the Council of Ministers of BiH, held on June 14, 2011

Board of the Public Administration Reform Fund. The topic of that meeting was also preparation of the second action plan. The coordinators agreed that they will submit the earlier prepared materials to the Council of Ministers of BiH / the Governments for adoption, and after that prepare the documents on establishment of the work group for preparation of the second action plan.

In the second half of April, at the meeting of the public administration reform coordinators in Sarajevo, there was a discussion on the Overall List of the Projects for Financing from the Public Administration Reform Fund and the projects that would be financed by the unspent funds of the PARF (updated overall list of the projects from 2012, including the priorities for 2012 and 2013). The entity coordinators requested the governments to declare on this list. The topics of the talks of the coordinators were also the project activities from the project proposal "Establishment and/or Strengthening of Capacities of the Institution/s for Regulations Control and Establishment of the Administrative Barriers Reduction System" from the reform area of Administrative Procedures and Administrative Services, and the conclusion was that the project needs to be sent to the governments for declaration. At the same meeting, the coordinators talked also on the manner and dynamics of approval of the projects at the level of the governments, they were agreeing on monitoring of work of the Supervisory Teams and informing on the changes in composition of the Supervisory Teams by reform areas. The PARCO informed the representatives of the entities and the BD BiH on accession of the Ministry of Foreign Affairs of Denmark to the Public Administration Reform Fund (3.76 million Euro in the period 2014 - 2016), and it has been agreed to initiate the activities on preparation and harmonisation of the Annex IV to the Memorandum of Understanding for Establishment of the PARF. The coordinators talked also on the materials for preparation of the second action plan - act on appointment of the work group for draft of this document.








Preparations for the project of technical assistance to the PARCO and the structures for public administration reform, and establishment of the priorities, as well as information on accession of the new donor to the Public Administration Reform Fund - Denmark were the key topics of the meeting that was held in late May. At the meeting, the coordinators exchanged information on receiving agreement of the governments for the priority projects 2012 - 2013, as well as on adoption of the materials for preparation of the second action plan.

At the October meeting, the coordinators discussed the Procedures of Finance Management of the Public Administration Reform Fund, that is their improvement, they were discussing the activities of promotion of public administration reform jointly conducted during the year by the PARCO and the German GIZ, and the PARCO requested at the same meeting the information regarding adoption of the Basis of Development of the Second Action Plan of Public Administration Reform in the entities. One of the topics of conversation at the meetings was also a study visit to Estonia, Latvia and Lithuania, organised by the GIZ.

### *Coordination of Work of the Supervisory Teams*

In early 2013, the PARCO, in cooperation with the seven Supervisory Teams from the six reform areas, prepared a list of projects which would be financed by the Public Administration Reform Fund in the following period. The list of the PARCO contained 17 project ideas, of which many were prepared in as early as 2012. After consultations with the Supervisory Teams - a part of the coordination structure for public administration reform managed by the PARCO, the original list, in the reporting period, had an addition of eight new project ideas, and one project idea - "Design of Software for Support to Legal and Other Regulation Drafting" was "taken off" the list in order to avoid overlapping with the project that was supposed

#### *Obligation of the Supervisory Teams members from the Common Platform:*

-  *Supervision over operative implementation of the measures from the AP 1,*
-  *Monthly reporting to the administrative level on implementation of the measures from the AP 1,*
-  *Establishing priorities in the reform area,*
-  *Harmonisation of progress indicators,*
-  *Initiation and proposing project proposals,*
-  *Supervision over work of implementation teams,*
-  *Ensuring timely implementation of the measures from the AP 1.*

to be financed by the IPA programme for 2012, intended for the parliaments in Bosnia and Herzegovina. Meaning that the activities the PARCO wanted to incorporate in their project were already planned by the IPA project.

The overall list currently contains 24 projects, among which there are six priorities for 2012, and priority projects for 2013, six of them. Although the PARCO was proposing to have as priority for 2013 the project "Introduction of Budget Management Information System in the whole BiH", because of the lack of agreement of all the participants in the process, by the decision of the Joint Management Board of the Public Administration Reform Fund, the project "Development of Electronic Training for the Needs of the Civil Service / Administration in BiH" was included in the list instead<sup>8</sup>. Previously, the PARF JMB gave agreement to have the project "Introduction of the Budget Management Information System in the whole BiH" sent to the Governments and/or the Prime Ministers of the Federation of BiH and the Republic of Srpska for agreement.

In addition to the established priorities, it has been agreed with the supervisory teams also that in 2013 four projects would be prepared, which would be funded by the unspent funds of the first phase of the Public Administration Reform Fund<sup>9</sup>.

The PARCO, after adoption of the list of the projects, worked during the year on preparation of the necessary project documentation (project proposals and tender documentations) for the agreed priorities.

The table provides the overall list of the new projects for support in implementation of the RAP 1, which were identified in cooperation with the Supervisory Teams, which marks also the priority projects for 2012 and 2013, with the note on the phase of preparation those projects are in:

No.	TITLE OF THE PROJECT	PRIORITIES	REFORM AREA	NOTE
1	Strategic Planning and Public Policy Development II (SPPD II)	PRIORITY 2012	Strategic Planning, Coordination and Policy Making	Project proposal prepared and adopted, terms of reference in the phase of harmonisation
2	Public-Private Partnership (PPP)	PRIORITY 2012	Public Finance	Project proposal and terms of reference prepared and adopted
3	Strengthening of Management of Extra-Budgetary Funds		Public Finance	-
4	Introduction of the Treasury Function in the Municipalities at the Level of BiH		Public Finance	-
5	Introduction of the Budget Management Information System in the whole BiH		Public Finance	-
6	Development / Procurement of Information System for Public Debt Management		Public Finance	-
7	Gender responsible budgeting	PRIORITY 2013.	Public Finance	The project is supposed to be financed by the unspent funds of the PARF. Project proposal and terms of reference prepared and adopted
8	Simplification and		Human Resources	

<sup>8</sup> Conclusion of the PARF JMB, adopted at the 35th session of 19 July 2013.

<sup>9</sup> Details on the unspent money of the first phase of the PARF are provided in the part of the Report related with the work of the Public Administration Reform Fund

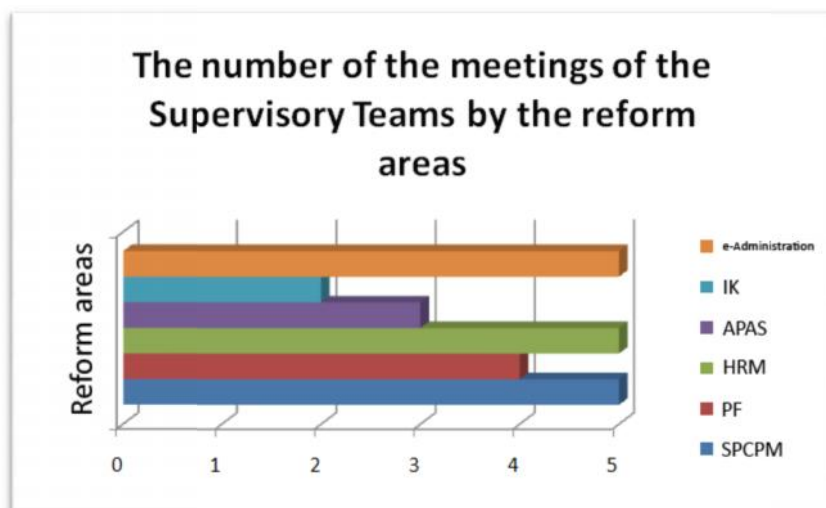


	Improvement of the Process of Employment for the Job in the Civil Service [sic]	PRIORITY 2013.	Management	-
9	Project of Harmonisation of the Teaching Programmes with the Needs of the Civil Service and Further Development of the Traineeship Programmes		Human Resources Management	-
10	Widening of the Information System for Human Resources Management by Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska	PRIORITY 2012.	Human Resources Management	Implementation of project is ongoing. The contract was signed in July, and then extension of the project as well
11	Development of Electronic Trainings for the Needs of the Civil Service / Administration in BiH	PRIORITY 2013.	Human Resources Management	Put on the list of priorities by the decision of the PARF JMB in July
12	Improvement of the Process of Needs Analysis and Evaluation of Effects of Training	PRIORITY 2013.	Human Resources Management	-
13	Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers	PRIORITY 2013.	Human Resources Management	The project is supposed to be financed by the unspent funds of the PARF. The project proposal was prepared and adopted
14	Improvement of the Salary System in the Federation of BiH		Human Resources Management	-
15	Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Obstacles	PRIORITY 2012.	Administrative Procedures and Administrative Services	The project proposal and the terms of reference have been prepared and adopted
16	Best European Practices of Institutional Communication	PRIORITY 2013.	Institutional Communication	-
17	Functional Overview of IC capacities in the Civil Service of BiH		Institutional Communication	-
18	Strategic Communication –	PRIORITY 2013.	Institutional Communication	The project is supposed to be financed by the unspent

	Phase II			funds of the PARF
19	Approximation of Administration to the Citizens – Set of Activities		Institutional Communication	-
20	Business Registration Reform Road Map	PRIORITY 2012.	e-Administration	The public procurement procedure was implemented, and then annulled by the decision of the Procurement Review Board
21	Implementation of Common Services for eServices	PRIORITY 2012.	e-Administration	Project proposal was prepared, which is in the phase of harmonisation
22	Establishment of permanent process of IT risk analysis in BiH	PRIORITY 2013.	e-Administration	-
23	Specialist Education Programme for IT Managers	PRIORITY 2013.	e-Administration	The project proposal was prepared and adopted
24	Establishment of Public Registers Catalogue in BiH	PRIORITY 2013.	e-Administration	The project is supposed to be financed by the unspent funds of the PARF

In the reporting period, seven Supervisory Teams held 24 meetings. In the areas of Strategic Planning, Coordination and Policy Making, in which there are two Supervisory Teams, and the areas of Human Resources Management and e-Administration, there were five meetings in each. In the area of Public Finance, there were four meetings, while in the area of Administrative Procedures and Administrative Services there were three meetings, and in the area of Institutional Communication - two meetings.

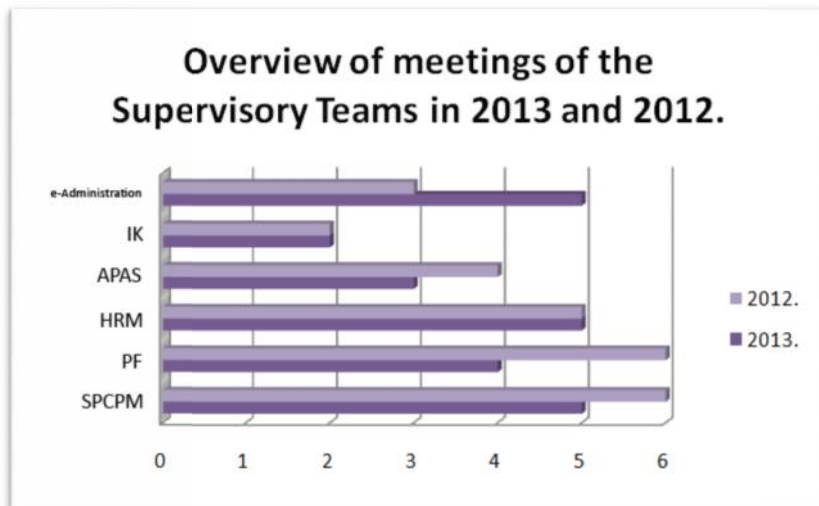
The number of the meetings of the Supervisory Teams by areas is given in the graph 1.



Graph 1: The graph shows the number of the meetings of the Supervisory Teams of the six reform areas

The number of meetings of the Supervisory Teams in the reporting period is smaller by two in relation to the previous year, when there was a total of 26 meetings of the Supervisory Teams. In 2013, there was an increased activity of the Supervisory Team for the area of e-Administration.

*With the operational implementation of the measures from the RAP 1, the implementation teams are also competent for reporting on implementation of the projects to the Supervisory Teams, as well as for expert preparation and drafting of regulations or their amendments in accordance with the project, submission of final proposals to the Supervisory Teams,*



Graph 2: Comparative overview of the number of Supervisory Teams meetings in 2013 in relation to 2012.

In the reporting period, the Council of Ministers of BiH adopted the Decision on Appointment of the Members and the Deputy Members of the Supervisory Teams for Implementation of the Action Plan 1 of the Strategy of Public Administration Reform in BiH<sup>10</sup>, which appointed new members in the teams from the areas of Public Finance, Human Resources Management and e-Administration. These are the representatives of the state institutions, who were appointed in these Supervisory Teams.

### *Coordination of Work of the Implementation Teams*

During 2013, the Implementation Teams from three reform areas - Strategic Planning, Coordination and Policy Making, Public Finance and Human Resources Management had regular contacts with the projects implementers, which was also their obligation from the Common Platform on the Principles and the Manner of Implementation of the Action Plan 1. In the reporting period, implementation teams were involved in implementation of the project activities, they participated in preparation of the exit results of the projects and the reports on implementation of the projects, and they provided for coordination between the implementer of the project and the beneficiary institutions.

### *Participation in Coordination Mechanisms of European Integrations*

Cooperation with the Directorate for European Integration of BiH continued in 2013 through preparation of the report on the achieved progress in the process of European integration and participation in the work groups for European integration. In this period, the representatives of the PARCO participated in work of the following groups:

<i>Work group / meeting</i>	<i>Period</i>	<i>Activities of the PARCO</i>	<i>Results</i>
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<sup>10</sup> At the 44th session, held on 3rd April, 2013.

Workgroup for Agriculture and Fisheries	February	Monitoring of activities in the said areas	Workgroup prepared reports
Workgroup for Innovations, Information Society, Social Policy and Public Health	April May	Monitoring of activities in the said areas	Workgroup prepared a report
Workgroup for Energy, Transport, Environment and Regional Development	April	Monitoring of activities in the said areas	Workgroup prepared a report on the condition in the field of environment

The PARCO continued to fulfil the obligations of reporting on the progress achieved in the process of European integrations. The Directorate for European Integration received the following reports:

<i>Report</i>	<i>Period</i>	<i>Activities</i>	<i>Results</i>
Contribution of the institutions of BiH for the regular Annual Progress Report of BiH in the Process of European Integration	April	Prepared contribution on achieved progress in the process of public administration reform in cooperation with the public administration reform coordinators of the entities and the BD BiH for the reporting period September 2012 - April 2013.	Report completed and submitted to the DEI BiH
Amendment to the Contribution of the institutions of BiH for the regular Annual Progress Report of BiH in the Process of European Integration	August	Amendment to the contribution for the achieved progress in the process of public administration reform prepared and submitted to the DEIBiH, for the reporting period April - August 2013.	Report completed and submitted to the DEI BiH

### *IPA 2011*

Three projects proposed by the PARCO and accepted for financing by the IPA 2011 within the Public Administration Reform Sector have a value of 3.3 million Euro.

The Project Support in Coordination and Implementation of the Strategy of Public Administration Reform in BiH officially started on 28 May 2013 and would take 15 months. The European Union Delegation in BiH awarded the contract to the company Planet from Greece. There is ongoing implementation of the activities in two project components:

- Component 1 - Strengthening of horizontal administrative capacities - support to implementation of the Revised Action Plan 1 (RAP 1) of the Strategy of Public Administration Reform in BiH
- Component 2 - Strengthening of administration capacities for sector reforms - support to implementation of the Action Plan 2 (AP 2) of the Strategy of Public Administration Reform in BiH

The implementer, since the start of implementation until the end of 2013 prepared and delivered the Inception and the First Quarterly Report of the Project, in the last quarter of 2013 they delivered to all the beneficiaries the Framework Plan 1 and the Framework Plan 2 (components 1 and 2). In the Framework Plan 1, related to improvement of the system of coordination and implementation of the RAP1, the Project delivered the first part of the Framework Plan "presentation of the current situation" in which the complete system of coordination and implementation of the RAP1 has been analysed, and the next step will be the submission of the second part of the Framework Plan 1 - Recommendations for improving the system.

The project Education of Managers of Administrative Procedures and Inspectors is in implementation since November 2013, project duration is 18 months and the value is EUR 800,000.

The project Modernization of the HRM System is in the final phase of contracting in the EU Delegation in BiH, the period of implementation will be 24 months, the value EUR 2 million, and the planned start of implementation is late January 2014.

The PARCO actively participates in all the projects (as a direct beneficiary, in steering committees of the projects and in evaluation boards).

### *IPA 2012 – 2013*

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The process of programming of the IPA 2012 and the IPA 2013 has been completed. The state package of the IPA 2013 for BiH has been adopted by the Council of Ministers of BiH in early July. That officially completed the process of programming. The activities of the PARCO were focused on monitoring of the process of programming, in order to ensure continuity of information and in order not to have possible overlapping with the existing and the planned projects in the field of the public administration reform.

As punishment for failing to agree on implementation of the Sejdi - Finci judgement in 2013, the European Commission at the end of the year reduced the BH package for 2013, reducing the total projected amount of EUR 87 million to EUR 42 million.

### *IPA 2014 - 2020 (IPA II)*

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The PARCO, as a leading institution in the field of public administration reform, is included in the overall process headed by the EUD in BiH and the DEI, which in 2013 included the preparatory activities and consultations for introduction of the new instrument for Pre-Accession Assistance - IPA II which would cover the period 2014-2020. The IPA II, as the previous IPA, has five areas of activities: (a) process of transition to membership in the Union and capacity building, (b) regional development, (c) employment, social policy and human resources development, (d) agriculture and rural development, (e) regional and territorial cooperation.

The precondition for BiH to receive any kind of assistance through the IPA is existence of the efficient mechanism of coordination by the time of IPA 2014 programming. Also, the condition is gradual introduction and application of strategic and sector approach in programming, and existence of sector strategies.

Among the sectors, for IPA programming, in the period 2014 - 2020, the sector "public administration reform" was selected for the IPA assistance. The PARCO, in February in Banja Luka, participated in informal consultations at the technical level on strategic priorities for the IPA II, and in the training "Sector Approach (SWAp) with the objective of preparations for the IPA II (2014 - 2020)". In early June the PARCO received the Draft Framework Strategic Document for Bosnia and Herzegovina 2014 - 2020 (CSP BiH), after which the PARCO requested comments to it from all the participants of informal consultations in Banja Luka, and the submitted comments of the institutions were submitted to the DEI within the requested deadline.

Formal consultations on the topic of the Draft Strategic Document for BiH were supposed to be held in September in the form of individual meetings by sectors. The comments of the institutions on the first draft Strategic document for the IPA II for the country were collected and distributed. However, due to a lack of agreement regarding implementation of the judgement in the Sejdi - Finci case and failure to establish a coordination mechanism, the European Commission halted all the activities related to preparation for use of the IPA II in BiH, including preparation of the strategic document for the IPA II for BiH and the planned formal consultations on the first draft of this document between BiH and the EU.

## *Multibeneficiary IPA II*

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The Instrument for Pre-Accession Assistance (IPA) II<sup>11</sup> will continue to provide support to the beneficiaries (Albania, Bosnia and Herzegovina, Island, Kosovo, Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey) on their path to the EU membership.

The European Commission initiated consultations regarding the work text of the Strategic Document of Multibeneficiary IPA, and in late June, all the institutions in BiH, including the PARCO, received the first draft of the Strategic Document within the multibeneficiary IPA II for the period 2014 - 2020 (MCSP), and in late November the second draft of this document was received. The PARCO had no essential comments to the work texts of the Strategic Document of Multibeneficiary IPA, which was communicated to the NIPAC office within the set deadline.

## *Regional and International Cooperation*

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During 2013, cooperation with the SIGMA programme continued. In January and February, the PARCO coordinated organisation of meetings between the SIGMA and the institutions in BiH in preparation of the Assessment Report for BiH for 2013 (for the fields related to the civil service, administrative framework and public finance).

In the reporting period, from March to September, the representatives of the SIGMA were providing support to the Supervisory Team in the field of human resources management in implementation of the objective HRM 1.1. from the RAP 1, related to defining policy of development of human resources management in the structures of public administration in BiH. Through the meetings and consultations held by the representatives of the SIGMA with coordination of the PARCO, the draft document "Framework Policies for HRM Development in the Structures of Public Administration in BiH" was prepared. The final version of this document was agreed at a meeting of the PARCO Coordinators and the Supervisory Team, which was held in September. It has been foreseen to establish, in agreement with the public administration reform coordinators, early in the next reporting period, the next steps in order to present this document to decision makers and its adoption at the level of CoM / the governments.

In December, there was a meeting with the representatives of the SIGMA, where there was a discussion on continuation of the SIGMA support in operationalisation and implementation of this document at respective administration levels. At the same meeting, it was agreed that the PARCO, in the next reporting period, should again coordinate the organization of meetings and provide support in the preparatory activities of the SIGMA report on assessment of BiH for 2014, which in addition to the area of **public finance management**, would have in its focus **the public administration reform** generally including implementation and overall coordination of this reform.

In the reporting period, in cooperation with the representatives of the Ministry of Justice of BiH, which is the signatory of the international agreement on establishment of the Regional School for Public Administration - ReSPA, the representatives of the PARCO continued cooperation with the ReSPA, through participation in the work of the Management Board of this organisation at the level of senior officers, and coordination and participation in individual activities and programmes implemented within the ReSPA. In the reporting period, there were a total of four meetings of the Management Board of the ReSPA at the level of senior officers and one meeting of the Management Board at the ministerial level, which was held in November in Split. Within this meeting, inter alia, a work program for the coming year was adopted, as well as the report on work for the current year, and the amount of financial contributions of the member states for work of the ReSPA for the coming year was established. In the reporting period, the European Commission also approved a new grant of support for funding of the activities of the ReSPA in the next two-year period, based on the project document the ReSPA harmonised with the representatives of the member countries. In April, the representatives of the PARCO participated in work of the annual conference of the ReSPA on the topic "Effective Policy Making: how to ensure the desired changes through successful policy implementation". For the needs of the Conference, the representatives of the PARCO prepared a special document - case study on the monitoring system of public administration reform in BiH,

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<sup>11</sup> Regulation of the Council (EC) No. on establishment of the instrument for pre-accession assistance (IPA), Official Journal

which was presented on that occasion and incorporated in the collection of published conference documents.

During November, the representatives of the PARCO organized during November, at the request of the Ministry of Foreign Affairs of BiH and the Embassy of BiH in Turkey a two-day visit for the representatives of the Association of Experts in the Office of the Prime Minister of the Republic of Turkey regarding the topics in the field of public administration reform.

The Association of Experts in the Office of the Prime Minister of the Republic of Turkey, which gathers 200 experts from different fields, implements a project aimed at the exchange of experiences with the Balkan countries in the field of establishing a more efficient and productive public administration. Representatives of the Turkish delegation presented their experiences on the best practices of implementation of e-government through which services are provided in the field of justice, business, education, communication, in the Turkish legal system and regulatory policies, regulatory impact assessment, development of on-line information systems for legislation, as well as on the practice of administrative simplifications. From the other side, the representatives of the PARCO familiarised the experts from Turkey with the framework and the structures for implementation of the reform, and presented the results of the reform to date, with particular emphasis on implementation of the projects financed from the funds of the Public Administration Reform Fund.

In 2013, a cooperation with the World Bank has been intensified, i.e. with the project "Capacity Development for Monitoring and Evaluation for West Balkans and Turkey", financed by the European Commission. The objective of the project is provision of technical assistance to the West Balkans countries and Turkey regarding strengthening of their institutional capacity for monitoring and evaluation of sector strategies implementation. The project will be focused on two key sectors in all seven countries - public administration and social policy and employment. In the PAR field, the project selected the area of human resources management for defining result indicators for all the beneficiary countries, which would be used for defining sector policies and budget planning, and which would be used in the process of IPA II programming, and preparation of the sector fiches / project proposals. Representatives of the PARCO, together with the main Project coordinator for BiH - the Directorate for European Integration, coordinate this project in the field of PAR.

In the second half of the year, the expert of the project visited BiH and had conversations with the members and the deputy members of the Supervisory Team for the reform area of Human Resources Management (HRM), and after that submitted a proposal of new indicators for this area. However, the PARCO was not satisfied with the proposed amendments, and requested additional analysis and revision of the proposal and preparation of the methodology to be used for identification of indicators, as well as to set objectives. The planned regional workshop (January 2014) should result in an acceptable set of indicators for HRM, as well as in the appropriate methodology, specific for each recipient country, having in mind that all of this would enable also the monitoring of progress at the regional level.

### *Cooperation with the GIZ*

Cooperation with the German organization "Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation - GIZ) continued in 2013 as well. The Basic Implementation Agreement between the PARCO and the GIZ for the Programme of Strengthening of Public Institutions in BiH<sup>12</sup> the PARCO signed with the GIZ in the previous period expired in mid 2013, but the decision of the Council of Ministers of BiH extended it by the end of the year<sup>13</sup>. At the workshop held in June, the representatives of the institutions participating in

*Completed first phase of the Programme of Strengthening of Public Institutions in BiH, which is the result of support of the German GIZ to strengthening of institutions. Prepared concept for continuation of the Programme in the period 2014 - 2016. Nine institutions used the GIZ assistance during the year. The PARCO works with the GIZ on introduction of the concept of total quality management.*

<sup>12</sup> The agreement was signed on 10 November 2011.

<sup>13</sup> At the 56th session of 10 June 2013, the CoM BiH gave approval for conclusion of the Annex to the Implementation Agreement between the PARCO and the GIZ for the Programme of Strengthening of Public Institutions in BiH and authorized the Public Administration Reform Coordinator to sign the said Annex, and the Annex was signed on 15 July 2013.

the Programme discussed the findings of the evaluation team of the German GIZ regarding the results, up to that point, of the Programme of Strengthening of Public Institutions in BiH. The said workshop, established the directions of the support of the GIZ within the next phase of the Programme, which is supposed to start in January 2014. The recommendation of the workshop participants was that the GIZ support should be focused more on implementation of the reform measures from the Strategy of Public Administration Reform and the Revised Action Plan 1 in all the beneficiary institutions, as well as on capacity development in that direction.

The second half of the year was focused on development of the draft programme of the next phase of Agreement implementation. At the workshop held in December, the representatives of the beneficiary institutions were presented with concept of the second phase of the Programme of Strengthening of Public Institutions for the period 2014 - 2016. At the workshop, evaluation of the first phase of the Programme was completed. The PARCO plans to prepare with the GIZ a new Agreement in early 2014, and request agreement from the Council of Ministers of BiH to sign this document.

During the year, there was one meeting of the Advisory Board of the Programme of Strengthening of Public Institutions - on 21st February in Sarajevo, after which there were several meetings of the thematic work groups of the representatives of the beneficiary institutions of the Programme: the Group for HRM, the Group for Communication and Knowledge Management, the Group for Statistics, the Group for Quality Management and the Group for IT. One of the results of work is design of the module for e-learning for six areas of the RAP reform, with the objective of exchange of expertise of the PARCO / PAR staff with other institutions. Otherwise, the representatives of nine beneficiary institutions of the GIZ assistance under the Programme of Strengthening of Public Institutions are participants in the work of these groups, including the PARCO.

The Operation Plans were previously prepared for all nine institutions, aimed at strengthening of the capacities of each institution, as well as a special plan of inter-institutional cooperation. Detailed data on implementation of plans of capacities strengthening of the institutions included in the SPI programme, as well as on cooperation with the GIZ, the PARCO provides in special reports on implementation of the Agreement, submitted to the Council of Ministers of BiH, and they are incorporated in the reports on work of those institutions.

Observing the Operations Plan directed at capacities strengthening of the PARCO, a great number of activities has been implemented. Numerous meetings and workshops have been held resulting in preparation of the three-year Strategic Framework and the three-year Medium-term Strategic Plan for the PARCO. There was also a parallel preparation of the improved annual work plan of the PARCO. In addition, the emphasis in these activities was also on preparation of the projects budgets and strengthening of the capacity of the officers in charge of monitoring and evaluation.

Within the campaign of promotion of the public administration reform, there were three workshops participated by the representatives of the implementation structure of the public administration reform. That is, one workshop was held for the representatives of the state institutions responsible for collection and submission of data for the reports on implementation of the RAP 1, while two workshops were organized for the representatives of the Supervisory Teams of the six reform areas. In addition to the said participants, the workshops gathered also the PAR coordinators and the public relations officers of four administration levels.

In this period, activities have been undertaken on design and selection of the model and introduction of the concept of total quality management (TQM), through engagement of the experts who analysed applicability of various TQM models in the administration of BiH. In addition, the inter-institutional work group for quality management started working, while the PARCO prepared an operational plan of cooperation with the Programme in terms of strengthening their own capacities for quality management, with a focus on the CAF model, recommended by the EUPAN (European Union Public Administrations Network) as appropriate for an administration institution. The vision of the PARCO is to become a national resource centre for this model of quality management and dissemination centre and promoter of its values to the administration institutions.

On 30 December 2013, the Council of Ministers of BiH submitted the Annual Report on Implementation of the Implementation Agreement on Implementation between the "Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)" and the Public Administration Reform



Coordinator's Office for the Programme of Strengthening of Public Institutions in Bosnia and Herzegovina for discussion and adoption.

## 4 Implementation of the PAR Strategy

### 4.1 Implementation of the Action Plan

**N**After the PARCO in 2012 has taken measures to accelerate the process of public administration reform by preparing the Operational Plan for the Implementation of Unimplemented Commitments from the RAP1 of the Strategy of Public Administration Reform in BiH for 2011, which was adopted by the Council of Ministers of BiH<sup>14</sup>, the PARCO in late 2012 prepared, and Council, in this reporting period, adopted a special report on execution of the Operational Plan<sup>15</sup>. The PARCO, during the year, reported to the Council of Ministers on further implementation of the RAP1, through regular annual and biannual report, and submitted the adopted reports with the recommendations to the state institutions, as well as other levels of government, with the suggestion to implement the adopted recommendation during the year.

The focus of activities in 2013 as well was preparation and implementation of projects, as an instruments for fulfilment of the measures from the Revised Action Plan 1, equally at all levels of government. In the first half of the year, final reports of two projects have been adopted - one in the area of Strategic Planning, Coordination and Policy Making, and the other, in the area of e-Administration, which formally completed these projects. During the reporting period, the project that provided improvements in the area of Public Finance - BMIS, was completed as well, through which, in the first half of the year, the establishment of the budget management information system was completed, and in the second half of the year, procurement of additional licenses and design of additional software module for salary planning with the system for calculation of salaries. All three projects were financed by the Public Administration Reform Fund. Implementation of the project Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska started in 2013 and is still in progress. That is currently the only project funded by the Public Administration Reform Fund, whose implementation is ongoing.

But, in addition to these projects, the PARCO, during the year participated in preparation and/or implementation of three projects financed by the IPA programme. Two of them - Blueprint of Development of Central Bodies of Governments in BiH and Education of Managers of Administrative Procedures are in the phase of implementation, while for the third - Modernisation of the Human Resources Management System the public procurement procedure is ongoing. There is ongoing implementation of the project establishment of BH portal, on which the PARCO works in cooperation with the GIZ. For 18 other projects (of which two are common for two reform areas each), the PARCO was developing during the year a project documentation and/or implementing a tender procedure. Viewed in total, the PARCO, in 2013, worked on preparation or implementation of 25 projects from six reform areas. A detailed overview of the activities for each project is given below, by the reform areas.

In any case, the PARCO, during the year, developed the projects on the basis of the agreed overall list of the projects, as well as priorities for 2012 and 2013. At the beginning of the reporting period, the PARCO prepared and within the structure for coordination of the reform process agreed upon a list of 24 new project ideas. On that list, there were priorities for 2012 (six projects), and six priority projects have been agreed 2013. The public administration reform coordinators, at the meeting held in April, agreed that the Governments should declare on the list of the projects. The Government of the Federation of BiH adopted the List in early June<sup>16</sup>, and the Government of the Brčko District in early July<sup>17</sup>. The public administration reform coordinator submitted the Conclusion of the

<sup>14</sup> Conclusion of the Council of Ministers of BiH, adopted at the 22nd session, held on October 10, 2012.

<sup>15</sup> Report on Implementation of the Operations Plan for implementation of unimplemented obligations from the area of public administration reform for 2011 - implementation of the Conclusion of the Council of Ministers was adopted at the 35th session of the CoM BiH, held on 17 January 2013.

<sup>16</sup> The Session of the Government of the FBiH, held on 3rd June 2013.

<sup>17</sup> The Session of the Government of the BD BiH, held on 5 July 2013.

Government of the RS<sup>18</sup> stipulating, among other things, that the Government of the RS would support incorporation of the project ideas harmonised and accepted by the Supervisory Team members from the Republic of Srpska in the List of the projects for financing by the Public Administration Reform Fund. One project from the list of priorities or 2013 did not receive agreement of the representatives of the RS. It is the project from the area of Public Finance "Introduction of the Budget Management Information System in the Whole BiH", stipulating introduction of the BMIS in the cantons and the Municipalities in BiH. Instead of this one, the priority list included the project "Development of Electronic Trainings for the Needs of the Civil Service / Administration in BiH". Also, the PARCO agreed with other stakeholders in the reform process that four projects will be funded from the unspent funds from the Public Administration Reform Fund. It is the money that was paid as the VAT, and then returned to the PARF.

During the reporting period, the Council of Ministers of BiH and the Government of the Brčko District adopted a document the Basis of Development of the Second Action Plan, by which the two governments provided support to drafting the second action plan. By the end of the reporting period, the entity governments have not adopted this document.

The next part provides a detailed overview of the activities by the reform areas:

#### **4.1.1 REFORM AREA - STRATEGIC PLANNING, COORDINATION AND POLICY MAKING**

*➤Project "Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the phase II" ongoing*

*➤Prepared and harmonised terms of reference for the project "Strengthening of Capacities for Strategic Planning and Public Policy Development - phase II (SPPD II)*

*➤Developed project proposal and terms of reference for the project "Establishment and/or Strengthening of Capacities of the Institution/s for Regulations Control and Establishment of the Administrative Barriers Reduction System"*

The project "Blueprint of Development of Central Bodies of Governments in BiH - Implementation of Phase I" was formally completed in the reporting period by the adoption of the Final Report of the project on 29 April 2013. The Civil Service Agencies received information on completed trainings, as well as the list of civil servants who participated in the trainings within the "Blueprint" project.

Implementation of the second phase of the project "Blueprint of Development of Central Bodies of Governments in BiH - phase II" - started in January 2013. The project is financed by the IPA 2010 Programme. During the reporting period, there was an initial project conference, as well as three meetings of the Steering Committee of this project, where the Inception Report, and Two Progress Reports on project implementation were presented and discussed.

Within the project implementation, analyses of the condition with recommendations have been implemented regarding improvement of functionality of the central bodies of governments / the CoM at the state, entity and the level of the Brčko District of BiH.

During the reporting period, the PARCO prepared a project proposal and the terms of reference, and a budget structure of the project "Strengthening of Capacities for Strategic Planning and Public Policy Development - phase II (SPPD II)". After the project proposal has been presented and harmonised with the members of the Supervisory Team for the area of Development of Capacities for Policy Making and Coordination, it has been requested for the document to be sent to the Governments / the CoM for final approval. The project proposal has been adopted at all the levels of authority in BiH (BD BiH<sup>19</sup>, FBiH<sup>20</sup>, RS<sup>21</sup> and the CoM BiH<sup>22</sup>). The terms of reference was harmonised and adopted at a meeting of the Supervisory Team of 18 November 2013, after which it

<sup>18</sup> Conclusion of the Government of the RS, No. 04/1-012-2-1465/13 of 26 June 2013.

<sup>19</sup> Adopted on 19 March 2013

<sup>20</sup> Adopted on 3rd June 2013

<sup>21</sup> Adopted on 4 July 2013

<sup>22</sup> Adopted on 10 July 2013

was sent to a session of the PARF JMB of 17 December 2013. The PARF JMB did not adopt this document due to the standpoint of the representative of the Ministry of Finance of BiH, that further consideration should be given to the role of the Ministry of Finance of BiH in implementation of this project.

In the reporting period, in this reform area, there were activities on development of the project proposal and the terms of reference, as well as the budget structure of the project "Establishment and/or Strengthening of Capacities of the Institution/s for Regulations Control and Establishment of the Administrative Barriers Reduction System", which is being prepared within the reform area of Administrative Procedures and Administrative Services.

In 2013, a new project idea was proposed and discussed, Manners of Transposing EU Legislation in the Local Legal System". The idea was proposed by the members of the Supervisory Team from the area Improvement of Quality and Procedures of Draft and Enactment of Regulations from the Republic of Srpska, but later on they gave up this project idea because there was a possibility of overlapping with the activities carried out by the Ministry of Economic Relations and Regional Cooperation of the RS.

During the reporting period, the PARCO, in cooperation with two Supervisory Teams from this reform area, supervised and directed implementation of the projects in order to ensure fulfilment of the objectives set by the PAR Strategy. Projects proposed to be financed by the PAR Fund, as well as by the IPA, were selected based on priorities set by the supervisory teams. During the reporting period, there were five meetings for both Supervisory Teams (three meetings for the ST Improvement of Quality and Procedures of Draft and Enactment of Regulations and two meetings of the ST Development of Capacities for Policy Making and Coordination).

Overview of the projects and implemented activities in this reform area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	<b>Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of the Phase I</b>	<ul style="list-style-type: none"> <li>- Review and correction of the submitted Final Report</li> <li>- Submission of the Corrected Report to the ST members for comments</li> <li>- Submission of the Final Report to the PARF JMB for approval</li> <li>- Submission of the list of attendees of the trainings to the Civil Service Agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Final report adopted on 29 April 2013.</li> </ul>
2.	<b>Blueprint of Development of Central Bodies of Governments in Bosnia and Herzegovina – Implementation of the Phase II</b>	<ul style="list-style-type: none"> <li>- Contract signed on 25 January 2013</li> <li>- There were three meetings of the Steering Committee of the EU DECEB project Blueprint</li> <li>- Discussion and submission of comments for the Inception Report, and two implementation progress reports</li> <li>- On 29 May 2013, there was an inception conference for the beneficiaries of the project</li> <li>- The initial proposal for the planning methodology is prepared - will be completed in January.</li> <li>- The initial proposal for a methodology of impact assessment has been prepared - will be completed in January.</li> <li>- Six workshops Implemented</li> <li>- Study visit to Greece implemented</li> <li>- Consultations and coordination with the representatives of the bodies at various levels</li> </ul>	<ul style="list-style-type: none"> <li>- Implementer of the project is the European Profiles S. A. Greece in consortium with the Ecorys South East Europe, Hungarian National Institute for Public Administration and European Public Law Organization.</li> <li>- The first meeting of the project SC held on 10 April 2013</li> <li>- The second meeting held on 24 July 2013</li> <li>- The third meeting was held on 22nd October 2013</li> </ul> <p>The first workshop was held on 25 July 2013 on the topic: Presentation of theses for procedures for planning, monitoring and reporting, and presentation of the theses for the procedures for policy making, legal acts drafting and regulatory impact</p>

			<p>assessment.</p> <p>The second workshop was held on 20 September 2013 on the topic: Thesis for the Decision on Planning, monitoring and reporting.</p> <p>The third workshop was held on 3rd October 2013 on the topic: Thesis for the Decision on Policy Making, Legal Acts Drafting and Regulatory Impact Assessment.</p> <p>The fourth workshop was held on 23 - 24 October 2013 on the topic: Improving coordination in the process of public policy planning and making in BiH.</p> <p>The fifth workshop was held on 7 November 2013 on the topic: Presentation of the preliminary Draft Decision on the Procedure of Planning, Monitoring, and Reporting in the ministries and institutions of BiH.</p> <p>Sixth Workshop was held on 13 November 2013 on the topic: Presentation of the draft Theses for the Decision of the Council of Ministers on the Manner of Preparation, Impact Assessment and Selection of Policy in the procedure of draft of acts proposed and enacted by the CoM BiH and other institutions of BiH.</p> <p>The study visit was implemented in the period 2nd - 6 December 2013.</p>
3.	Strengthening of Capacities for Strategic Planning and Public Policy Development - phase II (SPPD II)	<ul style="list-style-type: none"> <li>- Draft, discussion and harmonisation of the project proposal with the members of the ST</li> <li>- Project proposal submitted to the ST - the Governments / the CoM for adoption</li> <li>- Project proposal adopted</li>   <li>- Terms of Reference harmonised and adopted at the ST meeting</li> <li>- Tender documentation drafted</li> <li>- The terms of reference and the tender documentation were discussed at the meeting of the PARF JMB of 17 December 2013.</li> </ul>	<ul style="list-style-type: none"> <li>- Project proposal harmonised with the ST members on 6 March 2013</li> <li>- The Government of the BD BiH gave agreement to the project proposal SPPD II on 19 March 2013.</li> <li>- The Government of the FBiH gave agreement to the project proposal SPPD II on 3rd June 2013.</li> <li>- The project proposal was adopted at the 35th session of the PARF JMB of 19 July 2013.</li> <li>- Terms of Reference harmonised and adopted by the members of the ST for the area of Development of Capacities for Policy Making and Coordination on 18 November 2013.</li> <li>- At the meeting of the PARF JMB of 17 December 2013, the terms of reference SPPD II was discussed, and additional time was requested for submitting comments by the Ministry of Finance of BiH, in terms of how the said ministry would be included in this project. The PARF JMB did not adopt the terms of reference.</li> </ul>
4.	Establishment and/or	<ul style="list-style-type: none"> <li>- Participation in preparation of the project proposal, the terms of reference,</li> </ul>	<ul style="list-style-type: none"> <li>Joint project with the reform area Administrative Procedures and</li> </ul>

<b>Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Obstacles</b>	as well as in preparation of the budget structure of the project - Organisation of joint workshops of the ST members and participation at the workshops	<b>Administrative Services.</b>
5. <b>Manners of Transposing EU Legislation in the Local Legal System</b>	- Consultation and harmonisation of the proposed project idea with the members of the ST for the area of Improvement of Quality and Procedures of Draft and Enactment of Regulations	- the Project idea was proposed by the ST member from the RS - At the ST meeting of 21st October 2013, it was concluded to give up the said project idea, because there was a possibility of overlapping with the activities implemented by the Ministry for Economic Relations and Regional Cooperation of the RS

### *Other Activities*

Representatives of the PARCO participated in the work of the work group for strategic planning, whose objective was finding the best conceptual solution for the system of strategic planning in BiH, as well as individual solutions by the levels. This activity was implemented in cooperation with the UNDP.

In this period, there was a continuous cooperation and communication in the area with the GIZ and the EU Delegation in BiH regarding the project "Blueprint of Development of Central Bodies of Governments in BiH - Implementation of the phase II".

There was also a work on monitoring and directing individual activities of the institutions on implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH.

#### **4.1.2 AREA – PUBLIC FINANCE**

➤ *Successful completion of the project "Budget Management Information System (BMIS)"*

➤ *Seventy-six additional licences and an additional software module for automatic salary planning have been provided*

➤ *Adopted project proposal and terms of reference for the project "Gender Responsible Budgeting"*

The project "Budget Management Information System - BMIS" was successfully completed on 27 January 2013 as planned. Study trip in Austria within the BMIS project took place in the period 20 January - 26 January 2013. Final conference of the BMIS project was held on 18 January. The contract on implementation of additional services for the BMIS project (delivery of additional 76 licences and design of additional software module for automatic salary planning with additional integration with the system for calculation of salaries) was signed on 17 April. Report on implemented additional services of the BMIS project and the Report on implemented upgrade of the BMIS by the module for automatic salary planning was submitted on 17 June 2013, in accordance with the Contract.

During the reporting period the project proposal and the terms of reference for the project "Gender Responsible Budgeting" (extension of the budget management information system - BMIS by a software component for gender responsible - budgeting) were prepared, and both documents were adopted by the Supervisory Team at a meeting held on 17 October and by the PARF JMB at a meeting held on 17 December 2013.

Revised tender documentation for the project "Treasury Information System of the Br ko District of BiH" has been prepared and approved by the PARF JMB. The tender was published on 21st January 2013. The Commission reviewed the requests to participate and established that none of the interested bidders fulfilled the conditions. The bidders received the notice on annulment of the procedure. It is necessary for the Directorate of Finance of the Br ko District of BiH to revise the terms of reference in accordance with the new guidelines for the use of the PARF funds and to incorporate the changes that may have occurred in the period since the adoption of the original terms of reference.

Revised project proposal "Public Private Partnership" has been prepared, as well as the project budget based on the consultations with the beneficiaries of the project, the members of the Supervisory Team for the reform area of Public Finance and the budgeting expert. At the Supervisory Team meeting of 11 June 2013, the project proposal has been adopted by the members of the Supervisory Team - representatives of BiH, the Federation of BiH and the Br ko District of BiH, while the Supervisory Team member from the RS agreed with the project proposal at a later date. The Terms of Reference "Public Private Partnership" was adopted by the members of the Supervisory Team at the meeting of 4 December 2013, and by the Joint Management Board of the Public Administration Reform Fund at the meeting held on 17 December 2013.

In the reporting period, the Supervisory Team held four meetings (22nd March, 11 June, 17 October and 4 December). At the meetings, it discussed on: implementation of the projects from the IPA funds, cooperation with the twinning project "Strengthening the Process of National Planning in BiH", update of the list of the projects from the reform area Public Finance in accordance with the Revised Action Plan 1 and establishment of the list of the priority projects for 2013, as well as on the project documents for the projects "Public Private Partnership" and "Gender Responsible Budgeting".

The Supervisory Team made a list of projects for the 2013, which included the following projects: Introduction of the Budget Management Information System in the whole BiH (ST member from the RS withdrew agreement later on), Development / Procurement of Public Debt Management Information System, Strengthening of Extra-Budgetary Funds Management, Introduction of Treasury Function in the Municipalities at the Level of the FBiH and Gender Responsible Budgeting.

Overview of the projects and project activities in this area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	Budget Management Information System – BMIS	- Organisation of the study trip and final conferences of the BMIS project.	<p>The study trip within the Project was held between 20 January and 26 January 2013.</p> <p>The final conference of the BMIS project was held on 18 January 2013.</p> <p>The project was completed on 27 January 2013.</p> <p>The completed final report was submitted on 25 February 2013.</p> <p>On 7 March 2013, the Final Report was adopted by the PARF JMB.</p> <p>The contract on implementation of additional services was signed on 17 April 2013.</p> <p>The report on additional services was submitted on 17 June 2013, in accordance with the contract.</p>
2.	Gender Responsible Budgeting (widening of the Budget Management Information System - BMIS by	- Preparation of project documents	Prepared project proposal and terms of reference and adopted by the members of the Supervisory Team at a meeting held on 17 October 2013 and by the members of the PARF JMB at a meeting held on 17 December 2013

3.	<p>a software component for gender responsible budgeting)</p> <p>Treasury Information System of the Brčko District of BiH</p>	<p>- It is necessary for the Directorate of Finance of the Brčko District of BiH to revise the terms of reference in accordance with the new guidelines for the use of the PARF funds and to incorporate the changes that may have occurred in the period since the adoption of the original terms of reference.</p>	<p>The PAR Fund will provide BAM 584,894 and the Brčko District of BiH will provide BAM 150,000 for financing of the project, which is the first case of participation of local institutions in financing the projects from the PAR Fund.</p> <p>The tender was published on 21st January 2013.</p> <p>The Commission reviewed the requests to participate and established that none of the interested bidders fulfilled the conditions.</p> <p>The notice on annulment of the restricted procedure was sent to the bidders.</p> <p>Brčko district will revise the Terms of Reference</p>
4.	<p>Public-Private Partnership</p>	<p>- Preparation of the revised project proposal and the terms of reference in accordance with the Guidelines adopted by the PARF JMB.</p>	<p>Revised project proposal prepared in accordance with the Guidelines adopted by the PARF JMB.</p> <p>The ST members from the state level, the level of the FBiH and the level of the BD BiH adopted the project proposal. The ST members from the RS gave agreement to the project proposal later on.</p> <p>Prepared terms of reference in accordance with the Guidelines adopted by the PARF JMB. The Terms of Reference was adopted by the Supervisory Team for the reform area of Public Finance and by the PARF JMB.</p>

### *Other Activities*

The representative of the PARCO is the member of the Subcommittee for Trade, Industry, Customs, Taxation and Cooperation with Other Candidate Countries and the Subcommittee for Economy, Finance and Statistics, and also the member of the Steering Committee of the project "Strategy of Public Internal Financial Controls" (PIFC). Also, a representative of the PARCO is an observer in the SCs of the projects: "Strengthening of Public Finance Management in BiH", "Strengthening the National Planning Process in BiH" and a member of the SC "Strengthening of Capacities of Public Debt Management".

#### **4.1.3 AREA – HUMAN RESOURCES MANAGEMENT**

- *Initiated implementation of an individual project in the Republic of Srpska*
- *Finalised "Draft Policy Framework for Development of Human Resources Management in the Civil Service Structures in BiH"*
- *Adopted project proposal "Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers"*

Implementation of the project "Widening of the Information System for Human Resources Management by the Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska" started in 2013. At the end of the

reporting period, the tender procedure for the project "Modernisation of the Human Resources Management System in the Structures of the Civil Service of BiH", which will be financed by the IPA 2011, was finalised, while the project "Building of capacities for Combat Against Corruption in the Structures of the Civil Service of BiH", which will be financed from the PARF, was in the tender procedure.

The Members and deputy members of the Supervisory Team, during 2013, had four regular sessions, as well as one thematic with the coordinators. In the reporting period the Supervisory Team member from the Ministry of Justice of BiH has been appointed, as well as the deputy Supervisory Team member from the Civil Service Agency of BiH.

Overview of the present projects and project proposals in this reform area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	Establishment of Modern Departments for Human Resources Management in the Bodies of Administration in BiH	<ul style="list-style-type: none"> <li>- The PARCO had consultations on the procurement procedure with the Public Procurement Agency of BiH and the Office for Audit of the Institutions of BiH, and prepared the information for the PARF JMB, which was discussed at the session of March 28, 2012.</li> <li>- Proposal of the Decision on Annulment of the public procurement procedure has been prepared, which was discussed at the PARF JMB session of May 17, 2012.</li> </ul>	<p>At the PARF JMB session, the agreement of all the members on the Proposal of the Decision on annulment of the procurement procedure was not reached.</p> <p>The Council of Ministers of BiH, in accordance with the conclusion from the 28th session of the PARF JMB of 4 July 2012, received the information on the status of the project "Establishment of Modern Departments for Human Resources Management in Administration Bodies in Bosnia and Herzegovina". At the 22nd session of the CoM BiH, held on 10 October, 2012, the Council of Ministers of BiH opened a discussion on the Information, with proposed conclusion, and put the Public Administration Reform Coordinator's Office in charge of obtaining the opinion of the Ministry of Finance and Treasury before the Information is adopted by the Council of Ministers.</p> <p>Then, the Ministry of Finance and Treasury of BiH submitted to the Council of Ministers of BiH a declaration on the said information.</p> <p>After that, the PARCO submitted to the Council of Ministers of BiH a Declaration to the allegations of the PARF JMB member from the Ministry of Finance and Treasury of BiH.</p> <p>The Council of Ministers of BiH, in the period by the end of preparation of this Report, did not enact a final decision, but it is expected to happen in the next period.</p>
2.	Building of Capacities for Combat against Corruption in the Structures of Civil Service in BiH	<ul style="list-style-type: none"> <li>- Tender documentation has been prepared.</li> <li>- Tender procedure is ongoing.</li> </ul>	<p>On 3 April 2013, the PARF JMB enacted the decision on procurement.</p> <p>The Procurement Notice was published in the Official Gazette of BiH No. 26/13 of 8 April 2013, with the final deadline for submission of the requests to participate on 8 May 2013.</p> <p>The phase of prequalification has been completed and the Report on Evaluation of Procurement was sent to the PARF JMB in the procedure of written harmonisation. The PARF JMB gave agreement to the Report, the bidders were notified. Considering that one of the bidders submitted an appeal, the Contracting Authority suspended the public</p>



			<p>procurement procedure until the Procurement Review Board enacts a final decision on the submitted appeal.</p> <p>The Procurement Review Board issued a Specific Decision adopting the appeal, annulling the decision on the objection and returning the case for a repeated procedure starting with the action of deciding on the objection. The contracting authority has complied with the Specific Decision of the Procurement Review Board and enacted the decision on the objection to which the bidder appealed again, so the case was again submitted for consideration to the Procurement Review Board.</p> <p>The Procurement Review Board has again enacted the Specific Decision accepting the appeal, annulling the decision on the complaint of the appellant in the part rejecting the objection and returning the case to the contracting authority for a repeated procedure.</p>
3.	Modernisation of the Human Resources Management System in the Structures of Civil Service in BiH	- At the beginning of the next reporting period, it is expected to start the project implementation.	<p>The public procurement procedure, carried out by the EU Delegation, is completed.</p> <p>The PARCO representative is participating.</p>
4.	Widening of the Information System for Human Resources Management by Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska	<p>- Tender procedure has been implemented.</p> <p>- Completed document Analysis of the current condition of the Central Personnel Register</p>	<p>On 4 July 2013, the contract has been signed with the selected implementer.</p> <p>The Inception Report was adopted by the PARF JMB on 24 October 2013.</p> <p>Submitted interim report, and forwarded to the members of the PARF JMB for a written harmonization.</p> <p>On 22nd November 2013, the implementer submitted a request for extension of the project activities for 60 days with a note that that was necessary because the analysis showed the need to increase the time to create a complete solution. On 18 December 2013, the PARF JMB members, in the procedure of written harmonisation gave agreement to an extension of the contract validity period for 2 months, i.e. from 4 January 2014 to 4 March 2014. After the opinion of the Attorney General's Office of BiH is received the Annex to the Contract on Services will be signed with the said implementer.</p>
5.	Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers	- project proposal prepared	<p>The Supervisory Team for HRM adopted the project proposal at the session held on 18 November 2013.</p> <p>The PARF JMB members, at the session held in Sarajevo on 17 December 2013, adopted the project proposal.</p>
6.	Development of Electronic Trainings for the Needs of the Civil Service /	- project proposal prepared	<p>The Supervisory Team for HRM adopted the project proposal at the session held on 18 November 2013.</p>

### *Other Activities*

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In the reporting period, the members of the Supervisory Team for the reform area of Human Resources Management finalised the document "Draft Policy Framework for Development of Human Resources Management in the Civil Service Structures in BiH", (assumption for implementation of the objective HRM 1.1. " Define policy of development of HRM in the structures of public administration in BiH, based on harmonised principles"). Continuous support for these activities was provided by the SIGMA and the PARCO.

The German society for international assistance (GIZ) in cooperation with the PARCO, organised four meetings of human resources managers from the beneficiary institutions of the GIZ programme "Strengthening Public Institutions in BiH". During the meetings, an initiative was started for organising staff trainings on the subject of evaluation, which was held during the year in the institutions of the beneficiaries of this programme.

Also, organised by the GIZ and the PARCO, there were two meetings of the group for e-Learning, where they exchanged practices and knowledge on that type of education.

During 2013, activities have been initiated leading to implementation of the objective HRM 10. Total Quality Management (TQM). In the reporting period, the GIZ selected the experts who drafted the report "Comparative Analysis of the Quality Management Model in Public Administration in BiH".

#### **4.1.4 AREA - ADMINISTRATIVE PROCEDURES AND ADMINISTRATIVE SERVICES**

➤ *Implementation of the Project "Education of Managers of Administrative Procedures and Inspectors" from the IPA 2011 started*

➤ *Harmonised project proposal and terms of reference for the project "Establishment and/or Strengthening of the Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Barriers"*

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The tender procedure was completed for the project "Education of Managers of Administrative Procedures and Inspectors", which is financed by the programme IPA 2011 for BiH. In September, the European Union Delegation in BiH signed a contract with the best bidder, the consortium of a leading company HD ECG (Belgrade) and Human Dynamics (Austria). In November, there was an initial meeting at which, in addition to the representatives of the PARCO and the project team, there were also participants who represented the key institutions of project beneficiaries, which officially started the project implementation. The Steering Committee of the project was established, and on 20 December 2013, there was its first meeting at which the Inception Report was adopted.

In the reporting period, there was an intensive work on the harmonization of the project documentation for the project "Establishment and/or Strengthening of the Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Barriers" as well as on draft of the budget. Supervisory Team for the reform area of Administrative Procedures and Administrative Services, at the session of 25 October 2013, achieved a consensus on the main project activities and the text of the terms of reference. In November, there were additional consultations with the beneficiary institutions, after which the project proposal and the terms of reference were sent to the 37th session of the PARF JMB for deliberation and adoption.

The PARF JMB adopted decisions on giving agreement and/or accepting the project documentation (project proposal and terms of reference), and it has been concluded that as a confirmation for voting it would be necessary to submit to the members of the PARF JMB the conclusions of the Government of the RS and the Council of Ministers of BiH. The project documentation, at the request of the Supervisory Team members from the level of BiH and the RS was submitted to the

Council of Ministers of BiH and to the Government of the Republic of Srpska in order to provide support to the project. The Government of the Federation of BiH and the Government of the Brčko District of BiH have previously gave their support to implementation of this project.

In the meantime, the project received support of the Government of the Republic of Srpska at the meeting held on 18 December 2013, and in the next period, it is expected to receive support of the Council of Ministers of BiH.

In the reporting period, a cooperation between the PARCO and the International Financial Corporation (IFC) continued for the purpose of synchronisation of the project activities in the field of regulatory reform the IFC is implementing within the project "Improvement of Business Environment and Strengthening of Competitiveness in BiH" in the field of regulatory reform and project activities the PARCO intends to implement through the said project.

In the reporting period, there were three meetings of the Supervisory Team for this reform area: on 25 March, 7 June and 25 October 2013. At the meetings, among other topics, there was an analysis of the condition in the reform area and implementation of the RAP 1 in 2013 (based on the data from the Annual Report on Progress of the RAP 1 for 2012, and the measures stipulated for 2013), and there was a discussion and harmonisation of the project documentation for project "Establishment and/or Strengthening of the Capacities of the Institution/s for Control of Regulations and Establishment of a System for Reduction of Administrative Barriers".

In the reporting period, the Supervisory Team member from the FBiH resigned, so a new member was appointed.

Overview of the projects in this reform area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	Education of Managers of Administrative Procedures and Inspectors	Implementation of the project started	<ul style="list-style-type: none"> <li>- SC of the project established</li> <li>- On 20 December 2013, there was a first session of the project SC</li> <li>- Inception report adopted</li> </ul>
2.	Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Obstacles	<p>The Supervisory Team for the reform area of AP and AS harmonised and adopted the project documentation.</p> <p>The PARF JMB adopted the decisions on giving agreement and/or accepting the project documentation (project proposal and terms of reference). In the next period, it is expected that the CoM BiH would adopt the Information on the project.</p>	Common project with the reform area of Strategic Planning, Coordination and Policy Making.

### *Other Activities*

The representative of the PARCO attended in April the conference "Foreign Investors and Sector of Justice" (USAID and the FIPA) for the purpose of information gathering relevant for project drafting in the reform area. Also, the representative of the PARCO was a member of the evaluation committee for selection of the best bidder, and she was also appointed as a member of the SC of the project "Education of Managers of Administrative Procedures and Inspectors" (IPA 2011), and during the reporting period, she actively participated in preparation and coordination of all the initial activities of project implementation.

#### 4.1.5 AREA – INSTITUTIONAL COMMUNICATION

- *Implemented public procurement procedures for two projects financed by the PARF - "Training Information / Public Relations Officers - Phase II" and "Building of Capacities for Combat Against Corruption in the Structures of the Civil Service in BiH"*
  - *Coordination of work of the inter-institutional working group on communications, organised by the Programme of Strengthening of Public Institutions, with 3 projects implemented based on the objectives of the RAP1 in the area of IC, for 9 user institutions*
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During 2013, there were two meetings of the Supervisory Team of this reform area, namely on 26 April and 8 November in Sarajevo, and the topics discussed were the plan of the sessions of the Supervisory Team in 2013 and 2014, beginning of implementation of two new projects, a campaign promoting the public administration reform and priority activities in this area.

The tender procedure for the project "Training of Information / Public Relations Officers - Phase II" and the first phase of the tender procedure of the project "Building of Capacities for Combat Against Corruption in the Structures of the Civil Service in BiH" are ongoing, and/or the contracting authority is acting to comply with the specific decisions of the Procurement review Board.

In this reporting period, the Information Service of the Council of Ministers of BiH published four new issues of the newsletter "INFO Council of Ministers of BiH", which is a direct continuation of the activities of the project "Establishment of Network of Info Stands", one of the three successfully completed projects in this reform area. The PARCO actively participated in preparation of the contents of each of the issues of the newsletter.

Within the reform area, there was an analysis of the proposal of job descriptions of the civil servants submitted by the Ministry of Justice of BiH for the posts of civil servants for communication and public relations, so proposals and comments were given in this segment from the aspect of requirements of the RAP 1 in the area of Institutional Communication.

The Civil Service Agency of BiH, in cooperation with the coordinator of this reform area, developed a trainings programme that represent a direct implementation of measures IC 4.2. Provide training on public relations and strategic communication for the public relations officers and IC 4.5. Ensure that senior management understands and supports the work of the public relations offices / officers. Trainings "The importance of public relations in the work of the institutions of Bosnia and Herzegovina" and "TV interview / TV statement" were held in December, and the representatives of the reform area of IC participated in one of them.

Within the Inter-Institutional Working Group on Communication and Knowledge Management of the Programme of Strengthening of Public Institutions in BiH, the representatives of the PARCO actively participated in initiation and development of three projects based on the needs of the beneficiaries, which were funded by the GIZ. The Projects were based on the priorities from the RAP1, and were related with: strengthening of the capacities of the institutions - beneficiaries of the SPI in the segment of communication planning, improvement of websites of the participating institutions, and learning on the best communication practices of the EU in the field of work of the beneficiary institutions. In this regard, the representatives of the PARCO actively participated in the drafting of the plan of the workshop on communication planning and the workshop on application of the Freedom of Information Act, which were held for the participants of this group and were rated as very useful. As part of the activities of improving web presentations of the beneficiary institutions, the website of the PARCO was included in the analysis of the content of the websites and online sophistication, as well as customer satisfaction survey. Activities of the group within learning on the best communication practices of the EU, which also represent a direct fulfilment of the measure IC 4.4. Human Resources, were conducted through a study visit to the UK for the members of the group, and the visit included a tour of the institutions in the field of work of the beneficiary institutions: public administration reform, civil service / HRM, statistics, and education.

As a part of the campaign promoting the public administration reform, which the PARCO is implementing in cooperation with the GIZ and the engaged project implementer, the representatives of this reform area were actively involved in development and implementation of the plan of activities of this project. In addition, the employees in this reform area continued during the year to perform

the role of management and coordination with the Programme of Strengthening of Public Institutions in the part related to the PARCO and the Programme management.

Overview of the projects ongoing in this reform area is given in the table below:

No.	PROJECTS	ACTIVITIES / RESULTS	COMMENT
1.	Training of Information / Public Relations Officers – Phase II	Tender procedure is ongoing	The decision on award of the contract was discussed and adopted at the 35th session of the PARF JMB, held on 19 July 2013. The appeal was filed to the Decision on Award of the Contract and the case was submitted for consideration to the Procurement Review Board on 10 October 2013. On 19 December 2013, the PARCO received a Specific Decision of the Procurement Review Board, which adopted the bidder's appeal and returned the case to the repeated procedure starting with the activity of qualification.
2.	Building of Capacities for Combat against Corruption in the Structures of Civil Service in BiH	The first phase of the tender procedure is ongoing	There is ongoing procedure by the appeal of one of the bidders. The Procurement Review Board issued a Specific Decision adopting the appeal, annulling the decision on the objection and returning the case for a repeated procedure starting with the action of deciding on the objection. The contracting authority has complied with the Specific Decision of the Procurement Review Board and enacted the decision on the objection to which the bidder appealed again, so the case was again submitted for consideration to the Procurement Review Board. The Procurement Review Board has enacted a new Specific Decision accepting the appeal, annulling the decision on the complaint of the appellant in the part rejecting the objection and returning the case to the contracting authority for a repeated procedure.

### *Other Activities*

The expert advisor for the area of IC was also a member of the Board for evaluation for the IPA 2010 project - the representative of the PARCO in the evaluation board for selection of bidders for the project of technical assistance (EU Delegation in BiH), he participated in the ReSPA conference on quality management in public administration and the CAF model, in the annual ReSPA conference on the topic "Effective Policy Making: How to Ensure the Desired Changes through Successful Policy Implementation", which implied preparation of a concept paper on PAR monitoring in BiH and presentation on that topic at the conference. Additionally, he participated in the focus group for draft of the Study of National Integrity for BiH, organised by the Transparency International BiH for the purpose of gathering information relevant for project drafting in the reform area.

#### **4.1.6 AREA - e-ADMINISTRATION**

➤ *Annulled public procurement procedure for the project "Business Registration Reform Road Map"*

➤ *Implemented first phase in implementation of the project "Establishment of BH portal"*

➤ *Agreed project proposals for three projects, there is ongoing draft of the project documentation for two projects*

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The PARF JMB<sup>23</sup> adopted the Final Report of the Project "Design and Establishment of Interoperability Framework and Standards for Data Exchange". With the help of the project implementer, and in cooperation with the entity public administration reform coordinators and the public administration reform coordinator of the Brčko District of BiH, the results and tasks that need to be undertaken for initiation and further implementation of the Interoperability Framework have been presented. The presentations took place: on 23rd April in the Republic of Srpska; on 24 April for the representatives of the institutions of Bosnia and Herzegovina; on 25 April in the Federation of BiH and on 8 May in the Brčko District of BiH. At the presentations, there was a discussion on the matters and problems that need to be solved so implementation of the Interoperability Framework could start as soon as possible, as well as on the concrete tasks of the competent institutions. For the need of coordinated approach to enactment of the Decision on Adoption of the Interoperability Framework, activities have been undertaken on draft of the Memorandum of Understanding for Enactment of the Interoperability Framework, which would represent a support of the key decision makers in the process of implementation of Interoperability in BiH. The House of Representatives of the Parliamentary Assembly of BiH adopted a Resolution on Establishment of e-Administration<sup>24</sup>, and the Council of Ministers of BiH adopted a Conclusion<sup>25</sup> which put the PARCO in charge to draft and deliver to the Council of Ministers, within one month, the Action Plan, which will define projects, responsible institutions and a timetable for introduction of e-Administration, for consideration and adoption.

The PARCO, acting on the aforementioned Conclusion, and the adopted the Resolution, held meetings with the representatives of the proposers of the Resolution and the Conclusion of the Council of Ministers of BiH. At the meetings, it was précised that the resolution is primarily related with implementation of the results of the project "Design and Establishment of Interoperability Framework and Standards for Data Exchange", and it was concluded to prepare an Operational Plan for Establishment of Interoperability Framework at the level of the institutions of the Council of Ministers of BiH. The PARCO, in cooperation with the representatives of the Supervisory Team for the reform area of e-Administration from the state level, drafted and harmonised the Operational Plan, which together with the Information, which includes the proposed conclusions, was sent to the Council of Ministers of BiH for consideration and adoption.

In the reporting period, there was an intensive work on development of the project documentation for the priority projects from 2012. After harmonisation of the activities, at the Supervisory Team meeting of 26 March in Brčko, the project proposal "Feasibility Study for Implementation of One-Stop-Shop for Registration of Businesses" was renamed in "Business Registration Reform Road Map". The reason are the initiated activities regarding reform of registration in the Republic of Srpska, and in accordance with that, it was necessary, to redefine and adjust the originally proposed activities, to the new situation. Since the harmonization and definition of the activities in the project proposal took a longer period of time, the members of the Supervisory Team accepted the project proposal and the terms of reference, and the members of the PARF JMB, at the 35th session held on 19 July 2013, enacted the Decisions on adoption of these documents, while the tender documentation, after additional consultations, was harmonised at a later date, and on 30 September 2013, the Decision on procurement of services was enacted. The Notice on Procurement of Services for this project was published in the Official Gazette of BiH on 7 October 2013<sup>26</sup>. In the process of procurement of services there was an objection, and later on an appeal to the tender documentation, and the Procurement Review Board, in the Specific Decision of 11 December 2013 accepted the appeal and annulled the procedure.

At the meeting of the Supervisory Team of 29 May 2013, the directions of development of the project proposal "Implementation of Common Services for e-Services" have been defined. It has been agreed that each administration level should select one adequate pilot e-service for which they would use the newly established infrastructure and for which linking with the accompanying register

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<sup>23</sup> At the 32nd session, held on 7 March 2013

<sup>24</sup> At the 50th session, held on 18 July 2013.

<sup>25</sup> At the 61st session, held on 29 August 2013.

<sup>26</sup> Official Gazette of BiH, No. 77/13

would be ensured. Procurement of the missing hardware infrastructure was also planned through this project. Implemented generic services and a proper equipment would be given to the central units for e-Administration, and/or IT Sectors / Sub-Division in the Secretariats General of the Governments. Each next e-service, which would be implemented, could use these blocks in the central units (which would be later on, as needed, upgraded on the matter of permeability and capacity). At the meeting of the Supervisory Team, held on 4 November 2013 in Banja Luka, a project proposal was agreed, to which all the members submitted positive declarations.

At the PARF JMB session of 17 December 2013, a declaration on this document was postponed for the following meeting due to a request from the Republic of Srpska coordinator for modifying the budget items. The budget of the project will not be changed except for reallocation of funds in the agreed amounts.

At the same meeting, after declarations of the members of the Supervisory Team, the Decision on Accepting the Project Proposal for "Specialist Training Programme for IT managers" was enacted. This is a priority project for 2013. The purpose of the project is to improve the knowledge and skills of IT civil servants in order to successfully lead IT projects.

In the reporting period, the PARCO, in cooperation with the Secretariat General of the Council of Ministers of BiH - Department for Maintenance and Development of the System of Electronic Operations and e-Government, completed the procedure of selection of two experts (lawyer and IT expert) for implementation of the first phase of the project "Establishment of BH Portal", organised around every day life events. Financial implementation of this phase was provided by the GIZ through the programme of support to the PARCO. Implementation of the Project started in the second half of June, and completed two months after signing of the contract with the implementers. At this stage, the content and the design of the portal have been designed, and the method of its administration has been proposed. Technical implementation of the project is provided through the earlier project "Redesign of the Web Site of the Institutions of the Council of Ministers of BiH on the System of e-Government". After the identification of the services provided by the institutions at the level of the Council of Ministers of BiH, the data on the services have been submitted to them for verification. Presentation of the results of the first phase in implementation of the project was held for the representatives of the institutions of the Council of Ministers of BiH on 18 December. In the next phase, for which donor funds should be provided, it is planned to have a translation and proofreading of the content, and upload to the portal. Through the portal, electronic information will be available by the concept of "one stop shop". This means that citizens and businesses, for the first time in BiH, will have in one place the information on the services provided by the state institutions, in a sense who has the right to the service, under which circumstances, where the service can be obtained, which documents are needed, how much fee is possibly paid, what the submission form looks like, and its download if it exists. The portal will, initially, be informative and will represent a second level of development of electronic services - provision of information and possibility of download of a form, while in the future, following the progress of the information technology and developing complementary projects, it would strive to reach the fifth level of sophistication of services, or full electronic service.

During the reporting period, there were five meetings of the Supervisory Team (8 February, 26 March, 29 May, 15 July and 4 November), as well as two two-day workshops in Neum (26 - 27 September) and Vlačići (9 - 10 December).

At the meetings, among other topics, the priority project ideas for 2013 have been defined, as well as:

- project proposals agreed for "Establishment of the Community of IT Practitioners in BiH", which should be financed from bilateral donor funds, "Specialist Training Programme for IT Managers" and the project "Implementation of Common Services for e-Services";
- discussed project proposal for "Design of catalogue of Public Registers in BiH";
- discussed terms of reference for "Implementation of Common Services for e-Services" and "Specialist Training Programme for IT Managers";
- instead of priority project idea for 2013 "Establishment of Permanent Process of IT Risk Analysis in BiH", the Supervisory Team, due to complexity of development and

implementation of this idea, chose a new priority "Document and Government e-Sessions Management Systems". The project proposal was discussed at the workshop in Vlači .

Overview of the projects and project activities in this area is given in the table below:

No.	PROJECTS	ACTIVITIES	COMMENT
1.	Design and Establishment of Interoperability Framework and Standards for Data Exchange	The PARF JMB at the 32nd session of 7 March 2013 adopted the Final Report of the Project.	<p>There were presentations of results and the next activities that need to be undertaken in order to implement the Interoperability Framework in BiH. Presentations were held at all administration levels.</p> <p>Acting on the adopted Resolution on e-Administration by the House of Representatives of the Parliamentary Assembly of BiH and the Conclusion of the Council of Ministers of BiH, the PARCO, in cooperation with the members of the Supervisory Team from the state level, drafted and submitted to the Council of Ministers of BiH the Operational Plan for establishment of the Interoperability Framework at the level of the institutions of the CoM BiH for consideration and adoption.</p>
.	Business Registration Reform Road Map	<p>At the ST meeting of 26 March 2013, the project "Feasibility Study for Implementation of One-Stop-Shop for Registration of Businesses" was renamed "Business Registration Reform Road Map". At the same meeting, the ST members harmonised the activities in the project proposal. Formal positive declaration has been received from all the administration levels.</p> <p>The ST members declared in writing on the terms of reference.</p> <p>At the 35th session, held on 19 July 2013, the PARF JMB adopted the project proposal and the terms of reference. Because of the received comments, the tender documentation was agreed at a later date.</p> <p>On 7 October 2013, the Notice on Procurement of Services was published in the Official Gazette of BiH.</p> <p>In the procurement procedure, the Objection and the Appeal have been submitted regarding the tender documentation.</p> <p>On 11 December 2013, the Procurement Review Board enacted a Specific Decision on Annulment of the Procedure.</p>	<p>Considering that the process of harmonisation of activities defined in the project proposal was time consuming, the ST members agreed that the project budget would be defined and harmonised during harmonisation of the terms of reference.</p> <p>Taking into account that the reform activities in this area, albeit with different dynamics, were initiated at all administration levels, the terms of reference was started to be drafted urgently, even before formal declaration of the ST members regarding the project proposal. Declaration on the project proposal was submitted by the ST members from the FBiH on 6 June 2013.</p> <p>The ST members declared positively on the terms of reference.</p> <p>The PARF JMB enacted Decisions on Adoption of the Project Proposal and the Terms of Reference, and the Tender Documentation, due to received comments, was subsequently agreed and approved.</p> <p>In the procedure of public procurement of services, after a filed Objection, amendments to the TD were initiated, after which an Appeal was filed as well until the Procurement Review Board declares.</p> <p>The final Decision on Annulment of the Procedure, was submitted to the PARCO by the Procurement Review Board on 25 December 2013, which was communicated to all the relevant participants in the procedure as well as to the ST members.</p>
3.	Implementation of	At the ST meeting of 29 May 2013 the	Common Services for E-services is a



	Common Services eServices	for	<p>directions of development of this project idea were defined.</p> <p>The ST members approved the project proposal after a meeting in Banja Luka on 4 November 2013.</p> <p>Terms of Reference was discussed at the workshop in Vlaši on 9 - 10 December 2013.</p> <p>The PARF JMB at the 37th session, held on 17 December 2013, postponed the declaration on the project proposal due to requirements to restructure the project budget.</p>	<p>project that would be a foundation for all future electronic services. It has been agreed that the ST members, for each administration level, should submit proposals of pilot e-service and specify the missing hardware infrastructure for its implementation.</p> <p>The ST members harmonised and approved the project proposal, and at the Workshop in Vlaši , the Terms of Reference was discussed. In a discussion, it was proposed to redefine the budget items within the defined budget, and it was agreed to do it as part of the finalisation of the terms of reference.</p> <p>At the PARF JMB session, the project proposal was discussed and due to the requirements for change in the budget structure, the declaration of the members on it was postponed.</p> <p>It was agreed to make the budget amendment in the project proposal and the terms of reference and to submit it jointly for discussion and declaration.</p>
4.	Establishing BH portal		<p>In cooperation with the representatives of the Secretariat General of the Council of Ministers of BiH - Department for Maintenance and Development of Electronic Operations and e-Government System, two experts were selected for implementation of the project (lawyer and IT expert). The content and the design of the portal have been defined, and the method of its administration has been proposed.</p> <p>Through the project "Redesign of the Web Portal of the CoM BiH", the funds have been provided for technical implementation.</p> <p>At the presentation of the results of this phase of the project, held on 18 December 2013, the appearance and functionality of the portal have been presented.</p>	<p>Financial implementation of this Project, in an initial phase of analysis and preparation of technical documentation of the portal as well as identification of services of the BiH portal, provided through the GIZ program of assistance to the PARCO.</p> <p>In the next stage, there should be provided funds for translation and proofreading of the content of the portal, as well as upload of contents to the portal.</p>
5.	Specialist Education Programme for IT Managers		<p>At the ST meeting of 29 May 2013 the ST members received the draft project proposal.</p> <p>The ST members approved the project proposal after a meeting in Banja Luka on 4 November 2013.</p> <p>The PARF JMB at the 37th session of 17 December 2013, enacted the Decision on Adoption of the Project Proposal.</p> <p>Terms of Reference was discussed at the workshop in Vlaši on 9 - 10 December 2013.</p>	<p>Project idea from 2013. The need and significance of implementation of this project, which would contribute to building of IT capacities in the structures of civil service, have been stressed.</p> <p>The PARF JMB, at the 37th session, held on 17 December 2013, enacted the Decision on Adoption of the Project Proposal, and at the workshop in Vlaši , 9 - 10 December 2013, the terms of reference was discussed.</p>
6.	Establishment of community of IT practitioners in BiH		<p>At the workshop in Neum (26 and 27 September), there was a discussion on the project proposal, and after incorporated comments and suggestions, after the meeting of the ST in Banja Luka, 4 November 2013, the ST members accepted the project</p>	<p>Project idea from 2013. The objective is, through the forum of IT experts, both from the public administration institutions and the academic community and private sector, to exchange knowledge and experiences regarding implementation of information</p>

		proposal.	systems in the administration, to find solutions, generate innovation, harmonise views on issues of common interest, which will contribute to greater professionalism of IT staff, more support of management of the institutions to the activities of the IT staff, development of joint projects and harmonisation of standpoints when presenting at regional and international conferences. It is planned to finance the project by bilateral donor funds, and that certain activities are implemented by participation of relevant organisations, companies, and academia.
7.	Establishment of Public Registers Catalogue in BiH	At the workshops in Neum and Vlaši , as well as at the ST meeting in Banja Luka, there was a discussion on the project proposal, and directions for further development have been set.	Project idea from 2013. The purpose of the project is to provide access via a single point of contact of a service catalogue and catalogue of public registers with identified, analysed and catalogued initial registers that are required to achieve 20 basic public services and four selected pilot services. It is planned to prepare a concept (organizational, legal , technical) and the rules of conduct in the exchange of data from the registers, records and catalogues in an electronic form between the institutions of public administration, in accordance with the Interoperability Framework of BiH and competencies for the maintenance of public registers.
8.	Systems for Document and e-Sessions of Governments Management	Due to complexity of the project idea "Establishment of Permanent Process of IT Risk Analysis in BiH", the ST members have declared that this project idea was to be replaced by a new one - Systems for Document and e-Sessions of Governments Management - for whose implementation there is a greater priority.  At the workshops in Neum and Vlaši , as well as at the ST meeting in Banja Luka, there was a discussion on the project proposal, and directions for further development of project documentation have been set.	This project replaced the previously passed priority for 2013. - "Establishment of Permanent Process of IT Risk Analysis in BiH" Determined directions of development of the project proposal in two components (RS and BD BiH one component and BiH and the FBiH, the component II). Through this project, it is intended to procure and instal equipment to ensure simpler monitoring, management and control of objects and documents through automation of the process of receipt of documents, electronic processing, distribution, approval, inspection and final archiving (BiH and the FBiH), and implementation of a stable, efficient and secure system for managing and monitoring the sessions of the Government with establishment of a unified communications and collaboration, both in the Government and in its institutions (the RS and the BD BiH).

### *Other Activities*

With the objective of approximation of standpoints and setting the institutions in charge by the objectives defined in the RAP 1, the PARCO initiated a joint meeting of the management of the Ministry of Communication and Transport of BiH and the Secretariat General of the Council of Ministers of BiH. There were several meetings with the representatives of the said institutions with the aim of defining the competencies and tasks in the Decision on Adoption of the Interoperability Framework of BiH.

From 1st April to 5 April 2013, within cooperation of the GIZ programme "Strengthening of Public Institutions in BiH" and the PARCO, a study visit to Germany was organised for the Supervisory Team members of the reform area of e-Administration and the civil servants coordinating activities in this area. During the visit, experiences have been exchanged with the representatives of the federal institutions, as well as other levels of authority in Germany on the topic of development of information technologies, standards and architecture of e-Government, establishment of one-stop-shop as service for assistance to the citizens, establishment and functioning of the coordination body as the service of a common number of the public service - 115. The visit was evaluated as very successful, because it has been designed in accordance with the activities of the Supervisory Team that are ongoing or are being planned.

In April, within the Mostar Fair, there was a conference "e-Administration in Herzegovina", where the activities of the PARCO in the area of e-Administration have been presented, as well as the progress in establishment of e-Administration at all the levels of authority in BiH.

Representatives of the PARCO held two meetings with the representatives of the Federal Ministry of Transport and Communications and the members of the Supervisory Team from this administrative level with the aim of presenting both the current and the planned activities, and to avoid possible overlapping.

Within implementation of the project "Programme of Strengthening of Public Institutions in BiH, whose implementer is the GIZ, an expert assistance still continued in development of the priority projects for financing by the Public Administration Fund.

As part of the same programme, there was an establishment of an inter-institutional working group on information technologies in which the officers from the reform area of e-Administration have been appointed.

Representative Office took part in the TAIEX seminar in Budapest on the topic "Development of Public Administration for the Western Balkans Countries" (16 - 19 September 2013), within which there was a workshop on development of e-Administration, achievements, trends and planned projects in this area in the Member States of the Visegrad group.

## 4.2. Development of the Action Plan 2

The Public Administration Reform Coordinator's Office in BiH, after agreement with the public administration reform coordinators in the entities and the Brčko District of BiH, sent in the procedure, in 2013, the documents related to preparation of the second action plan. The PARCO submitted to the Council of Ministers of BiH the document Bases of Development of the Second Action Plan of the Public Administration Reform, which provided guidelines for development of the document, and the Information on the Preparatory Activities for Development of the Second Action Plan of the Public Administration Reform and the Decision on Adoption of the Bases of Development of the Second Action Plan of Public Administration Reform. The Council of Ministers, at the session of 26 March 2013<sup>27</sup>, adopted the aforementioned documents. A set of documents was submitted also to the other governments for adoption, after which these materials, as well as the document that should establish an intergovernmental working group to develop the second action plan, were discussed by the public administration reform coordinators at the meetings held in February, April and May, and achieved agreement to submit the documents to the governments for consideration and adoption.

The Government of the Brčko District of BiH, at the 22nd session of 5 and 7 June 2013, enacted the Decision on Adoption of the Bases of Development of the Second Action Plan of Public Administration Reform. The Government of the Federation of BiH did not declare on the documents, while the Government of the Republic of Srpska formed at the session held on 4 September<sup>28</sup> discussed the Proposal of the Specific Decision on Appointment of the Working Group for Participation in the Activities on Preparation of the Second Action Plan of the Strategy of Public Administration Reform, and according to the information of the public administration reform coordinator of that entity, at the proposal of the Ministry of Administration and Local self Governance appointed a working group that is supposed to consider the proposed documents for draft of the second action plan and give an opinion on them.[sic] The working group consisted of representatives of the Ministry of Administration and Local Self Governance of the RS, the Ministry of Finance, the Ministry for Economic Relations and Regional Cooperation, the Ministry of Justice, the Republic Secretariat for Legislation, the Civil Administration Agency and the Secretariat General of the Government of the RS. The Government of the RS, at its session of 8 November<sup>29</sup> discussed the Information on the proposals of the working group consisting of representatives of the institutions of that entity regarding the document Bases of Development of the Second Action Plan of Public Administration Reform, but the document itself was not adopted.

Although adoption of a decision on establishment of an intergovernmental working group for draft of the second action plan was planned for 2013, it was not done during the year. The PARCO prepared, and harmonised the decision with the public administration reform coordinators, and obtained the names of the representatives of the state institutions. Since all the governments have not adopted the documents on the start of development of the second action plan, adoption of the decision was not implemented during the reporting period.

The PARCO mid-year received a technical assistance under the project "Support in Coordination and Implementation of Public Administration Reform in BiH", which was financed by the IPA programme. The project began in late May, and one of the components of this project is support to sector reforms. The PARCO, by the end of the year held a series of meetings with the representatives of the technical assistance. During the year, a Framework Plan of Activities of the Technical Assistance Project and the PARCO in the Period of Duration of Assistance was prepared, and after that, the document "Framework Plan 2: Defining the Objectives and Priorities of the Reforms in the Sector" as well. The document stipulates linking the building of horizontal and vertical capacities,

The Council of Ministers of BiH and the Government of the Brčko District adopted the concept of development of the second action plan in the first half of the year, but by the end of the reporting period, the entity governments have not adopted the document. In cooperation with the Technical Assistance, the PARCO continued to develop new documents.

<sup>27</sup> 43rd session of the Council of Ministers of BiH

<sup>28</sup> 25th session of the Government of the RS

<sup>29</sup> 35th session of the Government of the RS

and starts from the progress achieved so far in building the general capacities, and from the services provided by the authorities to the citizens and businesses.

The Technical Assistance Project reported to the PARCO that it received from the authorities in the Republic of Srpska a proposal to postpone the activities related to draft of the second action plan, and to prepare and present in the meantime the degree of implementation of the Revised Action Plan 1. The same proposal said that preparation of a second action plan should be postponed by harmonisation of coordination mechanism for the process of European integration, and the objection from this entity is also that it was not realistic to develop and implement the second action plan by the end of 2014, and they linked the end of 2014 with the date of validity of the Strategy. The PARCO, in cooperation with the technical assistance project, will continue the talks with all the levels of government.

The PARCO, in 2013, held a series of meetings with the representatives of the Directorate for European Integration of BiH, with whom they exchanged information on creating databases in the two institutions. The PARCO put at the Directorate disposal the data it collected in the previous period.

During the year, cooperation with other institutions continued. The representatives of the PARCO attended the conference of the project CAPINFOOD, where Innovative strategy of BiH for the food sector 2012 - 2020 was presented, prepared as one of the results of this project. The Conference was held in March. The cooperation continued also through participation of the representatives of the PARCO in the project "Strengthening of the Institutions for Protection of Living Environment of BiH and Preparation for Use of the Pre-Accession Funds" (EnVIS BiH).

## 5 Management of the Public Administration Reform Fund

The Public Administration Reform Fund is managed by the Joint Management board composed of representatives of the BiH institutions of four levels of government and the donors. In accordance with the Memorandum of Understanding for Establishment of the Public Administration Reform Fund, the PARCO is preparing documents for the session of the PARF JMB, is in charge of identification, review, creation and draft of project specifications, and monitoring and evaluation of the projects financed from the PARF. In 2013, as well as in previous years, the PARCO was implementing public procurements for the projects, it informed the PARF JMB on the matters relevant for implementation of the PAR Strategy and the projects, and prepared reports giving overview of the activities of the PARF, overview of the condition of the projects, and the condition of the PARF finances.

The PARCO and the Ministry of Finance and Treasury of BiH are in charge of general management of the PARF accounts and supervision over expenditure from the PARF, which is defined in the Memorandum. According to the Procedures of Finance Management of the PARF, the PARCO is in charge of: preparing budget structure of the projects and monitoring of their implementation, preparing payment requests or orders for transfer of funds, preparation of reports on the activities of the PARF, ensuring financial information for update of the database of the projects and establishment of the system of financial monitoring of the projects through the Financial Management Information System of the Treasury of BiH (ISFU). The Ministry of Finance and Treasury of BiH maintains financial records of support in accordance with the international accounting standards.

### *Activities of the Joint Management Board of the Public Administration Reform Fund*

The PARF JMB, since the start of its work until the end of this reporting period approved a total of 23 projects, of which 21 are prepared for four administration levels, and two are individual projects. The project "Treasury Information System of the Brčko District" is related only to the Brčko District of BiH, while the project "Widening of the Human Resources Management Information System with the

Software Modules for Human Resources Planning and Internal Labour Market Management in the Republic Bodies of the Republic of Srpska", was proposed by the Civil Administration Agency of the Republic of Srpska for that level of authority. Of the 23 projects approved so far, eleven has been completed, one is in the phase of implementation, and four are in the procedure of public procurement. The PARCO prepared, and the PARF JMB approved the terms of reference for four projects, while for three projects the project proposals have been prepared and approved.

IMPLEMENTED PROJECTS - PHASE I					
Projects approved by the PARF JMB	Contracted budget in BAM VAT included	Implemented Budget in BAM, VAT included	Implemented VAT Return (for payments made)	Date of Signing of the Contract	Date of Completion of the Activities
Establishment of Network of Info Stands (IC)	155,610.00	148,395.21	21,561.69	March 4, 2009	December 4, 2009
Strategic Communication (IC)	149,526.00	145,579.32	21,152.55	August 24, 2009	February 24, 2010
Training of Public Relations Officers (IC)	128,285.88	128,198.10	18,627.09	January 15, 2010	15/06/2010
Draft of Administrative Decision making in BiH Quality Improvement Programme (APAS)	444,600.00	404,580.84	58,785.26	December 21st, 2009	21/12/2010
Development of Performance Management System in the Structures of Civil Service in BiH (HRM)	760,383.00	744,150.82	108,124.49	January 4, 2010	October 31st, 2011
Transposing EU Legislation in the Legal System of BiH (SPCPM)	395,752.50	394,201.08	57,277.08	December 8, 2010	07/02/2012
Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH (SPCPM)	786,041.57	674,979.88	98,073.99	June 9, 2010	April 9, 2012
Training of Civil Servants for Application of Information Technologies and Work on Computers (HRM)	1,213,424.95	1,207,751.11	175,485.15	December 28, 2010	May 28, 2012
Budget Management Information System - procurement of consultancy services (PF), including additional services of the BMIS project	916,649.41	877,693.68	127,528.14	27 July 2011	16/06/2013
Procurement of Equipment within the Project Budget Management Information System (PF)	339,428.41	339,428.28	49,318.65	27/09/2012	30/11/2012
Design and Establishment of Interoperability Framework and Standards for Data Exchange (e-Administration) <sup>30</sup>	191,571.12	177,379.53	25,773.10	May 23rd, 2011	October 31st, 2012
Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I – procurement of services (SPCPM)	1,610,978.05	1,539,925.03	223,749.78	July 20, 2010	November 20, 2012
Procurement of Equipment within the Project Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I (SPCPM)	191,951.78	191,951.78	27,890.43	May 24, 2012	13/07/2012
<b>Total for Implemented Projects:</b>	<b>7,284,202.67</b>	<b>6,974,214.66</b>	<b>1,013,347.40</b>		

PROJECTS IN THE IMPLEMENTATION PHASE - PHASE I					
Projects approved by the PARF JMB	Contracted budget in BAM VAT included	Payments Made in BAM, VAT included	Implemented VAT Return (for payments made)	Date of Signing of the Contract	Duration of the Project in months
Widening of the Information System for Human Resources Management by Software Modules for Personnel Planning and Maintenance of the Internal Labour Market in the Republic Bodies of the Republic of Srpska (HRM)	57,587.40	0.00	0.00	04/07/2013	6
<b>Total for the Projects in Implementation:</b>	<b>57,587.40</b>	<b>0.00</b>	<b>0.00</b>		
PROJECTS IN THE PROCEDURE OF PROCUREMENT - PHASE I					
Projects approved by the PARF JMB	Framework budget in BAM VAT included			Planned Start of Implementation	Duration of the Project in months
Establishment of Modern Departments for Human Resources Management in the Bodies of Administration in BiH (HRM)	1,594,710.00			Declaration of the CoM BiH to the submitted Information is pending	18
Treasury Information System of the Brčko District of BiH (PF)	582,894.00			Procedure annulled, necessary to revise the terms of reference before starting the new procedure of public procurement	24
Building of Capacities for Combat against Corruption in the Structures of Civil Service in BiH (HRM and IC)	500,000.00			The Procurement Review Board remitted the case to the contracting authority for a repeated procedure	12
Training of Public Relations Officers – Phase II (IC)	109,395.00			The Procurement Review Board remitted the case to the contracting authority for a repeated procedure	8
<b>Total for the Projects in the Procedure of Procurement:</b>	<b>2,786,999.00</b>				
PROJECTS IN THE PROCEDURE OF PREPARATION OF PROJECT DOCUMENTATION - PHASE I (UNSPENT FUNDS OF THE PAR FUND - PHASE I)					
Gender responsible budgeting (PF)	189,049.77			II quarter of 2014	3
Training of Employees Who Execute the Jobs of Civil Administration for Application of Information Technologies and Work on Computers (HRM)	728,430.30			IV quarter of 2014	12



<b>Total for the projects in the procedure of preparation of project documentation - Phase I (unspent funds of the PARF)</b>	<b>917,480.07</b>				
<b>PROJECTS IN THE PROCEDURE OF PREPARATION OF PROJECT DOCUMENTATION / PROCUREMENT PROCEDURE - PHASE II</b>					
<b>Projects approved by the PARF JMB</b>	<b>Framework budget in BAM VAT included</b>			<b>Planned Start of Implementation</b>	<b>Duration of the Project in months</b>
Business Registration Reform Road Map (e-Administration)	424,125.00			II quarter of 2014	7
Strengthening of Capacities for Strategic Planning and Policy Development - phase II (SPPD II)	2,478,411.00			IV quarter of 2014	30
Public-Private Partnership (PPP)	2,033,372.25			IV quarter of 2014	18
"Establishment and/or Strengthening of Capacities of the Institution/s for Control of Regulations and Establishment of the System of Reduction of Administrative Barriers"	1,849,307.85			IV quarter of 2014	24
Specialist Education Programme for IT Managers	200,181.15			IV quarter of 2014	10
<b>Total for the projects in the procedure of preparation of project documentation - Phase II</b>	<b>6,985,397.25</b>				

The table shows a list of all approved projects, with information on the status of the project, start time and end time, as well as planned, or spent money:

The projects were discussed by the PARF JMB at the total of six sessions, which were held in 2013. The PARF JMB implemented in the reporting period eleven procedures of written harmonization, and enacted eleven decisions. Two decisions were related with adoption of periodic reports for the projects that were in progress, one decision was related with the report of the vendor on execution of the contract on sales, four decisions were related to giving agreement to the report on evaluation of procurement (phase of prequalification for procurement of consultancy services), one decision was related with giving agreement to the competition request for the contract on public procurement of service for the project, one decision was related with giving agreement to the amended tender documentation, one decision was related to giving agreement to the report on implemented additional services for the project and one decision was related to giving agreement to the Annex of the Contract on Services for Implementation of the Project.

The PARF JMB adopted<sup>31</sup> the Guidelines on Amendments to the Guidelines for Establishment and Work of the Commissions for Procurements for Implementation of the Procedures of Public Procurements Financed by the Public Administration Reform Fund.

Note: Unspent money is the difference between the contracted value of the project and actually spent money for that project and it is used to finance new projects, in accordance with the decisions of the Joint Management Board of the Public Administration Reform Fund. Also, for the new agreed projects, the money is used also on the basis of Value Added Tax return.

### *Finances of the PAR Fund*

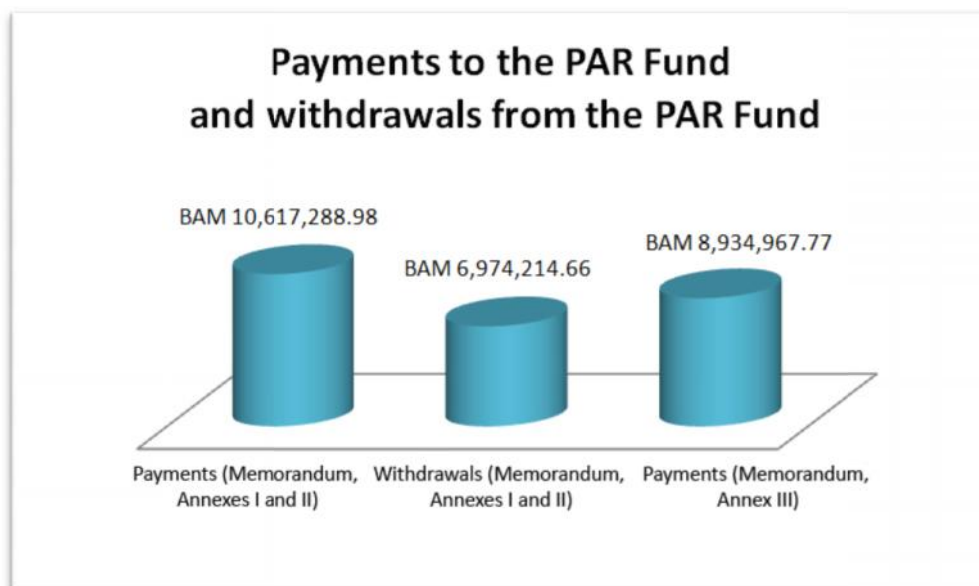
<sup>31</sup> At the 36th session, held on 24 October 2013

By signing the Annex III to the Memorandum of Understanding for Establishment of the Public Administration Reform Fund in 2012, the Norwegian Foreign Ministry obligated itself to make an investment in the PARF in the total amount of NOK 24 million (approximately EUR 3 million, by the exchange rate on the day of transfer) on an annual basis. That is NOK eight million for 2011, 2012 and 2013 respectively. The donor Sida obligated it self to invest EUR three million on an annual basis, i.e. EUR one million for 2012, 2013 and 2014 respectively.

In addition to the PARF donors, by signing the Annex III to the MoU, the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the BD BiH obligated themselves to annually allocate from their budgets the money for financing of the PARF.

From establishment of the PARF in 2007 until 31st December 2011 (period covered by the Memorandum, the Annex I and the Annex II) the Public Administration Reform Fund received BAM 10,617,288.98, of which, for implementation of 16 projects, by the end of 2013, a total of BAM 6,974,214.66, VAT included, has been withdrawn (of which, in this reporting period BAM 661,231.22, VAT included, has been withdrawn).

After the signing of the Annex III to the MoU, by 31 December 2013, the donors paid to the PARF a total of EUR 4,307,617.62, or BAM 8,424,967.77 (the Sida EUR 2,259,379.99 and the Ministry of Foreign Affairs of Norway EUR 2,048,237.63). In accordance with the Annex III, the local authorities, by 31st December 2013, paid to the PARF a total of BAM 510,000 (the CoM BiH BAM 300,000, the Government of the FBiH BAM 170,000, the Government of the Brčko District of BiH BAM 40,000), while the Government of the RS adopted the Conclusion on Allocation of BAM 75,000 KM for co-financing of the projects in the field of public administration reform, but by the end of the reporting period the money was not paid. Overview of total payments and withdrawals is given in the chart below:



Graph 3: Payments and withdrawals by 31/12/2013 by the annexes I, II and III to the Memorandum of Understanding for Establishment of the PARF

Total VAT return from the completed projects, by the end of 2013, amounts to BAM 1,013,347.40. The VAT returned in this reporting period by the specific decisions of the Indirect Taxation Administration in 2013 amounted to BAM 175,417.45.

On the Condition of the PARF, the PARCO in 2013 as well reported to the Council of Ministers of BiH, which enacted the Decision on Adoption of the Annual Financial Report of the Public Administration Reform Fund for 2012<sup>32</sup>, and the Decision on Planning of Funds for Co-Financing of the "Public Administration Reform Fund" from the Budget of the Institutions of Bosnia and Herzegovina and International Obligations of Bosnia and Herzegovina for 2014, in the amount of BAM 150,000.00<sup>33</sup>.

<sup>32</sup> At the 49th session of 8 May 2013.

<sup>33</sup> At the 51st session of 28 May 2013.

## *Cooperation with the PAR Fund Donors*

*Completed talks with the Danish Ministry of Foreign Affairs on investing EUR 3.76 million.*

The reporting year was marked by agreement on further investment of current donors, as well as the accession of a new donor to the Public Administration Reform Fund. In the first half of the year, the PARCO initiated talks with the Ministry of Foreign Affairs of Denmark on investment of this Danish institution in the public administration reform process in BiH.

There were several meetings with the representatives of the Ministry of Foreign Affairs of Denmark, where the Danish side expressed the wish to join the PARF as a new donor for the next three year period. In May, there were meetings with the Danish assessment team, which in the end of the month submitted its findings and once again confirmed that the Ministry would invest the money in the PARF. The PARCO, after completion of the work of the assessment team, continued the talks with the Danish representatives on achievement of the necessary preconditions for the Danish investment. A draft of Annex IV to the Memorandum of Understanding for Establishment of the PARF was prepared, which should be signed in early 2014. The Council of Ministers of BiH established<sup>34</sup> the proposal of the Annex IV to the Memorandum with the bases for conclusion and tasked the PARCO to submit the proposal of the Annex IV to the MoU to the Presidency of BiH in the further procedure with the proposal that the chairman of the Council of Ministers should be appointed to sign. The PARCO sent the documents to the Presidency of BiH in December.

In any case, the Ministry of Foreign Affairs of Denmark intends to invest DKK 30 million in the period 2014 - 2016, of which a smaller part would be used for financing the civil society organisations in BiH. The amount of DKK 28 million or EUR 3.76 million should be invested in the PARF.

## *Other Donors*

The Donor Coordination Forum (DCF), in organisation of the Ministry of Finance and Treasury of BiH / the Sector for Coordination of International Economic Assistance (SCIA), held on 16 April the first meeting in 2013, which was chaired by the European Union Delegation in BiH. The main topics of the meeting were implementation of the projects from the area of pre-accession assistance of the EU - IPA, and the report on the donor activities for the period 2011 - 2012, as well as the Progress Report in implementation of the principles of the Paris Declaration on efficient assistance in BiH - 2011, which was prepared by the Ministry of Finance and Treasury of BiH.

It was stressed at the meeting that for the National IPA Programme in 2012 EUR 84.4 million was approved, and the money would be placed for the projects in the sectors of justice, transport, public administration reform, private sector development, and social reform. National IPA programme for 2013 is in the phase of drafting and it is expected that EUR 87.1 million would be approved. In 2013, the programme IPA , which started in 2007, would end, while the programme - IPA 2 would cover the period 2014 - 2020.

At the second meeting of the Donor Coordination Forum, chaired by the United Nations (UN) Team in BiH, held on 30 October, the resident coordinator of the UN Office in BiH and his team presented the results and progress in formulating the Framework for Development Cooperation of the United Nations (UNDAF) for BiH for the period 2015 - 2019. Information was provided in terms of the key elements of this process, and on the work on establishment of the analytical bases for the strategic planning process by preparing Progress Reports on Implementing the Millennium Development Goals (MDGs) for 2013, and Instrument of Joint Assessment for BiH (CCA) , as well as on the future development of partnerships between BiH and the UN.

The Representatives of the Department for Coordination and Mobilisation of International Assistance in the Ministry of Finance and Treasury of BiH presented the current and upcoming activities undertaken to improve aid coordination in BiH.

**The information on the donor projects is available at the website [www.parco.gov.ba](http://www.parco.gov.ba).**

<sup>34</sup> At the 77th session, held on 18 December 2013

## 6 Reporting and Monitoring

In March<sup>35</sup>, the Council of Ministers of BiH adopted the Annual Progress Report (monitoring of implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH) for the period 1st January – 31st December 2012, and the Annual Report on Work of the Public Administration Reform Coordinator's Office. In August<sup>36</sup>, the CoM adopted the Biannual Progress Report (monitoring of implementation of the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH) for the period 1st January - 30 June 2013, with the recommendations provided in the Report. The competent state institutions were put in charge of implementing the unimplemented obligations from 2011 and 2012, and to incorporate obligations from the Revised Action Plan 1 when drafting the programme of work for 2014. It was recommended to the Governments of the Federation of BiH, the Republic of Srpska and the Brčko District of BiH to implement the unimplemented obligations from 2011 and 2012, and to submit information on implementation of these obligations to the PARCO by the next reporting period at the latest. The Biannual Report on Work of the Public Administration Reform Coordinator's Office was adopted in September<sup>37</sup>.

In December 2013, the PARCO began collecting data on progress in implementation of the RAP1 for the needs of the Annual Report. The data collection system at the state level includes all the institutions, through the appointed contact persons for cooperation with the PARCO<sup>38</sup>.

Monitoring and evaluation of the projects financed by the PARF continued in the reporting period.

- ✚ Second monitoring of the Project "*Budget Management Information System*" has been completed (activity started in December 2012);
- ✚ Evaluation of the project "*Transposing EU Legislation in the Legal System of BiH*" has been completed (activity started in November 2012);
- ✚ Evaluation of the project "*Improvement of Rules and Procedures for Legal, Other Regulation and General Acts Drafting in BiH*" has been implemented;
- ✚ Evaluation of the project "*Development of Performance Management System in the Structures of Civil Service in BiH*" has been implemented;
- ✚ Most of the activities on evaluation of the project "*Training of Civil Servants for Application of Information Technologies and Work on Computers*" has been implemented;
- ✚ Initial activities on evaluation of the project "*Blueprint of Development of Central Bodies of Governments in BiH – Implementation of the Phase I*" have started.

**Reports of the PARCO on work and monitoring of the public administration reform are available at [www.parco.gov.ba](http://www.parco.gov.ba).**

In the second half of the year, the Audit Office of the Institutions of BiH conducted a performance audit on the topic "The results of the public administration reform". The audit was made on the basis of case study, based on an analysis of the project "Development of Performance Management System in the Structures of the Civil Service of BiH", financed by the Public Administration Reform Fund. The report contains recommendations addressed to the institutions of BiH responsible for implementation of the reform, the Joint Management Board of the Public Administration Reform Fund, the Public Administration Reform Coordinator's Office and the Council of Ministers of BiH. Recommendations should contribute to greater efficiency of the reform processes, and accelerating reform and the European integration process.

<sup>35</sup> At the 42nd session, held on 13 March 2013.

<sup>36</sup> At the 61st session, held on 29 August 2013

<sup>37</sup> At the 62nd Session of the Council of Ministers of BiH, held on 3 September 2013

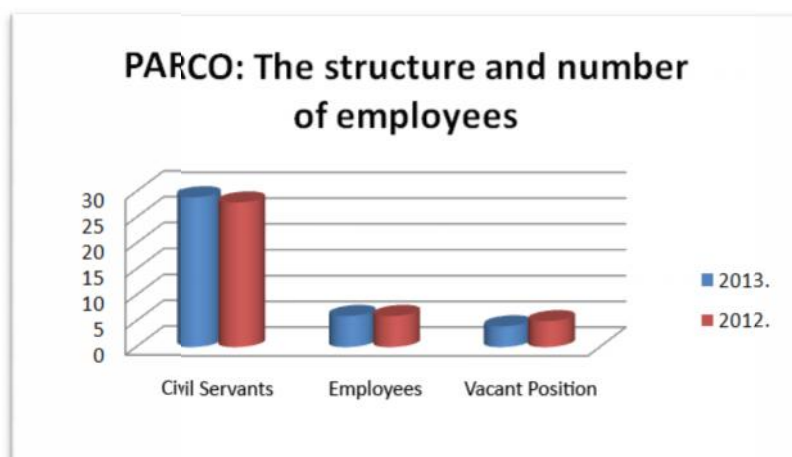
<sup>38</sup> so far, 53 of 66 institutions from the state administration level appointed contact persons for cooperation with the PARCO

## 7 Organisation and Budget

### Strengthening of the Capacities of the PARCO

The Ordinance on Internal Organisation and Systematisation of Jobs systematised a total of 40 positions in the PARCO. The PARCO currently has 36 employees and four vacant positions, namely: the position of deputy coordinator, the expert advisor for sector reforms, the senior expert associate for legal affairs, and the expert advisor for donor coordination, finance, monitoring and evaluation.

Looking at the structure of employees in the PARCO, there are 29 civil servants and six employees. Compared to 2012, the number of civil servants has been increased by one, while the number of employees remained the same.



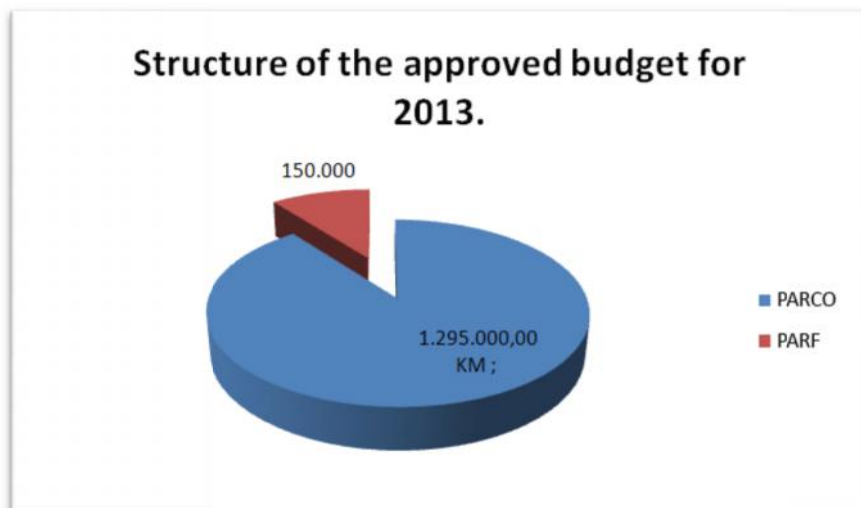
Graph: The structure and number of employees in the PARCO in 2013 and a year earlier

The PARCO was strengthening the capacities of the employees through improvement, trainings, workshops and conferences. Improvement lasted during the whole reporting period, by attendance at the trainings organised primarily by the Civil Service Agency of BiH, the Directorate for European Integration, the Regional School for Public Administration (ReSPA) and the German Society for International Cooperation (GIZ).

### Budget

Total approved operative budget of the PARCO for the period 1st January - 31st December 2013 amounts to BAM 1,445,000. Structure of the approved budget is as follows:

- BAM 1,295,000 for direct spending of the institution - budget of the PARCO;
- BAM 150,000 from the Council of Ministers of BiH, which is intended as a support of the local authorities to the PARF for implementation of the PAR Strategy.



Graph 5: Structure of the budget of the PARCO with the approved money for the PARF

In the reporting period, the reports on execution of the budget of the PARCO for 2012, the Report on Execution of the Budget for the First Quarter of 2013, the overview of priorities for the period 2014 - 2016 for the purpose of preparation of the Framework Budget Document of the Institutions of BiH for the period 2014 - 2016, the Budget Request for 2014, and the Biannual Report and the Report on Execution of the Budget for the Third Quarter of 2013 were prepared and submitted within the legal deadline.

In April, the Office for Audit of the Institutions of BiH implemented the final audit of operations of the PARCO for 2012, and gave a positive opinion to the financial reports and the financial operations of the PARCO for 2012, and in November, there was a previous audit of operations of the PARCO in 2013.

### *Public Relations*

During the year, the PARCO was focused on preparation and implementation of communication campaign among the state officials who are directly involved in the implementation of the reform.

The campaign, supported by the German Society for International Cooperation - GIZ, through the Programme of Strengthening Public Institutions, included the representatives of all the Supervisory Teams in six reform areas, the representatives of institutions at the state level who are appointed to report on the progress in the reform and the spokespersons of the institutions and ministries at all four administration levels.

In November, there were three discussions with the objective of increasing understanding of public administration reform, creating support to the reform process and active participation in it. One of the objectives of this campaign was the promotion of public administration reform. The workshops were attended by the Public Administration Reform Coordinators of BiH, the Federation of BiH and the Republic of Srpska and the Public Administration Reform Coordinator of the Brčko District of BiH.

Earlier this year, there was a press conference to mark the completion of the project "Budget Management Information System - BMIS". The start of implementation of the project "Blueprint of Development of Central Bodies of Governments in BiH - Implementation of the phase II", which is financed by the IPA fund, was made official. The state public administration reform coordinator talked at the presentation of this project on the reform of the Secretariats General of the entities, the Government of the Brčko District of BiH and the Council of Ministers of BiH. The PARCO also organised press releases on the occasion of presentation of the first phase of the project "Establishment of BH portal", and on 30 December, it organized a New Year's press conference where the activities of the PARCO in this year were presented.

At the web site of the PARCO [www.parco.gov.ba](http://www.parco.gov.ba) there are news on the sessions of the Supervisory Teams, as well as sessions of the Joint Management Board of the Public Administration Reform Fund, and the information on implementation of the projects that are being financed by the Public Administration Reform Fund.

The PARCO continued cooperation with the spokespersons in the Council of Ministers of BiH, the present information on the public administration reform in BiH were presented also through the Info bulletin of the Council of Ministers of BiH.

I 2013. The Office supported the activity "Volontiraj kreditiraj", and "hired" for one day five high school students.

## 8 Recommendations for Future Work and Improvement of Coordination

In this period, cooperation has been established with all the state institutions, which should improve the results of implementation of the reform, and enable the PARCO to have a more quality monitoring of the processes.

The PARCO, because of improvement of work and more efficient coordination of processes of public administration reform, will direct its activities in the next reporting period to the following:

- ✚ Provide appropriate and applicable project deliverables of the technical assistance project from the IPA 2011 "Support in Management and Implementation of Public Administration Reform in Bosnia and Herzegovina", whose implementation is ongoing, in accordance with the implemented needs analysis of the coordination and implementation structures of the PAR, and the current state of implementation and deadlines from the implementation documents of the Strategy of PAR in BiH.
- ✚ Intensify activities related to continuation of public administration reform in BiH, through extension of deadlines for implementation of unimplemented objectives and activities from the Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH, and proposing models of sector reforms and development of the second action plan.
- ✚ Continue activities regarding promotion of public administration reform at all the levels, especially within implementation of respective projects.
- ✚ Continue cooperation with the SIGMA through providing support in the activities of preparation of the SIGMA assessment report of BiH for 2014 and through other forms of cooperation in accordance with the plan of engagement established by the European Commission.
- ✚ **Intensify activities on development and implementation of the priority projects** for support to implementation of the PAR Strategy and the RAP 1 adopted by the PARF JMB, in cooperation with the representatives of the coordination and implementation structures in accordance with the responsibilities established through the Common Platform on the Principles and the Manner of Implementation of the Action Plan 1 of the PAR Strategy.
- ✚ Continue cooperation with the GIZ regarding implementation of the second phase of the Programme of Strengthening of Public Institutions, through conclusion of an agreement for implementation of the second phase of the Programme and through planning of the overall activities of the programme in the coming period, as well as completion of the planned activities of operational support to the PARCO within the present phase.
- ✚ With the help of the GIZ, continue the activities of improvement of the system for monitoring and evaluation of the Revised Action Plan 1 through evaluation of progress based on performance and results indicators.