BOSNA I HERCEGOVINA		БОСНА И ХЕРЦЕГОВИНА
VIJEĆE MINISTARA		САВЈЕТ МИНИСТАРА
URED KOORDINATORA ZA REFORMU JAVNE UPRAVE		***КАНЦЕЛАРИЈА КООРДИНАТОРА ЗА РЕФОРМУ ЈАВНЕ УПРАВЕ***

ANNUAL PROGRESS REPORT

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

PUBLIC ADMINISTRATION REFORM COORDINATOR'S OFFICE

FOR THE PERIOD FROM JANUARY 1ST TO DECEMBER 31ST, 2007

FEBRUARY 2008

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Abreviations

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

1 Introduction

According to the annual work plan of the Council of Ministers of BiH for 2007, the Public Administration Reform Coordinator's Office (hereinafter: the PARCO) obligated itself to the Council of Ministers of BiH to deliver regular reports on the progress in implementation of the Strategy of the Public Administration Reform and donor activity, as well as on monitoring and evaluation, quarterly and annualy, in accordance with the Strategy of the Public Administration Reform in BiH. The reports should provide for suitable and regular flow of information toward the Council of Ministers of BiH on the undertaken activities.

Reporting period, stated in the title of this document, includes the calendar year 2007. Considering that so far no periodic reports have been made on the progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, the information contained in the document and in the monitoring table from the annex include the data on certain activites which have been implemented in the period after the adoption of the Strategy of the Public Administration Reform and the Action Plan 1 (AP1) for its implementation (predominantly from the second half of 2006), but which are relevant for the contents of the reform measures established through the AP1.

During December 2007, activities have started on information gathering for drafting the first **Annual Monitoring Report on the progress of implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH** (report on monitoring and evaluation). In the last quarter of 2007, the PARCO prepared the report format for the entity coordinators and the coordinator of the Brčko District of BiH, which was presented to them at the beginning of Decemer 2007, after which they were asked to submit their reports to the PARCO by the given deadline. These reports serve to the PARCO as a basis for preparation of quarterly and annual reports on monitoring (monitoring of realisation) of the measures from the Action Plan 1 of the PAR Strategy, and in the following period on evaluation as well. Coordinators of respective reform areas from the Action Plan 1 from the PARCO, undertook the activities to ensure the information on the progress of implementation of the AP 1 from the level of institutions of BiH, and from other respective institutions – barers of the implementation activities. As additional sources of data, there were reviews of the adopted regulations (laws and bylaws), data on the realised activities within the completed and the ongoing donor projects (which are directly or partly complementary with the contents of the reform measures of the AP1), and data on the activities directed towards implementation of the AP1, which were participated in or whose initiator was the PARCO. During December 2007 and January 2008 gathering of documentation and input of data in the "Monitoring Table" (which is in the Annex of this Report) took place. On the basis of available and accessible data, the PARCO now has the insight in the overall degree of realisation of the measures from the Action Plan 1 of the PAR Strategy for 2007, ans is in position to start certain activities related with improvement of cooperation and coordiantion with all the participants in the process of public administration reform, changes of deadlines stated in the AP 1 etc.

This Report shows in detail the total degree of implementation of the measures from the Action Plana 1 of the PAR Strategy (in percentages) in 2007, for each and every one of the six reform areas respectively (on the state, entity and the Brčko District of BiH level), and in the special annex of the Report, there is shown a detailed degree of implementation by respective measures for every one of the six reform areas with relevant comments.

Remark:

In the respective progress reports (submitted by the entity coordinators and the Coordinator of the Brčko District of BiH), which were used as one of the basic data sources, in certain cases, **it was ommited to state the documentation basis** (which serves for verification of the implemented activities and the statements from the report) or submitted are the information which were of no significance for the implementation of a certain measure. Where possible, additional checks of the data source were made with a goal of obtaining an objective

confirmation of the implemented measures, and depending on the available information, established was the estimate of the degree of implementation as a percentage (1/4, 1/3 ili ½) of the **primary established value of the progress indicator** (values established for the measure as a whole). For cases where original formulation of the measure from the AP1 unambiguously states that it is supposed to be realised as “joint activity” or as a product of results of the work of the workgroup which includes the representatives of all the levels of authority, individual progress (result which might have been shown through respective reports) was not quantified.

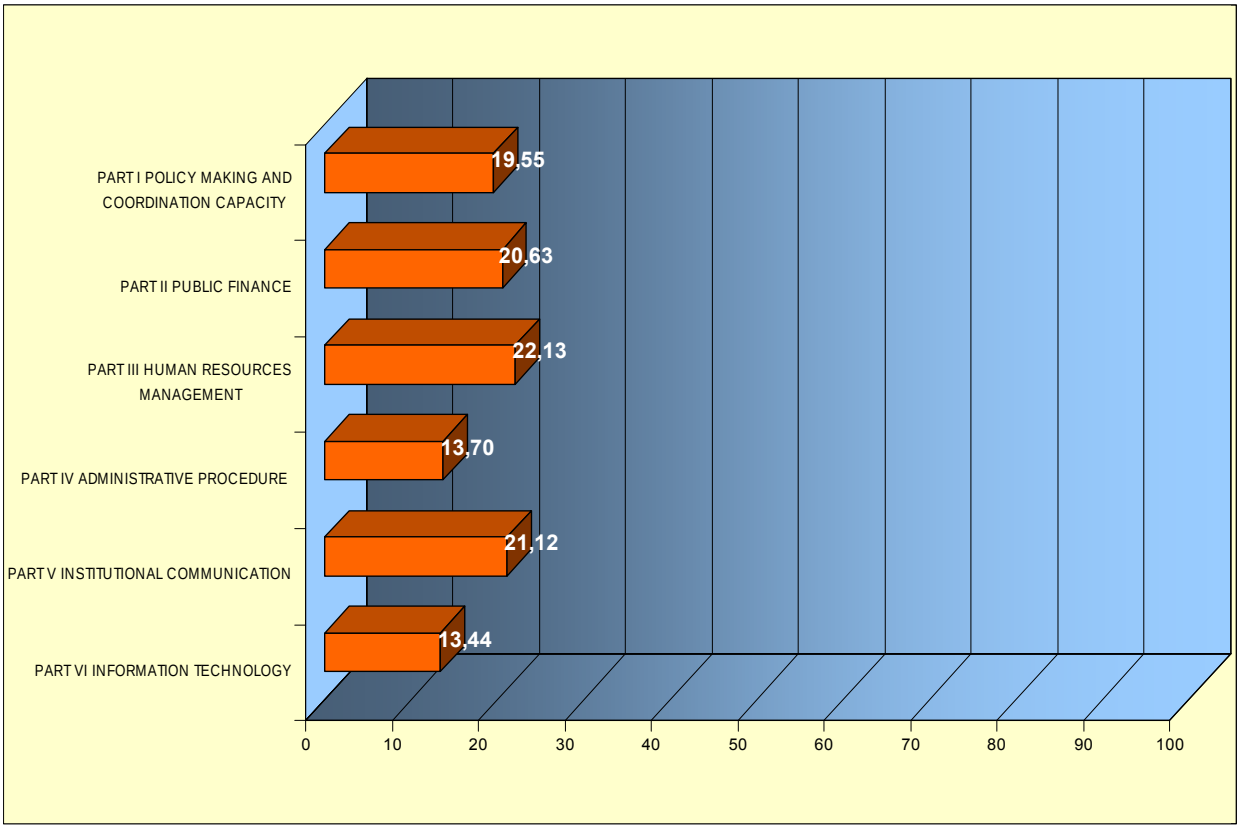
2 Overall overview of the activities in the reporting period

Overall implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, by the end of 2007 amounts to **18,43%**.

The table below shows the cumulative progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH, jointly for all the levels of authority (BiH, the FBiH, the RS and the BD BiH).

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

ACTION PLAN 1 OF THE STRATEGY OF THE PUBLIC ADMINISTRATION REFORM IN BIH	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIY	19,55
PART II PUBLIC FINANCE	20,63
PART III HUMAN RESOURCES MANAGEMENT	22,13
PART IV ADMINISTRATIVE PROCEDURE	13,70
PART V INSTITUTIONAL COMMUNICATION	21,12
PART VI INFORMATION TECHNOLOGY	13,44

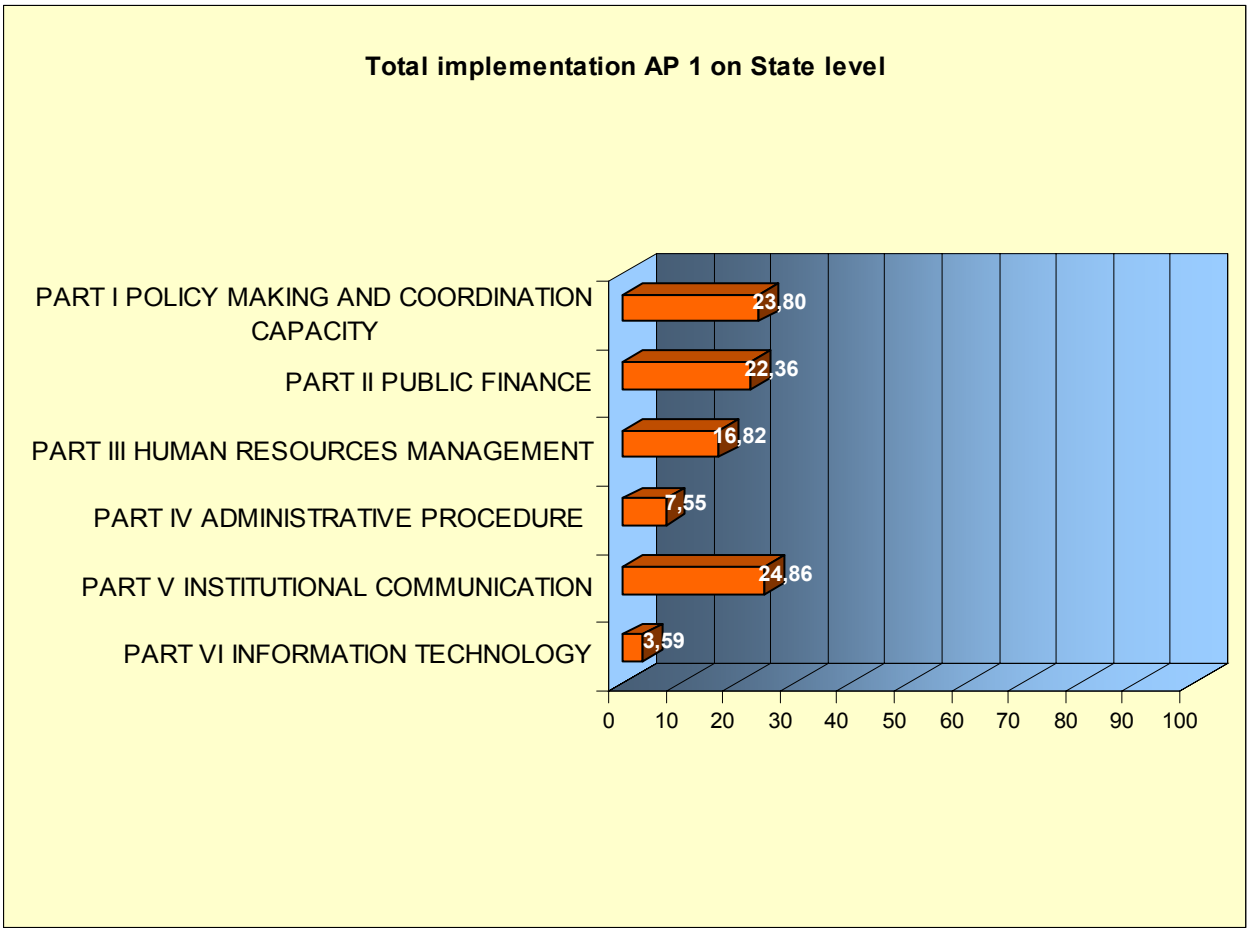


*Detailed description of the implemented measures with comments is in the monitoring table in the Annex of this Report.

The following tables show the achieved level of implementation at the state, entity and the level of the Brčko District of BiH authorities by the end of 2007.

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

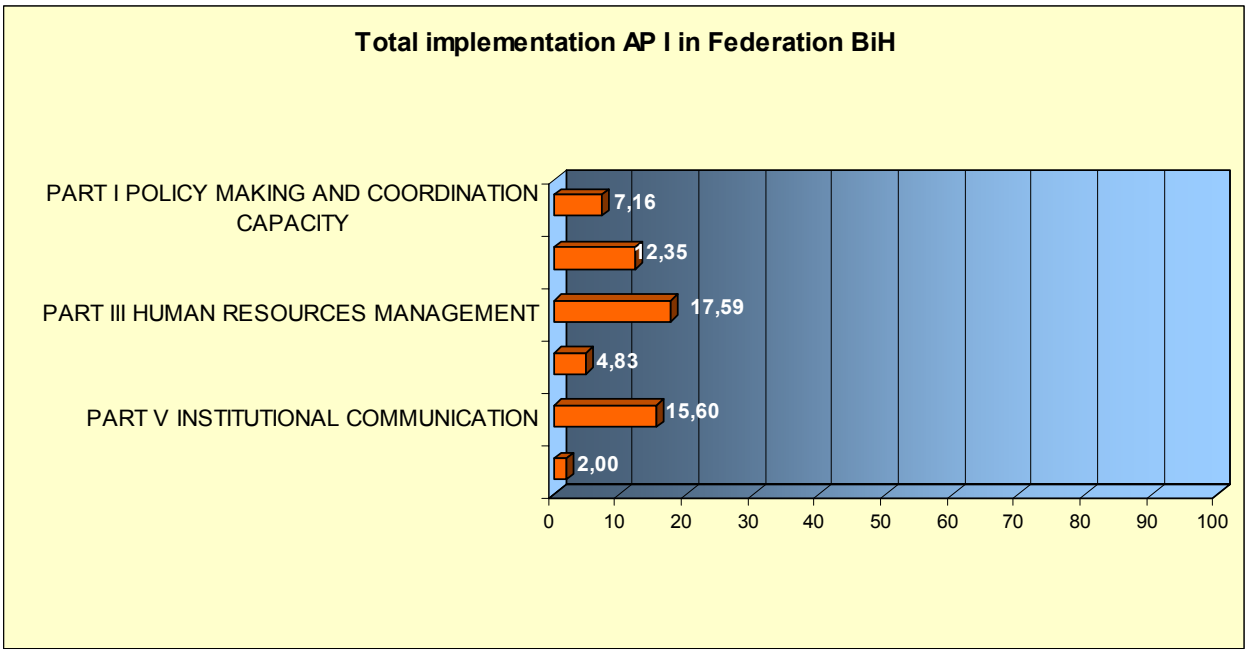
BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITIY	23,80
PART II PUBLIC FINANCE	22,36
PART III HUMAN RESOURCES MANAGEMENT	16,82
PART IV ADMINISTRATIVE PROCEDURE	7,55
PART V INSTITUTIONAL COMMUNICATION	24,86
PART VI INFORMATION TECHNOLOGY	3,59



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

Table 3: Cumulative implementation of the AP 1 of the PAR Strategy in BiH by reform areas – the FBiH level

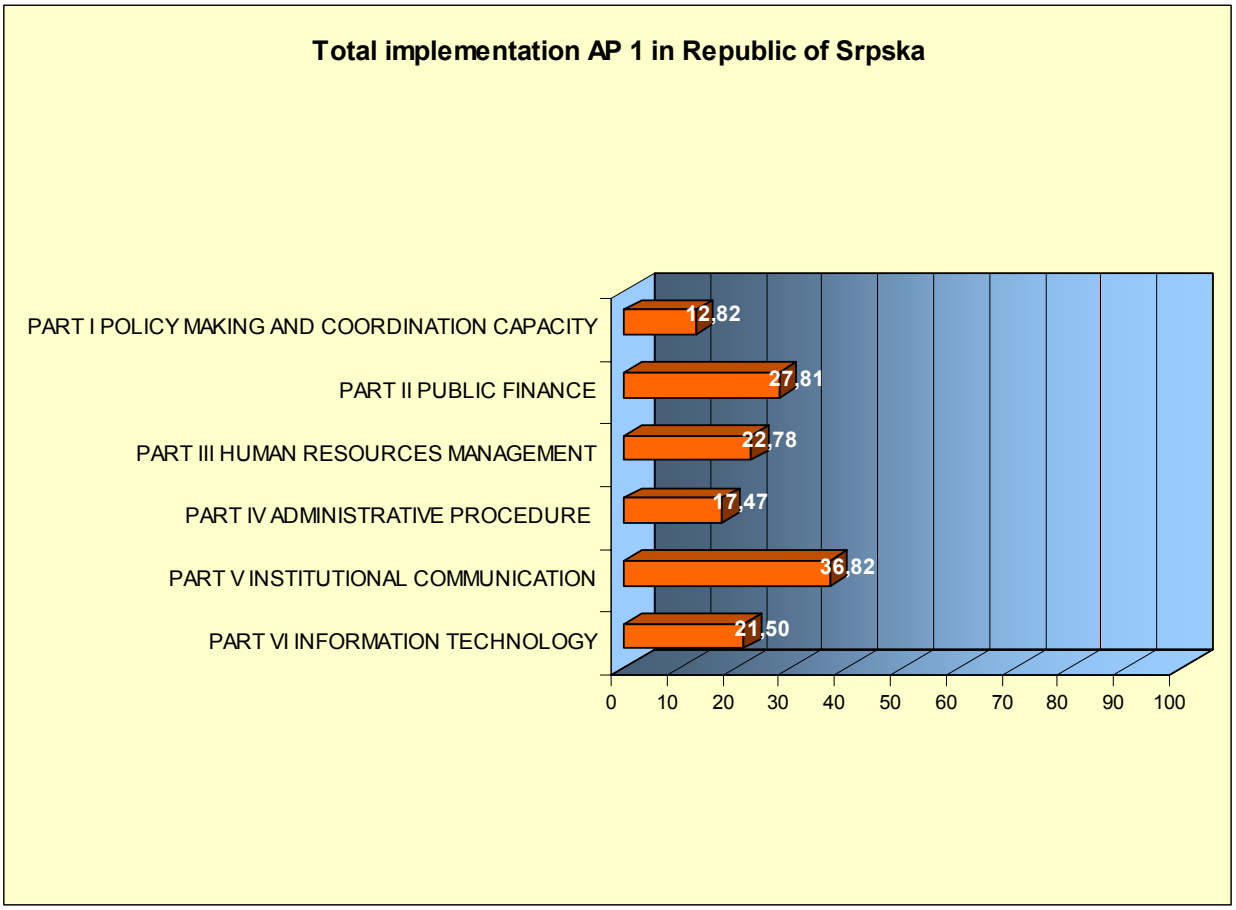
the FBiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITY	7,16
PART II PUBLIC FINANCE	12,35
PART III HUMAN RESOURCES MANAGEMENT	17,59
PART IV ADMINISTRATIVE PROCEDURE	4,83
PART V INSTITUTIONAL COMMUNICATION	15,60
PART VI INFORMATION TECHNOLOGY	2,00



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

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

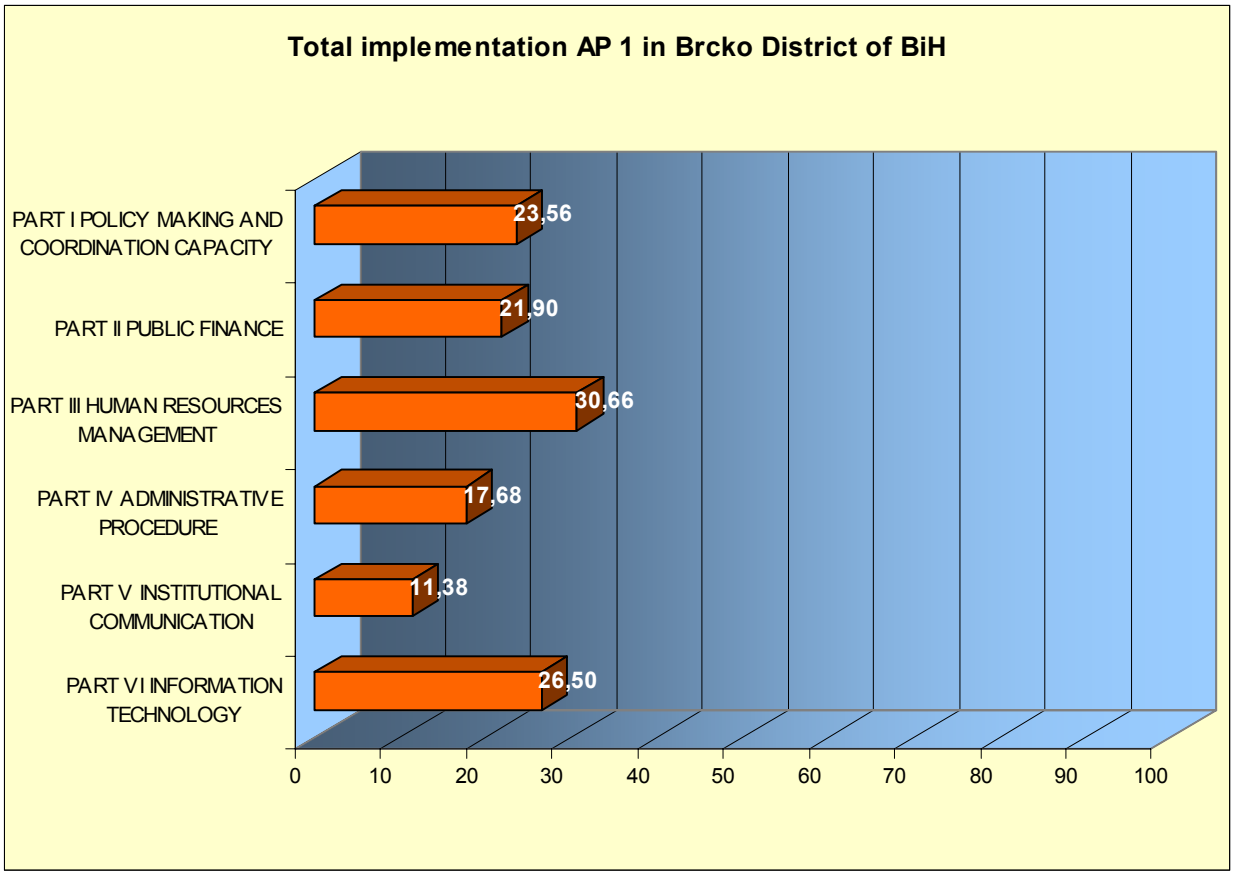
the RS level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITY	12,82
PART II PUBLIC FINANCE	27,81
PART III HUMAN RESOURCES MANAGEMENT	22,78
PART IV ADMINISTRATIVE PROCEDURE	17,47
PART V INSTITUTIONAL COMMUNICATION	36,82
PART VI INFORMATION TECHNOLOGY	21,50



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

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

the BD BiH level	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITY	23,56
PART II PUBLIC FINANCE	21,90
PART III HUMAN RESOURCES MANAGEMENT	30,66
PART IV ADMINISTRATIVE PROCEDURE	17,68
PART V INSTITUTIONAL COMMUNICATION	11,38
PART VI INFORMATION TECHNOLOGY	26,50



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

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

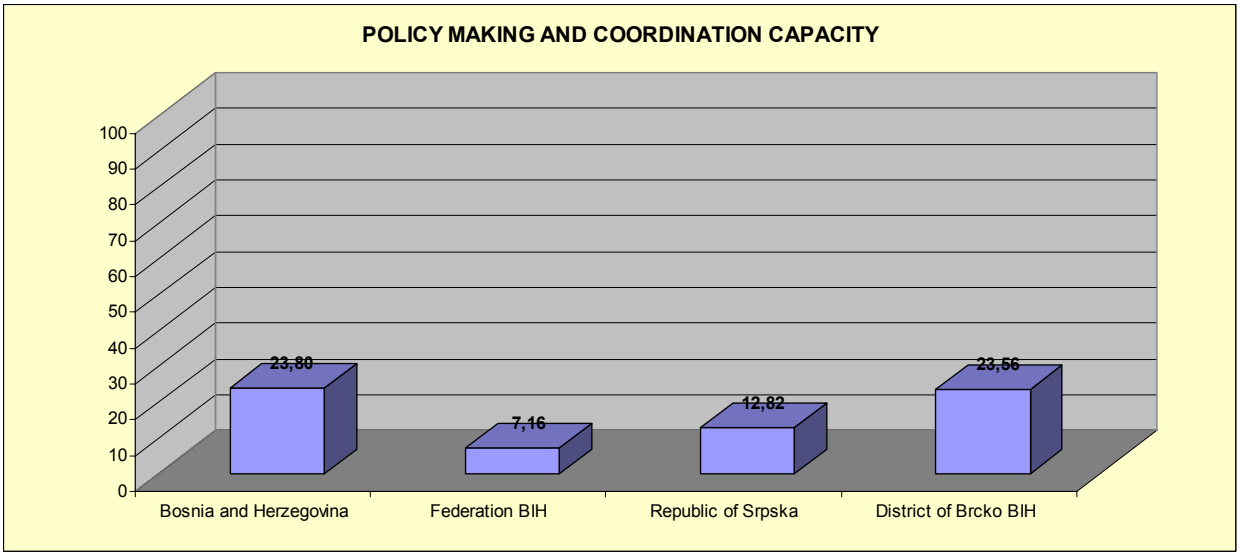
2.1.1 Policy Making and Coordination Capacity

In the reporting period, the implementation of the Action Plan 1 in the area of Policy Making and Coordination Capacities on the state, entity and the level of Brčko District of BiH amounts to **19,55%**. By the end of 2007, two Twinning projects have been ended: Twinning light with the Legislation Office and Twinning with the Secretariat General of the Council of Ministers of BiH.

Table below shows the total progress in the implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Policy Making and Coordination Capacities.

Table 6: Implementatio of the AP1 of the PAR Strategy in BiH – reform area Policy Making and Coordination Capacities

POLICY MAKING AND COORDINATION CAPACITY	Implemented
Bosnia and Herzegovina	**23,80**
the Federation of BiH	**7,16**
the Republic of Srpska	**12,82**
the Brčko District of BiH	**23,56**



Twinning light for the Legislation Office ended on November 15, 2007. What has been done is finalisation of recommendations related to optimisation and work methods of the Legislation Office and its role in regulation drafting procedures and European integrations, methodology in obtaining legal expertise by the Legislation Office, coordination with the Directorate for European Integrations related with harmonisation of the tasks and development of domestic legal terminilogy, improvement of procedures related with consultations and delivering materials to the Council of Ministers of BiH, cooperation in the area of public administretion and improvement of the regulatory evaluation of the result.

Twinning for the Secretariat General of the Council of Ministers of BiH ended on December 14, 2007. The objective of the Project was to strengthen the function of the Secretariat, as it was stated in the Public Reform Strategy in BiH. Within the project, series of documents, which regulate the work of the Council of Ministers of BiH, have been drafted.

During 2007, the PARCO, together with the representatives of SIGMA, the Secretary General of the Council of Ministers of BiH, the Secretary of the Government of the FBiH, the Secretary of the Government of the RS and the Coordinator of the Governemnt of the BD BiH,

implemented series of activities on defining and harmonisation of the project fiche “Outline of development of central bodies of Governments in BiH”. After the Government of the RS and Government of the Brčko District of BiH previously gave their aproval of the “Outline of development of central bodies of Governments”, in the reporting period, on the proposal of the PARCO, the same has been done by the Government of the FBiH and the Council of Ministers of BiH. Considering that the implementation was estimated for the period of 4 to 5 years, it has been basically agreed with the DfID and the EC Delegation that they financially aid the first phase, while for the second phase, the assets would be planned through the IPA 2008. By implementing the project, directly will be realised the the measures of the Action Plan 1, directed towards strengthening the capacities and mechanisms of cooperation and coordination of the central bodies of authority.

Related with the implementation mechanisms and further steps in preparation for realisation of the project “Outline of development of central bodies of Governments in Bosnia and Herzegovina”, the representatives of the SIGMA together with the representatives of the PARCO started the initiative, participated in defining the text and directed the process of harmonisation of the Memorandum on mutual cooperation between the secretariats of the Council of Ministers of BiH, entity governments and the Government of the Brčko District of BiH, which had as an objective development of coordination functions of the secretariats on all the levels and improvement of mutual communication and exchange of information.

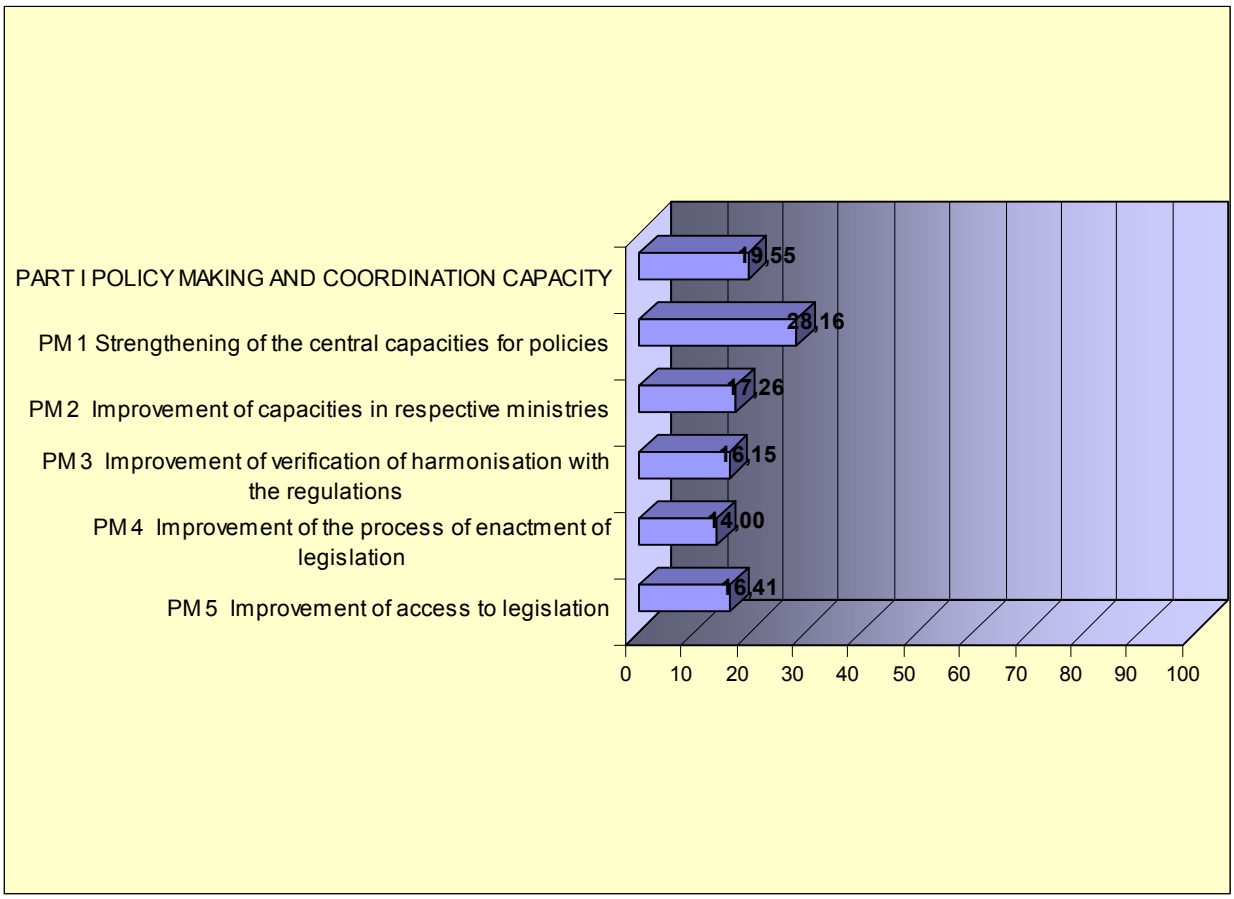
After the initial support to the UNDP project fiche on strategic planning and policy development, the PARCO, through the Committee for evaluation of the project “Strengthening of the BiH capacities for strategic planning and development of policies – SPPD”, asked from the representatives of the UNDP in Bosnia and Herzegovina to hasten the drafting of the Report on exploration for the needs of organisation and implementation of the SPPD programme, so it could be submitted to the Council of Ministers of BiH for approval, and that this diagnostic study in the initial part of implementation of the project should ensure the consistent implementation of the objectives of the PAR Strategy in BiH and implementation of the reform measures established in the Action Plan 1.

Also, the PARCO, in coordination with the Technical Assistance Team, analysed the condition of what has been done so far in the area of policy making and development of coordination capacities (Part I of the Action Plan 1 of the PAR Strategy in BiH). Initial report has been prepared, which, after the additional consultations and approval by the members of the Supervisory Team, was used as a basis for Draft of the project fiche which would comprise the reform measures of harmonisation of the rules and procedures for law and other regulations drafting in BiH.

Table below gives the oveverview by chapters for the reform area of Policy Making and Coordination Capacities.

Table 7: Overview of the activities and measures for the reform area of Policy Making and Coordination Capacities

COMPONENT OF THE ACTION PLAN	Implemented
PART I POLICY MAKING AND COORDINATION CAPACITY	**19,55**
PM 1. Strengthening of the central capacities for policies	28,16
PM 2. Improvement of capacities in respective ministries	17,26
PM 3. Improvement of verification of harmonisation with the regulations	16,15
PM 4. Improvement of the process of enactment of legislation	14,00
PM 5. Improvement of access to legislation	16,41



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

2.1.2 Public Finance

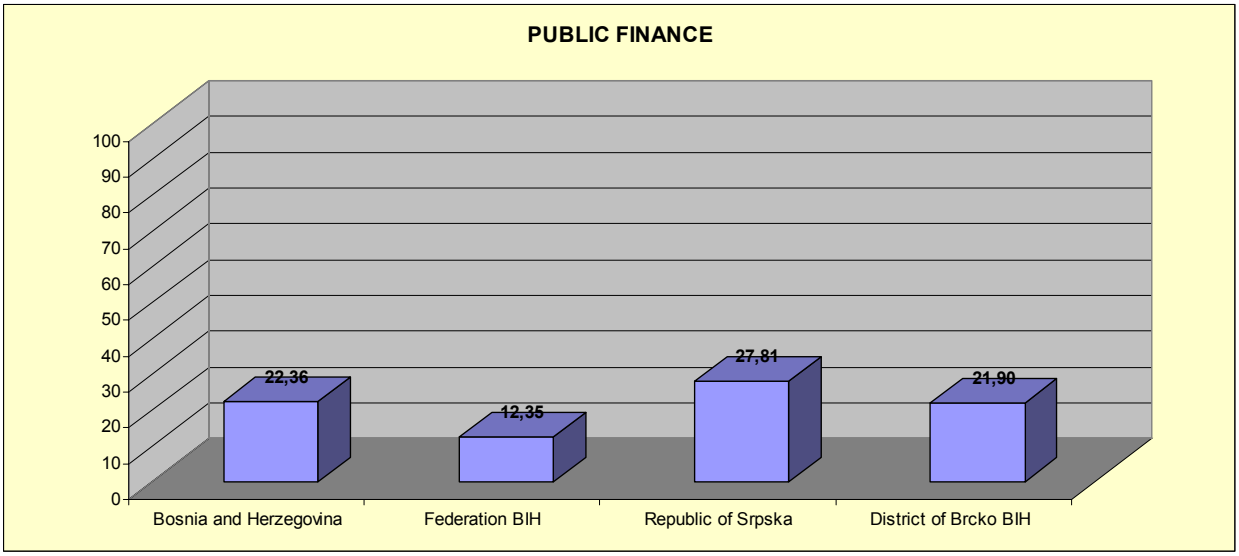
In the reporting period, the implementation of the Action Plan 1 in the area of Public Finances on the state, entity and the level of Brčko District of BiH amounts to **20.63%**.

Great merit for reforms in this area belongs to the international community. Many projects were proposed, financed or coordinated by the World Bank, the IMF, the UNDP, the European Commission, the USAID, the DFID, the SIGMA and other donors.

Table below shows the total progress in the implementation of the Action Plan 1 of the Public Administration Reform Strategy in BiH for the reform area of Public Finances.

Table 8: Implementation of the AP1 of the PAR Strategy in BiH – reform area Public Finances

PUBLIC FINANCE	Implemented
Bosnia and Herzegovina	**22,36**
the Federation of BiH	**12,35**
the Republic of Srpska	**27,81**
the Brčko District of BiH	**21,90**



In this period there has been strengthening of the the mechanisms for fiscal coordination, regular drafting of the macrofiscal framework for all of BiH and regular making of consolidated accounts of the public sector. To certain extent, there has been a progress in the increase in effectiveness and efficiency in the management of the budget. In this area especially active is the DfID with the assistance of the British consultancy firm PKF.

Currently, manual input of the budget requests requires too much of the capacities within the Budget Section of the Ministry of Finances and in that way limits the available time for analitical work. The PARCO will candidate the BMIS project (the Budget Management Information System), which would facilitate the flow of this process and improve the efficiency of the Ministry of Finances.

The shift in the area of improvement of the accounting framework and the treasury system function were very modest. There has been no shift in introduction of the accounting model which is currently used in the business community, and which even many European states do not have. For that, it will be necessary to ask for a donor support.

There has been a progress in introduction of the internal audit under the influence of the World Bank and introduction of the PIFC unter the influence of the EC and the SIGMA. Introduction of the Public Internal Financial Control is partial and dependant from institution to institution.

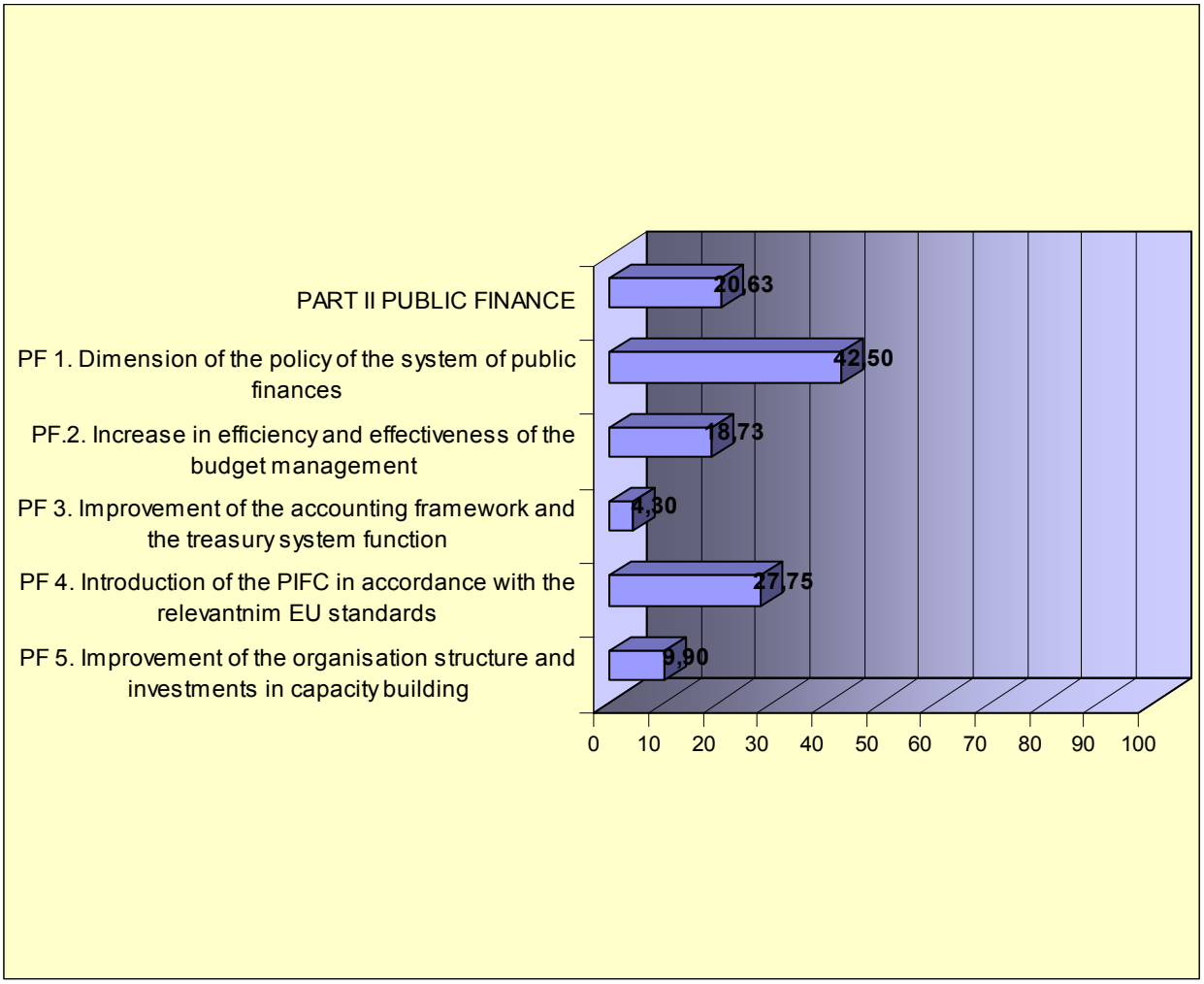
Improved is the organisation structure in the ministries of finances, but it is necessary to still develop the organisation structure of not only the ministries of finances, but also the of the units for public finances within every institution, and strengthen the capacities by new employments

and training of the existing employees. In the reporting period, the training in the area of budget was implemented by the British PKF.

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

Table 9: Overview of the activities and measures for the reform area of Public Finances

COMPONENT OF THE ACTION PLAN	Implemented
PART II PUBLIC FINANCE	**20,63**
PF 1. Dimension of the policy of the system of public finances	42,50
PF.2. Increase in efficiency and effectiveness of the budget management	18,73
PF 3. Improvement of the accounting framework and the treasury system function	4,30
PF 4. Introduction of the PIFC in accordance with the relevantnim EU standards	27,75
PF 5. Improvement of the organisation structure and investments in capacity building	9,90



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

One of the most significant realised measures from the AP1 is the Draft Law on the Fiscal Council, which has been written and is now in the Council of Ministers of BiH.

Applicable macrofiscal framework on the state level has been made. In this process are also included the DEP, which drafts projctions of the macroeconomic measures for BiH and the Department for Macroeconomic Analysis, which drafts the projections of indirect taxes. Macrofiscal projections are also drafted by the IMF and the Central Bank of BiH.

Consolidated government account, as the main source incomes in the public sector, is being done by the Department for Macroeconomic Analysis. Ministry of Finances and Treasury did

that for 2007, for the needs of the Economic-fiscal programme of BiH for 2007. This is also being done by the Central Bank of BiH.

When it comes to fiscal equalisation in the entities, that process has been completed in the RS. In the RS there are drafted and adopted the Law on Income Tax and the Law on Salary Tax, which create the preconditions for fiscal equalisation within the entities. On the level of the Federation of BiH such laws have not been adopted.

The process of drafting the mid term framework of expenditure is being applied in all of BiH, and the Brčko District of BiH drafted for the first time the Mid term framework of expenditures for 2008-2010.

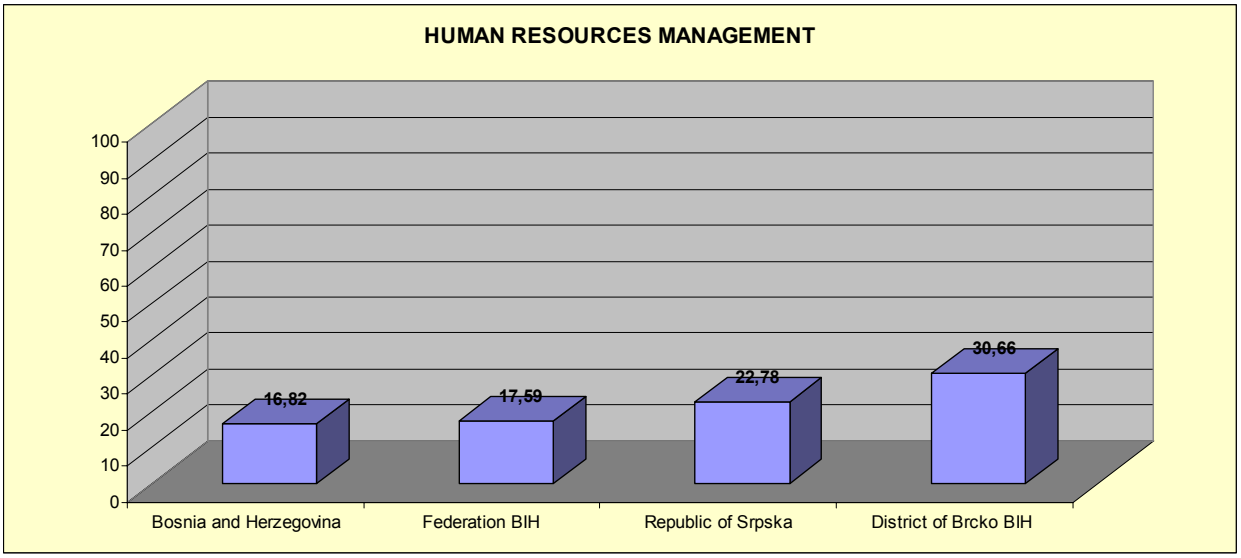
2.1.3 Human Resources Management

Estimated degree of implementation of the AP1 in the reform area of Human Resources Management, in accordance with the defined methodology of monitoring and evaluation, amounts to **22,13%** for all four levels combined.

Table 10 shows the total progress in implementation of the Action Plan 1 of the Strategy of the Public Administration Reform in BiH for the reform area of Human Resources Management (HRM).

TablE 10: Implementation of the AP1 of the PAR Strategy in BiH – reform area of Human Resources Management

HUMAN RESOURCES MANAGEMENT	Implemented
Bosnia and Herzegovina	**16,82**
the Federation of BiH	**17,59**
the Republic of Srpska	**22,78**
the Brčko District of BiH	**30,66**



In relation with the contents of the reform measures of the AP1 in the area of Human Resources Management, which were foreseen for implementation, and specific reform recomendations of the Strategy for the Public Administration Reform in this area, it is possible to single out the following most important groups of activities for the reporting period:

1. **Individual activities of the bodies and institutions in charge for implementation of the reform measures:**

a) **Legislation activities:** They are mostly related with the initiatives for changes of the existing laws on civil service/administration and adoption of new/missing application acts, which is the responsibility of the governments or agencies for civil service/administration, depending on the established legal competencies.

b) **Operative implementation activities:** Activities implemented on the level of respective bodies and institutions in charge of implementation of the reform measures are recorded in the table from the Annex, and they are predominantly directed towards improvement of the existing work procedures and proceedings, which in their work are applied by the agencies for civil service/administration by the levels of authority: activities of training, procedures of employment and selection of employees in the civil service, planning of the human resources, evaluation of the work and result management. For the most part, these activities were supported by the technical assistance or they were implemented in cooperation with the donors who are active in this reform area (the UNDP and the DfID/the National School of Government of the United Kingdom).

2. Activities realised through the donor projects in the area of Human Resources Management

a) The HRMIS – the project of establishment of the information system for human resources management which is being implemented by the European Commission Delegation in cooperation with the CSAs and the Subdivision for human resources of the Brčko District of BiH (reference areas of the Action Plan 1: HR 3 and IT 4.4).

b) CSTP- project of civil servants training implemented by the UNDP BiH on the level of BiH, entities and the Brčko District (reference areas of the Action Plan 1: HR 2.3 and HR 7).

c) Feasibility study for establishment of the Institute for Public Administration for BiH - project which is an ongoing and presents the joint initiative of the PARCO and the UNDP BiH (reference areas of the Action Plan 1: HR 7.2).

d) SEPARB – the project of support to the public administration reform in BiH on the level of the state and the entities, implemented by the National School of Government from the UK (NSG), within the support which was ensured by the Department for International Development of the Great Britain (DfID), and which was predominantly directed towards the support to the Civil Service Agency of the RS (reference areas of the Action Plan 1: HR 4, HR 5, HR 7 and HR 9).

e) Project of the UNDP: "Modernisation and harmonisation of practices and procedures in the civil service" which included the representatives from the level of BiH, the FBiH, the RS and the Brčko District of BiH (reference areas of the Action Plan 1: HR 4 and HR 5), and the ongoing project of the UNDP for the territory of the Federation of BiH "Modernisation of the Human Resources Management in the Civil Service of the Federation of BiH".

3. Activities undertaken by the PARCO in the area of Human Resources Management

a) harmonisation of the approach to the reform and coordination of the overall implementation activitiesi in the area of Human Resources Mangement – establishment of the framework and structures for implementation of the Action Plan 1, through establishment of the bodies for monitoring and following of the implementation of the reform measures (Supervisory Team for the area of Human Resources Management), direction of the work and proposal of procedures which ensure the operability of the work of the implementation bodies.

b) coordination of the respective donor projects – through presence in management boards of respective projects and direction of donor activities from the point 2. (HRMIS, SEPARB, Feasibility Study for the Institut for Public Administration of BiH).

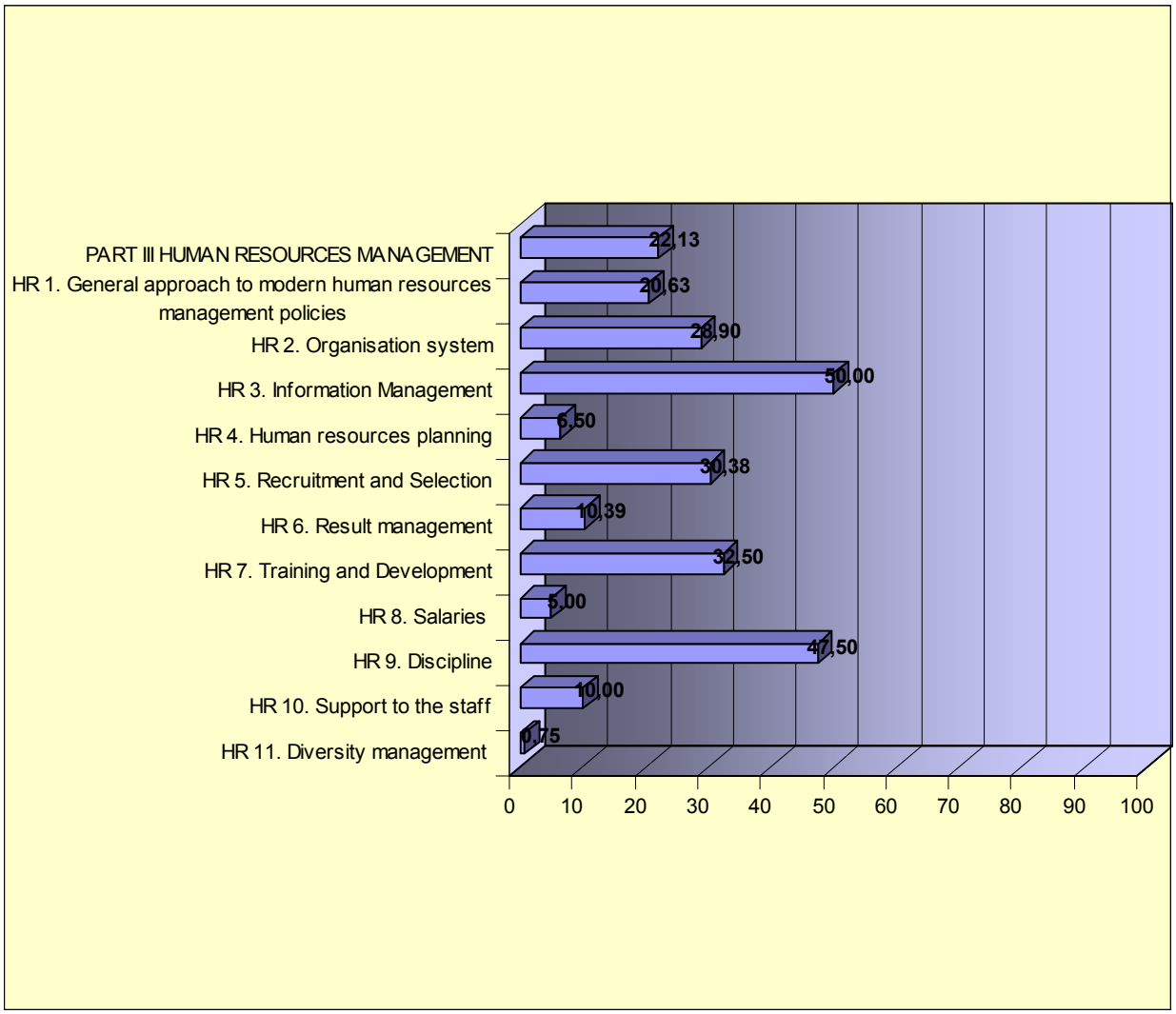
c) preparation of the joint project fiche with the UNDP and the NSG/DFID "Improvement of the recruitment process and of the selection of the employees in the civil service" – for implementation of the part HR 5 of the AP1.

d) identification and preparation of the projct fiches in the area of Human Resources Management, which will be financed by the assets from the Public Administration Reform Fund.

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

Table 11: Overview of the activities and measures for the reform area of Human Resources Management

COMPONENT OF THE ACTION PLAN	Implemented
PART III HUMAN RESOURCES MANAGEMENT	**22,13**
HR 1. General approach to modern human resources management policies	20,63
HR 2. Organisation system	28,90
HR 3. Information management	50,00
HR 4. Human resources planning	6,50
HR 5. Recruitment and selection	30,38
HR 6. Result management	10,39
HR 7. Training and development	32,50
HR 8. Salaries	5,00
HR 9. Discipline	47,50
HR 10. Support to the staff	10,00
HR 11. Diversity management	0,75



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

HR 1. General approach to modern human resources management policies

The Government of the Brčko District of BiH adopted in August 2006 the new Law on Civil Service in the administration of the Brčko District of BiH. On all the levels adopted are the bylaws which in more detail discuss the legal solutions and settle certain questions from the

domain of “existing laws on civil service” by the levels of authority. On the level of the RS and the FBiH intensive activities heve been started on adoption of new, or changed of the existing law on civil service, respectively. Similarily, on the level of BiH the Council of Ministers obligated the institutions to start with changing the Law on Civil Service in the institutions of BiH (the barer of the activity is the Ministry of Justice of BiH). There are no data on vertical coordination in the process of harmonisation of the areas of Human Resources Management policies between different levels of authority, which is supposed to result with a document of policies or programmes, while from the other side, on the level of respective levels of authority, in the Brčko District of BiH, the document “General principles of human resources management policy in the bodies of administration of the Brčko Disitrict of BiH” was adopted, which defines the framework human resource management policy in mid term period. Similarily, the Government of the RS adopted a document “Strategy of training and development of civil servants for the period 2007 – 2010”, which defines predominantly policies in the field of training.

In relation to work assumptions for joint work on establishment of policies, the document “Common platform on principles and manner of implementation of the AP1” established a general framework for cooperation between the levels of authority, which includes the reform area of Human Resources Management as well. In the following period it is necessary rto ensure the functioning and operability of the work bodies for monitoring and implementation of the reform process.

In relation to the group of activities which imply “harmonisation of definition and volume of the civil service”, the scope and concept of the civil service is established through the existing laws on civil service. There is no evidence on joint activities which include special combined work group, which would discuss these problems and harmonise the most suitable model for all of BiH.

HR 2. Organisation system

Civil service agencies on the levels of BiH, the RS, and the FBiH, and the Subdivision for human resources of the Brčko District of BiH, which has a similar role of a central unit for human resources management on this level, on this level have established competencies and fulfil the functions in accordance with the existing laws. All the agencies are humanly and organisationaly filled and conduct all the legally entrusted affairs. Through the respective progress reports, it has been indicated that on the level of the RS certain initiatives have been started for the change of the role of the central units for human resources management, as well as on the level of the FBiH for establishment of the special units for human resources management on the level of respective institutions – through proposals for amendments of the laws. On the level of the institutions of BiH there is a special decree of the Council of Ministers of BiH, which establishes the obligation of establishment of the units for application of the Law on Civil Service, which presents the basis for further development of the periphery units for human resources management.

On the level of the RS, special network for development of human resources has been established, in accordance with the adopted Strategy of training and development of the civil servants in the RS, but there is a lack of detailed information on the undertaken activities. Through the CSTP project (Civil Servants’ training Programme) on all the levels, which contained components of training of specialists for human resources management and managers in the public administration, TEMPUS training programme, “Training of trainers” programme and “Shaping the future” which were implemented by the NSG/DFID (predominantly in the RS and the FBiH), and the activities of training of the managers which were conducted by the CSA BiH – significantly realised the measures related with specialists’ capacities development and of the line managers in the group of activities HR 2.3.

In relation with establishment of the “formal structure” for cooperation and coordination between the 4 central units for human resources management (CSAs and the Subdivision for human resources of the Brčko District of BiH), no progress has be recorded, although informal and operative is a cooperation in the field of training, technical affairs and especialy intensive is in

the activities around the HRMIS project. Partial progress is represented by initiation of implementation structures for implementation of the AP1, as an assumption for further formal cooperation between the CSAs.

HR 3. Information management

Development of joint software platform through the HRMIS project, by upgrade of the existing information solutions on respective levels, should ensure a modern information system, which will serve as a support to all the other functions of human resources management. Through the special project implemented by the European Commission Delegation, specification of software demands for future solution has been conducted, tender documentation has been made and the procedure of selection of the contractor company has been implemented (in accordance with the EU rules). Practical beginning of the implementation of the information system is expected in the first beginning of 2008.

HR 4. Human Resources Planning

Through the CSTP project, there was a basic training for methodology of analysis of work on all the levels; however, unified methodology for evaluation of the jobs was not implemented. As continuation, on the level of the FBIH, in accordance with the existing methodology and through the support of the UNDP project to the CSA FBiH, ongoing is the implementation of the work analysis on the level of federal institutions. Similarily, in the RS, organised by the CSA and supported by the NSG/DFID, was implemented the analytical evaluation of the work places in two institutions which were chosen for methodology testing and framework of competencies/abilities was developed for senior officers in the RS administration. Currently there is an initiative of the PARCO/ the UNDP / the NSG on connecting these activities with an objective of using the results for the needs of improvement of job descriptions within the project fiche “Recruitment and selection of employees” (first phase of the project).

When it comes to procedures of annual planning of work force and linking of these plans with the budget and strategic planning, the biggest degree of progress has been achieved in the Brčko District of BiH, where in accordance with the legal obligations established by the unified “Organisation plan of the administration of the Brčko District of BiH”, “Plan of needs for human resources for 2007” was adopted as well as the decision by which its realisation started

When it comes to the group of measures of the AP1, related with the common classification of jobs/grades in all of BiH, there are no data on realisation. Job cathegories, salary gradesi and salary groups are established independently by the levels of authority through the laws on civil service, bylaws (decrees on cathegorisation) and provisions of the law on salaries.

HR 5. Recruitment and selection

Through the implementation of certain proposals which came as a result of the previously realised UNDP project “Modernisation and harmonisation of practices and procedures in the civil service“ (which included all thelevels of authority), and on the basis of respective activities which were implemented by the civil service agencies, certain groups of measures from this chapter were realised, which were primarily related with symplification of the vacancy procedures and formal requests, shortening of duration of certain procedures in the vacancy procedure, publishing of public adds in daily papers and on the web pages of the CSAs, decrease of the cost of the exam, transparency in the process of notification of the candidates etc. On the level of the Federation of BiH and the Brčko District of BiH, the process of submitting documentation for verification of general and special conditions was significantly optimised, while in the RS, through the changes of the law the previous condition of residence of the candidate on the territory of the Republic of Srpska was removed and the on-line reception of the applications for the jobs in the civil service was made possible. On the level of institutions of BiH during 2007, new “Decision on the manner of taking public and expert exam” was adopted, which confirmed recognition of expert exams from different levels of authority and improved the procedural rules in the vacancy procedure. On other levels, recognition of the expert exams was established through direct legal provisions or through the existing work practices.

Significant part measures from this chapter is still not realised, and especially questions of mobility of civil servants between the levels of authority, promotion of the civil service and attraction of young and insufficiently represented groups in the civil servise, responsibilities of the CSAs for appointment of all the civil servants, joint policy of supernumerary, and new improved methodology of selection of candidates etc. Through the initiated project fiche "Recruitment and selection of employees" (divided in three phases) which represents joint initiative of the PARCO, the UNDP and the NSG/DFID, the majority of the still not implemented activities in this area was encompassed. It was planned that the UNDP and the NSG/DFID ensure the technical assistance to the domestic institutions for implementation of the activities within the first phase of the project fiche, by using resources which are engaged in the ongoing projects of support to the public administration reform in BiH and by further development of the previously started activities which are being implemented on respective levels of authority.

HR 6. Result management

Related with the existing procedures for result management, on all the levels there are implementation acts which regulate evaluation of work which is being implemented on annual level. Except for the level of the Brčko District of BIH, there is a lack of data on the concrete usage of the results of evaluation of the work and annual evaluation of implementation of the procedure of evaluation of result, on the basis of data and reports of the respective institutions from the given level of administration. In the Brčko District of BiH the biggest progress has already been achieved in practical implemtation of this group of activities, where among other things was adopted and implemented "the Plan of annual evaluation of officers and employees for 2007 in the government of the BD BiH", established the list of evaluators and implemented training. Also, procedures for evaluaon of probationary work were introduced, which are compatible with the system of evaluation of the existing employed officers.

In relation with establishment of the procedures for introduction of new employees in the civil service in duties, on the level of institutions of BiH introduced were special cycles of training for newly employeed which have a character of obligatory training. Besides that, on the level of BiH, there is a point system introduced (award of credits) for trainings attended by the civil servants during a year and this makes one of the elements of evaluation of work. There are no data on the implemented activities for establishment of joint standards and duration of the probationary work for all the new employees.

Development of the result management system, based on joint principles and methodology, which would include previously developed frameworks of competency, was planned in a form of special project fiche, which would ensure technical assistance and which would be financed from the assets of the Public Administration Reform Fund.

HR 7. Training and development

On all the levels of authority, central personnel units conducted the activities of establishment of the needs for training, conducted to certain extent, coordination of the training with respective institutions and at the same time implemented were basic programmes of training for managers for the purpose of enabling them for evaluation of the training needs. Only in the Brčko District of BiH and partially in the FBiH, the process of result management is through adopted procedures linked with the analysis of the training needs ("Plan of professional development on the basis of evaluation of the work results" in the Brčko Disitict of BiH). On the level of institutions of BiH and the RS, the training is one of the elements which is used in the procedure of evaluation of the work, but the analysis of the needs for training is not identified through the process of annual evaluation of the work of the civil servants.

In relation wit the training plans, only in the RS "the Strategy of training and development" was adopted for a three year period wit the accompanying "action plan", and the same document established provision of the budget assets for the needs of the training, which amounts to 0.5 % of the budget for salaries. On the level of BiH institutions, adopted were the "Principles of the training system for civil servants" and according to the progress report of the CSA BiH, a three

year plan of training was adopted (no documentation basis). On the level of the Brčko District of BiH, a document "Strategy of expert improvement and education" was prepared. The CSA BiH in their progress report indicated that trainers for the area of Human Resource Management were identified, while through the programmes of the NSG/DFID for the level of the RS and the FBiH training was conducted for 11 persons from each level who are supposed to be engaged as "internal trainers" for the needs of the civil service.

Thera are no recorded data on implementation of the measures related with drafting joint annual training plans and systematised coordination of joint development needs between the CSAs, which would result in specialised plans. On the other hand, in a practical realisation of the training, there is a constant operational and technical cooperation between the departments of the agencies which deal with the training of the civil servants.

Preparatory activities for establishment of the Institute for Public Administration for the territory of BiH were realised in the form of special project, which was ointly initiated by the PARCO and the UNDP, within which international consultants were engaged for drafting the "Feasibility study for establishment of the Institute for Public Administration". In the reporting period, draft of the work document of this study was established, which will be, in the following period presented to the relevant representatives of the domestic institutions and international agencies.

HR 8. Salaries

There are no evidence of data on the activities of the joint workgroup which was supposed to, in accordance with the recommendations from the AP1, develop a joint scheme of a basic salary and a common approach for transfers and harmonisation of salaries on the level of whole BiH. According to the available data, the World Bank and the DFID, through a special project, engaged a consultancy firm Pricewaterhouse Coopers for drafting the report "Support for the Determination of the Pay and Grading System at State level in BiH" in July 2005. godine. The report was supposed to be used as a support to the work of the Workgroup for fiscal sustainability, which is formed on the level of the Ministry of Finances and Treasury of BiH BiH and the entity ministries of finances, with an objective of developing recommendations for revision of salary grades and remunerations.

In relation with the current state of the matter of the law on salaries, the recorded data by the levels of authority are as follows:

- BiH level – **preparation of the draft** "Law on salaries and remunerations in the institutions of BiH" is in a final stage. This draft law was preceded by adoption of a document "Policy of salaries in the institutions of BiH for a period 2007-2010" by the Council of Ministers of BiH;
- the RS level – **adopted new** "Law on the salaries of the employed in the administration bodies of the Republic of Srpske" (Official Gazette of the RS No. 118/07) which is being applied from January 1st, 2008;
- the Brčko District – **adopted new** "Law on the salaries of the employed in the administration bodies of the Brčko District of BiH" which is being applied from June 1st, 2006;
- the Federation of BiH – **no law on salaries**, currently on the level of federal bodies regulations adopted by the Government of the FBiH are being applied – Decisions on establishment of the salary grades and quotients for civil servants and a special decision for employees (cantonal and local bodies are not covered by thes edecisions).

In the laws which are being applied in the RS and the Brčko District of BiH, there are, to a certain extent, solutions which are related with introduction of "internal salary grades", or sub-grades, and which provide for advancement in the civil service in accordance with the results of the work, in accordance with the existing legal solutions which regulate cathegorisation of work palces in the civil service and evaluation of the work.

HR 9. Discipline

On all the levels of administration there are adopted rulebooks which regulate questions of disciplinary and material accountability odgovornosti in all comprising manner (data from the table in the annex, part HR 9.1). There are no data ensured or the documentation basis on the group of measures from the AP1 which are related with update of procedures and training, which are being implemented by the boards of the CSAs for appeals, although through respective progres reports of the RS and the Brčko District of BiH it is indicated that certain activities have been initiated in this segment of the reform area of Human Resources Management.

HR 10. Support to the Staff

Increase of degree of the flow of information which the CSAs and the Subdivision for human resources of the Brčko District of BiH ensure to the employed staff is recorded through the improvement of the contents of the official webpages and in the electronic form (newsletter/info contents on the level of the CSAs of BiH and the FBiH). No activities have been conducted on preparation of special handbooks for existing and new employees.

HR 11. Diversity management

In the reporting period there was no record of implementation of this group of reforma ctivities, directed to adoption of joint policy which would ensure national representation in the civil service on the territory of whole BiH. The progress report of the RS indicates partial implementation of the part of activities which are being implemented through the support of the NSG/DFID; however, there is a lack of documentation basis which would verify the progress.

2.1.4 Administrative Procedure

The progress in implementation of the measures and activities from the AP1 of the PAR Strategy in the reform area of Administrative Procedure on all the levels of authority in BiH in this reporting period amounts to **13,70%**.

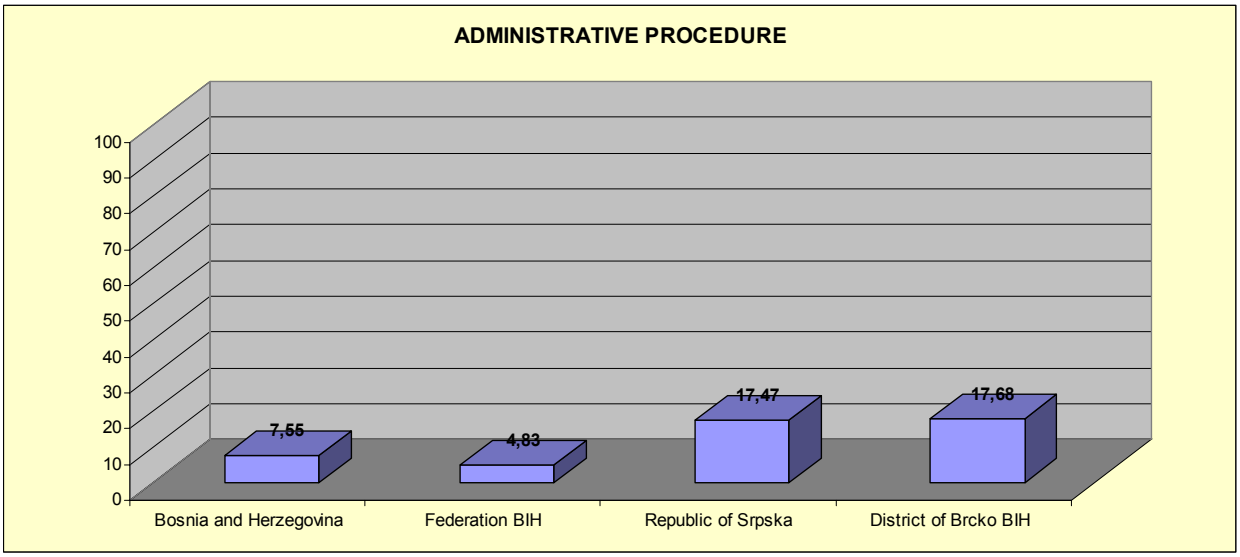
In 2007, the **Supervisory Team** was established as an intergovernmental work body for the purpose of exsercising the function of the overall supervision and direction of the reform processes in the area of Administrative Procedure, which is comprised of the representatives appointed by the Council of Ministers of BiH, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republic of Srpska and the Government of the Brčko District of BiH, and the PARCO prepared the Rules of Procedure of the Supervisory teams for all the reform areas.

Agreed and harmonised are the priorities with the representatives of the Ministry of Justice of BiH, the Ministry of Justice of the FBiH, the Ministry od Administration and Local Self-Government of the RS and the Government of the Brčko District of BiH for implementation of the activities and measures from the Action Plan 1 of the PAR Strategy in the area of Administrative Procedure. In accordance with the established priorities, activities have started for implementation of the activities from the Action Plan 1 of the PAR Strategy in the area of Administrative Procedure and three project fiches were prepared (programme for improvement of the quality of of the administrative decision making in BiH, harmonisation and improvement of the Law on Administrative procedure in BiH and education of the procedure leaders). Ongoing are activities on drafting terms of reference for implementation of the aforementioned project fiches, which will be financed by the assets of the Public Administration Reform Fund.

Table 12 gives the overall overview in implementation of the Action Plan 1 of the PAR Strategy for the reform area of Administrative Procedure.

Table 12: implementation of the AP1 of the PAR Strategy in BiH – reform area of Administrative Procedure

ADMINISTRATIVE PROCEDURE	Implemented
Bosnia and Herzegovina	**7,55**
the Federation of BiH	**4,83**
the Republic of Srpska	**17,47**
the Brčko District of BiH	**17,68**



On the level of **Bosnia and Herzegovina**, there has been a progress in implementation of the measures and activities from the Action Plan 1 of the PAR Strategy in the area of Administrative Procedure which amounts to **7.55%**. Prpared was the Draft Rulebook on changes and amendments of the rulebook on internal organisation of the Ministry of Justice of BiH which stipulates employment of additional number of administrative inspectors on state level, as well as an expert for administrative procedure and decision making in administrative matters and be

involved in monitoring, analysis and reporting on the practices of administrative decision making within the institutions of Bosnia and Herzegovina; s/he is organisationaly placed in the Sector for Public Administration. Technical conditions have been aditionaly improved for the work of the Administrative inspection by procurement of the computer equipment. Certain progress has also been achieved in the area of internal control, periodic and annual reports on work are being drafted and submitted to the institutions in charge, but still no adequate system of monitoring has been established.

Identified are necessary needs for trainings of both newly employed and the civil servants with the work experience which are related with the leading of the administrative procedure, and the Training programme for the target groups has been established, but it is still not harmonised with the central institutions which are responsible for the matters of the administrative procedure. Conducted trainings cover only a part of the identified needs. The system of certification for key roles in the administrative procedure was partially established, public communication was provided through the websites of the institutions and direct access to these information was provided for other interested administration bodies from the whole country; round tables were held with the civil society on the topic of simplification of the laws and other acts and there was media promotion of the activities of the institutions of Bosnia and Herzegovina.

In the **Federation of Bosnia and Herzegovina** there was a progress in implementation of the measures and activities from the Action Plan 1 of the PAR Strategy in the area of Administrative Procedure, which amounts to **4.83%**. Identified are necessary needs for trainings of both newly employed and the civil servants with the work experience which are related with the leading of the administrative procedure. Plan and programme of training for target groups are being prepared by the Civil Service Agency of the FBiH. Conducted trainings cover part of the identified needs. Partialy established system of certification for key roles in the administrative decision making.

In the **Republic of Srpska** there was a progress in implementation of the measures and activities from the Action Plan 1 of the PAR Strategy in the area of Administrative Procedure, which amounts to **17.47%**. People's Assembly of the RS adopted the conclusion which requires the Government to adopt the law which would reorganise the Government, ministries, directorates and other Government's organisations with an objective of more efficient organisation and better results, and the Government of the RS appointed the interdepartmental workgroup for drafting of the Law. There was also certain progress in the area of internal control, there are periodic and annual reports on the work which are being submitted to the institutions in charge, but there is still no adequate system of monitoring. Identified are necessary needs for trainings of both newly employed and the civil servants with the work experience which are related with the leading of the administrative procedure. In cooperation with the CSA of the RS, the plan and programme of training are regularly harmonised. Some forms of training of civil servants are completed, and some are ongoing (training of civil servants for obtaining the ECDL certificate), while the organisation of new forms of training is ongoing. Conducted trainings cover only a part of the identified needs. Partialy established system of certification for key roles in the administrative decision making. The system of disciplinary accountability was also strengthened, which is regulated by the Law on Administartive Service in the Administration of the RS and by the Rulebook on disciplinary and material accountability of the civil servants.

Ongoing is drafting of the Law on Administrative Inspection of the Republic of Srpska. Administrative inspection in the Republic of Srpska was established on the principle of territorial placement of inspectors and in the RS all the systematised work places of the administrative inspectors are filled. All the inspectors have a car, computer and other necesary equipment. Currently there is a training of certain number of administrative inspectors for the purpose of acquiring knowledge and the ECDL license.

In the **Brčko District of BiH** there was a progress in implementation of the measures and activities from the Action Plan 1 of the PAR Strategy in the area of Administrative Procedure,

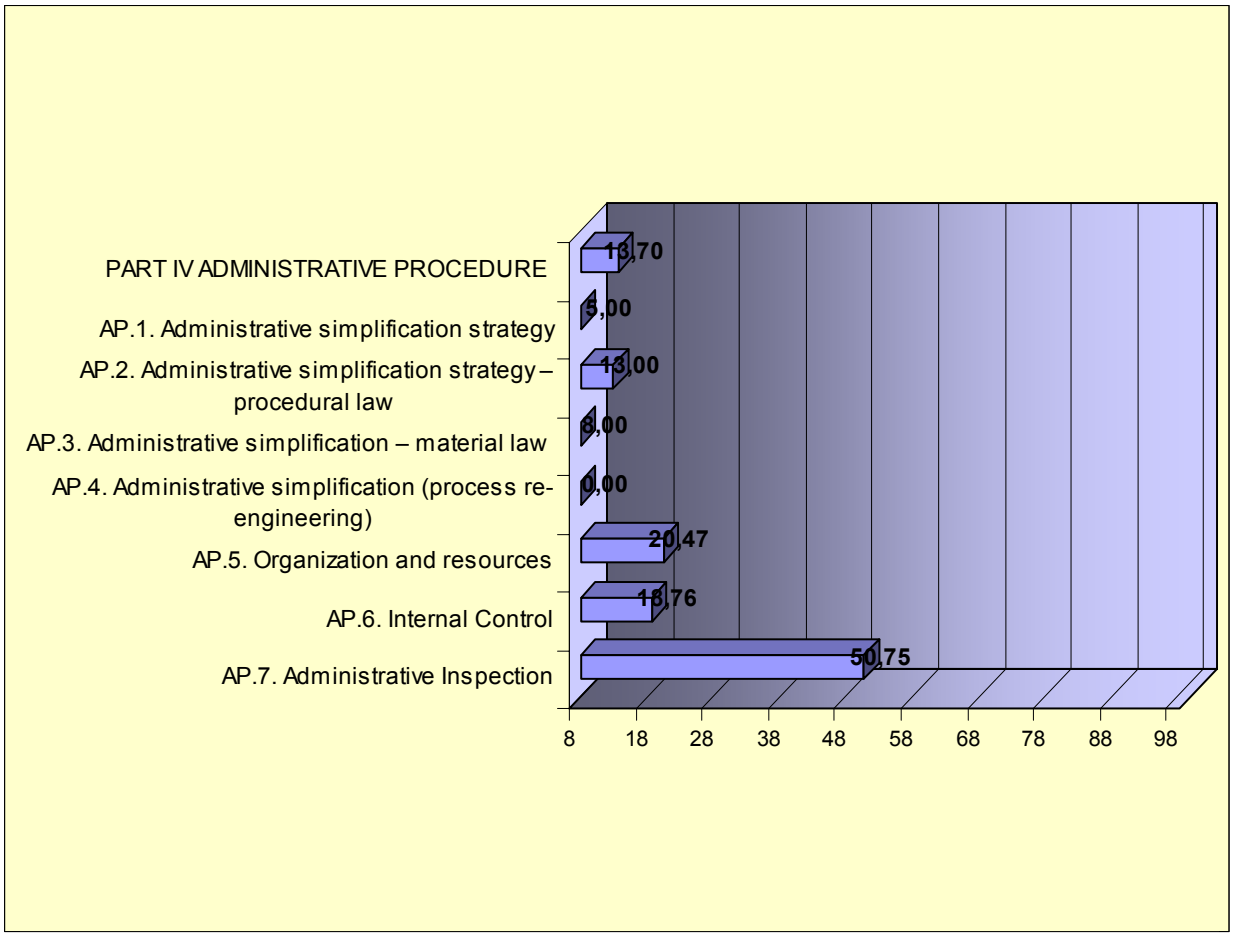
which amounts to **17.68%**. Increased is the number of the administrative inspectors, and tehnical conditions for the work of the administrative inspection have been improved. There is als o intensified training of the administrative inspectors. Also, by new legal solutions greater significance was given to the function of the administrative inspector in the area of the Brčko District of BiH, and the composition of the Apellate Commission of the Government of the BD BiH was changed in a way to provide that the members of the Apellate Commission possess the needed knowledge for decision making on the occasion of decision making in the second degree administrative procedure. The Law on Administrative Procedure (ZUP) of the Brčko District of BiH foresaw the fines for violations of the provisions of the Law, and implementation of the fines was conditioned by adoption of the new Law on Violations of the BD BiH, and the system of the disciplinary accountability was strengthened. Besides the aforementioned, there was a certain progress in the area of internal control, there are periodic and annual reports on the work which are being submitted to the institutions in charge, but there is still no adequate system of monitoring.

Identified are necessary needs for trainings of both newly employed and the civil servants with the work experience which are related with the leading of the administrative procedure, and there is a Training Programme for the target groups. Conducted trainings cover a part of the identified needs. Partialy adopted is a system of certification for the key roles in the administrative decision making.

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

Tablea 13: overview of the activities and measures for the reform area of Administrative Procedure

COMPONENT OF THE ACTION PLAN	Implemented
PART IV ADMINISTRATIVE PROCEDURE	**13,70**
AP.1. Administrative simplification strategy	5,00
AP.2. Administrative simplification strategy - procedural law	13,00
AP.3. Administrative simplification - material law	8,00
AP.4. Administrative simplification (process reengineering)	0,00
AP.5. Organisation and resources	20,47
AP.6. Internal Control	18,76
AP.7. Administrative inspection	50,75



*Detailed description of the implemented measured with coments is in the monitoring table in the Annex of this Report.

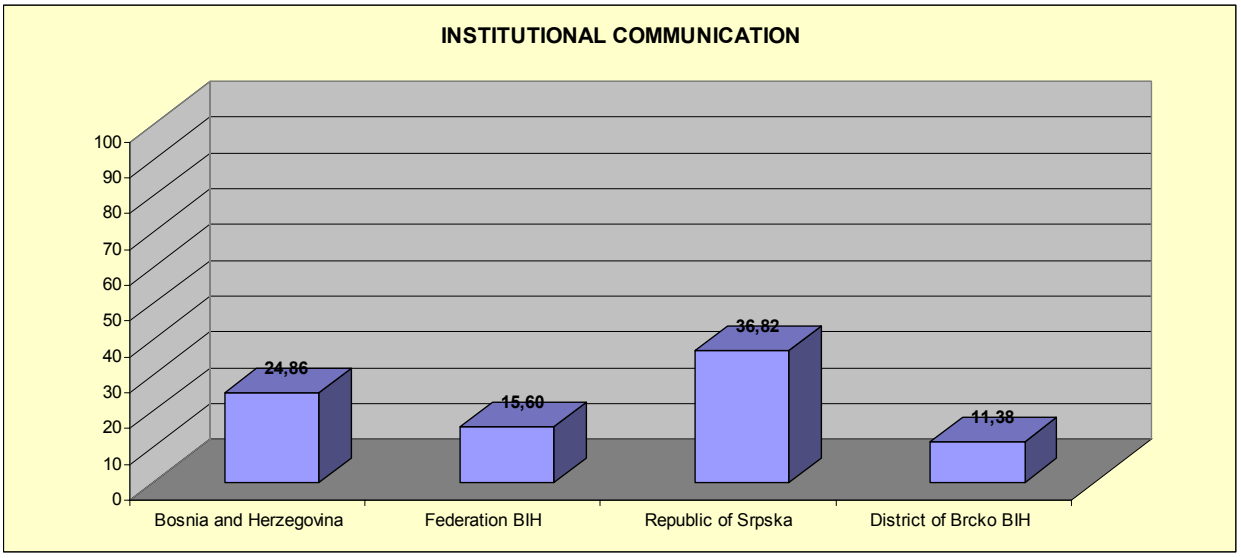
2.1.5 Institutional Communication

In the reporting period, implementation of the AP 1 in the area of Institutional Communication on state level, entities and the level of the Brčko District of BiH ammounts **21.12%**. In 2007, there was analysis of the condition, and joint and respective needs of the governments' central information units on all levels. For financing from the Public Administration Reform Fund prepared were two terms of reference for the purpose of realisation of the activities IC 8, 12 and 14 of the AP1 (PR training – training of the public relations officers, directna communication with public and citizens). Projects are common for all the administration levels. From the appointment of the members of the Supervisory team for IC mid 2007, there were 5 work – consultative meetings.

Table 14 shows the total progress in implementation of the Action Plan 1 of the PAR Strategy for the reform area of Institutional Communication.

Table 14: implementaction of the AP1 of the PAR Strategy in BiH – reform area of Institutional communication

INSTITUTIONAL COMMUNICATION	Implemented
Bosnia and Herzegovina	**24,86**
the Federation of BiH	**15,60**
the Republic of Srpska	**36,82**
the Brčko District of BiH	**11,38**



On the **state level** of administration in the reporting period recorded were the results in a domain of institutional relations of the PR officers with the management, organisation of work and trainings of the PR officers, media monitoring and representation of the state institutions on the internet (see monitoring table in the annex, chapters IC 3, 4, 8, 10, 11 and 13). Total level of realisation is **24.86%**.

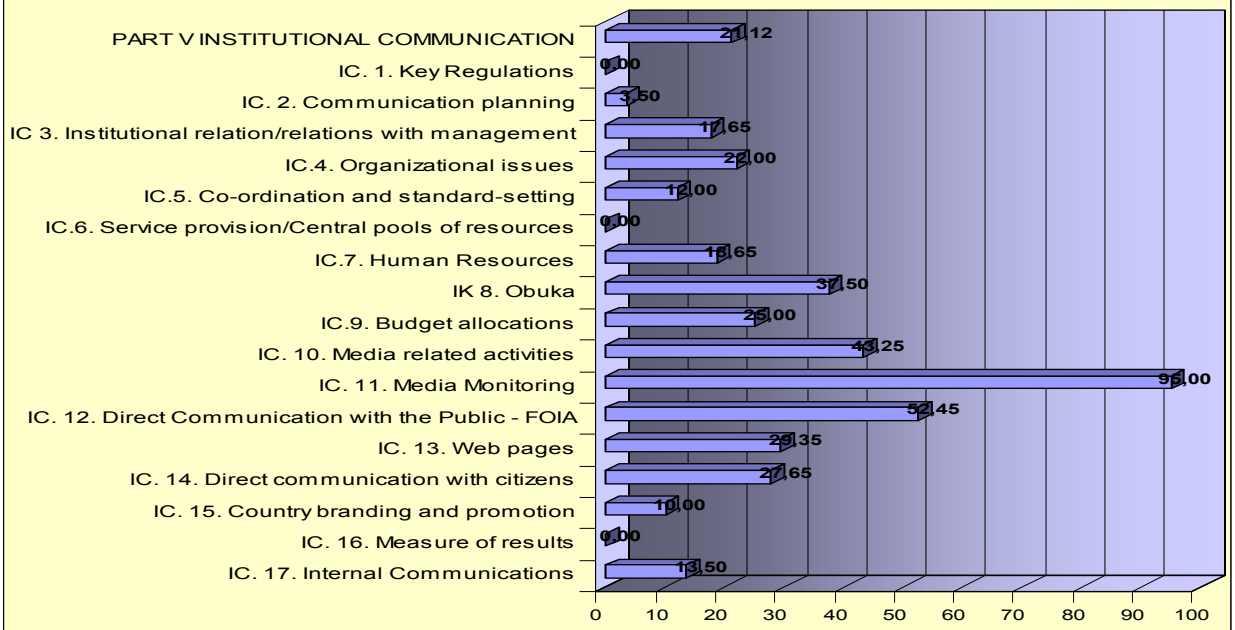
On the level of the **FBiH** realised is **15.6%** of the AP 1, in a domain of communication planning, organisation and training of the public relations officers, simolification of communication with media and following of their work, direct communication with citizens and representation of the institutions of the FBiH on the internet (see monitoring table in the annex, chapters IC 2, 4, 8, 10, 12, 13).

On the level of the **RS**, the AP 1 is by the end of the reporting period realised **36.82%**. Results are achieved ina domain of communication planning, institutional relations of the PR officers with the management, organisation and training of the PR officers, direct communication with the public and the citizens, representation of the institutions of the RS on the internet, and branding and promotion of the state.

On the level of the **Brčko District of BiH,** the degree of implementation of the AP 1 is **11,38%**. Registered progress is in a domain of civil servants' training on institutional communication, budget planning of communication activities, and representation of the institutions of the Brčko District of BiH on the internet (see monitoring table in the annex, chapters IC 8, 9 and 13).

Table 15: Overview of the activities and measures for the reform area of Institutional communication

COMPONENT OF THE ACTION PLAN	Implemented
PART V INSTITUTIONAL COMMUNICATION	**21,12**
IC 1. Key Regulations	0,00
IC 2. Communication Planning	3,50
IC 3. Institucional Relation/Relations with Management	17,65
IC 4. Organisational issues	22,00
IC 5. Coordination and Standard Setting	12,00
IC 6. Service Provision/Central Pools of Resources	0,00
IC 7. Human resources	18,65
IC 8. Training	37,50
IC 9. Budget Allocation	25,00
IC 10. Media Related Activities	43,25
IC 11. Media Monitoring	95,00
IC 12. Direct Communication with the public - FOIA	52,45
IC 13. Web Pages	29,35
IC 14. Direct Communication with Citizens	27,65
IC 15. Country Branding and Promotion	10,00
IC 16. Measure of Results	0,00
IC 17. Internal Communications	13,50



* Detailed description of the implemented measured with coments is in the monitoring table in the Annex of this Report.

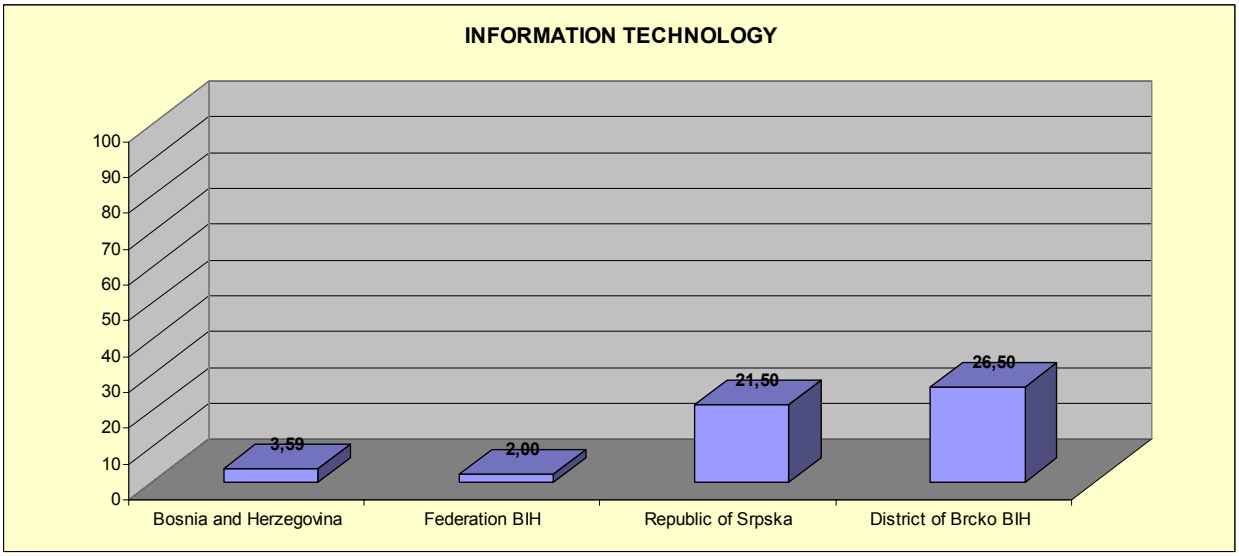
2.1.6 Information Technology

In the reporting period there was a progress in implementation of the measures and activities from the Action Plan 1 of the PAR Strategy in BiH in the area of Information Technologies, on all tzhe levels of authority in BiH. Total level of realisation of the Action Plan 1 in the reporting period amounts to **13.44%**.

Degree of realisation of the Action Plan 1 of the PAR Strategy by the levels of authority in BiH is shown in the table below.

Table 16: implementation of the AP1 of the PAR Strategy in BiH – reform area of Information Trchnology

INFORMATION TECHNOLOGY	Implemented
Bosnia and Herzegovina	**3,59**
the Federation of BiH	**2,00**
the Republic of Srpska	**21,50**
the Brčko District of BiH	**26,50**



In 2007, Supervisory team was established as an intergovernmental work body for the purpose of exercising the function of overall monitoring and direction of the reform processes in the area of Information technology.

Agreed and harmonised were the priorities with the representatives of the Ministry of Transport and Communivcations of BiH, the Ministry of Science and Education of the FBiH, the Government of the RS and the Government of the Brčko District of BiH for implementation of the activities and measures from the Action Plan 1 of the RAR Strategy in the area of Information technology.

In accordance with the set priorities, activities have started related with the implementation of the Action Plan 1 of the PAR Strategy. Finalised were project fiches which will be, upon the approval of priorities for the IT reform area by the Supervisory team, developed in more detail in a form of terms of reference, and they are related with: the IT legal framework, framework of interoperability and the key public infrastructure.

According to the “Annual report on the progress of the public administration reform on the level of institutions of Bosnia and Herzegovina”, in the Ministry of Transport and Communications of BiH, ongoing are the following activities:

1. Draft of bylaws for the Law on electronic signature. The Commission started working.
2. The Commission for draft of the changes of the Law on Communications is in the process of establishment.

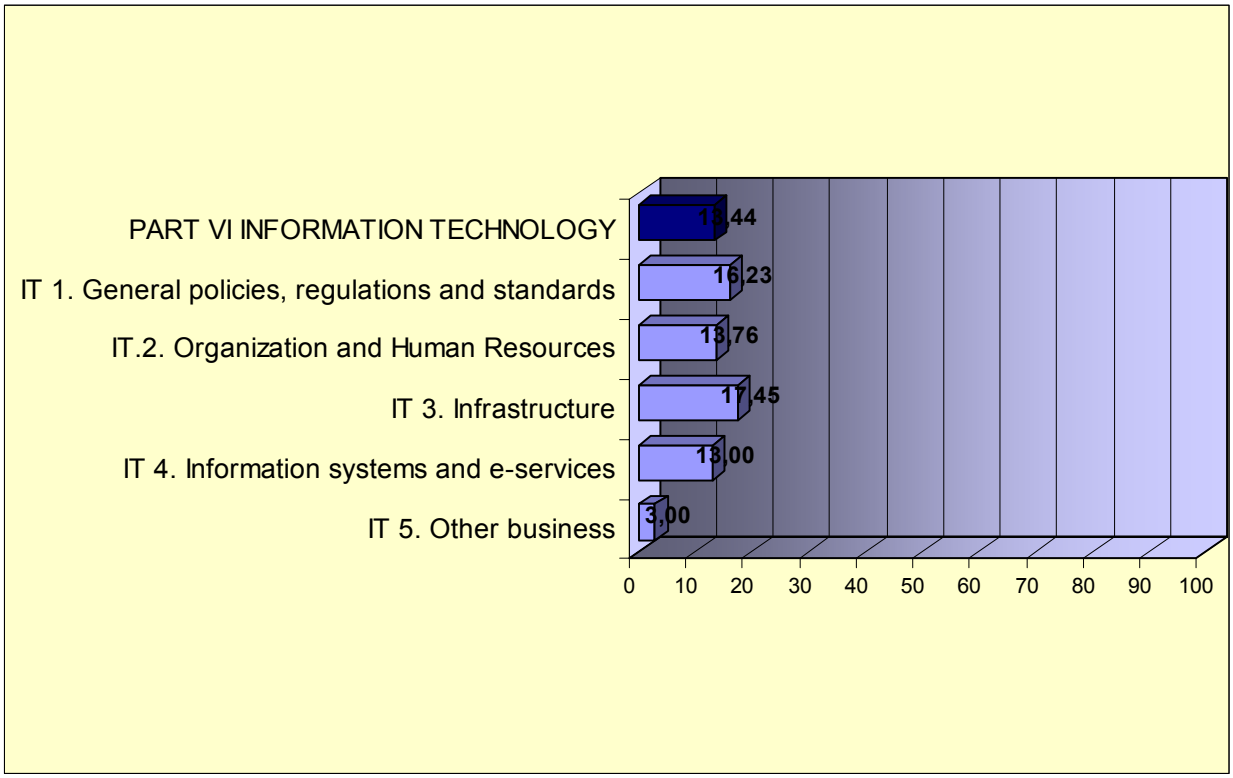
3. Realisation of the information system of the new building of the CoM BiH is being prepared, and it should be realised within one month after the moving in the new building.
4. Intensified are preparations for realisation of the project E-Government. This project is planned to be realised within three months after the moving in the new building of the CoM BiH.
5. There is a recruitment of engineers and technicians (for whom there is a training), who will work on the affairs of management and servicing of the information system in the new building.
6. There is a draft Law on information society.

According to the "Annual report on the progress of the public administration reform on the level of the Republic of Srpska", on this administrative level there are implemented preparatory activities for the implementation of the e-Board system. There were three implemented tenders and after the third one, the procedure was successfuly completed. At the end of the year, after moving in the new administrative centre of the RS, implemented was a complete project "the Government with no paper". Also, new portal of the Government of the RS was put into function: currently, in the process of making is a portal for e-Legislation with a complete legal rules of the RS.

Table below gives the overview by chapters for the reform area of Information technology.

Table 17: Overview of the activities and measures for the reform area Information Technology

COMPONENT OF THE ACTION PLAN	Implemented
PART VI INFORMATION TEHNOLOGY	**13,44**
IT 1. General policies, regulations and standards	16,23
IT.2. Organisation and human resources	13,76
IT 3. Infrastructure	17,45
IT 4. Information systems and e-services	13,00
IT 5. Other business	3,00



* Detailed description of the implemented measured with coments is in the monitoring table in the Annex of this Report.

2.2 Implementation of the Action Plan 1

Strategy of the Public Administration Reform in BiH implies coherent and harmonised approach to the reform by the by the levels which adopted it (the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH) and supported it, implementation of the common measures with respect of the individual progress on every respective level (which has been aditionaly established also through the "Common platform on the principles and the manner of implementation of the AP1"). Implementation of the measures of the Action Plan 1 as a primary objective has harmonised building and strengthening of coherent horizontal administrative capacities on all the levels.

This report includes activities covered by the Action Plan 1 initiated or ended after the formal adoption of the PAR Strategy and the Action Plan 1 by the end of 2007. The progress in implementation of the reform measures is monitored through the progress indicators (OVIs) which for this purpose were developed by the PARCO, and they present the measurable parameters by the means of which implementation of a concrete reform measure is monitored and evaluated. Initialy, the progress indicators were supposed to be agreed with the Supervisory Teams, but baring in mind that these are not operational, and that the PARCO is behind schedule with first report, the report was written on the basis of indicators adopted by the PARCO.

2.2.1. General Overview

Generaly, in relation to the measures and activities defined by the Action Plan 1 in all the reform areas it is possible to see certain incongruences related with:

a) **dinamics of execution of the reform measures** – moves in dynamics of implementation of the reform measures in relation with the established time frame which is basically defined by the PAR Strategy and developed in detail through the Action Plan 1 (measures whose realisation was planned by the end of 2007). Reasons of being late were in:

- the time which was needed for harmonisation of principles, structure and manner of implementation of the Action Plan 1 and their formal approval on the aforementioned levels of authority (lengthy process of adoption of the Common Platform and the Memorandum on establishment of of the Public Administration Reform Fund);
- the process of appointment of the representatives of all the levels in intergovernmental work bodies (supervisory teams);
- insufficiently built mechanisms of coordination and hold backs in operability of the implementation structures;
- in overambitiously or unrealistically set short deadlines for achievement of goals in certain number of cases;
- mutual conditionality of certain measures (especially in the area of human resources management) so failure to meet the deadline in execution of one measure directly caused shift of deadlines for other activities;
- in complex and lengthy procedures of public procurements or programming of assistance through the financial indtruments of the EC;
- political surrounding including the process of constituting authorities after the elections of 2006, and lengthy political problems which burden the more efficient work of the authorities.

b) **Contents** – certain differences from the implementation of the reform recommendations in relation with the defined contents of the measures and actions. These differences are shown through:

- individual and not coordinated approach to the activities on certain levels of authority although their implementation is planned in a coordinated and harmonised manner (case of regulations on civil service - administration in the FBiH and the RS, regulations on salaries of the Council of Ministers of BiH and the RS etc.), by joint work of the intergovernmental work bodies;
- time bar of certain number of activities and measures from the Action Plan 1, considering a significant time lapse in relation to the time of drafting and adoption of the Action Plan;
- incomplete or insufficiently clearly formulated measures and activities in a smaller number of cased.

2.2.2 Condition and problems identified in implementation of the reform measures

a) **Political coordination and harmonisation of activities of administration bodies of different levels of authority**: By the PAR Strategy and later on by the Common Platform identified was the leading political role of the Coordination Board for economic development and European integrations in implementation of the reform measures. The Board (in reduced composition) met on the occasion of signing the Common Platform and the Memorandum on establishment of the Public Administration Reform Fund. Further progress in coherent implementation of the reform measures stipulates more active involvement of the Board.

b) **Operative Coordination:**

- Overall coordination in implementation of the measures of the AP 1 is conducted by the PARCO. During 2007, ensured were additional budget assets for the work of the PARCO, which made full employment possible. Through the project of Technical Asistance of the EC to the PARCO, ensured was assistance in capacity development of the PARCO staff. The PARCO, in accordance with the competencies defined by the Common Platform, in the reporting period established direct coordination and cooperation with the institutions and administrative bodies on the level of BiH. During preparation of this report cooperation, especially in the sense of ensuring documentation basis for the implemented reform measures was not on a satisfactory level. The PARCO established the operative cooperation with the appointed PAR Coordinators of the Government of the FBiH, the Government of the RS and the Government of the Brčko District of BiH (established regular, monthly meetings) and together with them towards the administrative bodies of these levels. In this sense as well significant difficulties were noticed with gathering documentation basis. In the sense of coordination of donor activities, progress has been made (regular bimonthly meetings) although there are still significant problems manifested primarily through the incomplete information on the current and planned donor activities on different levels of authority. More efficient coordination of donor activities requires higher degree of cooperation with the European Commission Delegation in BiH, but also with domestic institutions from all the levels, especially with the Directorate for European Integrations as national coordinator of the EU aid. The PARCO in the reporting period also developed a system of monitoring of the progress in implementation of the reform on all the levels and this report presents the beginning of its operability. Intensification of activities on implementation of the reform measures of the AP 1, and especially functioning of the Public Administration Reform Fund, implies further, continued material, organisational and human resources development of the PARCO.
- Coordination within every respective level of authority and with other levels is being conducted by the appointed coordinators of the Government of the FBiH, the Government of the RS and the Coordinator's office of the Government of the

Brčko District of BiH. In the RS and the Brčko District mechanisms of internal coordination are being developed, which cannot be said for the Government of the FBiH. Activities on information gathering and especially documentation basis for this report confirmed the need for further development of internal mechanisms of informing and reporting on these levels. When it comes to regular informing of the PARCO on activities started on one of those levels, and of immediate concern to the measures established by the Action Plan 1, it was lacking to a significant extent and as a rule the PARCO was informed only after certain activities have ended. Information on donor activities on these levels are also very scarce and obvious is the need for more acrive involvement of the PAR coordinator. It should be, however, stressed that the appointed coordinators of the Government of the FBiH and the Government of the RS regularly engaged in other affairs (and only additionally they are supposed to execute the functions of the coordinator in front of the government which appointed them) which objectively prevents them to dedicate themselves to the fuller extent to the affairs of coordination of the public administration. Although Common Platform recommends that the coordinators should be relieved of other duties and these positions defines as separate work places, immediately within the secretariats of the governments or the prime inisters' cabinets, in the reporting period that has not been done. In the Brčko District of BiH the Public Administration Reform Coordinator's Office was established earlier.

- Functioning of the PAR Fund: besides the formal assumptions for functioning of the Fund (the need of signing individual agreements of donors with the Ministry of Finances and Treasury of BiH after signing of the Memorandum on establishment of the PAR Fund) the delay was caused by a lengthy debate on the manner of decision making of the Joint Management Board of the Fund so in the reporting period the Fund was not operational. Imposibility of agreement on the manner of spending of donor assets, significantly endangered the credibiility of domestic authorities related with responsible and serious approach to usage of the donor aid and implementation of the reform.

c) **Supervisory function:** according to provisions of the Common Platform significant role in implementation of the reform measures is entrusted to the supervisory teams as intergovernmental work bodies which among other things should contribute to defining of priorities in reform areas, initiation, proposing and approving project fiches and overall monitoring of implementation of the reform measures. After the adoption of the Common Platform on all the levels, procedure of appointment of the representatives of all the levels for the work in the supervisory teams lasted significantly longer than expected and it is still in not finished (expected is appointment of one member in front of the Government of the FBiH for the area of Human Resource Management). In accordance with the principles agreed in the Common Platform, the PARCO proposed to the members of all the supervisory teams the model of work and decision making which would be the same for all the supervisory teams, but it was not accepted so the supervisory teams were not operational in the reporting period.

Essential disagreements are related with the starting premise from which the PARCO started; that the AP 1 is already formally adopted, i.e. supported by the Council of Ministers of BiH, the Government of the FBiH, the Government of the RS and the Government of the Brčko District, so on the manner of implementation of the established measures and activities, representatives appointed to the supervisory teams by these levels should declare themselves individualy, and not again and individually all the governments and the Council of Ministers of BiH. That puts forward the expectation that the supervisory teams members will take leading role and responsibilities entrusted to them by their governments and the Council of Ministers of BiH. Proposed model of individual declaration among other things provides for:

- for all the levels of administrative authorities to equally engage themselves in every terms of reference proposed by the PARCO and that every such terms of reference is implemented as joint;
- abstention from participation and implementation of the terms of reference for those administrative levels which for any reason do not consider participation in a concrete project activity purposeful or acceptable;
- implementation of terms of reference on administrative levels which supported it no matter the abstention of one or more administrative levels;
- individual initiatives of all the administrative levels through independent terms of reference, under the condition that they are entirely based on the AP1 and respect the principle of coherence of strategic goals completely.

The PARCO is convinced that directing every single project fiche from the frame of the AP1 to repeted approval of the governments and the Council of Ministers of BiH, would slow down in the very beginning the implementation of the reform measures and diminish its efficiency. In case of such solution, questionable would be the need for existence of the supervisory teams. The firm point of the PARCO is also that in the case of every project fiche whose value exceeds 1.000.000 KM or can result in proposal for establishment of new institution, such project fiche in the early phase is to be sent to all the governments and the Council of Ministers for declaration.

d) Operability of the Joint Management Management Board of the Public Administration Reform Fund, supervisory and implementation teams is aditionaly burdened by requests for remunerations to the members of those bodies. On that ocasion, provisions which regulate remunerations vary from the level to level and it is hard to find a common ground. At the same time, it is evident that no remuneration for this work will be financed prom the PAR Fund.

2.3 Recommendations for further steps

- Initiate the session of the Coordination Board for Economic Development and European Integrations with an objective of overcoming the identified problems, and for the purpose of ensurance of further coordinated approach, maintenance and further development of basic principles of public administration and continuation of political support to implementation of reform measures of the AP1;
- From the institutions and bodies of administration on the levels covered by the PAR Strategy require the higher degree of cooperation and responsibility in implementation of the reform measures, exchange and delivering of information with an objective of more efficient coordination and monitoring of the initiated and completed activities;
- Strengthen the position and the role of the PAR Coordinator, especially of the Government of the FBiH and the Government of the RS, and the of the Office of the Brčko District of Bosnia and Herzegovina, and help organisational, material and human resource development of the PARCO;
- Develop mechanisms of internal cooperation, consultations and coordination on all the levels, especially the mechanisms of previous consultations (taking standpoints before the meeting instead of searching points after the meeting), support taking responsibility and creation of ambience for more efficient work in the implementation structures;
- Build common ground of all the levels in relation with the question of remuneration for the work of the appointed representatives in the implementation structures;
- Develop coordination and consultation mechanisms of the administrative bodies of all levels for the purpose of acting jointly towards the donors and more efficient usage of the donor aid;
- Present and promote the PAR Strategy and the AP1 in the legislation bodies.

- Continue systematic and regular monitoring and reporting of the executive bodies of authority and informing of the public on the progress.

3 ANNEX – M&E table of realisation of the measures from the AP1 of the PAR Strategy

3.1 ANNEX – Policy Making and Coordination Capacity

3.2 ANNEX – Public Finance

3.3 ANNEX – Human Resources Management

3.4 ANNEX – Administrative Procedure

3.5 ANNEX – Institutional Communication

3.6 ANNEX – Information Technology