INTEGRATION

**Sub-sector Review
of Three Public Administration Reform (PAR)
related EC/UNDP Projects
in Bosnia and Herzegovina**

**April 2006
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**GLOSSARY OF ACRONYMS**

| | |
|---|---|
| ATLAS | UNDP financial management software |
| BD | Brčko District of BiH |
| BiH | Bosnia and Herzegovina |
| CEECs | Central & East European Countries |
| CoM | Council of Ministers |
| CSAs | Civil Service Agencies (CSA BiH, CSA FBiH, CSA RS, HR sub-unit BD) |
| CSTP | Civil Service Training Project |
| DAC | Development Assistance Committee |
| DEX | Direct Execution |
| DPA | Dayton Peace Agreement |
| EC | European Commission |
| ECD | Delegation of the EC in BiH |
| EU | European Union |
| FAFA | Financial & Administrative Framework Agreement between UNDP/EC |
| FBiH | Federation of Bosnia and Herzegovina |
| GAP | USAID/SIDA Governance Accountability Project |
| GRMS | Grant Resources Management System |
| ICT | Information & Communication Technology |
| IS | Information Society |
| LDB | Legislative Database Project |
| MoFT | Ministry of Finance and Treasury (BiH) |
| MoU | Memorandum of Understanding |
| MTDS | Medium-Term Development Strategy |
| NGOs | non-government organisations |
| OB | Operations Brief of the UNDP |
| OHR | Office of the High Representative |
| OO | Overall Objective |
| OSCE | Organization for Security and Cooperation in Europe |
| PAR | Public Administration Reform |
| PARCO | Office of the Coordinator for Public Administration Reform |
| PP | Project Purpose |
| RS | Republika Srpska |
| SAA | Stabilisation and Association Agreement |
| SAp | Stabilisation and Association process |
| SIGMA | Support for Improvement in Governance and Management in Central and Eastern European Countries (joint OECD-EU Initiative) |
| STJP | Centre for Training of Judges & Prosecutors of RS |
| SUTRA | Sustainable Transfer to Return-related Authorities |
| T/L | Team Leader |
| ToR | Terms of Reference |
| ToT | Trainer-of-Trainers |
| UK | United Kingdom |
| UNDP | United Nations Development Program |
| USAID | United States Agency for International Development |

**Sub-sector Review of Three Public Administration Reform (PAR) related EC/UNDP Projects in Bosnia and Herzegovina**


### I.      INTRODUCTION & BACKGROUND


### a.      Introduction

1.1      This report comprises a sub-sector review of three public administration reform (PAR) related projects in Bosnia & Herzegovina (BiH) financed by the EC but where implementation is undertaken by UNDP. The study has been undertaken at the request of the Task Manager, Public Administration in the Delegation of the European Commission (ECD) in BiH.

1.2      The report addresses the performance of EC-financed assistance covering the Legislation Database Project (LDB), and the Civil Service Training Project (CSTP) both currently under implementation by the UNDP but at different stages of the project cycle, and the forthcoming e-Government Project at the BiH Council of Ministers (CoM) which is under preparation.

1.3      The objectives of this review focus on quality of project design; efficiency; project management; quality and sustainability of interventions (effectiveness, ownership); and EC visibility. The findings and lessons learnt from the first two projects, particularly in processes rather than distinct results, should be utilised to make recommendations on the improvements to the Operations Brief for the e-Government project. In addition, the review was asked to comment on the partnership arrangement between EC and UNDP and on the eventual desirability of a strategic partnership in the PAR sector in BiH.


### b.      Methodology

1.4      The methodology for this review is based on the MONIS system currently used for the monitoring of EC funded assistance, although in this instance the standard reporting templates were considered inappropriate to the requirements of the review. It adopts accepted good practice in monitoring and evaluation (encompassing the key DAC principles of relevance; efficiency, effectiveness, impact and sustainability).

1.5      Information for the compilation of findings has been principally derived from the following sources:
- structured interviews with interlocutors, including beneficiaries, officials and others concerned with, or affected by, the assistance (see Annex 1); and
- documentation study of project documents and other related material to public administration reform in BiH and the region (see Annex 2).

1.6      The review was undertaken between 29<sup>th</sup> March and 13<sup>th</sup> April 2006.  The briefing meeting with the Task Manager was conducted on 4<sup>th</sup> April, and a debriefing at which an *aide-memoire* of key findings and conclusions was submitted, was held on 12<sup>th</sup> April.  The information in this report covers the period up to 1<sup>st</sup> April 2006. Factors and outcomes realised after this date are not included in this report.


### c.      Background

1.7      The key to understanding the background for public administration reform in BiH are the nine functional sector reviews and the horizontal report on the Systems Review of Public

Administration of BiH[1] completed during 2004-05.  These set out the basis for the necessary reform in the areas of human resources management; public financial management; legislative drafting and administrative procedure; as well as in the use of information and communication technology (ICT) by the administration with the general public. As a result national authorities, under the aegis of the Office of the Co-ordinator for Public Administration Reform (PARCO) are preparing a national 'Strategy for Public Administration Reform' which is one of the 16 requirements for BiH to progress in its negotiations for a Stabilisation and Association Agreement (SAA) with the European Union.

1.8     The implementation arrangements for these three projects are on the basis of direct agreement with an international organisation, in this case UNDP. There have been recent efforts at closer co-operation on PAR assistance between EC and UNDP. This mirrors earlier co-operation, such as on SUTRA (Sustainable Transfer to Return-related Authorities). Discussions have been held both at a project level and also to define a more strategic partnership in areas of support for effective administrative reform. These projects give tangible evidence of those efforts. However, UNDP wishes that the nature of this partnership does not just revolve around funding and sub-contracting arrangements, but one that harnesses the UNDP professional strengths and capacity-building approaches in public administration, and one that focuses on strategic co-operation between the two organisations.

1.9     There are differences in overall strategic direction of the country programmes of each organisation. EU policy towards BiH is enshrined in the Stabilisation and Association Process (SAp) established at the EC Zagreb Summit in November 2000. The SAp is built on economic and political conditionality geared towards democratic consolidation and EU integration, based on the Copenhagen Criteria of 1993 and the process of completing the necessary steps to meet the criteria of the Single Market or *Acquis Communautaire* as defined in the *White Paper*[2]. UNDP adopts its human rights based approach to development and addresses the Millennium Development Goals and poverty reduction strategies[3]. However, although originating from different perspectives, there is the basis for effective co-operation and co-ordination of initiatives in the area of promoting more effective government.

1.10    It is valuable to highlight lessons from previous monitoring of assistance to institution building and public administration in BiH in the recent past[4], and the report of a similar exercise undertaken in respect of assistance to public administration reform in the then candidate countries of Central and Eastern Europe in 2001[5]. These studies offer pertinent conclusions that have resonance with the current review: over-ambitious and unrealistic objectives, weakness in project formulation, lack of tangible results, difficulties in measuring performance, lack of institutional platforms and ownership, poor judgement on absorptive capacity, and lack of impact. Thus, many of the findings of this report are not new or unknown, but their repetition shows that they remain important issues to address in formulating new initiatives in PAR.

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[1] System review of Public Administration of BiH. Final Report. Publication No: 5, Office of the PAR Coordinator, Sarajevo 2005.
[2] White Paper: Preparation of the Associated Countries of Central and Eastern Europe for Integration into the Internal Market of the Union. COM (95) 163 final, Brussels, May 1995.
[3] United Nations BiH, "United Nations Development Assistance Framework for Bosnia and Herzegovina 2005-2008", September 2004
[4] A synthesis of findings from the monitoring of assistance to institution building in Bosnia and Herzegovina. Monitoring Support for EC Assistance to Bosnia & Herzegovina. Report No: S03.02 July 2002.
[5] See OMAS Consortium.  Thematic report on public administration reform. Draft report no. S/ZZ/PAD/010033, 18th September 2001.

## 2.    RELEVANCE & PROJECT DESIGN

*Relevance - The appropriateness of project objectives to the real problems, needs and priorities of the intended target groups and beneficiaries that the project is supposed to address, and to the physical and policy environment within which it operates.*

2.1    Relevance of assistance is important to both organisations. Each has a country strategy[6] that guide their investments and with which individual projects should comply. In the domain of public administration reform (PAR), for the EC, this is one of the 16 requirements for BiH to meet the negotiations of a Stabilisation and Accession Agreement (SAA) for accession to the EU; *viz.*

> <u>More effective public administration</u> – *Make further effort towards creating an effective public administration, including developing a comprehensive and cost-estimated Action Plan for public administration reform with a clear distribution of competences (for example in the areas of police and health). Fund and co-operate with the Civil Service Agencies at State and Entity levels*[7].

In terms of UNDP objectives, PAR is about improved governance designed to achieve "*strengthened accountability and responsiveness of government to pro-active citizens*"[8]. Thus, the strategic directions of both the EC and UNDP should allow for effective co-operation in public administration reform.

2.2    It is recognised that the approach to project design differs between the EC and UNDP, as a consequence of the different planning cultures in the two organisations. The EC organises the preparation of detailed terms of reference (ToR) including a logframe in accordance with procedures on 'Aid Delivery Methods'[9] and the subsequent preparation of an inception report to guide implementation. Whilst the UNDP adopts more of a framework approach, preparing an 'Operations Brief' which is less formulaic and rigorous in terms of its intervention logic but allows greater flexibility in eventual implementation. UNDP emphasises accountability in achieving results in the detailed annual planning, and in budgetary expenditures *ex post* through its ATLAS accounts system.

### a.    Legislative Database Project (LDB)

2.3    The project is relevant in the context of improving governance and in e-legislation reform.  It is part of the Policy, Strategy and Action Plan for Information Society (IS) Development in BiH adopted by the Council of Ministers in November 2004, and is one of the eight reform pillars identified for application of information and communications technologies that will enable the government and public services to come closer to the needs of citizens, businesses and civil society at large.

2.4    The overall objective (OO) is to provide open access to relevant BiH laws and legal information through a web portal. The project purpose (PP) aims to:
- establish a comprehensive database of all relevant BiH legislation at State, Entity and District Brcko level;
- create codes for laws according to EU standards and develop a categorisation index of laws; and

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[6] European Commission. BiH Country Strategy Paper 2002-6. Brussels 2001
United Nations BiH, "United Nations Development Assistance Framework for Bosnia and Herzegovina 2005-2008", September 2004
[7] European Commission. Stabilisation and Association Report 2004.  Commission Staff Working Paper. BiH (COM(2004)205) Brussels
[8] United Nations BiH. *ibid*, chapter 2.3.1 page 18.
[9] European Commission. Aid Delivery Methods. Volume 1 Project Cycle Management Guidelines. Brussels, March 2004.

- allow official gazette to gain revenues from subscription services for an advanced part of the web portal and database.

2.5    An Operations Brief was prepared in December 2004. This drew on the corporate knowledge of UNDP in its work on developing the use of Information and Communication Technology (ICT) for an information society and the background document on a conceptual framework for information systems in government.

2.6    The Operations Brief is acknowledged to be deficient. It is understood that there was a wish to reach rapid agreement on contracting and implementing the work at the time so as to commit funds. It does not provide a coherent explanation of the results that are to be achieved from the list of imprecise activities expected within a 12 month duration, which comprise the major part of the Operations Brief. There was clearly insufficient dialogue with the intended partners, which meant that issues of ownership of the database had to be resolved during implementation. There is no attempt to provide any indicators of achievement or measurement of results, and no analysis of the assumptions and risks inherent in the project. This lack of objectivity and absence of objectively verifiable indicators (OVIs) makes the assessment of project performance and impact highly subjective.

### b.    Civil Service Training Project (CSTP)

2.7    The assistance is fully consistent with the Country Strategy Paper 2002-2006 to "*Support the development of functioning State institutions capable of acting as reliable counterparts for the international community and representing the entire country's interests effective*".  It is unambiguously part of the SAp to create a more effective public administration and to support Civil Service Agencies at State and Entity levels. Specifically, it aims to promote the development of a professional civil service capable of being an effective, responsive and accountable public administration.

2.8    The OO is "*to contribute to strengthening of the civil service in BiH through the development and delivery of training based on priorities identified in the agencies' (CSAs) plans as well as other relevant documents including the EU functional reviews*". The PP is the:
- development and implementation of the training programmes following needs of civil servants in BiH, derived from assessment reports and anticipating legal requirements, including harmonization with EU standards;
- further development of the Civil Service Agencies capacities in organisation of the comprehensive, strategic oriented trainings for civil servants; and
- development of the standards in order to promote high quality of civil service training and value of life long learning according to EU approach.

2.9    The Operations Brief prepared by UNDP presents the scope of the assistance and an overall analysis of training requirements based on the relevant parts of the Systems Review of Public Administration in BiH, and outlines the elements of the project. It sets out an ambitious range of training to be completed within a project timeframe of 12 months and broadly addresses the need for establishing quality standards in training and accreditation. It is essentially a background document, but as a project design it is weak. It fails to set the project in the wider context of supporting the Civil Service Agencies (CSAs) in developing a professional civil service, does not relate the project to a whole range of other national and donor initiatives on civil service training, is not explicit in the objectives of the project, and outlines expected project results in only the vaguest terms. However, it is recognised that there is no PAR strategy in which to contextualise the assistance at the present time, which can lead to this rather open-ended type of design.

2.10    There is no analysis of the evident different capabilities or organisational capacity of the four CSAs. They have distinctly diverse needs from the assistance in support and

organisational strengthening to undertake the strategic planning of training, if they are to operate as effective partners of the training.

2.11    In the early stages of agreeing the project design with recipient parties (the CSAs), there were apparently concerns over the contracting arrangements and the allocation of resources between State and Entity levels. The State CSA had earlier hoped to receive funding for organising its own training programme and remains concerned over the costs of training and that the efficiency of the delivery of training is not enhanced by using UNDP management. On the other hand, the FBiH CSA, which has received earlier assistance from UNDP, has a positive view of UNDP collaboration and feels that it understands the needs both of training requirements and in building the strategic planning capacity of the FBiH CSA for civil service training. The parties reached consensus on the design of the project prior to implementation.


## 3.    PROJECT MANAGEMENT

3.1    Implementation of projects by UNDP utilising EC funding are governed by global agreements, *viz:*
* Financial and Administrative Framework Agreement (FAFA) between the United Nations and the European Commission
* General Conditions applicable to European Community contribution agreements with international organisations

3.2    A specific memorandum of understanding (MoU) is signed for each project between the appropriate national authority, the Delegation of the EC, and the Resident Representative of the UNDP setting out the broad scope of work and roles and responsibilities of the parties. This is supplemented by a Contribution Agreement between the ECD and UNDP setting out the special conditions of contracting.

3.3    These procedures were followed for the LDB and CSTP. The MoU for the LDB sets out the roles and responsibilities of the signatory partners: EC, UNDP and the Official Gazette of BiH, but did not address any requirements on reporting, visibility or operational modalities. It required the regular communication between the parties but did not specify any steering committee arrangements. On the other hand, the CSTP MoU set out steering board arrangements, reporting requirements (including the preparation of an inception report) and visibility, but not the responsibilities of the various partners.    Thus, there is not one comprehensive set of arrangements governing all MoUs.

3.4    UNDP raises a 7% charge for 'administrative costs' in the project budgets for backstopping and project management. The individual budget items for both projects are shown to be well within the usual cost norms for EC assistance, even though these have not been competitively tendered projects.

3.5    Recognition of the contribution of the EC and 'EU visibility' is important in all project documentation and literature. On the LDB this has been a concern, perhaps largely because requirements were not spelt out before contract signature. None of the project documentation bore any acknowledgement to the EC, although it is understood that this has recently been rectified and templates of the EC logo and designations have now been supplied to the project, which will now give full recognition in its outputs to the EC. Whereas, the CSTP has been assiduous to date in acknowledging the contribution of the EC and promoting the visibility of the EC equally alongside the UNDP.  For the future, it is understood there are no residual difficulties in submitting to the EC requirements on visibility.

3.6     Steering arrangements were put in place for both projects. On LDB, a Steering Board for the project was established and has been instrumental in guiding the project through many of its difficulties and insisting on a well prepared exit strategy for the project.

3.7     Detailed steering arrangements were set out in an annex to the MoU for the CSTP. A Steering Board has been established with oversight of the project and has held two meetings. Its mandate is to ensure the efficient conduct of the project and has included the approval of the inception report (IR). There are arguments that a stronger Executive Board would be more suitable in the longer-term for the CSAs, thus strengthening the co-ordination between the CSAs and ensuring a unified approach to their work. Such a board could verify compliance with the PAR strategy once approved, provide peer review to the work of the CSAs, and also bring necessary harmonisation of the different regulations under which the CSAs are currently obliged to operate.

3.8     It is evident in the implementation of the projects that there has been a closer co-operation and understanding between the EC and UNDP over the CSTP than the LDB. To what extent this is due to the content of the MoU and the learning from past experience in streamlining operational support between the two parties, or to the individuals (Portfolio Manager, Task Manager and T/L) responsible for the projects, is debatable. However, good relations cannot be just based on personal contact but need to be institutionally embedded.

### a.     A Partnership between EC / UNDP

3.9     The review has examined the benefits of the partnering arrangements between EC and UNDP on these projects. In the area of PAR in BiH, UNDP can claim legitimate competence and experience as a basis for bringing added value to the implementation of the projects. It is also the case that many of the public institutions acting as recipients of the assistance express greater reassurance in working with an international organisation such as UNDP than with private sector contractors.

3.10    It is also noted that the UNDP as an international organisation can have a larger influencing role with government than would be the case with a private contractor. This is particularly important where project implementation needs to leverage broader institutional support or where political support to change and reform is necessary (e.g. as with the forthcoming e-government project).

3.11    On the other hand, it can be seen that UNDP is leveraging its position to obtain unfair advantage in securing EC funding through direct agreements without the pressure of submitting to a competitive tender for the work. It can be viewed as anti-competitive for other potential service providers. There are arguments that if UNDP is assuming the role of a 'contractor' rather than implementing partner then it should submit to competitive tendering[10] to secure funding.

3.12    In many instances, of course, UNDP is also making a contribution to project funding and is thus a genuine implementing partner. The level of this contribution as a proportion of total project costs varies from the token to a more significant amount (e.g. less than 5% for the CSTP, but 24% in the case of the LDB). This has raised issues and claims of 'whose' project it is, what secures a 'partnership', and ways in which visibility of the different contributors is presented in project documentation. There does not appear to be any consistent approach to this, as already noted above. The LDB has made minimum reference to the EC to date, whilst the CSTP has given equal recognition to both donors from the start.

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[10] It is understood that it is now legally possible for UNDP to work as a sub-contractor, although, as noted, it is resisting this approach of having only a financial arrangement rather than an equal professional collaboration.

3.13    There are both positive and negative administrative benefits for the EC in making direct agreements such as these with the UNDP. It is a relatively easy way of contracting and forges donor co-ordination. However, it is also clear that the EC loses control in the implementation of the assistance and accountability of expenditures. The different administrative procedures of the two organisations can cause misunderstandings and the fact that once funds are disbursed under the Contribution Agreement, UNDP considers itself the custodian of those funds and may resent what it considers intrusion into its domain.


## 4.    EFFICIENCY

*Efficiency - The fact that the results were obtained at reasonable cost, i.e. how well means and activities were converted into results, and the quality of the results achieved.*

### a.    Legislative Database Project (LDB)

4.1    Consequent to the weakness of the LDB design, the project had initial difficulties which have delayed implementation and resulted in the necessity of extending the contract from 12 to 17 months. It was necessary to restructure the project and budget. This was also partly due to the withdrawal of one potential donor in the project (USAID) leaving just EC and Government of Norway as contributors. Initially there was not even awareness amongst the beneficiaries that this was a project designed as much for open society with access by citizens to the planned database, as much as for the needs of public administration.

4.2    Activities have revolved around the technical design of the database and software development; business planning, and defining the institutional arrangements. The project built a strong team approach to the implementation of these activities. An 'institutional team' was established with key government personnel to guide the legal and IT expert teams to ensure the design of the database was relevant, and in line with the vision of open access to the legislation database. It has also tackled the issue of ownership and the need to secure project partners for the future operation and sustainability of the legislation database.

4.3    Project management brought good practice to technical design and software development. Appropriate and proper specification of IT elements was realised as crucial to realising an effective database. The project assembled legal and IT experts together to ensure the software was well defined to user requirements. Attention was given to the detailed specification of design, and the project hired IT specialists with the oversight and QA role over the software developers. A business plan was produced showing the financial viability of operating the database as an on-going business activity. This has been necessary to convince potential national partners over institutional ownership of the database.

4.4    Clearly, the commitment of partners has partially depended on their very real concern to see that the hosting of the database could be a viable business proposition for them, and not just a drain on limited budget resources. The weak managerial and financial status of the organisations in RS and District Brcko has been a constraint to project implementation.  The risk in losing subscribers of hard copy of the gazettes is a real threat which the business planning has not allayed. This has contributed to a lack of collaboration by prospective partners. Only the BiH Official Gazette has been an active and participating partner in the work. Despite much effort, there has been an institutional reluctance to host the database, apart from the BiH Official Gazette.

4.5    The Office of Legislative Affairs has been very critical of the project, in terms of securing a relevant host institution for the database, and considers this should have been the responsibility of DEI given the needs of legislative harmonisation with the *acquis.* The project

appears to have made little attempt to address the concerns of the Office of Legislative Affairs, even though the Director participated in the institutional team.

4.6     The database website is being functionally tested at the present time prior to its launch. A standardised and codified indexation of legislation has been prepared. A database of electronic versions of State and Entity laws is almost 50% completed to date, and a collection of English versions of some laws, to be supplemented by translation of further laws based on the priorities of legal experts, and inputting of further items is to be completed. It also remains for the project to provide the hardware and server for the system to the host institutions, training in managing the database, and in implementing the promotion and marketing campaign.

4.7     Identifying solutions to the issue of Institutional ownership of the database has been the major cause of delays and indeed a major weakness of the project. Only the Official Gazette of BiH was initially identified in the MoU and as noted the issue of partners was not addressed at project design. Through the efforts of the institutional team and the business planning approaches, the project has attempted to address the situation, but the very real risks of gaining buy-in from potential partners has not been fully appreciated.

4.8     Reporting on the project has been weak and perfunctory, but with no agreed reporting format it was left to the discretion of the Project Manager. It provides a minimum overview of the project activities and results, but not in a way which allows a systematic review of the performance and achievements of the project. It does, however, set out lessons learnt from the implementation of the project.

### b.     Civil Service Training Project (CSTP)

4.9     The MoU correctly required the preparation of an inception report (IR), especially given the generalities in the Operations Brief. This two month inception period (the Team Leader had a preparatory month funded by UNDP and then a further month under the project) has been vital to:
- Building confidences and relations with key stakeholders;
- Reaching levels of understanding with the partners on the activities to be implemented;
- Co-operation with other donor assistance and outreach to other projects. An important but time-consuming exercise to build synergies with other training initiatives (e.g. USAID on legislative drafting), and to avoid duplicating other training;
- Reviewing background material so as to properly contextualise the project activities in the absence of a PAR strategy.

4.10    The work of the T/L has been widely appreciated by all stakeholders. The IR has been crucial especially as this is the first comprehensive civil service training project. It attempts to fill the gap in developing a training plan in the absence of ministry strategies which would allow relevant training plans to be developed. It presents the rationale for the need to move on three fronts in order to develop the capacity and role of the CSAs in training: (i) the training programme itself; (ii) assisting CSAs in developing training plans; and (iii) the development of standards if training quality is to be assured. It presents a considered and well planned approach, although some partners felt there had been insufficient time for consultation of the planning of the training and that the planned schedule was optimistic and failed to sufficiently reflect the absorptive capacity of the beneficiary institutions.

4.11    The IR identifies lessons learnt from the earlier UNDP assistance, but then fails to address these risks adequately in the planned activities. It is positive to see that a logframe has been prepared, but this does require further refinement, particularly in developing appropriate indicators and more precisely defining the expected results. There is a need to

define targets and milestones so as to be able to evaluate performance and impacts of the project.

4.12    An important aspect of the project will be to promote collaboration between the four CSAs. There is a lack of stable co-operation between agencies at an operational level reflecting the absence of the culture of cooperation even if there is a common interest. However, issues of ownership are being addressed and all parties have subscribed to the agreement on responsibilities for project implementation, demonstrating a real partnership which will hopefully also raise the self esteem and profile of the CSAs. The T/L is conscious of the importance of raising the credibility of the CSAs in the view of the various institutions of government.

4.13    Implementation of the programme of training is just getting underway with the first training programmes having been delivered in March. Already, there have been delays to the planned programme due to administrative delays in contracting trainers (the T/L evinces confidence that these early administrative teething problems will be overcome). In RS, the CSA has competing obligations with the Tempus training which is a carry-over from 2005, and this threatens CSTP training activities. The first stage of the work on standards and operation of the accreditation panel will commence later in April. It is thus premature to comment on achievement of results at this stage. However, even at this early stage in the project it does demonstrate the risks to the workplan and how unrealistic the project scope is for just a 12 month duration, and the likely need for an extension if results are to be achieved.


5.    EFFECTIVENESS

*Effectiveness - The contribution made by the project's results to the achievement of the project purpose.*

a.    Legislative Database Project (LDB)

5.1    There is an absence of tangible results to date (12 months into the project), showing how unrealistic the original project duration had been, and hence delays to achieving the PP. Quality of the website will likely be compromised. It will not provide the 'one-stop location' for all BiH legislation as there will not be a full set of legislation from the RS and District Brcko. Institutional ownership of the database will not be satisfactorily completed and indeed is still the subject of debate.

5.2    Two agreements are now in place with the State and FBiH Official Gazettes, and Office of the Co-ordinator for Public Administration Reform (PARCO) will host the English version of the database. But, in the Republika Srpska (RS) no agreement with the Official Gazette has been possible and an alternative partnership is in negotiation with the Centre for Training of Judges and Prosecutors of RS (STJP). This lack of harmonised hosting and management of the database is unsatisfactory in the long-term, as it fragments the institutional arrangements and retains the risk that as it is not a core business of the STJP, interest and ownership will be weak. Development of business plans has not persuaded potential hosts of the viability of the subscription services as a potential revenue source.


6.    IMPACT & SUSTAINABILITY

*Impact - The effect of the project on its wider environment, and its contribution to the wider sector objectives summarised in the project's Overall Objective. As presently implemented, what is the likelihood that the project will have a positive wider impact?*

*Sustainability - The likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended.*

6.1    Currently, impact of the LDB will only be assured through the BiH Official Gazette; they are certainly committed and competent partners with an interest to maintain and develop the database and website. They express confidence in the technical quality and suitability of the database, and in the ability to operate and maintain the web portal. Technical sustainability of the software and operating system is assured through the preparation of draft contracts for those hosting the database with the software company for maintenance during the next two years.

6.2    Weaknesses in the institutional arrangements threaten the long-term sustainability of the project investments, and much more should have been done at the design stage and the project outset to address the institutional and economic risks in creating open source access to the legislative archive.

6.3    For the CSTP, assessing likely impact of the project is difficult in the absence of quantifiable results and the absence of a defined end state in respect of the target institutions' capabilities which are to be obtained as a result of the assistance. In one sense, all well targeted and effective training can be seen as beneficial, but the crucial test of impact will be ways in which this delivers more effective public services.

6.4    The CSTP is strongly based on the Systems Review of Public Administration of BiH, and as it is being implemented, has placed an important emphasis on institutional ownership with the partner CSAs, which increasingly raises their profile. On this basis, the likelihood of project activities and results being sustained is seemingly assured.

6.5    This is but one of many projects concerned with strengthening the civil service, and the understanding of the various needs of civil service reform is now more widely understood. Training, not just as a single event but as a continuous learning process, is seen as crucial to the whole career enhancement of the civil service and indispensable if the administration at State and Entity level is to fulfil it obligations both to citizens as well as the requirements of the SAp.


## 7.    CONCLUSIONS, LESSONS LEARNT & RECOMMENDATIONS

7.1    The design of both projects has been weak. The Operations Brief for the LDB and CSTP are disappointing even given the different design approaches adopted by both EC and UNDP. There should be agreement on harmonised procedures in the content of project design. In setting out project objectives for PAR, they should meet the following three tests:
- Can the project purpose be achieved directly as a result of the assistance to which they apply?;
- has the end state been defined, in respect of the target institutions' capabilities which are to be obtained as a result of the assistance?; and
- has the overall required capability of the target institution(s) been defined and will the PP of the assistance, if achieved, make a direct contribution to achievement of this overall capability?

7.2    The projects have been ambitious in their scope, but this has not been combined with realism in the duration of time that is required to deliver and achieve the project objectives. The LDB has been significantly delayed, and already the CSTP is beginning to fall behind schedule. Early consideration needs to be given to the necessary extension of the CSTP. This should be a no-cost extension, with UNDP making arrangements to fund the continuation of the T/L position.

7.3    Both in design and implementation arrangements, the projects need to take closer account of the absorptive capacity of the beneficiary institutions. This may be in adopting new technologies or innovations (as with the case of the LDB); having suitable personnel able to take advantage of training and using newly acquired skills (CSTP); or in phasing in new ways of working (the forthcoming e-Government project). This is crucial for effective capacity-building.

7.4    Currently, there are disappointing results from the LDB. The importance of soundly based and economically viable institutional arrangements was overlooked at the design stage, and the risks for the prospective host organisations of the database insufficiently addressed. As a consequence there are difficulties in terms of securing genuine ownership of the results. However, UNDP, taking advantage of the project extension, is making strenuous efforts to ensure that sustainable agreements are put in place and ownership of project investments is secured. It also points to the fact that further confirmation of the roles and responsibilities of the partners at both the design stage and during the inception phase are required.

7.5    Legitimate weaknesses in the design of these projects by UNDP have been exposed. On the other hand, the efforts and quality of management by the project teams in implementing the projects has shown much good practice. UNDP has demonstrated an emphasis on strong working relationships based on mutual confidence with partners and beneficiaries in implementing the projects and operates an inclusive and participatory management style.

7.6    In the project management arrangements between the EC and UNDP it is important that operational modalities (many of which may have caused controversy in the past) should be specified in the MoU or clarified in an annex as standard guidelines governing implementation. This should also be done in respect of reporting structure, formats and periods to avoid subsequent misunderstandings.

> ### *Recommendation*
>
> - In its agreements with international organisations, including UNDP, the EC should be specific in what aspects of its 'Aid Delivery Methods' it expects adherence from partners, in terms of project planning (i.e. observing the guidelines of the PCM manual and preparation of a Logframe with relevant OVIs), reporting (adherence to EC reporting guidelines), transparency and accountability of EC funds committed. In this way, many of the issues that have been addressed in this review would have been clarified at the outset.

7.7    The benefits of an inception period and preparation of an inception report have been amply demonstrated by the CSTP. This should be a requirement of all assistance. Indicators of achievement should be specified in the inception report and performance against these indicators reported in periodic reports. Despite the well prepared IR, the CSTP should review the logframe, to: specify more objective indicators; define results more exactly; and to elaborate the risks, assumptions and conditions in achieving the intended results. This will allow a more objective assessment of the performance and impact of the project.

7.8    The issue of visibility for the EC has been highlighted. There is evidence that this requirement is now more fully appreciated and understood by UNDP, and that mutual agreement on giving appropriate recognition to the funding partners can be achieved. Any requirements should be specified in the MoU.

## a.    Conclusions & Recommendations on the e-Government Project

7.9    The review mission was asked to consider suggestions for incorporation in the e-Government project based on an appraisal of the Operations Brief for the 'e-Government Project at the BiH Council of Ministers' and the findings on the implementation of the CSTP and LDB.  These recommendations do not concern the detailed analysis of the proposed interventions, which have been based on a comprehensive assessment of needs in government to government (G2G) systems - basically, an active website and capabilities in email provision and sharing documentation - and in conformity with the Systems Review of PAR in BiH (see chapter 5 on Information Technology). They are instead related to the overall design and matters of process.

7.10    The Operations Brief (OB) or proposal has been prepared by UNDP. It has been through a number of iterations which have incorporated suggestions and improvements as a result of a wide range of consultations by the Portfolio Manager. There are definite improvements in the latest version (April 2006) from earlier drafts which were activity driven, confusing in the use of terminology and fragmented as to project purpose (PP).

7.11    The project is relevant and is one of the eight developmental pillars for the BiH Information Society included within the strategy and action plan for Information Society Development adopted by the Council of Ministers in November 2004. The beneficiaries are the General Secretariat of the Council of Ministers and its institutions (agencies, directorates and institutes), Ministry of Finance & Treasury (MoFT), and PARCO. The project has secured a letter of support from the Prime Minister (ref: 01-50-1296-2/05 of 8th July 2005).

7.12    There is a complex ownership structure of the project. One the one hand, numerous partners should ensure wide political endorsement so crucial to PAR related projects, but it will require nurturing and an active role through the designated management framework of the project. The weakness of the LDB project in terms of securing genuine ownership of the results should be avoided.

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### *Recommendation*

- The OB should identify clear ownership of the project and 'champions' in the partner organisations to ensure a strong institutional platform for the project.

- Confirmation of the roles and responsibilities of the partners should be spelt out at the design stage and in the MoU.

- Secure agreement with the preferred lead recipient; indications are this could most suitably be the General Secretariat of the CoM.

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7.13    The proposal has not been precise in describing clear attainable objectives, both the overall objective (OO) and project purpose (PP). There remains the danger that a broad sweep of goals for installing e-government systems will be over-ambitious and unrealistic within the confines of the project scope and timeframe.

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### *Recommendation*

- Design issues need to be addressed showing a precise logic to the assistance together with expected results and extent of changes to working practices as a consequence of the exhaustive list of deliverables set out.

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> - Risks, assumptions and conditions of the project should be set out more explicitly together with planned approaches to counteract the risks identified in the OB.

7.14    Evidence from evaluation of the results of IT related projects shows that the main reasons for failure are: (i) inadequate or inappropriate specifications of equipment leading to procurement of unsuitable systems for the purposes intended; and (ii) a lack of acceptance by users of the IT systems. Whilst this project sets out an ambitious undertaking, if it is properly phased so that there is the support and capacity within the institutions to absorb the changes to working methods, then its objectives are realisable. There must be strict adherence to a carefully planned work schedule. The proposal shows it is aware of these risks and has specifically planned a two stage process based on step-wise planning and introduction of new G2G communication systems, starting with those aspects that are least controversial and least threatening to intended users.

> *Recommendation*
>
> - An inception phase should be programmed as part of the implementation schedule at which time a full work schedule with targets and milestones should be prepared.
>
> - A detailed logframe should accompany the inception report to guide management and assist the subsequent monitoring and evaluation of the project. This will also contribute to project quality assurance procedures.

7.15    The logic of including the Grant Resources Management System (GRMS) in the project is not persuasive. There is little justification for its inclusion beyond administrative convenience and in contracting. It complicates the project and the management coordination arrangements for oversight, and risks deflecting project management from its core tasks. It introduces another partner in the Ministry of Finance and Treasury, and a wholly different set of activities to the main goal of the project. This is not to deny the importance of the GRMS for public finance management, only to question the logic and suitability of its inclusion in this assistance project.

7.16    There is a further item sitting obliquely in the Operations Brief without direct reference to fulfilling project objectives. This is provision for the 3$^{rd}$ Information Society Conference. It is understood that UNDP can obtain commercial sponsorship for such events and there is no reason for its particular inclusion in this project.

> *Recommendation*
>
> - Further review the relevance of components of the project (GRMS and conferences) for inclusion, ensuring they will not compromise the main aims of the assistance.

7.17    In reviewing the intended procurement process, the proposal of dividing implementation arrangements in the planning and specification of equipment (UNDP), and the actual procurement of the equipment (EC), raises concerns over division of responsibility and potential threat of blame for any delays in designing specifications and tendering, and thus adhering to the scheduling of the eventual workplan.

7.18    There is no clear reason why EC should retain the procurement process, apart from concern that if this was included in the overall project cost it would attract the 7% management overhead levied by UNDP.  Issues of taxation, normally a constraint with private contractor procurement, should not arise given the exemption status of UNDP.  It is understood that there is an issue over any changes to arrangements which would require approval from Brussels. But from a purely project perspective, the arrangement should be discussed by ECD and UNDP to find a solution more consistent with the needs of actual smooth project implementation.

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*Recommendation*

- Review the efficacy of EC directly procuring the equipment, and explore options with UNDP to find a cost effective solution to a unified approach of specification and procurement.

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7.19    In reviewing possible contracting arrangements, there is a logic in partnering with UNDP. The advantages of contracting implementation to UNDP in this case are:
- UNDP is well informed and experienced in the issues, plans and strategies for the information society in BiH.
- UNDP has been closely involved with stakeholders in formulating the plans for introducing e-government systems.
- Confidence of some BiH institutions in working with UNDP rather than with private contractors, especially in IT related projects where preparation of specifications, tendering arrangements, delivery and quality control are considered to be handled more efficiently.
- UNDP brings additional funding and backstopping to the project.
- Many of the business re-engineering processes will involve administrative and political decisions for which UNDP has a more favourable status to lobby for change, compared to a private contractor which cannot legitimately be tasked with negotiating government reform.
- UNDP has an on-going presence in the country, so that it can provide continuity and a measure of oversight in such things as IT systems maintenance contracts.

7.20    The drawbacks to a direct agreement are that it does not offer an opportunity to view different technical proposals that would emerge from a competitive bidding process. For projects of this scope, alternative contractors through competitive tendering would need to demonstrate the competencies and experiences of companies such as the "Big 5" (management and consultancy firms). It is unlikely that such a competitive tendering could be as cost-effective as the current budget prepared by UNDP. However, it may be seen as promoting anti-competitive arrangements [ref: 3.11], and without precise conditions and guidelines could leave the EC with little influence over the project.

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*Recommendation*

- Agreed guidelines for operational modalities for co-operation are required.

- All relevant decisions on recommendations and the modalities for implementation determined by the EC and UNDP should be incorporated in an annex to the MOU for the project, ensuring that there is complete transparency on issues such as project preparation standards, type and frequency of reporting, procurement, budgetary issues, sharing of information, visibility, and monitoring and evaluation arrangements.

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**Annex 1**

**Persons interviewed**

| Organisation/Company | Name/Position | Date of Interview |
|---|---|---|
| **EC Delegation** | Mr Jeroen Willems, Task Manager<br>Delegation of the EC to BiH, Sarajevo<br>033 254 700<br>jeroen.willems@cec.eu.int | 04/04/06 &<br>12/04/06 |
|  | Ms Irena Sotra, Project Manager<br>Delegation of the EC to BiH Sarajevo<br>033 254 700<br>irena.sotra@cec.eu.int | 04/04/06 &<br>12/04/06 |
|  | Dr Ferdinand Kopp, Counsellor<br>Head of Operations Section I<br>Delegation of the EC to BiH, Sarajevo<br>033 254 700<br>Ferdinand.kopp@cec.int.eu | 12/04/06 |
| **UNDP Country Office** | Mr Stefan Priesner,<br>Acting Resident Representative<br>UNDP<br>Marsala Tita 48, Sarajevo<br>033 276 800<br>spriesner@undp.ba | 10/04/06 |
|  | Ms Amna Muharemovic, Portfolio Manager,<br>UNDP<br>Marsala Tita 48, Sarajevo<br>033 276 823<br>amuharemovic@undp.ba | 07/04/06 &<br>10/04/06 |
|  | Mr Tarik Zaimovic, Portfolio Manager, UNDP<br>Marsala Tita 48, Sarajevo<br>033 276 848<br>tzaimovic@undp.ba | 04/04/6 &<br>06/04/06 |
| **Contractor** | Mr Zlatan Sabic, Programme Coordinator<br>BiH ICT Strategy<br>Marsala Tita 48, Sarajevo<br>033 276 868<br>zsabic@undp.ba | 04/04/06 |
|  | Mr Jacek Krolikowski, Project Manager<br>Civil Service Training Project<br>Marsala Tita 48, Sarajevo<br>033 276 868<br>jkrolikowski@undp.ba | 07/04/06 |
| **Project Partners** | Ms Dzenana Zivalj<br>Senior Advisor, Civil Service Agency<br>Trg Bosne i Hercegovine 1<br>71000 Sarajevo<br>033 284 701<br>dzenana.zivalj@ads.gov.ba | 06/04/06 |
|  | Mr Hazim Kasic<br>Head of Unit, CSA<br>Trg Bosne i Hercegovine 1<br>71000 Sarajevo<br>033 284 706<br>hazim.kazic@ads.gov.ba | 06/04/06 |

| Organisation/Company | Name/Position | Date of Interview |
|---|---|---|
| | Mr Enver Iseric<br>Head of the Federal CSA<br>Dola 15, Sarajevo<br>033 215 750 | 06/04/06 |
| | Mr Suad Music<br>DEI<br>Trg BiH 1 Sarajevo<br>033 296 463<br>smusic@dei.gov.ba | 06/04/06 |
| | Mr Nino Hasanovic, Acting Director<br>BiH Official Gazette<br>Magribiya 3, Sarajevo<br>033 551 106<br>nino@sllist.ba | 10/04/06 |
| **Others** | Ms Amela Tahirbegovic<br>CIPS<br>Trg 1 Sarajevo<br>033 219 412<br>amila@cips.gov.ba | 05/04/06 |
| | Mr Emir Arslanagic<br>CIPS<br>Trg 1 Sarajevo<br>061 486 798<br>earla@gmail.com | 05/04/06 |
| | Tarik Ceric<br>DEI<br>Trg BiH 1 Sarajevo | 04/04/06 |
| | Mr Srdjan Vranic<br>PAR Co-ordinator<br>Bjelave 85, Sarajevo<br>033 551 295<br>par.coordinator@gmail.com | 07/04/06 |
| | Mr Dragan Podinic, Director,<br>Office of Legislature, Council of Ministers<br>Trg BiH 1 Sarajevo<br>033 442 332<br>d.podinic@savjetministara.gov.ba | 10/04/06 |

**Annex 2**

**List of documents reviewed**

European Commission. BiH Country Strategy Paper 2002-6. Brussels 2001

Commission of the European Communities, Regional Strategy Paper *CARDS 2002-2006*

OMAS Consortium. Thematic Report on Public Administration Reform. S/ZZ/PAD/01003, September 2001

A synthesis of findings from the monitoring of assistance to institution building in Bosnia and Herzegovina. Monitoring Support for EC Assistance to Bosnia & Herzegovina. Report No: S03.02 July 2002

System review of Public Administration of BiH. Final Report. Office of the PAR Coordinator, Sarajevo 2005.

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Civil Service Training Project. Inception Report. UNDP Sarajevo BiH. January 2006.

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Integrated Project Proposal for Pilot e-Government Project at the BiH Council of Ministers (CoM) & Grants Resources Management System (GRMS). UNDP Sarajevo BiH. February 2006.

Operations Brief: e-Government at the BiH Council of Ministers Integrated Project Proposal. UNDP Sarajevo BiH. April 2006.

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United Nations BiH, "United Nations Development Assistance Framework for Bosnia and Herzegovina 2005-2008", September 2004.