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PERFORMANCE EVALUATION OF USAID/BIH E-GOVERNANCE ACTIVITY IN BOSNIA AND HERZEGOVINA

REPORT

August 2024

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MONITORING AND EVALUATION SUPPORT ACTIVITY II (MEASURE II)

PERFORMANCE EVALUATION OF USAID/BIH E-GOVERNANCE ACTIVITY IN BOSNIA AND HERZEGOVINA

Report

August 2024

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ABSTRACT

The U.S. Agency for International Development in Bosnia and Herzegovina (USAID/BiH)–funded E-Governance Activity in Bosnia and Herzegovina (E-Governance) is a $10.5 million, five-year Activity running from April 1, 2020, through March 31, 2025, implemented by Millenium Partners Consulting, Limited Liability Company. This midterm performance evaluation, conducted by USAID/BiH's Monitoring and Evaluation Support Activity (MEASURE II), examines the Activity's implementation and progress toward contractual objectives. This report was prepared to inform USAID/BiH's decision-making for the remainder of the Activity, including any potential adaptations that need to be made to achieve the Activity's expected results and inform the design of possible follow-on Activities. This midterm performance evaluation was based on data collected in February (and updated with information provided in E-Governance March and June newsletters) 2024 and assessed E-Governance's performance during more than four years of its implementation, with a particular focus on the design, development, and implementation of software solutions for selected government institutions in BiH at the state, entity, and local level.

The findings indicate that E-Governance achieved mixed results in software implementation while facing numerous contextual challenges. With several successes in the legislative/regulatory domain, E-Governance laid the foundation for future interventions in the e-governance sector. The evaluation of E-Governance established that e-signatures and electronic documents have sufficient legal standing and are already being used and recognized in BiH. For the purposes of planning future USAID/BiH interventions, the evaluation also identified possible alternatives to the conservative approach of amending numerous laws across all governance levels to enable the introduction of e-services. The evaluation team recommends that USAID/BiH should remain engaged in the e-governance sector by scaling up E-Governance's software solutions with a continued focus on anti-corruption issues. USAID/BiH should also seize the opportunity to support the government's emerging focus on digitalization processes in the Federation of Bosnia and Herzegovina. E-Governance can also still act rapidly to support partner institutions in their transition to digital operations as well as to help public administrations on all levels achieve a breakthrough by transitioning away from paper-based record-keeping, as made possible by the latest legal reforms assisted by E-Governance.

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LIST OF ABBREVIATIONS

AR	Annual Report
BiH	Bosnia and Herzegovina
BIMS 2	Border Inspections Management System 2
CBC	Central Bosnia Canton
CDCS	Country Development and Cooperation Strategy
COR	Contracting Officer's Representative
COVID-19	Coronavirus disease of 2019
CPB	Central Purchasing Body
CSO	Civil Society Organization
DECA	BiH Digital Ecosystem Country Assessment
DMS	Document Management System
e-construction permitting	e-Construction Permits Management System
e-CPP	Centralized Public Procurement Information System
E-Governance	E-Governance Activity in Bosnia and Herzegovina
E-INSPECTOR 2	Inspections Information Management System
EQ	Evaluation Question
ET	Evaluation Team
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FMoJ	FBiH Ministry of Justice
FMLSP	FBiH Ministry of Labor and Social Policy
FMSP	FBiH Ministry of Spatial Planning
FGD	Focus Group Discussion
FUZIP	FBiH Inspections Administration ("Federalna uprava za inspekcijske poslove")
FY	Fiscal year
GSB	Government Service Bus
IDDEEA	BiH Agency for Identification Documents, Registers, and Data Exchange
IP	Implementing Partner
IR	Intermediate Result
IT	Information technology
ITA	BiH Indirect Tax Administration
KI	Key Informant
KII	Key Informant Interview
LGU	Local government unit
LLC	Limited Liability Company
LoA	Life of Activity
MEASURE II	Monitoring and Evaluation Support Activity II
MEL	Monitoring, Evaluation, and Learning
NSCP-BiH	National Survey of Citizens' Perceptions in BiH
PO	Prosecutor's Office
PPA	BiH Public Procurement Agency
RfP	Request for Proposals
RS	Republika Srpska
SWEM	Social Witness Engagement Module
TA	Technical assistance

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TI	Transparency International
UNDP	United Nations Development Programme
U.S.	United States
USAID	United States Agency for International Development
USAID/BiH	United States Agency for International Development Mission in Bosnia and Herzegovina
USG	United States Government
WBG	World Bank Group

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EXECUTIVE SUMMARY

INTRODUCTION AND BACKGROUND

Upon request of the United States Agency for International Development Mission in Bosnia and Herzegovina (USAID/BiH), USAID/BiH's Monitoring and Evaluation Support Activity (MEASURE II) conducted a performance evaluation of the E-Governance Activity (E-Governance) in Bosnia and Herzegovina (BiH). E-Governance is a $10.5 million USAID/BiH-funded Activity implemented by Millenium Partners Consulting, Limited Liability Company (LLC). The Activity was launched in April 2020 and will close by the end of March 2025. The performance evaluation focused on the Activity's work in designing and delivering tailored software products intended to support selected institutions on the BiH, entity, and local level and advance their ability to perform their mandated roles and functions. The other component of this evaluation was to assess the context and conditions that affected the implementation of E-Governance and that might affect USAID's potential future interventions in the e-governance sector. The evaluation findings and recommendations will be used by USAID/BiH to make adjustments in the final year of the Activity's implementation and may inform the Mission's decisions about potential follow-on interventions in the e-governance domain.

METHODS

The E-Governance evaluation was based on data collected in February (and updated with information provided in the E-Governance March and June newsletters) 2024. The evaluation team (ET) used a mixed-method data collection approach to develop its findings by triangulating data from multiple sources. The evaluation design included a desk review of Activity documents and secondary data sources, 31 individual and group key informant interviews (KIIs), five focus group discussions (FGDs), and two online surveys with the Federation of Bosnia and Herzegovina (FBiH) line inspectors and with Local Government Units (LGUs). The ET triangulated the data to formulate its findings, conclusions, and recommendations.

The Evaluation Questions (EQs) 2 and 3 (but also parts of EQ1 and EQ1a, when relevant) directed the ET to examine possibilities for scaling up the Mission's future interventions and applying the lessons learned from the ongoing ones. Thus, the ET had to examine the broader context beyond the E-Governance interventions and review possible alternative strategies that might be useful when designing any potential new interventions in the sector.

FINDINGS AND CONCLUSION

EVALUATION QUESTION 1: How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

After more than four years of implementation, E-Governance achieved mixed results. Out of six software solutions included in the E-Governance contract, the Border Inspections Management System 2 (BIMS 2) and the Centralized Public Procurement System[1] (e-CPP) reached the go-live[2] phase in May 2023 and March 2024, respectively. The other software products (Inspections Information Management System [E-INSPECTOR 2], Contractor/Vendor Past Performance Report [CPARS], digital monitoring tool based on risk indicators, and e-Construction Permits Management System [e-construction permitting]) did not reach the go-live phase as of the end of the data collection period (and in accordance with the E-Governance March and June newsletters). However, the number of fully implemented pieces of software may increase by the end of the Activity, as the remaining pieces of software are nearly final, and their transition to the go-live phase is subject to either ongoing efforts to

[1] e-CPP is used in one (Tuzla Canton) of four Cantons foreseen by the Contract. Although the software is ready to use, the remaining cantons are still in the process of formal establishment of their Central Purchasing Bodies (CPBs).

[2] Cambridge Dictionary definition: "go live" – begin to operate, https://dictionary.cambridge.org/dictionary/english/go-live, for usage in technological contexts see also: https://bladestack.io/resources/online-vs-go-live-production-vs-fully-operational/

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amend required laws or regulations or to reaching agreement with the FBiH Inspections Administration (FUZIP) on a limited number of software functionalities.

E-Governance encountered numerous contextual challenges that affected the Activity's implementation. These contextual factors included the starting of the Activity during the Coronavirus disease (COVID-19) outbreak, USAID/BiH's loss of the principal designer of the Activity, which entailed a loss of institutional memory and created some limitations in providing straightforward guidance to the Activity in the initial months of the Activity's implementation, slow domestic legislative processes, frequent changes of leadership in key partner institutions, and refusal of Republika Srpska (RS) institutions and representatives to cooperate. Also, the contract modification, which introduced some mitigative measures, took more than a year. Finally, while corruption is widespread in BiH, E-Governance operates in sectors perceived as some of the most corrupt.

Beneficiaries noted that they have a good cooperative relationship with the Activity. However, most KIs stated that only after reaching the go-live phase will they be able to assess to what extent the software matches their needs, except for BIMS 2, which already reached the go-live phase in 2023 and the users could speak to their real experience. The software development process was designed in accordance with good engineering practices; however, several KIs offered inconsistent information about some software development steps. For example, one beneficiary institution confirmed that all implementation steps took place, and they were satisfied with the end product. In contrast, when asked about the same implementation steps, staff at another beneficiary institution (and using another software system) strongly argued that the version of the software solution that they received for testing was not what they needed.

Beneficiaries raised no issue with the software coding process nor with any other IT aspects. However, the need for legislative/regulatory changes required major efforts by E-Governance and caused considerable delays, at least for the implementation of the e-CPP and e-construction permitting. In planning its future interventions, USAID/BIH should be aware that e-signature is integrated into the e-construction permitting application but not into other software solutions.

Even as the e-construction permitting software approaches the go-live phase, beneficiaries are not clear about how to handle the coexistence of digital and paper-based processes, how to handle administrative tax stamps for digitally submitted documents, or which cases will be a priority for resolving (the old cases submitted before the e-permitting software is introduced or the newly filed ones). However, the Activity is working on an Instruction that will address these issues.

EVALUATION QUESTION 1A: To what extent and in what specific ways has the implementation of E-Governance enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

E-Governance's major achievements in the legislative/regulatory domain include the adoption of the amendments to the FBiH Law on Administrative Procedure and changes to the rulebooks related to the operations and management of public offices, which established the full equivalence of paper-based and digitalized documentation and enabled public institutions to use digital technologies in official communications and record-keeping. The changes to the rulebooks (at the FBiH and BiH level) related to the operations and management of public offices permit public bodies to abandon the outdated and redundant practice of manually keeping hardcopy registers, indices, and hand-over books, which had persisted for over a decade even in the public offices that already embraced some digitalization. Legislative changes championed by E-Governance in the construction permitting sector created pre-conditions for the use of electronic systems in the building permitting process. However, although the above legislative/regulatory changes were adopted and created the necessary preconditions, most of them have not led to real-life transformation of the government's institutional processes.

Legislative and regulatory changes which already have real-life implications include legislative changes in the building permitting process, which prescribed shortening the permit issuance deadlines in the Zenica-Doboj and Una-Sana Cantons, and in the public procurement domain, where the regulatory changes made the use of the e-CPP software by CPBs mandatory.

Following delays in software implementation, it is unclear how and to what extent the software products being developed transformed beneficiaries' work processes. One exception was the BIMS 2 intervention,

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which enabled inspectors to verify phytosanitary certificates in the system, but it did not involve other modifications of border inspection processes *per se*. The adoption of the Amendments to the FBiH Law on Spatial Planning and Land Use remains a precondition for full implementation of the e-construction permitting software, with no firm date when the adoption will occur. However, for the pieces of software not yet implemented, there is still time to reach the go-live phase in the final year of implementation, and their effects on the work processes of beneficiary organizations should be re-assessed before the closure of the Activity.

While new software solutions are expected to reduce corruption in targeted government-led processes, no anti-corruption assessments were conducted alongside the software development. Therefore, the ET's ability to assess how E-Governance software implementation reduced corruption in targeted government-led processes was limited.

EVALUATION QUESTION 2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

Despite a widespread lack of information and misinterpretations, the existing legal framework allows the full implementation of digital signatures in BiH, and some institutions have begun using them. However, digital signatures and other related services are not widely accepted by most public institutions, primarily because institutions lack education about the existing legal framework and practical guidance on introducing such services.

Numerous information technology (IT) systems with a variety of purposes and of different levels of complexity have been implemented and are in use by multiple institutions at the BiH, entity, and local levels, from Document Management Systems (DMSs) and the Movable Pledge Registry to electronic health cards and e-tax and e-customs filing. Many of these systems have been implemented with the assistance of USAID/BiH. Implementation of these systems required addressing multiple legislative/regulatory and implementation challenges, and the institutions that implemented these systems developed extensive knowledge about how to overcome these issues. However, local KIs are more aware of these successful USAID/BiH interventions than the Mission KIs. Recovering and/or refreshing the Mission's institutional memory about its past interventions may be beneficial when planning future interventions in the e-governance sector.

Legislative and regulatory barriers in sectors where E-Governance operates were most often mentioned as obstacles to the implementation. However, over-regulation is recognized as a customary path of least resistance for under-capacitated and politically weak institutions. Still, harmonization of all laws in all sectors and on all levels may not be the only path to further digitalization. For the purposes of planning future USAID/BiH interventions, the evaluation also identified possible alternatives to the conservative approach of amending numerous laws across all governance levels to enable the introduction of e-services. Alternatives include a new-mindset approach of taking no additional action because the current legal framework in BiH is adequate for all sectors, more permissive interpretations of current digital legislation, and reliance on general legal principles or passing a *lex specialis*[3] that would eliminate the overwhelming requirement to amend several dozen pieces of legislation across various sectors and levels of governance.

Public institutions habitually underinvest in IT and face major difficulties in hiring and retaining qualified IT personnel because they cannot compete with salaries offered by the private sector. However, E-Governance smartly designed its software products to be accessible via any web browser, removing the need for new workstations.

[3] Its core meaning in Latin, "lex specialis derogate legi generali" means that "Specialized laws prevail over general laws" (Source: https://www.trans-lex.org/910000/_/lex-specialis-principle/). "The *lex specialis* principle according to which special rules derogate from general ones lies in the core of the Western legal tradition" (Source: Zorzetto, S. [2012]. The lex specialis principle and its uses in legal argumentation. An analytical inquire. EUNOMÍA. Revista en Cultura de la Legalidad, (3), https://e-revistas.uc3m.es/index.php/EUNOM/article/download/2093/1027. See also Finding 16.

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EVALUATION QUESTION 3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

All beneficiaries expressed interest in enhancing their digitalization efforts and supported expanding USAID/BiH's e-governance initiatives. Most potential beneficiaries, including cantonal inspectorates and municipalities, are eager to join the digitalization process with USAID/BIH's help. The ownership of software source code will be transferred to beneficiaries by the end of the Activity. However, the Implementing Partner (IP) needs to confirm whether FUZIP will be contractually allowed to share the software with cantonal inspectorates. Additionally, the FBiH Ministry of Spatial Planning (FMSP) is expected to assume the responsibility for the e-construction permitting software post-E-Governance, but the FMSP did not allocate funds for cloud hosting, which needs to be addressed in the remainder of the Activity.

E-Governance's decision to host their software solutions on the cloud successfully ensured cybersecurity and data security for the beneficiary institutions at the server infrastructure level. Still, severe capacity limitations in public institutions include a lack of comprehensive cybersecurity assessments for each institution and a chronic shortage of IT staff. These issues continue to create risks for governments' business continuity.

More broadly, despite some examples of successful data exchanges between government institutions, the general lack of interoperability between public bodies is perceived to be obstructing digitalization and discouraging the introduction of new e-services. Several KIs called for the implementation of adopted interoperability frameworks and for the restoration of existing Government Service Bus[4] (GSB) platforms. The absence of an inventory of existing digital systems/e-services, particularly at the FBiH level, is another obstacle to the effective planning of future digitalization initiatives.

Several major donors are active in the e-governance sector. However, donor coordination remains weak even though domestic institutions continue to expect donor funding for much of their investment in IT infrastructure. General public education and outreach about digitalization are limited and inadequate, as the public is barely aware of successes in public sector digitalization, and the perception that digital signature is unavailable in the country remains widespread.

An important outcome of E-Governance's work with the authorities on the identified legal changes was the creation of a dedicated FBiH Working Group for e-governance (WG). The WG could serve as a key cooperation and coordination hub for all government levels in the FBiH, greatly aiding the spread of digital solutions across the public administration. As per the E-Governance June newsletter, the Activity already started supporting the FBiH e-governance WG through drafting the Digital Transformation Roadmap - Priority Measures for E-Governance in FBiH Report and organizing a study visit for the WG to the Ministry of Digital Transformation of the Republic of Slovenia.

HIGHER-LEVEL CONCLUSION BEFORE THE RECOMMENDATIONS

Based on the information collected during data collection and on expert opinion, the ET makes the following higher-level conclusion before moving on to concrete recommendations:

The absence of a holistic approach or at least a joint vision shared by key stakeholders will lead to continued fragmented, non-interoperable solutions; their implementation will be hampered by calls for countless changes of legislation, prolonged implementation time, and, worryingly, will let current structures enabling corrupt behavior to remain intact.

RECOMMENDATIONS

This section contains a condensed set of the evaluation's recommendations. The full wording of the recommendations, with additional details, is presented later in the Report. USAID/BiH should consider the following:

[4] A GSB is a standards-based integration platform for automating secure data exchange among different government databases and applications to support government operations and the delivery of services. WBG, GovTech Glossary, https://www.worldbank.org/en/programs/govtech/gtmi/gtmi-glossary

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High-level recommendations:

1. Remain engaged in the e-governance and digitalization sector. (see Finding [F]: 1, 2, 3, 4, 6, & 10)
2. Help to create, support, and work with an Advocacy Group that would bring together institutions that have implemented IT systems in the BiH public sector. (see F: 15 & 16)
3. Help to develop a "bottom-up" demand for digitalization of government services. (see F23)
4. Intensify the involvement of the United States Government (USG) and explore additional strategic engagement to support (a) the adoption of legislation relevant to e-governance or (b) an alternate/innovative approach that would minimize the need for legal amendments. (see F: 2, 6, 11, 14, & 16)
5. Take the lead in supporting the FBiH government's e-governance WG to create a central point of contact for removing roadblocks to digitalization in the FBiH. (see F19)
6. Restart the discussions with the FBiH government through its WG about the GSB, the single e-government portal, and shared modules. (see F24)
7. Create an ad-hoc Advisory Group or establish any other form of a consultative process with relevant experts at appropriate times to help inform USAID/BiH's decision-making. (see F15)

Recommendations for rapid action:

8. Support institutions in the FBiH to rapidly apply the provisions of the amended FBiH Rulebook on the Operations and Management of Public Offices and make a breakthrough in abandoning paper entries in registers or index and auxiliary books. (see F9)
9. Immediately support partner government institutions to accept and process e-signed documents. (see F: 9 & 14)
10. Support partner institutions in using digital signatures in mutual electronic communications and in sending them to all other government institutions. (see F: 9 & 14)

Recommendations for scaling up:

11. Prior to all future software interventions, conduct institution/sector-specific corruption assessments. (see F13)
12. Scale up e-construction permitting software to other municipalities in the FBiH. (see F: 12, 13, 18, & 20)
13. Provide support to establish CPBs at the cantonal level if those CPBs intend to use e-CPP software developed by E-Governance. (see F: 1, 2, 18, & 20)
14. Scale up implementation of new inspection software solutions in cantonal inspectorates but keep improving the software to reduce opportunities for corrupt behavior, both at the cantonal and federal levels. (see F: 13, 18, & 20)
15. Integrate BIMS 2 into E-INSPECTOR 2 and incorporate the e-signature functionality. (see F: 6 and 7)
16. Work towards creating the conditions for the introduction and design of e-offer, e-evaluation, and e-appeal software modules in public procurements. (see F: 7, 14, & 16)
17. Support a cybersecurity assessment for each partner institution. (see F21)
18. Educate and encourage government institutions to improve maintenance and to start systematically replacing their equipment, which can be achieved by promoting cost-sharing arrangements at the time of USAID's intervention with a specific institution. (see F17)
19. Support the preparation of a complete inventory of existing IT systems in the FBiH, including the identification of government institutions with no current IT systems. (see F25)

Recommendations for improving ongoing implementation efforts:

20. Ensure that continuous support is readily available during the initial stages of software use, as reaching the go-live point is not the end of implementation but only the beginning of users' regular interactions with the software, which will inevitably involve new/unforeseen situations and user errors. (see F8)
21. Closely monitor the implementation progress in Year 5 and take proactive steps to ensure either a viable "exit" strategy or some form of continuing/bridging/further support in its next round of programming to ensure sustainability beyond the life of the Activity. (see F: 9, 11, & 12)
22. Add change-management and anti-corruption skill sets to the implementation of e-governance solutions. (see F5)

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PERFORMANCE EVALUATION OF USAID/BIH E-GOVERNANCE ACTIVITY IN BOSNIA AND HERZEGOVINA

PURPOSE

Upon request of the United States Agency for International Development in Bosnia and Herzegovina (USAID/BiH), the Monitoring and Evaluation Support Activity II (MEASURE II) conducted a performance evaluation of the E-Governance Activity in Bosnia and Herzegovina (E-Governance) to produce an evidence-based, independent review of the Activity's implementation to-date and qualitative and quantitative analyses of the E-Governance's performance. This report reflects data collected by the evaluation team (ET) in February (and updated with information provided in the E-Governance March and June newsletters) 2024.

BACKGROUND INFORMATION ON E-GOVERNANCE

The purpose of E-Governance is to support initiatives to increase transparency and decrease corruption in targeted government-led processes, which include interactions between public officials and potential investors, local businesses, and citizens. The Activity design envisions assisting the country with harmonizing its legislative and regulatory e-governance framework with European Union (EU) directives and international best practices, the development of new software solutions for targeted government-led processes, and strengthening horizontal and vertical interoperability among different levels of government in BiH.

As outlined in the Activity Award, the design of E-Governance is based on four components, each structured around one of the Activity's four major tasks:

1. Assistance to local authorities to adopt relevant standards and the appropriate information technology (IT) infrastructure recommendations (no equipment) for country-wide certification of documents through digital stamp and signature;
2. Automating processes that will have an immediate, positive impact on BiH's citizens and businesses by reducing corruption and improving efficiency of administration in selected Government to Government, Government to Business, and Government to Citizens services;
3. Assistance for the BiH Public Procurement Agency (PPA) for increased transparency, risk mitigation, and enhanced scrutiny in processes related to public procurements/tenders;
4. Assistance to selected Civil Society Organizations (CSOs) for increased public participation in government-led processes in coordination with the PPA.

EVALUATION PURPOSE AND QUESTIONS

The performance evaluation of E-Governance examined the results achieved after more than four years of implementation, with a main focus on software development tasks assigned by the Award. This performance evaluation generated actionable data and information that will support USAID/BiH's decision-making for the remainder of the Activity's implementation period to maximize the likelihood of achieving the intended Activity results and inform the design of possible follow-on Activities. The ET assessed the Activity's progress to date with the focus on the following evaluation questions (EQs) and sub-questions:

EQ1. How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

> EQ1a: To what extent and in what specific ways has the implementation of E-Governance enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

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EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

The EQs 2 and 3 (but also parts of EQ1 and EQ1a, when relevant) directed the ET to examine possibilities for scaling up the Mission's future interventions (and applying the lessons learned from the ongoing ones), and as such, the EQs have an assessment dimension. In other words, the ET had to examine the broader context beyond the E-Governance interventions and examine possible alternative strategies to the current interventions, which might be useful to review when designing any potential new interventions in the sector. Furthermore, although the ET conducted Key Informant (KI) interviews with the E-Governance beneficiaries, examining the broader context beyond the current interventions required talking to a limited number of KIs who were not direct E-Governance beneficiaries but who were knowledgeable about the digitalization of the BiH government sector in general. However, when the current E-Governance interventions were examined, only E-Governance beneficiaries provided information. Where possible, the ET attempted to distinguish such places in the Final Report. Nevertheless, there are places throughout the report where the assessment dimension of this evaluation was interspersed with findings on the ongoing interventions, and in such places, clear distinctions were often not possible.

DESIGN AND DATA SOURCES

The ET used a mixed-methods approach and relied on qualitative and quantitative data to address the EQs. The data collection methods included:

- Document review (Activity-related documentation, documents produced by the Activity, and relevant secondary documentation);
- 31 Key Informant Interviews (KIIs) with 61 participants;
- Five Focus Group Discussions (FGDs) with 28 participants; and
- Two online surveys (survey of inspectors in the Federation of Bosnia and Herzegovina [FBiH] and survey of Local Government Units [LGUs]).

LIMITATIONS

The ET has identified several potential limitations that may affect its work. These limitations and their mitigation strategies are detailed below:

- **Recall bias.** To mitigate recall bias, the ET reviewed all Activity documents in preparation for the interviews, identified Key Informants (KIs) who had continuous or repeated exposure to E-Governance's Technical Assistance (TA), and summarized the relevant interventions to help KIs remember their related experiences and impressions.
- **Response bias.** To account for response bias, the ET compared implementers' inputs with information obtained from beneficiaries/stakeholders, secondary data, and other sources to validate the credibility of the findings.
- **Interview bias.** Although the interviewers asked non-leading questions, their behavior and reactions may have led KIs to respond in a certain way. The ET made sure that respondents understood that their true opinions were highly appreciated and that their responses were confidential.

To counter biases, the ET interviewed a wide range of stakeholders, including E-Governance beneficiaries and other actors from the e-governance sector in BiH. The ET cross-referenced their responses with records from the implementing partner, secondary documentation, and online survey data. More information on the evaluation's purpose, design and data sources, and limitations are presented in Annex II.

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FINDINGS AND CONCLUSIONS

FINDINGS EQ1. **How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?**

Finding 1. After more than four years of implementation, E-Governance achieved mixed results. Out of six pieces of software foreseen by the E-Governance contract, two reached the go-live phase: BIMS 2 and the Centralized Public Procurement Information System[5] (e-CPP). The result can be improved in Year 5, as other pieces of software are nearing finalization.

As stipulated by the contract and the contract modification, E-Governance should have produced and implemented the following software solutions:

- Inspections Information Management System (E-INSPECTOR 2)[6] including Border Inspection Management System (BIMS 2)[7] Module[8] in FBiH Inspections,
- three software solutions in Public Procurement: the Centralized Public Procurement Information System (e-CPP),[9] Contractor/Vendor Past Performance Report (CPARS) database,[10] and the digital monitoring tool based on risk indicators,[11] and
- one e-Construction Permits Management System (e-construction permitting).[12]

As per data collected in February 2024 and updated with information E-Governance provided in its March and June newsletters, two pieces of software reached the go-live phase: BIMS 2 in May 2023 and the e-CPP in March 2024. BIMS 2 included replacing the underlying technology while keeping its user interface the same.

The adoption of the Rulebook on Joint Procurement, Centralized Procurement, and the Establishment of the BiH Central Purchasing Body (CPB) was the precondition for the e-CPP software to move to the go-live phase. As the Rulebook was adopted in March 2024, the conditions for the official launch of the e-CPP software have been met. However, to implement the e-CPP software, the cantons must establish their own CPBs. Out of four pilot cantons,[13] only the Tuzla Canton has established a CPB, which has started using the software. For USAID/BIH reference, through data collection, the ET learned that the Central Bosnia Canton (CBC) has its own e-CPP software, which has been functional since 2018.[14] If the Mission continues to support the e-governance sector in BiH and the strengthening of public procurement processes, this information about the CBC will be relevant to USAID/BiH as the CBC's experience with centralized procurement will pose both a challenge (not using E-Governance

[5] e-CPP is used in one (Tuzla Canton) of four cantons foreseen by the Contract. Although the software is ready to use, the remaining cantons are still in the process of formal establishment of their CPBs.
[6] E-INSPECTOR 2 is the main software application that inspectors in the FBiH use in their work. The contract modification envisaged that the software will be implemented only in FBiH.
[7] BIMS 2 is the software application used in the work of border inspectors. The contract modification envisaged that the software will be implemented only in the FBiH Border Inspection.
[8] Although the contract stipulated only the upgrade of the existing BIMS software, the Activity and beneficiaries agreed that creating a new system would be much better option. More information is available under Finding 5.
[9] e-CPP is a software that will be used for Centralized Public Procurement. Centralized procurement is carried out for procurement items that are a continuous joint need of several contracting authorities.
[10] CPARS is a database that will contain online contractor performance reports with details related to prior contractor performance.
[11] E-Governance develops the digital monitoring tool based on risk indicators to help domestic institutions and the non-governmental sector to detect and combat procurement irregularities using the Open Data database (the database containing information on public procurements published online in real-time).
[12] e-construction permitting software is a system used for the construction permitting process with a purpose to simplify current complex procedures and enable upload of the documentation electronically. The contract modification envisaged the implementation of the software in five municipalities in the FBiH.
[13] Pilot cantons envisaged by the contract are the Tuzla Canton, Sarajevo Canton, Zenica-Doboj Canton, and Bosnian-Podrinje Canton Goražde.
[14] More information available at: https://www.klix.ba/biznis/tim-iz-viteza-razvio-platformu-za-elektronske-javne-nabavke-i-upravljenje-policijskim-kapacitetima/190301052

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software) and an opportunity (having five years of experience of what works and what does not regarding specific software functionalities).

Although they are in the last stages of finalization, the other three pieces of software (E-INSPECTOR 2, CPARS, digital monitoring tool based on risk indicators, and e-construction permitting) were not yet implemented and did not reach the go-live phase. These software products are nearing finalization, but the transition to the go-live phase is conditioned to either ongoing efforts to amend required laws or regulations or reaching an agreement with the FBiH Inspections Administration (FUZIP) on a limited number of software functionalities.

Adoption of legislative/regulatory changes—specifically, amendments to the FBiH Law on Spatial Planning and Land Use—are required before the e-construction permitting software can enter the go-live phase. The FBiH Government adopted the Draft Amendments to the Law on Spatial Planning and Land Use in March 2024, and the next step is the parliamentary procedure. Similarly, CPARS' 'go-live' awaits the adoption of relevant regulation. However, no firm dates have been set for these adoptions.

In the case of FBiH Inspections Administration (FUZIP)'s E-INSPECTOR 2, switching to the 'go-live' phase depends on final agreements about software functionalities. The implementation of E-INSPECTOR 2 was initially delayed because the BIMS 2 software encountered implementation delays,[15] while, in the final stages of testing, inspectors have not yet provided user acceptance for some software functionalities. The digital monitoring tool based on risk indicators is still under development, but its implementation will not depend on legislative/regulatory changes as they are not needed to switch to the 'go-live' stage.

Finding 2. During the implementation period, the Activity was confronted with numerous contextual challenges.

The ET identified seven contextual challenges which were outside of E-Governance's control:

1. E-Governance was launched during the initial outbreak of the Coronavirus disease (COVID-19) pandemic in BiH in 2020, which made it much harder to establish partner relationships and trust with beneficiaries. Furthermore, the fact that USAID/BiH entered these sectors for the first time made it even harder for the Activity as it was necessary to establish good partnership relationships with no pre-existing foundations. COVID-19 slowed the implementation and delayed the initially planned introductory meetings with the beneficiaries. However, several KIs praised how E-Governance coped with the situation during the COVID-19 period.

2. The key USAID/BiH program officer who led the Activity design, established initial partner relationships in the design phase, was knowledgeable of the sectors in which the Activity operates, and was designated to be the first Activity's CoR passed away just before the start of the Activity. In the early months of the Activity, the Mission staff members who inherited the task of leading E-Governance knew very little about the sectors in which E-Governance was supposed to operate, as USAID/BiH had not worked in those sectors before. This issue was further amplified with the occurrence of the COVID-19 outbreak in parallel (explained above); this loss of institutional memory generated some confusion in determining the leading roles in the Mission for this Activity and consequently created some limitations in providing straightforward guidance to the Activity. The Mission recovered from this situation by appointing a new experienced CoR to the Activity in June 2020, hiring a digital specialist (a new staff member in May 2021) who was gradually trained and mentored, and finally became the new Activity's CoR who took over its role in March 2022.

3. A gradual reduction in the willingness of Republika Srpska (RS) institutions to be involved in E-Governance interventions caused considerable delays in Years 1 and 2. During the design phase, the RS contributed considerably to the Activity design and stood out in its eagerness to work with E-Governance. However, the cooperation gradually decreased after the RS Government was asked to sign a Memorandum of Understanding with USAID, which never happened. Gradually, meetings with RS institutions were increasingly postponed, missed, or avoided, amounting to a de facto refusal to work with E-Governance.

[15] For more information on the reasons for E-INSPECTOR 2 delay refer to Finding 6.

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4. The constant obstructions of RS representatives in the BiH Government bodies and specifically in the BiH Council of Ministers (BiH CoM) mostly took the form of the absence of support for the adoption of relevant bylaws essential for the implementation of the E-Governance solutions. Namely, the Decision on Fees for Issuance of a Qualified Certificate required to enable the BiH Agency for Identification Documents, Registers, and Data Exchange (IDDEEA) to introduce a secure electronic signature has not yet been adopted. The Rulebook on Joint Procurement, Centralized Procurement, and the Establishment of the BiH CPB was adopted in March 2024, more than six months after it had been submitted.

5. Frequent leadership changes in partner institutions delayed timely implementation. Specifically, during the E-Governance implementation, the Zenica-Doboj Cantonal Government was reconstituted, while four ministers of the Ministry of Communal Economy, Infrastructure, Physical Planning, Construction, and Environment of the Sarajevo Canton, three directors at the BiH PPA, and two ministers in the FBiH Ministry of Labor and Social Policy (FMLSP) changed. These leadership changes created a constant need to return to the previous stages of development/drafting, review, and verification of prior agreements or documents and generally slowed down the implementation of the E-Governance solutions.

6. Each step in the legislative procedure in BiH (at different levels of governance) often takes a very long time, and the adoption of law amendments can take years. For example, the Activity submitted the Draft Amendments to the FBiH Law on Spatial Planning and Land Use to the FMSP in May 2022.[16] It took a year for the draft amendments to pass the parliamentary procedure, and the FBiH government adopted the final version in mid-March 2024. The parliamentary procedure is the next and last step in completing the legal process for the introduction of the e-construction permitting software.

7. The modification of the E-Governance's contract took an unexpectedly long time. The request for modification was submitted in August 2022, and the contract was not modified until September 2023, which limited the Activity's ability to act proactively in overcoming the implementation challenges.

The contract modification in September 2023 excluded beneficiaries from the RS, eliminated the introduction of an originally planned centralized e-social register system, and replaced the Social Witnesses Engagement Module (SWEM) with the digital monitoring tool based on risk indicators in the public procurement component.

The SWEM intervention was abandoned because of the lack of success of a similar project in Serbia and the assessment that incorporating Social Witness provisions in the Law on Public Procurement lacked political support and would cause a substantial implementation delay. The Activity was instructed to develop the digital monitoring tool based on risk indicators solution.

The e-Social Register System was removed from the Activity's contract. Prior to that decision (made through the contract modification) FMLSP demanded the elimination of several qualification requirements for bidders' eligibility to the Request for Proposal (RfP), such as previous experience on similar projects and requirements related to the annual revenue. USAID/BiH and the Activity could not agree to these requests because removing these requirements could have jeopardized the tendering process by allowing underqualified bidders to compete. Afterwards, the FMLSP withdrew from further cooperation with the Activity in a letter to USAID/BiH that stated that the intervention that was the subject of the MoU had been completed.

For the remaining part of the contract, the focus of the activity was redirected to the FBiH institutions to mitigate the RS institutions' lack of cooperation and prevent further delays in implementing the activity's tasks.

[16] E-Governance Annual Report, October 2022–September 2023

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Finding 3. Corruption is widespread in BiH. E-Governance operates in sectors perceived as some of the most corrupt.

According to Transparency International (TI),[17] BiH ranks 108th among 180 countries measured by the Corruption Perception Index, which is the worst ranking in the region and the second worst in Europe, behind the Russian Federation. The 2023 data from the National Survey of Citizens Perceptions (NSCP-BiH)[18] show that BiH citizens perceive public procurement, inspections, and issuance of construction permits to be among the most corrupt sectors. Specifically, half of the respondents (49 and 48 percent, respectively) believe that public procurement and inspections involve extremely high levels of corruption, with nearly as many (43 percent) believing the same in the construction permits sector.

Finding 4. All KIs noted good cooperation with the Activity. However, most KIs stated that they will be able to assess to what extent the software matches their needs only after the implementation ('go-live' phase) is completed.

All beneficiaries assessed the cooperation with the E-Governance staff as very good. Several KIs noted that communication with the Activity was good and appreciated the efforts that the Activity made to implement software solutions. Some KIs pointed out that the software implementation process was slow, while others stated that the time needed to reach the current state of implementation is normal for BiH standards.

Most beneficiaries noted that they would not be able to assess the degree to which the software matches their needs until after the software reaches the go-live phase and they experience a couple of months of implementation and active use. Some KIs also stated that more direct contacts with the subcontractors[19] would considerably simplify the resolution of comments and exchange of ideas.

> *"None of us here will say that it (software) is good or bad. We have to get something that we will try and say it can or cannot (function). That's my view."*
>
> FGD participant from a government institution

Finding 5. The software development process was conducted in accordance with good engineering practice, although received differently by some beneficiaries. In several instances, KIs' perceptions of some implementation steps varied widely.

The business process mapping (BPM)[20] was conducted in cooperation with the beneficiaries, who also provided information on workflow, case flow details, and templates. The Implementing Partner (IP) and its subcontractors mapped the process and submitted it to beneficiaries to review and suggest needed corrections. This iterative process was repeated until the software specifications were finalized. However, in the case of one of E-Governance's software solutions, beneficiaries fully confirmed that these were the steps in mapping their processes and that they were satisfied with the end product, while beneficiaries of another piece of software (in a different beneficiary institution) strongly argued that what they received as a product for testing is not what they needed, and claimed that they did not sign off on the specifications which were the basis for the development of the given version of the software.

All software testing was conducted sequentially upon the completion of each individual module. Testing was performed in several iterations. Software modules were first internally tested by the subcontractor, then by the IP, and finally, beneficiaries were invited to do their own testing and provide suggestions for improvements or corrections. After receiving comments from all sides, the

[17] TI (2024), BiH is the second worst ranked country in Europe in terms of corruption: The key problem is a dysfunctional judiciary and attacks on civil liberties, available at: https://ti-bih.org/bih-is-the-second-worst-ranked-country-in-europe-in-terms-of-corruption-the-key-problem-is-a-dysfunctional-judiciary-and-attacks-on-civil-liberties/?lang=en

[18] 2023 NSCP-BiH Office Reports, internal document

[19] There are three IP's subcontractors. A North Macedonian software company NextSense is developing on the e-construction permitting software, a domestic firm APP Impact works on the e-CPP, CPARS and on the digital monitoring tool based on risk indicators with the PPA, and a Montenegrin company Čikom is providing software solutions for inspectors.

[20] The BPM is one of the first steps in software development. It includes visualization of processes to promote their better understanding and assist organizations in identifying areas for improvement. (more information available at: https://www.ibm.com/topics/process-mapping)

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subcontractor would adjust the software. However, beneficiaries of two pieces of software claimed that no "real cases" were selected for testing and that testing was not done in the actual cases' standard workflow and life cycle.

Subcontractors organized several rounds of training for all software. The training was conducted in person and included refresher sessions if something needed to be explained again. The beneficiaries' staff were also trained as trainers to ensure that any new staff could be trained. Answers to additional questions were provided online. Users were provided with both hardcopy versions and guides in digital form, which were included in the software. Most KIs indicated that they were satisfied with the instructions provided.

However, in several instances, KIs' perceptions of some implementation steps varied considerably and even conflicted. In one case, the beneficiaries noted that they did not have a chance to work on any test cases during software testing, while the subcontractor claimed that testing was conducted on 100 test cases for one beneficiary and 20 for another. Also, the beneficiaries were not sure whether the software was finalized, while the subcontractor stated that the software was 100 percent ready for use. While the subcontractor claimed that beneficiaries had access to both the testing and production environment, the beneficiaries could not access the testing environment. Moreover, the subcontractor stated that the final testing was conducted in January 2024, while the beneficiaries confirmed that they had software testing in January 2024 but expected to conduct more testing. In the case of another software, a discrepancy regarding the perception of the legal existence of e-signature persists, with the IP stating that e-signature is 100 percent available in BiH, while the subcontractor claimed that e-signature does not currently exist in BiH but that the company remains ready to implement this functionality at no additional cost until the end of the contract period. Furthermore, KIs presented contradictory viewpoints about user interface design and the scope of data migration when replacing underlying obsolete BIMS2 technology.

KIs from the beneficiary institutions awaiting the adoption of legislative/regulatory amendments (at the FBiH Parliament and the BiH Council of Ministers level) needed for switching the E-Governance software solution to the 'go-live' regime suggested more extensive USG involvement with governments and parliament and professed conviction that more substantial involvement of the USG in lobbying activities with the government and parliament could accelerate legislative and regulatory procedures. In contrast, a KI from the Mission is convinced that the local institutions did not ask for that kind of support, and that kind of assistance has been offered to local institutions a number of times.

> *"From my perspective, there was little engagement of the USG with decision-makers. Was it perhaps necessary to have another meeting with the prime minister and the members of the parliament (MPs) because the law has not been adopted yet? When you come and listen to the debate, many MPs have no idea what is being said. When the law comes to their agenda, they (MPs) should already know what it is about and understand that this project is important for both the government and the opposition and that it should be adopted without too much discussion."*
>
> KI from a government institution

The Mission and the Activity should be aware of these different viewpoints and interpretations and recognize the need to clarify them with these actors in the remaining period before the Activity's closure.

Finding 6. While KIs raised no issue with the software coding process and any other IT aspects, legislative/regulatory issues in the e-CPP and e-construction permitting sectors were highlighted as major roadblocks. Regarding the inspection software, software functionality issues were mentioned most often.

Most KIs noted that the software coding process went smoothly and had no major issues. However, a considerable share of E-Governance efforts was directed towards work on legislative/regulatory changes. More precisely, in the e-CPP and e-construction permitting, legislative/regulatory changes were identified as major impediments to the software solutions reaching the go-live phase. During the analysis of the legal framework in the FBiH to support the development of software solutions in

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construction permitting, the Activity concluded that there is no governing legal framework for introducing and operating an e-construction permitting system. According to the E-Governance progress reports, the amendments to the FBiH Law of Spatial Planning and Land Use and the Law of Spatial Planning and Construction of Zenica-Doboj Canton were necessary to implement e-construction permitting and eliminate legal obstacles in the Tešanj Municipality. On the other hand, the adoption of the Rulebook on Joint Procurement, Centralized Procurement, and Establishment of the BiH CPB was named as a prerequisite for implementing the e-CPP software. Such intractable legal/regulatory barriers in e-CPP and e-construction permitting repeatedly delayed software implementation. However, most KIs recognized the adoptions of legislative/regulatory amendments as major successes for E-Governance, given the current state of legislative processes in BiH.

Although legislative/regulatory issues were not a problem with the E-INSPECTOR 2 software, implementation delays still occurred. The hardware for the FUZIP was delivered in March 2024. However, as of the time of report writing, E-INSPECTOR 2 has not yet been implemented. The IP justified the delay with the changes in the production of BIMS 2 and the beneficiaries' poor management decisions. Although the contract specified only the upgrade of the existing BIMS 2, in cooperation with stakeholders, the Activity concluded that the current BIMS technology was outdated and that a completely new system should be developed. It was estimated that the creation of the new software would take the same time as the revisions of the old BIMS. However, this was not the case, which consequently led to postponements. Since the same team of engineers was responsible for both software products for FUZIP, the slower-than-expected development of BIMS 2 delayed the start of the work on E-INSPECTOR 2. Some KIs also felt that the beneficiaries' initial coordination and communication arrangements were inadequate and led to additional delays. Specifically, in the early implementation phases, only a few beneficiary staff were involved in this cooperation because of the demanding implementation dynamics. However, when the number of involved staff was expanded, their demands started to change and even occasionally reverted to previous options, requiring additional improvements, refinements, and corrections.

Although the contract envisaged the implementation of one Information Management System that will contain a border inspection module, E-Governance developed two distinct inspection software systems, BIMS 2 and E-INSPECTOR 2.

> *"… It's just those few steps that these (border inspection) don't have and these (interior inspection) do, and the process as such is the same, the logic is the same. The generation of warrants, field visits, then a permanent warrant and control in the field. There is no philosophy here, only some steps are different. The system could have been identical (BIMS 2 and E-INSPECTOR 2)."*
>
> KI

According to a KI, the reason for developing the two systems was that, at some point, there had been ideas for extracting the border inspectorate from FUZIP. However, according to another KI, BIMS 2 and E-INSPECTOR 2 effectively work on the same software platform, and there would be no problem merging them into one application. Further, a few KIs confirmed that there is only one law governing the inspection process in the FBiH and that both subsets of inspections (on the border and in the interior) follow similar work procedures.

> *" …we (inspectors working in the interior of the FBiH) were assigned to work as border inspectors a lot during COVID-19. Many internal inspectors would not mind working as border inspectors, but the same would not be the case with the border inspectors."*
>
> KI from a government organization

Finding 7. E-signature is integrated into the e-construction permitting application but not into other software solutions.

While BIMS 2, E-INSPECTOR 2, and the e-CPP have been implemented without e-signature functionalities, the e-signature was set as a required element of the e-construction permitting application process. In BIMS 2, freight forwarders' requests for inspection control are submitted to border inspections through the system, but they also must be submitted in hard copy before an

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inspection is conducted. However, the BiH customs, which also operates at the border, has accepted digitally signed customs declarations since August 2022.[21]

Of relevance for the USAID/BiH in planning its further interventions related to the digitalization of the government sector is that KIs describing public procurement processes characterized them as massively paper-based, while e-bids, e-bid openings, and e-bid evaluations have been on hold since 2014. Beyond the public procurement portal, the rest of the tendering process is heavily paper-based. Tender documentation is in Portable Document Format (PDF), which prevents data extraction, and no statistics are available on the PPA website.

Finding 8. E-construction permitting software beneficiaries were not given instructions for handling issues that will emerge after switching to the go-live regime, including but not limited to the order of case resolution (old vs. newly received cases), handling of documents submitted in hard copy format, or dealing with administrative tax stamps after their systems reach the go-live phase.

According to the amended legislation, the construction permit issuance process must support the processing of both traditional (paper-based) and digital documents. However, beneficiaries were not provided with written procedures for parallel handling of these two systems. Beneficiaries are also unclear about how administrative tax stamps will be handled in the e-construction permitting system and noted that they did not receive written instructions on how the cases received before the go-live phase is reached will be processed. They assume those cases will be handled in the old way until all such cases are resolved. However, the cases must be resolved in the same chronological order as they were received, which will shift the mass processing of electronically submitted cases for several months after the go-live phase is reached. As mentioned in Finding 5(2), conducting software testing on beneficiaries' real cases could help identify these issues and address them before going live. The Activity is developing an Instruction that should address these questions and provide needed guidance to the staff in the beneficiary organizations.

EQ1 CONCLUSION

In terms of software implementation, after more than four years of implementation, the Activity achieved mixed results. Of the six software solutions envisaged by its contract, only two reached the go-live phase (BIMS 2 and the e-CPP). The other four pieces of software (E-INSPECTOR 2, CPARS, the digital monitoring tool based on risk indicators, and e-construction permitting) did not reach the go-live phase. However, the number of fully implemented pieces of software may increase before the Activity ends, as non-implemented pieces of software are in a high level of finalization, and their transition to the go-live phase is subject to either ongoing efforts to amend necessary laws or regulations or to reaching agreement with FUZIP on a limited number of software functionalities.

The Activity operated in a very complex environment that involved numerous contextual obstacles, which caused some delays in implementing target software solutions. Mitigation measures, as set out in the contract modification, were appropriate. The RS institutions will be able to rejoin the E-Governance implementation process at any time, as the E-Governance solutions are easily adaptable and adjustable to the RS needs. The introduction of the digital monitoring tool based on risk indicators is an excellent replacement for the SWEM, as it allows a much wider range of stakeholders to monitor and detect corruption than the Social Witness application.

All KIs cooperated well with the Activity and established good cooperation with the beneficiaries, which represents a solid basis for USAID to build on for its further interventions. However, at the time KIIs were conducted, beneficiaries noted that they would be able to assess the quality of the intervention only after the software reached the go-live phase. The software development process was conducted in accordance with good engineering practices. However, several KIs offered inconsistent information about some implementation steps. Most KIs noted that the software coding process went smoothly and had no major issues with IT in general, while a considerable share of E-Governance efforts was directed towards work on legislative/regulatory changes. E-Governance used a selective approach to the integration of e-signatures. For planning its future interventions,

[21] More information available at: https://www.uino.gov.ba/portal/hr/e-usluge-hr/elektronsko-poslovanje-2/

USAID/BIH should be aware that E-signature is integrated into the e-construction permitting application but not into other E-Governance software solutions.

The fact that the go-live phase will only be reached during the last year of the Life of the Activity for some of the E-Governance software solutions means that mass processing of electronically submitted cases will occur a few months after the start of the go-live phase, as they will need to process older hardcopy cases before starting on electronically submitted cases. USAID/BiH should find ways to ensure that users will have support when they need it.

To prevent the emergence of 'unexpected' situations that will have to be dealt with after the go-live point is reached for the e-construction permitting software, the system needs to be tested on real (closed and complex) cases jointly with the users to identify and address issues related to: order of resolving cases (already open vs. new ones), handling of documents submitted in hard copy format, dealing with administrative tax stamps, and any other issues detected during the testing.

FINDINGS EQ1A. **To what extent and in what specific ways has the implementation of E-Governance enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?**

Finding 9. E-Governance assisted with the legislative amendments to the FBiH Law on Administrative Procedure, creating pre-conditions for official electronic communication between administrative bodies and external parties. In two cantons that changed their own laws, the changes created pre-conditions for the use of electronic systems in the building permitting process. In the regulatory domain, the Activity assisted with regulatory changes that permit the introduction and use of Document Management Systems (DMSs) in government institutions and created pre-conditions for the transition from manually keeping various registers in hardcopy to the digital format and for establishing single administrative point. However, although the above legislative/regulatory changes were adopted and created the necessary preconditions, most of them have not yet led to real-life transformation of the government's institutional processes. Legislative and regulatory changes which already have real-world implications include legislative changes in the building permitting process, which prescribed shortening the permit issuance deadlines in the Zenica-Doboj and Una-Sana Cantons, and in the public procurement domain, where regulatory changes made the use of the e-CPP software by CPBs mandatory.

E-Governance made considerable efforts to create legal preconditions for the introduction of its software solutions. The major legislative/regulatory achievements included the adoption of the amendments to the FBiH Law on Administrative Procedure (for the first time in 20 years) and to the FBiH Rulebook on the Operations and Management of Public Offices, and the adoption of the BiH Instruction on Operations of Public Offices and of the FBiH Rulebook on the Single Administrative Point. These amendments enabled the full equivalence of paper-based and digitalized documentation and made it possible for public institutions to switch to digital communications and record-keeping. With the Activity's assistance, the Una-Sana and Zenica-Doboj cantons changed their laws on spatial planning and construction, creating preconditions for the use of electronic systems in the building permitting process and considerably shortening the deadlines for several steps in this process.[22] Even if the e-construction permitting software has not been implemented yet, shortened deadlines are immediately applicable to the issuance of building permits in these two cantons.

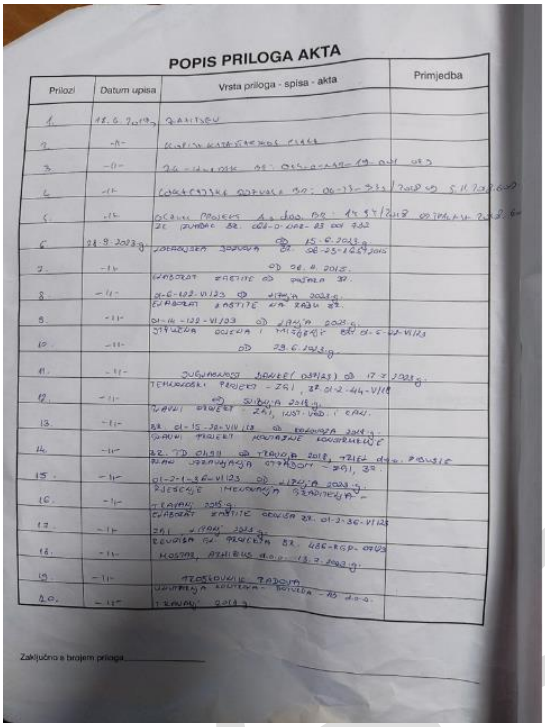
The adoption of the Draft Amendments to the FBiH Rulebook on the Operations and Management of Public Offices enabled a major change in public administration work processes by allowing the use of

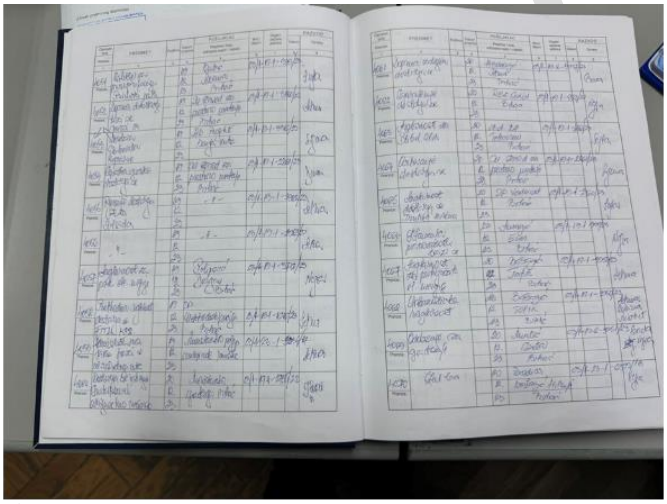
[22] According to the Amendments to the Law on Spatial Planning and Construction in Una-Sana Canton ("Official Gazette of the Una-Sana Canton" no. 13/24) the mandatory period for the issuance of urban permit and construction permit was reduced from 20 to 10 days, and the issuance of location information from 10 to 8 days.
According to the new Zenica-Doboj Canton Law on Spatial Planning and Construction, the deadline for issuing approval for preparatory work on the construction site is ten days (previously 30 days) from the date of receipt of the complete application. Moreover, the approval for removing a structure is issued by the competent authority within ten days (previously 30 days) from the date of receipt of the complete request if the conditions prescribed by the Law are met.

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DMSs in public offices. Specifically, the adoption of the amendments enables the transition from manual/paper entries into various registers; index, auxiliary, hand-over books, and contents of case files; and the content section of case files in the FBiH public administration (see Exhibit 1). Before the adoption of these regulatory changes, municipalities that use DMS maintained these two processes in parallel and continued to keep all hardcopy registers, indexes, and auxiliary books. In some cases, this regime of duplicative work has persisted for over a decade. The amendments to these regulations, although E-Governance pursued them with the primary motivation of enabling e-construction permitting, apply to all other cases on all levels of public administration in the FBiH (E-Governance also helped effect the same change at the BiH level[23]). However, most institutions that use DMSs are unaware of this regulatory change and no KI could offer examples of actual implementation of these changes.

Exhibit 1- Examples of manual entries in the contents page of case files (left) and in a register (above right), and multiple registers in use in one public administration unit (below right).







Although the above legislative and regulatory changes were adopted, so far they have not transformed the government's institutional processes, as the ET learned through KIIs. For example, according to KIs, the beneficiary institutions do not use e-signed documents in communication with other government institutions, nor do they accept e-signed documents from citizens/businesses; partner institutions with functional DMSs maintain manual entry as a method of keeping registry books (duplicative work of entering data in manual registries and existing electronic systems still co-exists), nor are there examples where beneficiary institutions established single administrative point. Consequently, similarly to the status of E-Governance software solutions that are nearly final but did not switch to the 'go-live' status, legislative/regulatory changes that are not reflected in the changes in the government's institutional processes fall short of real-life transformations of the work processes of the partner government institutions.

With regard to the Activity's electronic public procurement component, as per Article 6 para 3 of the Rulebook on Joint Procurement, Centralized Procurement, and Establishment of the BiH Central

[23] USAID's E-Governance Activity in BiH, Annual Report, October 2022–September 2023, October 30, 2023, p. 15. With the assistance of E-Governance, a new Instruction on Operations of Public Offices was drafted and afterward signed by the BiH Minister of Justice (MoJ) and became effective in August 2023. The new BiH Instruction explicitly promotes communication and data exchange in electronic form as the preferred mode of operation, emphasizing the benefits of using information systems for electronic office management.

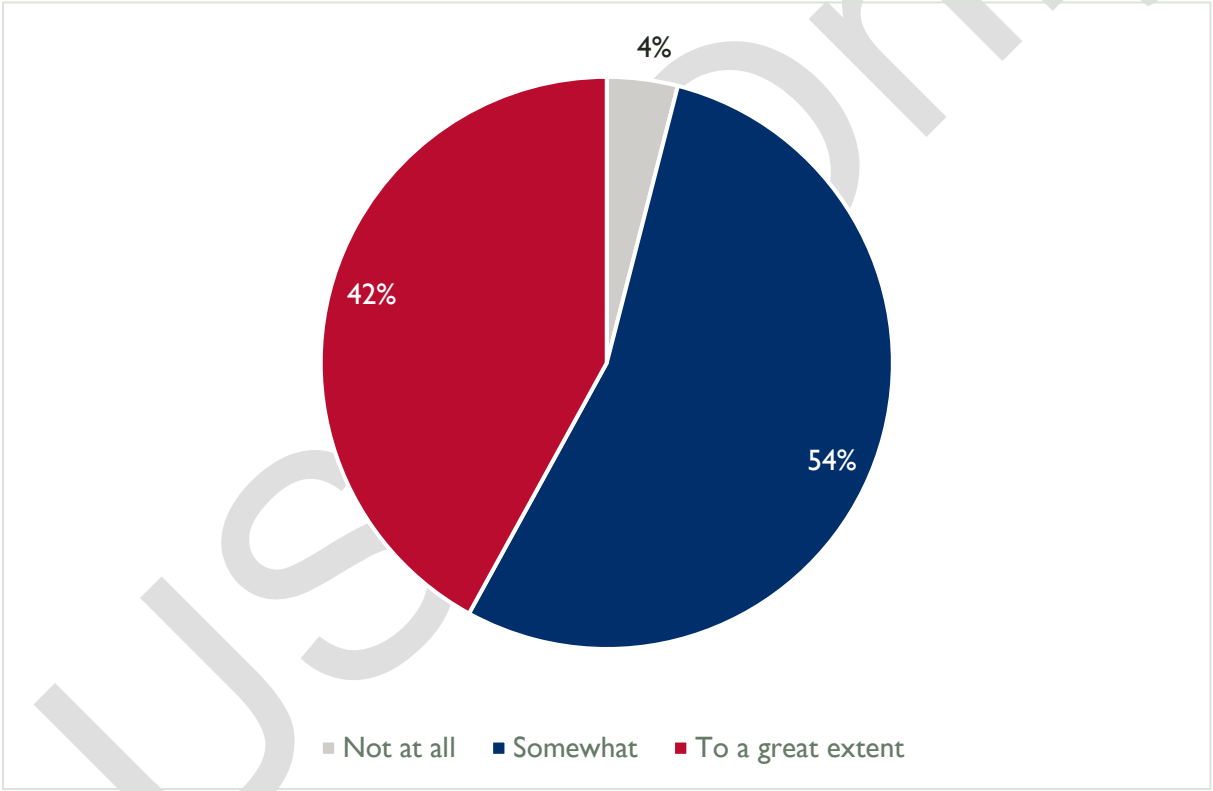
Purchasing Body (CPB), the CPBs and the contracting bodies on whose behalf a centralized procurement is executed are required to use the centralized procurement information system.

Finding 10. Other changes in beneficiary organization work processes are pending due to the delays in software implementation (except BIMS 2), although this situation could change with the progress in implementation in Year 5.

As of the time of data collection for this evaluation, BIMS 2 is the only software application fully implemented and in use for a sufficient period to allow observation of work process changes in the beneficiary organization. The other pieces of software have not reached that stage yet.

BIMS 2 replaced the underlying technology of the legacy system (BIMS), which increased the reliability and responsiveness of the system and may have saved the border inspection system from collapse. KIs welcomed and readily accepted the introduction of the revised system. According to the survey of inspectors, most respondents (96 percent) who are using BIMS 2 find that the new system improved their work somewhat or to a great extent (see Exhibit 2). However, BIMS 2 retained the interface of the legacy system (BIMS).[24] However, with the exception of the phytosanitary certificates, which the inspectors can verify in the system, BIMS 2 introduced no business process changes (for example, freight forwarders are still requested to submit hardcopy requests for inspection controls).

Exhibit 2 – Extent to which BIMS 2 improved work processes as per the survey of inspectors



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The regulatory obstacles for using the e-CPP were removed in mid-March 2024 and the Tuzla Canton CPB recently started to use the e-CPP.

E-INSPECTOR 2, CPARS, and the digital monitoring tool based on risk indicators are expected to be implemented in Year 5, while e-construction permitting depends on the pace of adoption of the regulatory changes required to implement the software.[25] Depending on when the implementation will happen, it may be possible to monitor their performance under regular operational conditions for at least a limited period and possibly assess the initial outcomes of the Activity's efforts.

[24] According to a KI, users hampered the introduction of the new technology by requesting user interfaces equal to those supported by the old technology.
[25] For more information refer to Finding 1 and Finding 11.

Finding 11. The implementation of e-construction permitting software (and consequently the introduction of all related changes in business processes) depends on the adoption of the Amendments to the FBiH Law on Spatial Planning and Land Use.

The adoption of the Draft Amendments to the FBiH Law on Spatial Planning and Land Use lasted almost a year and currently the final version of the amendments to the Law should be adopted by the Parliament.[26] As noted by one KI, after the final adoption of these amendments, a bylaw must be issued to regulate the administration of the e-construction permitting software. Having in mind that E-Governance entered the final year of implementation in April 2024, it is possible that the adoption of the Law will happen close to the end of the project and that the Activity will not be able to implement the e-construction permitting software in any municipality or that the go-live point will occur a few months before the end of the Activity, leaving users without necessary support in the months when electronic case processing will intensify. The changes in the beneficiary organizations' work processes will directly depend on the success of the software implementation.

Finding 12. LGUs that already use DMSs will draw the most benefits from the e-construction permitting if external actors are able to communicate electronically. LGUs without a DMS can immediately implement the e-construction permitting software to automate their internal processes for issuance of construction permits without the need to wait for legislative changes.

For a certain number of municipalities that already use some form of DMS, the advantage of e-construction permitting is that the ability to communicate electronically will simplify the application process for citizens/businesses and communicate with them during the approval procedures. In addition, the system also incorporates electronic communication with external institutional participants in the construction approval process, such as public utility companies, and increases the transparency of these processes by tracking deadlines and raising alerts about delays. However, one KI was unsure to what extent public utilities will start using the e-construction permitting system for procedures they conduct, as not all of these actors are within the authority of the given LGU.[27] The analysis of the amendments made with the E-Governance assistance shows that no sanctions are imposed for failing to use e-construction permitting software. One KI thinks that public utility companies are not mandated to use electronic communication in their segments of the construction permitting process.

E-Governance naturally focused on meeting its contractual obligation to implement the e-construction permitting system in five municipalities. However, USAID/BIH should be aware that the issuance process will be further complicated because some types of permits require approvals from the cantonal[28] or FBiH authorities or, in some cases, institutions that do not usually participate in the construction permitting process (e.g., law courts) that will have to provide requested information. When municipalities interact with those institutions (who are not currently designated users of the e-construction permitting software), both municipalities and those institutions will exchange documents in hard copies.

Consequently, the e-building permitting software has to support both fully digital and fully manual (and any combination of these two) processing of exchanged documents. LGUs that do not use any DMS in their daily operations can immediately implement the e-construction permitting software (when working in the full manual processing of exchanged documents) without the need to wait for legislative changes. With the use of the software, LGUs can automate their internal process for issuance of construction permits and increase transparency. This way, LGUs could use e-construction permitting software as a type of DMS to improve their work in an automated environment until roadblocks for the full implementation of e-construction permitting software are removed.

Finding 13. Several KIs noted that the new software solutions will enable tracking and recordkeeping of all actions in the system and strengthen reporting, which should reduce

[26] For more information refer to Finding 1 and Finding 2.
[27] Some utilities are centralized on the FBiH level, such as electricity, and telecomunications.
[28] For example, in the Una-Sana Canton, decisions on conversion of agricultural land into construction land are issued by the cantonal Ministry of Agriculture, Water Management, And Forestry, see: https://www.bihac.org/sadrzaj/odobrenje-za-gradenje/40

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opportunities for corrupt behavior. However, no KI offered examples of points in the work processes where risks of corrupt behavior exist in the targeted sectors.

Several KIs noted that the software for inspections and e-construction permitting will enable tracking and advanced reporting, which would permit closer management monitoring of each user's performance. Management monitoring should eventually reduce opportunities for corrupt behavior. However, municipalities with DMSs and inspections with old software already had these options, although less advanced.

Further, no KI offered examples of points in the current work processes subject to risk from corrupt behavior. Specifically, the ET learned that no anti-corruption assessment had been conducted to detect potential risk points in beneficiaries' work processes before developing E-Governance software products. The absence of an anti-corruption assessment prevented the ET from determining whether, in one case, beneficiaries' refusal to accept delivered software functionalities was justified or not. Namely, during the testing phase of one software, the Activity's software features encountered opposition among beneficiaries, who argued that some of the features would reduce their autonomy and flexibility in dealing with diverse requirements. The ET found that, in one case, avoiding structured data entries prevented the preparation of advanced statistics for performance monitoring, and in another, rejecting one software functionality may have resulted in the retention of discretional powers for government officials, preserving room for possible corrupt behavior.

EQ1A CONCLUSION

Amendments to the FBiH Law on Administrative Procedure and to the rulebooks related to the operations and management of public offices (at the FBiH and BiH level) created pre-conditions for official electronic communication with external parties and the shift to digital record-keeping. The adoption of the Zenica-Doboj and Una-Sana cantonal laws on spatial planning and construction changes created preconditions for the use of electronic systems in the building permitting process and, in addition, accelerated the construction permitting process. The adopted amendments to the FBiH Rulebook on the Operations and Management of Public Offices permitted LGUs and public institutions, in general, to transition from manually kept hardcopy records, ledgers, and registers to their digital versions, which will have a notable effect throughout the public administration. However, these recent legal/regulatory breakthroughs have not been adequately communicated to institutions, which are either unaware or unsure of how to proceed with their implementation. Following this legislative/regulatory progress, this technological transition offers USAID/BiH the opportunity to provide immediate relief to the local institutions while highlighting time and resource savings as positive outcomes of digitalization.

At the time when the data collection process was concluded, BIMS 2 was the only software that had been fully operational for an extended period. BIMS 2's main result was an increase in the speed of the system's response and reliability, and both beneficiaries and external users were satisfied with the system. However, with the exception of the phytosanitary certificates, which the inspectors can and most of them verify in the system, the introduction of BIMS 2 did not involve any modification of border inspection work processes *per se*. There is still time for the pieces of software that have not been fully implemented to reach the go-live phase in the final year of the implementation, and their effects on the work processes of the beneficiary organizations should be assessed before the closure of the Activity.

The uncertainty of the parliamentary process regarding the adoption of the amendments to the FBiH Law on Spatial Planning and Land Use makes it hard to predict when it will become possible for the e-construction permitting software to reach the go-live phase. The risks inherent in this situation require close monitoring by E-Governance and USAID/BiH over the remaining Life of the Activity.

For the LGUs that already use a DMS in their internal processes, the main advantage of the new e-construction permitting system is in the simplification of communications with citizens/businesses and in the acceleration of case processing. But even the municipalities whose work processes for issuing construction permits are still paper-based can start implementing the software for their internal use while waiting for the legislative framework governing external e-

communications to be completed. The introduction of e-construction permits in a DMS regime could be most beneficial for those municipalities since it can increase the transparency of work of public government institutions (and individuals) and can generate reports that would make it possible to detect weak points conducive to potential corrupt conduct.

The new systems include features that would improve the monitoring of processes and enhance oversight and management control. In the absence of a targeted anti-corruption assessment of beneficiaries' processes, some of the new features provoked some disagreement and opposition from beneficiaries, and it remains unclear whether such resistance is linked to the expected reduction in opportunities for corrupt behavior. The ET could not detect which anti-corruption measures were incorporated in the BIMS 2 interventions and what anti-corruption results were achieved. Renewal of the technology *per se* should not be the goal of a USAID/BIH's anti-corruption Activity. If not accompanied by the previous identification of points of interest for reducing corrupt behavior, business process redesign, and targeted reporting, pure technology replacement leaves intact all perceived avenues for corruption.

FINDINGS EQ2. What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

Finding 14. There is a fully functional e-signature in BiH, with a legal framework that enables the exchange of electronically signed documents. Government officials' self-censorship is what prevents its widespread use in government institutions.

The existence of the state-level Law on E-Signature[29] and the Law on Electronic Document[30] indicates that e-signatures are legally recognized in BiH. The Audit Office of the Institutions in the FBiH notes explicitly that all preconditions for the implementation of the BiH Law on Electronic Signature have been met.[31] The Indirect Tax Authority of BiH (ITA) is already using e-signatures; for example, the ITA introduced the *User Manual for Electronic Business Operations with the Administration for Indirect Taxation Using a Qualified Electronic Signature*[32] facilitating the use of electronic signatures to conduct their business. A KI from a municipality stated an example of accepting a digitally signed birth certificate from abroad.

E-signed documents are currently not widely accepted by government institutions in BiH, with a few exceptions. Institutions that are not handling e-signed documents often express uncertainty about how to process such documents, while one institution explicitly stated that it would reject any e-signed document it receives. Another institution highlighted that the resistance to accepting digitally signed documents within government institutions is widespread because representatives of higher-level institutions informally discourage their use by making statements that the needed legal framework is not in place.

> *"The Law on Electronic Document exists in the FBiH, which stipulates the possibility of exchanging those documents [between public institutions]. What I am trying to say is that, for the last 15 years, I have kept hearing excuses, such as that we can't use those because there is no law or because the law is not adequate. It is not true that we have bad laws. The problem with the laws is the implementation gap because of mentality, lack of resourcefulness, and unpreparedness. That is my opinion."*
>
> KI from an international organization

[29] BiH Law on E-Signature ("Official Gazette of BiH", no. 91/06), available at: http://www.mkt.gov.ba/Content/OpenAttachment?id=b780f152-ff4b-492a-8a6c-f31a6e220a7c&lang=bs

[30] BiH Law on Electronic Document ("Official Gazette of BiH", no. 58/14), available at: http://www.mkt.gov.ba/Content/OpenAttachment?id=13538c23-c2c4-40f9-afe8-8a16efdf3211&lang=bs

[31] Audit Office of the Institutions in the FBiH, Izvještaj revizije učinka: Efikasnost lokalne uprave u rješavanju zahtjeva građana, p. 22, available at: https://www.vrifbih.ba/wp-content/uploads/2022/05/Izvjestaj-revizije-ucinka_Efikas_lokal_uprave_u_rjesav_zahtj_gradjana.pdf

[32] ITA, "User Manual for Electronic Business with the Administration for Indirect Taxation Using a Qualified Electronic Signature", 2021, available at: https://uino.gov.ba/portal/wp-content/uploads/PROPISI/6_Ostali_propisi/4_Elektronsko_poslovanje_sa_UINO/B/B-2-Tehn-uput-dig-potp-B.pdf

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Another example of not creating an environment for the widespread use of digital signatures is the case of public procurement - the failure to issue a mandated by-law to enable e-services (e-procurement, e-auctions, and dynamic purchasing system) within the one-year period stipulated in the Law on Public Procurement[33]—a delay that has stretched for over nine years without a question or a challenge from within the system. All these examples engender self-censorship even among more forward-thinking government bodies.

However, when informed about the laws related to e-signature and e-documents during the data collection, two KIs from public institutions expressed their willingness to challenge the system by submitting e-signed documents to higher-level authorities to test their reaction.

Finding 15. Numerous functional and operational IT systems have been established and utilized in BiH for years, with many key systems developed with the support of USAID/BiH.

Most KIs were aware of the array of IT systems implemented across various levels of government in BiH. They highlighted the presence of sophisticated systems in numerous institutions and agencies, such as IDDEEA, which utilizes advanced, high-complexity IT systems, ITA, noted for its e-Indirect Tax and e-Customs services, the FBiH Health Insurance and Reinsurance Institute, along with all its cantonal counterparts, all linked together in a single comprehensive health insurance e-system and the BiH High Judicial and Prosecutorial Council's IT systems that connect all courts and POs in the country. KIs also mentioned the FBiH Tax Administration system, which processes all tax-related matters and uses electronic communication with its taxpayers,[34] the FBiH Cadaster, a tool for land and property management, and the BiH Pledge Registry, which facilitates the tracking of pledges on movable property. In addition, KIs listed numerous DMSs used by various government bodies, including the BiH CoM and ministries at the state and entity level, covering various sectors from agriculture to finance and from trade to transport.

Notably, some of the most complex and impactful IT systems in place were developed with the assistance of USAID Activities, such as the USAID Pledge Registry Project[35] (PRP), USAID Fostering an Investment and Lender-Friendly Environment[36] (FILE), USAID Governance Accountability Project[37] (GAP II), USAID Enabling Labor Mobility Activity[38] (ELMO), and USAID Fiscal Sector Reform Activity[39] (FAR). These contributions have been pivotal in advancing the IT infrastructure within BiH, showcasing a successful integration of digital solutions in some of the most crucial sectors of governance. However, through KIIs, the ET found that local KIs were more aware of USAID/BiH's previous successful digitalization interventions than the Mission KIs. For USAID/BiH information, it indicates that some of the Mission's institutional memory is missing and that recovering or refreshing it may be beneficial when planning future interventions in the e-governance sector.

Finding 16. Legislative and regulatory challenges were identified as major implementation obstacles by beneficiaries of E-Governance. It is of interest for USAID/BIH's planning of new interventions that some KIs proposed alternatives to the conservative approach of amending numerous laws across all governance levels for the general introduction of digitalization in public administration.

E-Governance invested efforts and resources to work on the removal of legislative/regulatory roadblocks for the implementation of its software solutions. Even when the amendments to the FBiH Law on Spatial Planning and Land Use are adopted, the implementation of the e-construction permitting system will require new rounds of legislative changes in each canton if USAID/BIH requests scaling up of the e-building permitting system. Moreover, one KI stated that the FBiH Government called for the harmonization of laws relevant to the construction sector (including the Law on National

[33] BiH Law on Public Procurement, Article 123. https://www.parlament.ba/law/DownloadDocument?lawDocumentId=47210d8e-df30-460e-9f02-aebe8286ea72&langTag=bs
[34] More information available at: https://www.pufbih.ba/v1/stranica/5
[35] USAID PRP was implemented in the period 2002–2005.
[36] USAID FILE was implemented in the period 2003–2006.
37 USAID GAP II was implemented in the period 2007-2012.
[38] USAID ELMO was implemented in the period 2006–2010.
[39] USAID FAR was implemented in the period 2014–2019.

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Monuments and the Law on Renewable Energy Sources), specifically requesting the identification and harmonization of any unsynchronized or outdated legal language to support the introduction and regular use of IT systems in the process of issuing construction permits. Given that construction permitting is just one of the public administration's sectors, the synchronization for all sectors at the FBiH level will require amending multiple laws. If a similar approach of changing all laws that currently do not explicitly allow digital handling of cases continues (at the FBiH and cantonal level), dozens of laws will need to be amended and it will take many years until all contradictory provisions are synchronized to enable effective deployment and functioning of IT systems.

One KI noted that there is a prevalent tendency in BiH to "over-regulate"[40] and elaborated that this approach stands in contrast to, for example, the United States legal system, which typically establishes only broad principles in laws and regulations, leaving specific situations to be clarified through case-by-case decisions and a strong reliance on precedent. This informant further elaborated that what often appears as "over-regulation" in BiH might paradoxically manifest as "insufficient or under-regulation" during the implementation phase. In other words, during the implementation phase, public officials expect that everything (i.e., regarding digitalization) is explicitly written in the law, sparing them the need to interpret broad principles or regulations.

> *"With vast experience from this state administration, past and present, I think there is a phenomenon of excessive over-regulation. Everything must be written down, and even then, it is not clear to us, let alone if it is not on paper. And that is a serious problem. It is difficult to give a decisive answer as to whether things should work this way. I agree that it should be accelerated and simplified."*
>
> KI from a government institution

KIs offered several suggestions as possible alternative approaches to amending numerous laws on all levels of governance. Some KIs noted that the current legal framework in BiH is sufficiently comprehensive, suggesting that no further changes are required to support the implementation of digital tools. Other KIs highlighted the potential for a more dynamic interpretation of current laws to facilitate the adoption of IT systems. Specifically, they stated that the implementation of digital tools is possible by adopting permissive interpretations of existing legal provisions or by reliance on general legal principles.

> *"If we had waited for changes to the laws in our country, we would not have done anything (implemented software)."*
>
> KI from a government institution

One KI indicated that the adoption of a single *lex specialis*[41]—a specific law designed to address the particularities of digital tool implementation—could streamline the process substantially. This specialized legislation would eliminate the cumbersome need to adopt or amend dozens of laws across various levels of governance, thereby simplifying the legal landscape for digital transformation. Moreover, the suggestion to circumvent this conservative attitude by adopting a *lex specialis* reflects a strategic shift towards more targeted legislative efforts, which could prove more efficient than the extensive overhauls suggested by the customary piecemeal legislative approach.

> *"I see the possibility that one regulation can change a whole series of other regulations, even though this does not happen often. Systemic changes of this kind can be carried out in such a way as to cover all administrative procedures by a lex specialis, where the overriding principle will be that an electronic document or an electronic signature is completely equivalent to a standard signature. I think that it can be done that way."*
>
> KI

[40] Over-regulation refers to a situation where there are too many rules, regulations, or guidelines in place that are more extensive or stricter than necessary.

[41] Its core meaning in Latin, "lex specialis derogate legi generali" means that "Specialized laws prevail over general laws" (Source: https://www.trans-lex.org/910000/_/lex-specialis-principle/). "The *lex specialis* principle according to which special rules derogate from general ones lies in the core of the Western legal tradition" (Source: Zorzetto, S. [2012]. The lex specialis principle and its uses in legal argumentation. An analytical inquire. EUNOMÍA. Revista en Cultura de la Legalidad, (3), 61-87. Available at: https://e-revistas.uc3m.es/index.php/EUNOM/article/view/2093

For example, in 2018, neighboring Serbia enacted a *lex specialis* (the Law on E-administration[42], which enables digitalization of all government institutions) that supersedes provisions of all other laws if there are conflicts - Article 2. Point 1. states that government bodies are required to act electronically when conducting administrative procedures and communicating. Article 3. governs the relationship between this specific law and other existing laws, stipulating: "*Matters of electronic administration, which are governed by this law, cannot be regulated differently by a separate law, except in the cases provided for by this law*." In the remainder of the law, many substantial digitalization issues (which still need to be regulated in BiH) are identified (i.e., the ICT infrastructure, cyber-security, government service bus, central government portal, etc.). Moreover, E-Governance's March Newsletter quotes Serbia as an example of good digital transformation practice.

Furthermore, USAID/BiH should be familiar with the *lex specialis* principles, as USAID/BiH and its Energy Policy Activity (EPA) used the *lex specialis* approach when advocating for adopting the Law on the Southern Interconnection to speed up the building of BiH's gas interconnection with Croatia to reduce BIH's dependency on Russian gas. This law overrides provisions in other laws and enables faster land expropriation and construction of the interconnection (i.e., creates an exemption to using general building permits and expropriation rules promulgated in other laws).

Finding 17. Government institutions have outdated IT equipment and lack necessary supporting software, yet they do not allocate funds for updates or replacements in their annual budget plans. E-Governance has effectively circumvented the hardware and software issues by developing web-based applications and supplying equipment to beneficiary organizations as an interim solution.

All beneficiaries, including cantonal inspectorates, procurement bodies, and municipalities, have identified their IT hardware as outdated, attributing this to budget constraints. KIs have also raised concerns regarding the lack of essential supporting or complementary software, such as MS Office or financial management systems. This issue primarily arises because the procurement of new IT equipment (as well as software and outsourcing IT support) is not typically included in the annual budget planning process. However, the software solutions developed by E-Governance are designed to be low maintenance and require only a web browser to operate. Additionally, the recent donation of IT equipment by E-Governance to partner institutions mitigated some of these technological shortcomings in the short term, but the reliance on donor-provided hardware is not a sustainable solution for BiH authorities.[43]

A common challenge all KIs highlight is the difficulty in recruiting and retaining skilled IT personnel. Because government institutions are in direct competition with private companies from the IT sector, these institutions cannot provide competitive salaries compared to the private sector. This human resource shortage impacts daily operations and hinders essential maintenance and upgrades of IT systems. According to a KI, there is a requirement for six IT specialists in their institution, but only two people are currently working due to the inability to find suitable staff. No KI stated that they have plans to outsource (or enter cost-sharing agreements with other institutions for) necessary IT support.

EQ2 CONCLUSION

There is a legal framework enabling e-signature and the exchange of electronically signed documents in BiH, and numerous institutions in the FBiH already use e-signatures. Many government institutions have already implemented IT systems. Through these experiences, these institutions have acquired valuable insights about how to cope with legislative and regulatory hurdles and develop and apply different strategies for effectively implementing IT solutions in the local context. These institutions have navigated through legal ambiguities by adopting more liberal interpretations of existing laws or by strategically introducing by-laws and rulebooks to sidestep the need for extensive legal amendments. Over the last 20 years, USAID has implemented a certain number of IT systems that are well-recognized among local institutions. The ET believes

[42] https://pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2018/27/4/reg

[43] More information available at: https://fuzip.gov.ba/usaid-obezbijedio-modernu-informaticku-opremu-za-federalnu-upravu-za-inspekcijske-poslove/

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that gathering and organizing representatives of institutions with IT systems can help the FBiH Government to better understand challenges related to the digitalization of its public administration and handle the introduction of digitalization in the remaining structures of governance in the FBiH more easily.

In contrast, many institutions remain hesitant toward digitalization, and they justify their hesitancy with a conservative legalistic stance, apprehension about new technologies, limited technical resources, or general resistance to change. Domestic institutions profess uncertainty about the (legal) treatment and handling of electronic documents or e-signatures, which reflects a broader issue of misunderstanding or simple disregard for the existing legal framework related to e-signatures and e-documents. Regardless of the rightness of any given reason, the outcome is that existing (customary) avenues for corruption are preserved.

Institutions in the FBiH generally have to cope with inadequate IT infrastructure. They struggle with outdated IT equipment, a scarcity of IT professionals, and obsolete software or unrenewed licenses. Nevertheless, these challenges have not translated into systematic planning (and budgeting) for IT maintenance and replacement of obsolete hardware nor into effective measures or strategies for business continuity. However, E-Governance's cloud-based solutions mitigate this problem by minimizing dependency on additional software and effectively addressing important cybersecurity vulnerabilities.

While there are pockets of progress in implementing IT systems in the FBiH, the comprehensive and systemic approach to digitalization, cybersecurity, and public education necessary for overcoming the existing barriers and fully leveraging the potential of digital governance is still missing.

FINDINGS EQ3. What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

Finding 18. All KIs support the continuation, enhancement, and scaling up of current USAID/BiH interventions.

The findings of the survey conducted with LGUs reveal that almost all municipalities (97 percent) primarily rely on traditional methods in conducting their business and providing services and still utilize paper-based systems for issuing construction permits. Despite this prevalent use of conventional systems, more than nine out of ten (92 percent) surveyed municipalities expressed readiness to transition to electronic construction permitting systems. The same opinion prevailed among participants of the FGD with municipalities that are currently not working to introduce e-construction permitting.

The enthusiasm for digitalization extends beyond construction permitting. Most FGD participants (FGD with cantonal inspections and FGD with representatives from cantons that are not a part of the pilot group for the e-CPP) conveyed their keen interest in adopting the E-Governance software solutions.

Legislative/regulatory obstacles to scaling up E-Governance's software solutions differ depending on the given solution. For E-INSPECTOR 2, scaling up to cantonal-level inspections will entail only minor challenges. The work processes are governed under similar laws, with only minimal process differences (up to 10% differences as stated by KIs), which can be addressed by software administration adjustments. For the e-CPP, the prerequisite for implementing the software is the establishment of the cantonal CPBs, while software changes will not be needed. Finally, for e-construction permitting, besides the FBiH Law on Spatial Planning and Land Use (which is in the process of adoption[44]), in the current practice, the cantonal laws on spatial planning need to be amended to enable the use of the e-construction permitting system in municipalities.

[44] For more information refer to Finding 11.

Finding 19. Another major outcome of E-Governance's interventions is the heightened awareness within the FBiH government regarding the importance of digitalization, leading to the establishment of a dedicated working group for e-governance. Moreover, the FBiH Ministry of Justice (FMoJ), through working with E-Governance, assumed ownership and leadership in advancing digitalization, as demonstrated by the recent organization of a coordination meeting of cantonal ministries of justice by the FMoJ.

The FBiH previously lacked a centralized body responsible for overseeing e-governance initiatives. However, the recent formation of this working group (WG)[45] marks an important advancement and success of the E-Governance's dedicated efforts. The WG is tasked with spearheading the digital transformation of public administration within the FBiH and their key objectives include:[46] explore the potential for collaboration between federal administrative bodies and the IDDEEA in data exchange from the records maintained and technically managed by the Agency; assess the feasibility of implementing a unified DMS for federal administrative bodies, developed and maintained by the Agency; and develop and submit a proposal of prioritized measures and activities for the implementation of e-governance in the FBiH within a six-month deadline.

Furthermore, the FMoJ recently facilitated a coordination meeting with cantonal ministers of justice and administration and their representatives. This meeting focused on discussing the content and successful implementation of new by-laws essential for enhancing public services. The participants shared the primary aim[47] to accelerate delivery and improve public service quality to citizens and businesses.

E-Governance has already started supporting the WG. The technical assistance included the development of the report "Digital Transformation Roadmap - Priority Measures for E-Governance in FBiH." This document identifies the lack of a joint policy, strategy, and coordination body at the BiH and FBiH levels and provides short and long-term recommendations to remedy the current absence of dialogue and coordination within the FBiH government structures. The process of drafting this report included a roundtable presentation to government institutions and donors to obtain comments and input. E-Governance also organized a study trip for members of the FBiH e-Governance WG to visit the Ministry of Digital Transformation of the Republic of Slovenia.

Finding 20. Source code availability represents a key precondition for scaling up E-Governance's software solutions. However, there are several issues that need to be addressed before scaling up.

According to the KIs, source code is secured for all software solutions. According to several KIs, no maintenance fee is needed for all E-Governance-delivered software solutions to work without changes in the future. However, for E-INSPECTOR 2, it is essential to confirm whether the FUZIP will hold the distribution rights to share the software with cantonal inspection authorities. This verification is crucial to ensure that there are no legal or licensing barriers that could impede the wider deployment of the software across various levels of governance.

> *"After the implementation is completed, we hand over the source code to the user, and he does not have the right of distribution. Once contracts expire, we do not have to be a maintenance partner. It can be supported by an internal service, or another company can be hired. All of them can modify the software or adapt it to some changes that will probably happen in the law, but they do not have the right to distribute the software. This is a classic copyright. Users are the owners, but the right to distribute the copyright does not exist anywhere, resale is not permitted."*
>
> KI from a software company

[45] Decision on the formation of the Working Group, available at: https://fbihvlada.gov.ba/bs/193-rjesenje-o-formiranju-radne-grupe
[46] Ibid.
[47] USAID E-Governance Newsletter VI (March 2024)

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In terms of application and database cloud hosting, the PPA and FUZIP already secured budgets. Regarding the e-construction permitting, the funds to cover the costs of cloud hosting are not secured in the relevant budget (and not included in the Justification section of the Amendments to the FBIH Law on Spatial Planning and Land Use). This oversight can be addressed in the remaining part of the Activity's implementation period.

> *"We are required to submit an RfP form to the Ministry of Finance stating whether the adoption of the amendments to the FBiH Law on Spatial Planning will have any impact on the FBiH budget. Maybe the cost is 100,000 Bosnia and Herzegovina convertible marks per year, but we did not foresee that in the Justification section of the amendments."*
>
> KI from a government institution

Finding 21. (USG Only!) E-Governance significantly advanced cybersecurity and data-loss prevention by hosting data and applications in a secure cloud environment. However, partner institutions lack a systematic approach to cybersecurity, and their IT capacities are severely limited by a chronic shortage of trained IT staff.

E-Governance markedly enhanced cybersecurity and data-loss prevention by collaborating with partners to transition all production and backup servers to an in-country cloud environment. This move significantly bolsters data protection capabilities.

> *"Regarding the hardware infrastructure, since FUZIP has outdated and inadequate equipment, E-Governance rented cloud resources in BiH. From the technological standpoint, the cloud solution meets the needs, especially since cybersecurity offered by the company is much better than the one that FUZIP has—which is practically nothing."*
>
> KI

However, if this important improvement is put aside, no partner institution currently possesses a comprehensive assessment that identifies all cybersecurity vulnerabilities. Without such an assessment, these weaknesses cannot be addressed effectively. An even more basic and far-reaching problem is that public institutions generally lack adequately trained IT staff for anything beyond basic maintenance of their IT systems, which compounds the problem of ensuring business continuity.

Finding 22. Major donors are involved in the sector, yet coordination and synchronization of their activities remain weak.

All major donors are involved in BiH's e-governance initiatives. The United Nations Development Programme's (UNDP) project "Digital Transformation in the Public Sector in BiH"[48] is a four-year project ending in August 2024 that focuses on assisting governments and institutions at all levels to implement a digital transformation through improved capacities for transparent and effective policymaking, as well as knowledge and resource management. Under its second component, the project focused on developing e-administration in the Sarajevo Canton[49] and Centar Sarajevo Municipality.[50] E-administration in the Centar Sarajevo Municipality has several modules, including a module for a citizens' mailbox, a digital register of administrative procedures, a form generator that serves to create any electronic service in terms of setting up a request for an electronic service online, and an electronic payments module. However, the UNDP lost financial support from the government of the United Kingdom and the government of the Netherlands and currently operates using only the core UNDP budget.[51]

[48] More information available at: https://www.undp.org/bosnia-herzegovina/projects/digital-transformation-public-sector-bih
[49] More information available at: https://euprava.ks.gov.ba/
[50] More information available at: https://www.centar.ba/e-uprava
[51] As per the information provided on the UNDP's website in the section "Project value and donors" is: "Total value of the project: USD 5,000,000 (UNDP contribution USD552,830, Government of the United Kingdom/Good Governance Fund GBP 500,000 [Year I], Government of the Netherlands USD 199,692.00 [Year I])," However, the section "Impact" and subsection "Delivery in previous years" contained the following information: "$218 (2020), $ 456,667 (2021), $661,814 (2022), $190,108

The EU Delegation to BiH has been involved in the digitalization efforts in BiH for many years. However, it is currently managing only a small two-year project entitled "EU Support for Interoperable E-Governance for Infrastructure in BiH,"[52] with a budget of 1 million EUR, which concentrates on analyzing the existing state of e-governance in BiH and developing recommendations to enhance the advancement of e-governance throughout the country. This project was launched following the postponement of a previously planned 11.5 million EUR project, originally intended to bolster the implementation of interoperability concepts within the country. On its part, the World Bank Group (WBG) is conducting a $100,000 rapid assessment of e-governance in the FBiH, having completed such an evaluation in the RS in 2023.[53]

Despite these various donor initiatives in the e-governance sector, several KIs stated that donor coordination is important but is currently poor. One donor mentioned that a more rational approach to donor spending is needed, and there is a need to strengthen the awareness of BiH institutions that they also have funds in their budgets.

> *"Donor coordination is poor. The recent coordination meeting convened by the BiH Minister of Communications and Transport may be one way to go. Otherwise, there is so much to do for all donors, as long as there is no duplication."*
>
> KI from a government institution

Finding 23. General public education and outreach about digitalization are insufficient. E-Governance is becoming more involved in outreach as its interventions are being completed.

The ET found that there is limited media coverage of e-governance issues and a lack of a strategic approach to raising citizens' awareness about the significance of digitalizing public services in terms of efficiency and increasing transparency. Several KIs noted that public education and outreach about digitalization are weak, to the extent that the general public, as well as a majority of public officials, are unaware that digital signature has become a real option.

E-Governance recognized this problem and actively organized outreach events, particularly at the outset of its implementation period. One such initiative was the "Media Masterclass"[54], which E-Governance recently organized to educate the media about digitalization. As more software products developed by E-Governance recently reached the go-live phase, the Activity took the opportunity to launch training for CSOs, not only to explain new options available in the field of public procurement but also to shed light on more general topics, such as e-signature.

Finding 24. Failure to ensure interoperability between government institutions is increasingly recognized as a major obstacle to successful digitalization of government processes and development of new e-services.

Although aware of examples of successful digital data exchanges between government institutions and even with private entities, such as the settlement of traffic violation fine payments (commercial banks forward details about payment of fines to the FBiH Tax Authority, which forwards them to IDEEAA) or tax filings and tax payments with both the BiH ITA and the FBiH Tax Authority, several KIs advocated for a restoration of the Government Service Buses (GSBs) that had been installed on the BiH and FBiH level to implement adopted interoperability frameworks on these levels of

(2023), and $65,676 (2024)". Available at: https://www.undp.org/bosnia-herzegovina/projects/digital-transformation-public-sector-bih

[52] More information available at: https://www.iddeea.gov.ba/en/iddeea-bih-supported-the-project-eu-support-for-an-interoperable-e-government-infrastructure-platform-in-bosnia-and-herzegovina/

[53] e-Government Assessment in Republika Srpska, available at: https://documents1.worldbank.org/curated/en/099060123053067466/pdf/P161587169daf1bd1166f14be2185561286 1a9f247d7.pdf

[54] USAID E-Governance Newsletter VI (March 2024)

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government.[55,56] E-Governance conducted an assessment of the condition of GSB interoperability platforms to determine their degree of compatibility with the requirements of the software applications it was developing and produced recommendations for their improvement.[57]

Examples of good practices in digitalization can be found in the region, where citizens can apply for e-services from a central interaction point. For example, Serbia has established an e-administration portal[58] that offers citizens a wide array of digital services. Some of those are digital applications for specific documents and certificates (such as identity cards/passports, driver's licenses, and vehicle registration) and numerous others in education, health, family, and other applications. Furthermore, Serbia has a portal called e-uprava (e-administration) that enables the use of electronic signatures (on the cloud) for faster e-administration services. Following a similar concept, Croatia established a portal called "e-Građani (e-Citizens)[59] that offers services from numerous areas, such as upbringing and education, traffic and vehicle administration, healthcare, employment, consumer rights, and more.

Finding 25. The absence of an inventory of existing e-governance systems/applications in the FBiH makes it harder to plan potential future digitalization efforts.

On the BiH level, in 2023 the Audit Office collected information about existing software applications in use in BiH institutions by circulating a simple questionnaire.[60] Responses were received by 69 of 73 BiH institutions. It was determined that 44 institutions operated specific software solutions in their work. Of these 44 institutions, 60 percent had difficulties in ensuring the prerequisites for the implementation of software solutions (i.e., the preparation and planning of software solutions), while 56 percent had issues in implementing software solutions. The overall cost of software procurement and maintenance was more than 100 million BAM over the last ten years. The report concluded that BiH-level institutions would need another 22 years to fully digitalize if the current pace of digitalization is not accelerated.

No source available to the ET mentioned if a similar inventory is available for the FBiH. The absence of such basic information makes it harder to plan continued digitalization and determine priority areas for intervention.

EQ3 CONCLUSION

Both current and potential beneficiaries expressed unanimous interest in and support for continuing and enhancing USAID's current software interventions and their scaling up. Any such intervention offers the potential for additional processes and software upgrades and improvements. However, legislative/regulatory obstacles for scaling differ depending on the given solution. The arrangement that the source code for all software applications and modules developed by E-Governance will be transferred to the beneficiaries at the end of the contract ensures that software property rights will not be an obstacle for scaling up the existing software applications to other beneficiaries, with further examination if FUZIP is contractually allowed to share the software with cantonal inspectorates.

The solution adopted by E-Governance to host the applications and the data for all new software systems in a secure cloud environment reduced the need to rely on typically obsolete hardware operated by the beneficiaries and greatly alleviated cybersecurity risks. However, while the beneficiaries are generally aware of cybersecurity risks, none have formal cybersecurity arrangements, dedicated IT staff, or even an assessment of cybersecurity vulnerabilities. Moreover, the FMSP did not secure the funds needed to cover the costs of cloud data storage, and this

[55] Audit Office of the BiH Institutions, Praćenje realizacije preporuka revizije učinka "Elektronsko poslovanje u institucijama BiH – uspostava i primjena", June 2023, pp. 18-19, https://revizija.gov.ba/Content/DownloadAttachment?Id=4f875bf1-cf25-422b-8a90-fd7dfeeaaff2&langTag=bs

[56] Audit Office of the Institutions in the FBiH, Izvještaj revizije učinka: Efikasnost lokalne uprave u rješavanju zahtjeva građana, May 2022, p. 25, https://www.vrifbih.ba/izvjestaj/efikasnost-lokalne-uprave-u-rjesavanju-zahtjeva-gradjana/

[57] USAID's E-Governance Activity in BiH, Annual Report, October 2022–September 2023, p. 13

[58] More information available at: https://euprava.gov.rs/

[59] More information available at: https://gov.hr/

[60] Audit Office of the BiH Institutions, Revizija učinka: Uvođenje softverskih rješenja, December 2023, p. 16, https://revizija.gov.ba/Content/DownloadAttachment?Id=38eca8d1-4b00-484d-9b0a-daf4dd03c31b&langTag=bs

omission needs to be addressed before the Activity closes. In general, in domestic public institutions, IT functions and even basic maintenance are chronically underfunded, and these institutions face major difficulties in hiring and retaining qualified IT staff, all of which are related to improper budget planning.

To avoid fragmented, non-interoperable, stand-alone e-systems, the development of centralized service modules for all future e-solutions, their integration over a GSB, and the creation of a central portal for citizens'/businesses' interaction with all government services need to be considered. Along with an effort to make the FBiH GSB operational, developing service modules for joint use by multiple government systems should be considered.

Coordination among currently active donors in the e-governance sector does not exist, although most of them stressed that coordination is a must. Donors remain interested in the e-governance sector, with a large EU project in the pipeline, the WBG conducting domestic and regional assessments, and the UNDP continuing to focus on local-level institutions.

There is limited media coverage of e-governance issues and a lack of a strategic approach to raising citizens' awareness of the significance of the digitalization of public services. Most KIs and FGD participants were unaware of the existing framework for digitalization or available software solutions. However, E-Governance has recently intensified its outreach efforts as its legal reform efforts and software interventions approach completion.

The established FBiH WG for e-governance is young and needs guidance and support. If appropriately assisted, it has the potential to become a strategic body for digitalization in the FBiH. The work of the WG could pave the way to avoid countless legislative changes on all levels by championing a different mindset-approach and attitude in the interpretation of laws, which would enable faster development of e-governance in FBiH. This body can also revive discussions about the GSB, central portal, and shared modules as an indispensable part of a forward leap in digitalization in the FBiH.

HIGHER-LEVEL CONCLUSION BEFORE THE RECOMMENDATIONS

Based on the information collected during the data collection and expert opinion, the ET makes the following higher-level conclusion before proceeding to impart its recommendations:

The absence of a holistic approach or at least a joint vision shared by key stakeholders will lead to continued fragmented, non-interoperable solutions; their implementation will be hampered by calls for countless changes of legislation, prolonged implementation time and, worryingly, will let current structures enabling corrupt behavior to remain intact.

RECOMMENDATIONS

Based on the findings and conclusions of the E-Governance Activity performance evaluation, the ET proposes the following recommendations. USAID/BiH should consider:



High-level recommendations:

1. Remain engaged in the e-governance and digitalization sector. (see Findings [F]: 1, 2, 3, 4, 6, & 10)

The very long and time-consuming process that E-Governance went through in its implementation is probably just a portion of what BiH citizens and businesses go through in their interactions with governments at different levels. In the best interests of BiH citizens and businesses, USAID must remain engaged in the e-governance sector, as USAID's involvement ensures a continued powerful drive to make government services at all levels less bureaucratic, less corruption-prone, and more efficient and transparent in the future.

2. Help to create, support, and work with an Advocacy Group that would bring together institutions that have implemented IT systems in the BiH public sector. (see F: 15 & 16)

In BiH and the FBiH, the public governance sector on all levels has introduced numerous IT systems. USAID should bring together a formal Advocacy Group of representatives of institutions with experience implementing IT systems in BiH. This group could have both an advisory and advocacy role and support USAID's future e-governance efforts (i.e., as a source of information to the FBiH Government's e-governance WG, for public outreach activities aimed at educating citizens and media, as speakers at USAID events aimed at motivating and educating governments at all levels about need for digitalization, etc.).

3. Help to develop a "bottom-up" demand for digitalization of government services. (see F23)

Systematic efforts are needed to educate journalists and CSOs about the benefits and challenges of digitalization and to create a "bottom-up" demand for digitalization and the increased availability of e-services. Technical assistance for the education of journalists and CSOs (and through their work transmitted to educating citizens and businesses) will empower all these stakeholders to join efforts in demanding digitalization and e-services from the governments at all levels in BiH. In addition, a countrywide digitalization summit, modeled on USAID's annual Energy Summit in Neum, would be a useful tool for bringing together and focusing the energies of many stakeholders in digitalizing the government sector.

4. Intensify the involvement of the United States Government (USG) and explore additional strategic engagement to support (a) the adoption of legislation relevant to e-governance or (b) an alternate/innovative approach that would minimize the need for legal amendments. (see F: 2, 6, 11, 14, & 16)

The Activity should brief high-ranked USG representatives on the most important challenges that can be resolved through interventions with the relevant governments and/or parliaments. The USG representatives should then facilitate discussion between the FBiH Government and Advocacy Group representatives and support their proposals to help them remove substantial roadblocks to the implementation of e-solutions in government institutions.

5. Take the lead in supporting the FBiH government's e-governance WG to create a central point for removing roadblocks to digitalization in the FBiH. (see F19)

The process of developing, proposing, and adopting amendments to the FBiH Law on Administrative Procedure should be reviewed through two dimensions. The first dimension is that an arduous and lengthy path of adopting legislative amendments was the only way to introduce digitalization into domestic governance institutions from the perspective of the MoJ. However, the second dimension of that process generated the FMOJ's initiative, which led the FBiH Government to establish the e-governance WG. This result appears to offer an excellent (locally owned) basis to continue and sustain efforts on digitalizing government services. However, if the conservative approach to legal reform remains without an alternative (requiring amendments such as to the FBiH Law on Administrative Procedure), governments in BiH will have to deal with amending dozens of laws and completing the process of digitalization will take decades. The second approach to removing roadblocks to digitalization requires a "new mindset" that will look for legal grounds in the existing BiH and entity laws on e-signature and e-documents and interpret them as an adequate basis to enable digitalization of government services as an alternative to changing countless laws. The FBiH MoJ and the FBiH Government's e-governance WG have the potential to play a critical role in changing the approach to digitalization in the FBiH, and USAID/BiH should support and strengthen this nascent structure with legislative, strategic, implementation, IT, training, and any other TA in USAID/BiH's portfolio.

6. Restart the discussions with the FBiH government through its WG about the GSB, the single e-government portal, and shared modules. (see F24)

A discussion about supporting the (re-)activation of and broader utilization of the GSBs should be restarted. These discussions should take into account and leverage the potential for taking a centralized, single-module approach to developing software for certain standard e-governance services,

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such as e-signature or e-tax payments, instead of developing those functionalities separately within each e-governance system. Finally, a central portal for government services (as the front end for the GSB as a backbone) is needed.

7. Create an ad-hoc Advisory Group or establish any other form of a consultative process with relevant experts at appropriate times to help inform USAID/BiH's decision-making. (see F15)

Recommendation 2 (above) proposes creating an "advocacy group." However, not all knowledge of the implementation of previous e-systems is with government institutions. Much of that knowledge is vested in experts/former government officials/companies/members of academia who provided assistance in implementing those e-systems in the past (mainly under various donor initiatives) or those who are knowledgeable about the digitalization of the government sector in general. In other words, there are individuals who could not belong to an advocacy group but who understand the issues at hand. It is recommended that USAID/BiH create an ad-hoc advisory group or engage in any other form of consultative process with relevant experts when necessary for USAID/BiH's informed decision-making in the digitalization of the government sector.

 **Recommendation for rapid action:**

8. Support institutions in the FBiH to rapidly apply the provisions of the amended FBiH Rulebook on the Operations and Management of Public Offices and make a breakthrough in abandoning paper entries in registers or index and auxiliary books. (see F9)

The ET finds that, among the legislative and regulatory changes the E-Governance helped orchestrate, Draft Amendments to the FBiH Rulebook on the Operations and Management of Public Offices has the most potential for immediate and substantial change in increasing the efficiency of administration in public administration at all levels. As a recognized leader in the introduction of DMS in LGUs, USAID/BiH is in a position to initiate a sweeping breakthrough in the digitalization of government services by acting fast and pushing the implementation of the Rulebook to quickly abandon all manually kept hard copy registers, indexes, auxiliary and handover books, and entries in the content section of case files. When designing this intervention, USAID/BiH should conduct an assessment of the existing DMSs and identify those that can replicate all relevant registers, indexes, auxiliary and handover books, and measure time/effort spent on manually keeping hardcopy registers as the baseline of the intervention. This exercise would immediately help demonstrate resource savings to the government (as a benefit of digitalization) and guide the next steps in the digitalization of public services.

9. Immediately support the partner government institutions to accept and process e-signed documents. (see F: 9 & 14)

BiH has valid e-signature legislation that enables the use of this instrument in electronic communications with the public sector. Government institutions are not prepared to handle this procedural and technological leap, but they face the risk of starting to receive e-signed submissions. Since rejecting e-signed documents is not an option and is a breach of law, institutions must prepare to begin accepting and processing e-documents and USAID/BiH must immediately help the institutions it works with (inspections building-permits sector and public procurement) prepare for receiving, processing, storing, and archiving e-signed documents.

10. Support partner institutions in using digital signatures in mutual electronic communications and in sending them to all other government institutions. (see F: 9 & 14)

As soon as USAID-assisted institutions have the capacity to accept and process e-signed documents, their use should be promoted, first in mutual communications and, in the next step, with any other government institution/agency/public enterprise to force them to develop the capacity to accept and process e-signed documents. Even without adopting legal amendments to introduce e-construction permits, the intensive exchange of e-signed documents should be a viable strategy to encourage the penetration of mass digital communication among all participants in the construction permit issuance process throughout the FBiH.

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Recommendation for scaling up:

11. Prior to all future software interventions, conduct institution/sector-specific corruption assessments. (see F13)

12. Scale up e-construction permitting software to other municipalities in the FBiH. (see F: 12, 13, 18, & 20)

13. Provide support with establishing CPBs on the cantonal level, if those CPBs intend to use E-governance developed the e-CPP software. (see F: 1, 2, 18, & 20)

14. Scale up implementation of new inspection software solutions in cantonal inspectorates but keep improving the software to reduce opportunities for corrupt behavior, both at the cantonal and the federal level. (see F: 13, 18, & 20)

Work on implementing E-INSPECTOR 2 in cantonal inspections. In parallel, encourage and motivate the heads of inspection agencies (and the senior members of the FBiH government) to act as champions of digitalization and prepare an assessment of points or segments in the inspection process potentially conducive to corrupt behavior. Based on the assessment's findings, work with the champions on software modifications to minimize opportunities for corrupt behavior.

15. Integrate BIMS 2 into E-INSPECTOR 2 and incorporate the e-signature functionality into BIMS 2. (see F: 6 & 7)

There are several arguments for integrating BIMS 2 and E-INSPECTOR 2, including simpler and cheaper maintenance, unified training of inspectors, and increased flexibility for FUZIP's management to shift inspector resources in response to suddenly increasing needs. Working on a single IMS would also make it easier to rotate inspectors between the border and interior inspection services, which would further contribute to the reduction of opportunities for corrupt behavior. After the initial push for the use of e-signature (Ref: Recommendation 10), incorporate the e-signature functionality into the E-INSPECTOR 2 (and BIMS 2 as an integral part of E-INSPECTOR 2) platform and help FUZIP transition from submission of documents in hardcopy format.

16. Work towards creating the conditions for the introduction of and helping design e-offer, e-evaluation, and e-appeal software modules. (see F: 7, 14, & 16)

Support the introduction of e-signatures into communication between the PPA, contracting entities, and bidders/contractors as the first step towards the complete introduction of e-offers, e-evaluations, e-appeals, and other complementary IT modules in the e-CPP system.

17. Support a cybersecurity assessment for each partner institution. (see F21)

USAID/BiH's IPs should carry out a cybersecurity assessment for each partner institution and, based on findings and recommendations of these assessments, develop action plans to systematically address cybersecurity, data-loss and data-alteration risks, and increase overall protection of the system integrity.

18. Educate and encourage government institutions to improve maintenance and start systematically replacing their equipment, which can be achieved by promoting cost-sharing arrangements at the time of USAID's intervention with a specific institution. (see F17)

19. Support the preparation of a complete inventory of existing IT systems in the FBiH, including the identification of government sectors/institutions with no IT systems implemented yet. (see F25)

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Recommendations for improving ongoing implementation efforts:

20. Ensure that continuous support is readily available during the initial stages of software use, as reaching the go-live point is not the end of implementation but only the beginning of users' regular interactions with the software, which will inevitably involve new/unforeseen situations and user errors. (see F8)

After reaching the go-live phase, E-Governance should develop and provide guidelines on the appropriate treatment of backlogged cases, the order of resolving cases, and on the alternative to tax stamps for collecting valid administrative fees. These guidelines should also include processing of documents submitted in hard copy, submission into the appeals procedure, and archiving.

21. Closely monitor the implementation progress in Year 5 and take proactive steps to ensure either a viable "exit" strategy or some form of continuing/bridging/further support in its next round of programming to ensure sustainability beyond the life of the Activity. (see F: 9, 11, & 12)

22. Add change-management and anti-corruption skill sets to the implementation of e-governance solutions. (see F5)

The implementation of E-Governance so far clearly shows that, although essential, IT specializations are not sufficient for the successful implementation of e-governance interventions in the government sector. On the other hand, availability of in-house legal expertise was clearly beneficial for overcoming unexpected major roadblocks during E-Governance's implementation. Lessons learned indicate that a multi-dimensional approach—supported by adequate resources—is needed to ensure successful implementation of e-governance (let alone anti-corruption) solutions in public institutions.

Any future USAID e-governance interventions would benefit from the addition of change management expertise, which would help launch and sustain advocacy and lobbying initiatives, help create strong support for implementation and identify potential champions, strategically plan involvement of the high-ranked USG officials at crucial points in the implementation process and build a critical mass of users who would generate demand and promote the new solutions.

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ANNEXES

ANNEX I: STATEMENT OF WORK

PURPOSE OF THE ASSIGNMENT

The United States Agency for International Development Mission in Bosnia and Herzegovina (USAID/BiH) has instructed its Monitoring and Evaluation Support Activity (MEASURE II) to conduct a performance evaluation of the E-Governance Activity in BiH (E-Governance) to generate an independent, evidence-based account of the Activity's work from the start of its implementation until the start of this evaluation. This performance evaluation will offer plausible insights and practical ideas to USAID/BiH about the Activity's operation to date and suggest possible adjustments that may contribute to achieving the intended results. The evaluation findings, conclusions, and recommendations will help the Mission and the implementing partner (IP) identify any potential corrective actions that should be taken in the remaining period of the Activity's implementation. The evaluation will also serve to underpin the design of possible follow-on Activities.

SUMMARY INFORMATION

In February 2020, USAID awarded $10.9 million to Millennium Partners Consulting, LLC to implement the E-Governance Activity during the period from April 1, 2020 till March 31, 2025. In August 2023, USAID approved a modification of the original Award, with a reduction of the total Award Amount to $10.5 million. The main modifications included elimination of sub-component 2.c (Creation of a centralized e-social register system), replacement of sub-component 3.b(1) (Social witness engagement/module) with a new one (Open data in public procurement) with the same designation, and minor alterations to the text of subcomponent 2.b (Municipal pilots). The modification eliminated beneficiaries from Republika Srpska (RS) through the components.

In USAID/BiH's 2020-2025 Country Development Cooperation Strategy (CDCS), E-Governance Activity contributes to Development Objective 1 (DO1): Accountability of Government to Citizens Strengthened, primary to Intermediate Result (IR) 1.2. Governance effectiveness in targeted areas strengthened, and secondary to IR 1.1. Impact of inclusive citizen engagement improved. The Activity details (both before and after the modification) are shown in Exhibit 1.

Exhibit 1. E-Governance Activity: Basic information

Activity Name	E-Governance Activity
Implementing Partner	Millennium Partners Consulting
Contract Number	72016820C00001
Contract Modification Number	P00006
Total Estimated Cost	$10,947,357.00
Total Estimated Cost after Modification	$10,517,722.00
Life of Activity	April 1, 2020 to March, 31, 2025 (5 years)
Active Geographic Region	Bosnia and Herzegovina

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CDCS Intermediate Result and Sub-Intermediate Result	The Activity primarily contributes to: IR 1.2. Governance effectiveness in targeted areas strengthened Sub-IR 1.2.1. Corruption in targeted areas reduced Sub-IR 1.2.2. Adoption of key reforms and implementation supported The Activity also contributes to: IR 1.1. Impact of inclusive citizen engagement improved Sub-IR 1.1.1. CSO-constituency connections enhanced

BACKGROUND

Because of its complex government structure, with two entities [Federation of BiH (FBiH) and RS], District Brcko, ten cantons in the FBiH entity, and 141 municipalities, BiH suffers from administrative inefficiency and lack of transparency. The complications caused by existing administrative arrangements have been exacerbated by escalating political polarization, which has increasingly limited collaboration between different administrative units and resulted in development of multiple, non-interoperable e-governance systems.[61] Government agencies lack technical capacity and resources to fully adopt and apply digital tools which would improve their efficiency, both in interactions with other government agencies (G2G) and in providing services to citizens (G2C) and businesses and investors (G2B). Strengthening e-governance would also curtail public officials' discretionary power and reduce corruption opportunities.[62]

Slow and disjointed adoption of e-signatures has been a key limitation to development and wider implementation of e-services to citizens and businesses. Three certification bodies have been registered at the state level: the Indirect Tax Authority; Agency for Identification Documents, Registers and Data Exchange (IDDEAA), and a private company Halcom D.D. In the RS, e-signatures can be obtained from the Ministry of Scientific and Technological Development, Higher Education and Information Society, which acts as the certification authority.[63] The BiH Public Procurement Agency operates a digital procurement platform (www.ejn.gov.ba), but it would benefit from upgrades that would enable it to serve as a centralized public procurement system for all branches of government[64] and enhance the transparency of the overall procurement process. Two entity inspectorates use digital inspections management systems and from May 2023, they started using a new system that should improve the efficiency of conducting both internal and border inspections.[65]

Citizens are broadly undecided about the quality of public services, with 46 percent of the National Survey of Citizens Perception's (NSCP) respondents declaring themselves satisfied with local governments' administrative services and only about one-third believe that governments adequately communicate about public spending and about prioritizing citizens' needs when making important decisions. As many as 42 percent of respondents are convinced that local public officials are corrupt.[66] According to Transparency International's (TI) Corruption Perception Index (CPI), in 2022 BiH's CPI

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[61] USAID Monitoring and Evaluation Support Activity (MEASURE II), BiH Digital Ecosystem Country Assessment (DECA), January 2023, p. 35, available at: https://measurebih.com/uimages/USAID-BiH-DECA-final.pdf
[62] USAID E-Governance 2021 Annual Report, p. 6
[63] USAID Monitoring and Evaluation Support Activity (MEASURE II), BiH DECA, January 2023, p. 2, available at: https://measurebih.com/uimages/USAID-BiH-DECA-final.pdf
[64] USAID Monitoring and Evaluation Support Activity (MEASURE II), BiH DECA, January 2023, p. 45, available at: https://measurebih.com/uimages/USAID-BiH-DECA-final.pdf
[65] Federation Authority for Inspection Affairs (2023), available at: https://fuzip.gov.ba/pocetak-rada-novog-sistema-za-prekogranicnu-kontrolu-roba-u-fbih/
[66] USAID Monitoring and Evaluation Support Activity (MEASURE II), 2022 National Survey of Citizens' Perceptions (NSCP), available at: https://measurebih.com/uimages/2022-NSCP-BiH-Report.pdf

score dropped to 34 (out of 100) and the country is ranked 110th out of 180 countries covered by the Index.[67]

E-GOVERNANCE ACTIVITY AND THEORY OF CHANGE

The purpose of the E-Governance Activity in BiH is to support initiatives to increase transparency and decrease corruption in targeted government-led processes, which include interactions between public officials and potential investors, local businesses, and citizens. The Activity design envisions assisting the country to harmonize its legislative and regulatory e-governance framework with European Union (EU) directives and international best practices, development of new software solutions for targeted government-led processes as well as strengthening horizontal and vertical interoperability among different levels of government in BiH. The Activity's interventions will also aim to improve the efficiency of government services to businesses and citizens, while selected civil society organizations (CSOs) will receive training and tools to act as external monitors in public procurement.

E-Governance Activity aims to reach its purpose through components organized under four activity tasks:

1. Assistance to local authorities to adopt relevant standards and the appropriate IT infrastructure recommendations (no equipment) for country-wide certification of documents through digital stamp and signature.
2. Automating processes that will have an immediate, positive impact on BIH's citizens and businesses by reducing corruption and improving efficiency of administration in selected Government to Government (G2G), Government to Business (G2B) and Government to Company (G2C) services.
3. Assistance for the Public Procurement Agency (PPA) for increased transparency, risk mitigation and enhanced scrutiny in processes related to public procurements/tenders.
4. Assistance to selected CSOs for increased public participation in government-led processes in coordination with the PPA.

E-GOVERNANCE ACTIVITY MONITORING, EVALUATION, AND LEARNING PLAN

E-Governance Activity is tracking 28 indicators to measure progress in meeting Annual and Life of Activity (LoA) targets. Through the initial review of the E-Governance Activity Contract, MEL Plan, and Annual Reports (ARs), several inconsistencies were spotted and highlighted in the table (through footnotes). At the same time, MEASURE II has been informed that E-Governance Activity is in the process of updating its MEL plan after the recent contract modification. The table below presents indicators, baseline, targets, and actuals in the format provided by the Activity in its FY 2022 AR (please see Exhibit 2). These inconsistencies will be the subject of further research during the evaluation and as the FY 2023 AR becomes available.

Exhibit 2. Activity Indicators, with relevant Baseline values, Targets, and Actuals as reported in the E-Governance Activity FY 2022 AR

	Narrative Summary	Indicators	Baseline FY 2020	Targets (actuals)			LoA Targets
				FY 2021	FY 2022	FY 2023	
Activity Goal	Governance effectiveness in targeted areas strengthened	AG-1 United Nations (UN) E-Government Development Index Value	0.64	n/a (n/a)	0.65 (0.63)	n/a	0.67
Activity	Initiatives supported to increase transparency	AP-1 Percentage of surveyed citizens satisfied with the	11.11%	n/a (11.11%	n/a (n/a)	+11.11 pp	55.55%[69]

[67] TI-BiH, January 31, 2023, available at: https://ti-bih.org/bosnia-and-herzegovina-worst-in-the-region-according-to-the-corruption-perception-index-bih-completely-devasted-by-corruption-the-situation-is-getting-worse/?lang=en

[69] Cumulative target is 50% in the FY 2021 AR

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	Narrative Summary	Indicators	Baseline FY 2020	Targets (actuals)			LoA Targets
				FY 2021	FY 2022	FY 2023	
Purpose	and decrease corruption in government-led processes targeted by the Activity	construction permitting delivery (direct users)[68]	Num: 1 Denom: 9 M 0% W 33.3%	Num: 1 Denom: 9 M 0% W 33.3%)		22.22% Num: 2 Denom: 9	M 55.55% W 55.55%
		AP-2 Percentage of surveyed CSO's representatives satisfied with transparency of social registers	45.45% Num: 5 Denom: 11 M 33% W 50%	n/a (45.45% Num: 5 Denom: 11 M 33% W 50%)	n/a (n/a)	+4.55 pp 50% Num: 6 Denom: 12	66.67%[70] M: 66.67% W: 66.67%
		AP-3 Percentage of surveyed import/export processing companies that recognize - improvements in efficiency of border inspection operations services	62.50% Num: 5 Denom: 8	n/a (62.50% Num: 5 Denom: 8)	n/a (n/a)	+ 7.5 pp 70% Num: 7 Denom: 10	80%[71] Num: 8 Denom:10
		AP-4 Percentage of surveyed businesses satisfied with the construction permitting delivery (direct users)	62.50% Num: 5 Denom: 8	n/a (62.50% Num: 5 Denom: 8)	n/a (n/a)	+ 7.5 pp 70% Num: 7 Denom: 10	80%[72] Num: 8 Denom: 10
		AP-5 Overall Score on E-Governance Activity Monitoring Tool (Scorecards)	59.06 pts	59.06 pts	n/a (n/a)	+9.94 pts	78 pts
		CBLD-9 Percent of E-Governance Activity assisted organizations with improved performance	0% Num: 0 Denom: 0	0% (3.22%; Num: 1 Denom: 31)	0% (6.45%; Num: 2 Denom: 31)	22.50% Num: 7 Denom: 31	58% Num: 18 Denom: 31
		DR.2.4-1 Number of government officials receiving E-Governance Activity supported anti-corruption training	0 M 0 W 0	0; M 0 W 0 (168; M 91 W 77)	0; M 0 W 0 (134; M 60 W 74)	100; M 50 W 50	150; M 75 W 75
		STIR-10 Number of innovations supported through E-Governance Activity assistance	0	0 (0)	0 (0)	2	11
		STIR-14 Number of investments in the digital ecosystem by E-Governance Activity	0	0 (0)	1 (0)	1	5
Activity Sub-Purpose 1 (C1)	Local authorities assisted in adopting relevant standards and the appropriate IT	A.1-1 Number of government institutions that are interoperable and able to exchange data supported by E-Governance Activity	0	0 (0)	2 (0)	4	10

[68] Baselines, targets for FY 2023, FY 2025 and cumulative targets were "TBD" in AP-1 through AP-5 in MEL plan.
[70] Cumulative target is 65% in the FY 2021 AR
[71] Cumulative target is 70% in the FY 2021 AR
[72] Cumulative target is 72.50% in the FY 2021 AR

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	Narrative Summary	Indicators	Baseline FY 2020	Targets (actuals)			LoA Targets
				FY 2021	FY 2022	FY 2023	
	infrastructure recommendations (no equipment) for country-wide certification of documents through digital stamp and signature	A.1-2 Number of institutions that adopted EU standards and procedures as mandated in the relevant EU Directives	0	1 (1)	1 (1)	0	2
Activity Outcome/ Output 1.1	Analytical update of the state of legislative framework relevant for e-signature Produced	A.1.1 Number of analytical updates produced on legislative, institutional, and technological framework relevant to the e-signature	0	3 (3)	0 (14)	0	3
Activity Outcome/ Output 1.2	Drafted regulations/ procedures regarding more harmonized e-signature-related legislation	A.1.2 Number of drafted regulations/procedures or amendments for harmonized e-signature framework	0	0 (0)	0 (4)	2	6
Activity Outcome/ Output 1.3	Improved technical capacity in the appropriate ministries, agencies, and other relevant governmental institutions relevant for the facilitation of the e-signature platform						
Activity Outcome/ Output 1.4	Improved horizontal and vertical interoperability						
Activity Outcome/ Output 1.5	EU standards and procedures as mandated in the relevant EU Directives adopted by at least two BiH institutions (State or entity level)						
Activity Sub-Purpose 2	Processes that will have an immediate, positive impact on BiH's citizens and businesses by reducing corruption and improving efficiency of administration in selected G2G, G2B, and G2C services automated	A.2-1 Number of audits of businesses conducted using risk-based audit methodology/ approach by RS and FBiH inspections	0	0 (0)	0 (0)	100	2600
		A.2-2 Average time of municipal the life of the Activity construction permitting from application to issue in pilot municipalities	320.69 days Prijedor: 778.38 days Teslić: 214.94 days Tešanj: 132.76 days[73]	320 days (412.40 days; Prijedor: 655.15 days Teslić: 389.56 days Tešanj: 274.43 days	300 days	260 days	180 days

[73] Baseline, targets for FY 2022, FY 2023, and cumulative target are "TBD" in the MEL plan.

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	Narrative Summary	Indicators	Baseline FY 2020	Targets (actuals)			LoA Targets
				FY 2021	FY 2022	FY 2023	
				Centar Sarajevo 488.56 days)			
Activity Outcome/ Output 2.1	Analysis produced recommending the most viable IT solution for IMS system in RS and FBiH; procured and installed compatible equipment in both entities	A.2.1 Number of analysis produced necessary for recommendation/implementation of the most viable IT solution for IMS system in RS and FBiH	0	3 (2)	0 (2)	0	3
Activity Outcome/ Output 2.2	All inspection services in the RS and FBiH included in a real-time IMS inspection system; independent entity IT systems integrated to enable data exchange	A.2.2 Number of inspection services included in a real-time inspection system implemented in entity inspections	0	0 (0)	0 (0)	12	12
Activity Outcome/ Output 2.3	Reduced time and cost associated with inspections; improved transparency in inspections measured by perception of the businesses	A.2.3 Percentage of businesses that believe that inspection processes are transparent	37.50% Num: 3 Denom: 8[74]	n/a (37.50% Num: 3 Denom: 8)	n/a (n/a)	+5pp; 42.5%	50.00%
Activity Outcome/ Output 2.4	Risk-based audit methodology/approach for the businesses fully implemented in the RS and FBiH inspections	2.4 Number of municipalities where enterprise system for e-construction permitting has been fully implemented by the E-Governance Activity	0	0 (0)	0 (0)	2	5
Activity Outcome/ Output 2.5	Enterprise system for e-construction permitting fully implemented in 3–5 selected municipalities in FBiH and RS	A.2.5 Number of created e-social integrated registers of social benefits and beneficiaries in BiH.	0	0 (0)	0 (0)	0	2
Activity Outcome/ Output 2.6	Time and cost associated with e-construction permitting reduced						
Activity Outcome/ Output 2.7	Created e-social integrated registers of social benefits and beneficiaries for the RS and FBiH						
Activity Outcome/ Output 2.8	Reduction in number of beneficiaries and reduction of public expenditures related to the social benefits						
Activity Sub-Purpose 3	PPA assisted in achieving increased transparency, risk mitigation, and enhanced scrutiny in processes related to public procurements/ tenders	A.3-1 Percentage of savings achieved in cantons that apply improved and centralized procurement practices through centralized IT procurement system	0	n/a (n/a)	n/a (n/a)	n/a	5%

[74] Baseline, target for FY 2023, and cumulative target are "TBD" in the MEL plan.

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	Narrative Summary	Indicators	Baseline FY 2020	Targets (actuals)			LoA Targets
				FY 2021	FY 2022	FY 2023	
Activity Outcome/ Output 3.1	Improved and centralized procurement practices in four Cantons through four centralized IT procurement system	A.3.1 Number of cantons that apply improved and centralized procurement practices through centralized IT procurement system	0	0 (0)	0 (0)	1	4
Activity Outcome/ Output 3.2	Savings achieved through centralized procurements expressed as a percentage of total procurement value year-to-year	A.3.2 Number of social witnesses registered in the Social Witness Database	0	0 (0)	0 (0)	0	10
Activity Outcome/ Output 3.3	(a) Social Witness Database developed and deployed; (b) Social witness organizations participating in procurement processes	A.3.3 Number of past performance reports generated in a CPARS database	0	0 (0)	0 (0)	0	300
Activity Outcome/ Output 3.4	(a) CPARS database developed and deployed; (b) CPARS populated with data and reports about past performance generated after the deployment of the database						
Activity Outcome/ Output 3.5	Increased technical capacity and knowledge of the PPA staffers						
Activity Sub-Purpose 4	Public participation through CSOs in government-led processes increased	A.4-1 Number of reports and other means of information produced by CSOs targeting wider public on the anti-corruption issues tackled by the E-Governance Activity	0	0 (0)	0 (0)	2	15
Activity Outcome/ Output 4.1	Selected CSOs fully trained to analyze and interpret data generated by BiH government institutions that are the beneficiaries of the E-Governance Activity	A.4.1 Number of people affiliated with non-governmental organizations trained by E-Governance Activity to analyze and interpret data generated by BiH government institutions	0; M: 0 W: 0	0 M: 0 W: 0 (39; M: 16 W: 23)	14 M: 7 W: 7 (30; M: 12 W: 18)	20 M: 10 W: 10	64 M: 32 W: 32
Activity Outcome/Output 4.2	Integrated approach to information dissemination by E-Governance Activity developed systems that includes active participation of CSOs	DR.2.4-2 Number of mechanisms for external oversight of public resource use supported by E-Governance Activity	0	0 (0)	0 (0)	0	2
Activity Outcome/Output 4.3	Increased number of reports and other means of information targeting wider public on the anticorruption issues tackled by the E-Governance Activity						
Activity	Improved technical capacity of staffers in the						

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	Narrative Summary	Indicators	Baseline FY 2020	Targets (actuals)			LoA Targets
				FY 2021	FY 2022	FY 2023	
Outcome/Output 4.4	PPA and in other governmental institutions on different topics relevant to the E-Governance Activity's context						

EVALUATION QUESTIONS

The evaluation team will answer the following evaluation questions and sub-questions:

EQ1. How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

EQ1A. To what extent and in what specific ways has the implementation of E-Governance enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

EQ2. What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

EQ3. What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

EVALUATION DESIGN AND METHODOLOGY

In assessing the efficiency of interventions and activities, the evaluation team (ET) will apply the mixed-method approach based on the data from the sources listed below, which will be combined through data triangulation to produce rigorous analysis:

1. **Activity documents,** including but not limited to: the Activity Award and related modification; MEL plan; work plans; annual and quarterly progress reports; Activity reports; deliverables (draft (by)-laws, analysis, training plans, manuals) and any other documents produced by the Activity, and lists of experts, trainers, and beneficiaries involved in the implementation of E-Governance Activity.

2. **Secondary documentation,** including but not limited to official documents and reports of national decision-making and oversight institutions, such as governments and parliaments; official reports of IT sector institutions and other relevant international/donor institutions/organizations; official administrative data gathered through E-Governance Activity developed digitalized solutions or websites; relevant EU documents and reports; the BiH E-Governance and E-Administration Assessments; reports, studies, and documents produced by other government bodies, international organizations, private, and civil society organizations (CSOs) involved in e-governance that are relevant to E-Governance Activity interventions.

3. **Key informant interviews (KIIs)** with USAID/BiH and E-Governance Activity IP and subcontractors, E-Governance Activity beneficiaries and partners, relevant government agencies and institutions, international donors and representatives of international organizations active in the e-governance sector, and independent IT sector experts. The full list of key informants will be presented in the Evaluation Work Plan and subject to USAID/BiH approval.

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4. **Focus groups with cantons, municipalities, and cantonal/federal inspections** to receive more information on the possibilities of development and scaling of developed e-construction permitting, public procurement, and inspections system**.** The full list of focus group participants will be presented in the Evaluation Work Plan and subject to USAID/BiH approval.

5. **(Optional) online surveys** with relevant government institutions on developing and scaling the E-Governance Activity developed solutions (e-construction permitting, public procurement, inspections).

6. **Observation of E-Governance Activity organized events** will provide the evaluation team with direct insights into participants/beneficiaries' willingness and capacity to absorb E-Governance Activity's TA, relevance of events' topics for participants/beneficiaries, and's ability to identify and meet the TA needs of its participants/beneficiaries. Evaluation team members will attend and observe organized events that take place during the evaluation implementation period.

For data collection, the ET will apply the mixed-method approach. The data collection process will include a desk review of the Activity and secondary documentation, KIIs and FGDs with identified relevant interlocutors, online surveys, and observation of E-Governance Activity-organized events. Data from all sources will be reviewed and coded. The evaluation matrix listing the data sources for each evaluation question is shown below (Exhibit 3). The team will apply triangulation to crosscheck findings from all sources and review any identified discrepancies.

EXHIBIT 3. EVALUATION MATRIX

EVALUATION QUESTION (EQ)	DATA SOURCES/ DATA COLLECTION METHODS
EQ1. How has E-Governance Activity managed, implemented, monitored, and coordinated its interventions, with a focus on the software development component (e-construction permitting, public procurement, inspections)?	Activity and secondary documents, KIIs with relevant beneficiaries/ stakeholders, and notes from observation of E-Governance Activity-organized events.
EQ1a: To what extent and in what specific ways the implementation of E-Governance Activity has enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?	Activity and secondary documents, KIIs with relevant beneficiaries/ stakeholders, and notes from observation of E-Governance Activity-organized events.
EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?	Activity and secondary documents, KIIs and FGs with relevant beneficiaries/stakeholders, official administrative data, review of relevant websites, and notes from observation of E-Governance Activity-organized training events.
EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?	Activity and secondary documents, KIIs and FGs with relevant beneficiaries/stakeholders, online survey and notes from observation of E-Governance Activity-organized training events.

EVALUATION LIMITATIONS

The ET has identified several potential limitations that may affect its work. These limitations and core approaches intended to address them are detailed below:

- **Recall bias.** Remembering the interventions may prove to be difficult for some E-Governance Activity beneficiaries/stakeholders who had been involved in the early stages of the Activity's development/implementation two or three years ago. The ET members will review all Activity documents and prepare themselves for the interviews, identify KIs who had intensive or repeated exposure to E-Governance Activity's TA, and remind KIIs of relevant interventions.

- **Response bias**. KIs involved in implementation may have overoptimistic perceptions of the outcomes of E-Governance Activity's interventions with which they are familiar. The ET will seek to mitigate this bias by crosschecking such inputs with information obtained from TA recipients or other stakeholders, from secondary documentation and from other sources to buttress the reliability of the findings.

- **Interview bias.** To mitigate the chance that interviewers' attitudes and reactions unintentionally influence KIs' responses, the interviewers will be instructed and make every effort to ask questions in a non-leading way and avoid any potentially leading questions.

DELIVERABLES AND REPORTING REQUIREMENTS

All deliverables will be submitted electronically and in English. The deliverables will include:

1. **Detailed evaluation work plan and data collection instrument(s)**
   The evaluation work plan will include: (1) a detailed evaluation design matrix (including the key questions, data sources, data collection methods, and the data analysis plan for each question); (2) draft data collection instruments (KII and FGD guides) (3) a list of potential interviewees and FG participants (without personal information); (4) identified limitations to the evaluation design; (5) the anticipated schedule and logistical arrangements; and (6) a list of the ET members, with proposed roles and responsibilities.

2. **Presentation of preliminary findings/Briefing for the Mission**

This presentation will inform the Mission about the ET's preliminary findings and recommendations.

3. **Draft evaluation report**

The draft evaluation report will be consistent with the USAID Evaluation Report Requirements: ADS REFERENCE 201MAH[75] and USAID's evaluation policy[76], and take into account the criteria to ensure the quality of the evaluation report specified in ADS REFERENCE 201MAA[77], and ADS Chapter 201—Operational Policy for the Program Cycle[78].

4. **Final evaluation report**

No later than ten days after USAID's comments on the initial draft evaluation report are received, the ET will address the comments and submit a revised final report. The final report will be up to 30 pages long, excluding annexes.

5. **Evaluation follow-up workshop**

Following the Mission's approval of the final report, MEASURE II will organize a follow-up workshop to discuss the utilization of evaluation findings and conclusions, as well as the application of recommendations to ongoing and/or future USAID/BiH development programming. The workshop will strengthen the use of evidence and facilitate improved collaborating, learning, and adapting (CLA) practices for USAID/BiH.

[75] https://www.usaid.gov/sites/default/files/documents/1868/201mah.pdf and https://www.usaid.gov/ads/policy/200/201mah
[76] https://www.usaid.gov/sites/default/files/2022-05/Evaluation_Policy_Update_OCT2020_Final.pdf
[77] https://www.usaid.gov/about-us/agency-policy/series-200/references-chapter/201maa
[78] https://www.usaid.gov/sites/default/files/2023-05/201_1.pdf

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The overview of the tentative evaluation timeline is provided in Exhibit 4.

EXHIBIT 4. TENTATIVE EVALUATION TIMELINE	
TENTATIVE DATES	TASKS AND DELIVERABLES
Start date to be agreed with the Mission (START DATE)	
START DATE - START DATE + 2 weeks	Submit draft evaluation work plan to USAID/BiH
START DATE + 2 weeks - START DATE + 3 Week	Logistical preparation, scheduling KI interviews, online survey preparation, piloting data collection instruments
START DATE + 3 Weeks – START DATE + 8 Weeks	Literature rview Data collection through KIIs and online survey Interview transcription
START DATE + 8 weeks - START DATE + 11 weeks	Data analysis Preparing Finding, Conclusion, Recommendation (FCR) Matrix Presentation to USAID/BiH to discuss the preliminary findings and recommendations
START DATE + 11 weeks – START DATE + 16 weeks	Report drafting Submit Draft Evaluation Report to USAID
TBD	USAID to send comments on the draft report
Up to 10 working days upon receiving comments	Submit Final Evaluation Report to USAID
TBD	Evaluation Follow-Up Workshop

TENTATIVE TEAM COMPOSITION AND KEY QUALIFICATIONS

The ET is expected to include five members. The Team Co-Leads and team members will coordinate all tasks. The tentative key staff and their qualifications are listed in Exhibit 5. Additional MEASURE II staff research analysts will also support this evaluation as team members.

EXHIBIT 5. KEY TEAM MEMBERS AND THEIR QUALIFICATIONS	
POSITION	KEY QUALIFICATIONS
Team Lead (MEASURE II staff member)	Project management skills; expertise in evaluation methodologies and USAID's evaluation requirements; conversance with the E-Governance Activity.
Team member – e-governance expert (Local Consultant)	IT subject matter expertise, experience and current in-depth knowledge of past and ongoing activities and reforms in the BiH e-governance sector.
Team members – evaluation specialists (MEASURE II senior/research analysts)	High-level of technical expertise in research and ability to adapt and apply rigorous methodologies to evaluation research.

The ET will also be in a position to call on:

- The Home Office (HO) and Field Office (FO) for support in reviewing evaluation deliverables and conducting general oversight of the evaluation process

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- MEASURE II's CLA experts, who will contribute to the application of CLA principles throughout the evaluation process
- An Office Manager, who will provide logistical support to contracting, payments, and fieldwork.

The team composition and level of effort will be finalized in the Evaluation Work Plan.

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ANNEX II: ADDITIONAL INFORMATION ON METHODOLOGY

The ET used a mixed-methods approach and relied on qualitative and quantitative data to address the EQs. The data collection methods included document review (Activity and secondary documentation), KIIs, FGDs, observation of E-Government events, and online surveys.

The ET employed a mixed-method data collection approach and triangulated data to assess the efficiency of E-Governance interventions and activities and the obstacles to optimizing and scaling the Activity's developed software solutions. The team conducted a document review from the launch of the evaluation in parallel with conducting KIIs and holding FGDs. Online surveys were implemented in the final stages of data collection. The ET attended two events organized by E-Governance. The evaluation matrix was developed to establish the links between EQs and the data collected. The key methods are explained below in more detail.

The desk review of the Activity documentation included relevant parts of the Activity Award; E-Governance MEL Plan; work plans; annual and quarterly progress reports; Activity reports; documents (i.e., drafts of laws and by-laws, analyses, manuals) produced by the Activity, lists of participants, trainers, experts, and other stakeholders that participated in the implementation of E-Governance. MEASURE II also reviewed the secondary documentation relevant to the BiH e-governance sector and E-Governance interventions, including official documents and reports of domestic institutions; official reports of IT sector institutions and other relevant international/donor institutions/organizations; BiH e-governance and e-administration assessments; USAID's Digital Ecosystem Country Assessment (DECA); USAID's National Survey of Citizens' Perceptions in BiH (NSCP-BiH), reports, studies, and documents produced by other government bodies, international organizations, private, and CSOs involved in e-governance. The full list of documents reviewed by the ET are presented in the Annex III.

The KIIs were conducted using a semi-structured approach. These include interviews with USAID; IP and its sub-contractors; the FBiH Ministry of Justice, the FBIH Administration for Inspection Affairs; the FBiH Ministry of Spatial Planning; The Ministry of City Planning, Traffic and Communication and Environmental of Zenica-Doboj Canton; the BiH Public Procurement Agency; the Office for Joint Affairs of Cantonal Bodies of Tuzla Canton; municipalities of Tešanj and Centar/Sarajevo; a freight forwarding company; CSOs; independent experts active in the e-governance sector; representatives of government sectors which implemented substantial amount of IT systems in their daily operations (i.e., BiH judiciary, BIH registry of fines, FBiH Tax Authority, Sarajevo Canton health system) as well as other international stakeholders in the e-governance sector: the Delegation of the EU in BiH, UNDP, International Finance Corporation, and WBG. The full list of key informants is available in Annex IV.

All KIs were offered the option of an interview in person or online, by means of a suitable Internet communication platform, in accordance with their preferences. The interview guides are provided in Annex V.

The ET conducted five FGDs as follows: with the federal inspectorates, with pilot cantons involved in the e-CPP; and three FGDs with cantonal inspectorates, cantons, and LGUs not implementing E-Governance software solutions. Draft FGD guides are provided in Annex V. The total number of individuals reached through interviews and FGDs is available in Exhibit 3.

Exhibit 3 - Number of Individuals Reached Through Interviews and Focus Groups

USAID/ BiH	Implementing partners	Beneficiaries	Partners	Non-beneficiaries	International organizations	All
3	14	27	11	28	6	**89**

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The ET designed and administered two online surveys to LGUs in the FBiH and to federal inspectors to support the findings identified through documentation review. The online survey of LGUs was sent to 79 LGUs via email at the beginning of March, followed by one reminder e-mail six days later. The ET received 38 responses, for a response rate of 48 percent. Exhibit 4 shows population and degree of development of the LGUs that answered the survey. The online survey of inspectors was also sent at the beginning of March to FUZIP with a request that the survey be forwarded to the inspectors. The ET received 70 responses.

Exhibit 4 – Structure of LGU respondent group (population, degree of development)

Population of LGU		Degree of LGU development	
Below 20,000 inhabitants	46%	Extremely underdeveloped	6%
From 20,000 to 39,999 inhabitants	31%	Undeveloped	14%
From 40,000 to 59,999 inhabitants	9%	Medium developed	37%
From 60,000 to 79,999 inhabitants	11%	Developed	43%
Od 80,000 – 99,999 inhabitants	0%	Highly developed	0%
Over 100,000 inhabitants	3%		

Participants provided explicit consent for each data collection method (KIIs, FGDs, and online surveys). The ET anonymized any personally identifiable information in the process of analysis and report drafting.

The main limitations of the evaluation include the possibility of recall bias, response bias, and interview bias. These limitations are detailed below:

- **Recall bias.** To mitigate the recall bias, the ET members reviewed all Activity documents in preparation for the interviews, identified KIs who had continuous or repeated exposure to E-Governance's TA, and summarized the relevant interventions to help KIs remember their related experiences and impressions.
- **Response bias.** To account for response bias, the ET compared implementers' inputs with information obtained from beneficiaries/stakeholders, from secondary data, and from other sources to validate the credibility of the findings.
- **Interview bias.** Although the interviewers asked non-leading questions, their behavior and reactions may have led KIs to respond in a certain way. The ET made sure that respondents understood that their true opinions were highly appreciated and that their responses were confidential.

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ANNEX III: LIST OF ACTIVITY AND SECONDARY DOCUMENTATION REVIEWED

1. FBiH Law on Administrative Procedure ("FBiH Official Gazette", no. 2/1998, 48/1999, and 61/2022)
2. BiH Law on E-Signature („Official Gazette of BiH", no. 91/06)
3. BiH Law on Electronic Document („Official Gazette of BiH", no. 58/14)
4. Law on Spatial Planning and Construction of the Zenica-Doboj Canton ("Official Gazette of the Zenica-Doboj Canton", no. 1/14 and 4/16)
5. Law on Spatial Planning and Land Use at the level of the FBiH ("FBiH Official Gazette", no. 2/06, 72/07, 32/08, 4/10, 13/10, 45/10, 85/21, and 92/21)
6. The Law on Spatial Planning of the Sarajevo Canton ("Official Gazette of the Sarajevo Canton ", no. 24/17 and 1/18)
7. Law on Spatial Planning and Construction of Una-Sana Canton („Official Gazette of Una-Sana Canton", no: 12/13, 3/16, 15/20, 10/22, 23/23, 7/24 and 13/24)
8. Draft Rulebook on Joint Procurement, Centralized Procurement, and the Central Purchasing Body
9. Draft FBiH Rulebook on the Single Administrative Point
10. Draft Amendments to the Rulebook on Operations and Management of Public Offices in the Federation of Bosnia and Herzegovina ("FBiH Official Gazette", no. 96/19 and 91/23)
11. E-Governance Monitoring, Evaluation, and Learning Plan
12. E-Governance Award and its modifications
13. E-Governance Work Plan Year 1
14. E-Governance Work Plan Year 2
15. E-Governance Work Plan Year 3
16. E-Governance Work Plan Year 4
17. E-Governance Annual Report Year 1
18. E-Governance Annual Report Year 2
19. E-Governance Annual Report Year 3
20. E-Governance Year 1 Quarter 1 (April 1, 2020 – June 30, 2020) Quarterly Report
21. E-Governance Year 1 Quarter 2 (July 1, 2020 – September 30, 2020) Quarterly Report
22. E-Governance Year 1 Quarter 3 (October 1, 2020 – December 31, 2020) Quarterly Report
23. E-Governance Year 1 Quarter 4 (January 1, 2021 – March 31, 2021) Quarterly Report
24. E-Governance Year 2 Quarter 1 (April 1, 2021 – June 30, 2021) Quarterly Report
25. E-Governance Year 2 Quarter 2 (July 1, 2021 – September 30, 2021) Quarterly Report
26. E-Governance Year 2 Quarter 3 (October 1, 2021 – December 31, 2021) Quarterly Report
27. E-Governance Year 2 Quarter 4 (January 1, 2022 – March 31, 2022) Quarterly Report
28. E-Governance Year 3 Quarter 1 (April 1, 2022 – June 30, 2022) Quarterly Report
29. E-Governance Year 3 Quarter 2 (July 1, 2022 – September 30, 2022) Quarterly Report
30. E-Governance Year 3 Quarter 3 (October 1, 2022 – December 31, 2022) Quarterly Report
31. E-Governance Year 3 Quarter 4 (January 1, 2023 – March 31, 2023) Quarterly Report
32. E-Governance Year 4 Quarter 1 (April 1, 2023 – June 30, 2023) Quarterly Report
33. E-Governance Year 4 Quarter 2 (July 1, 2023 – September 30, 2023) Quarterly Report
34. Request for Proposals for new Inspection IMS and Upgrade of BIMS for FUZIP
35. Request for Proposals for new E-Construction Permits Management System
36. Request for Proposals for new Centralized Public Procurement Information System and Upgrade of E-Procurement Portal

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ANNEX IV: LIST OF KEY INFORMANTS

STAKEHOLDER GROUP	INSTITUTION/ORGANIZATION/COMPANY	NUMBER OF PARTICIPANTS
E-Governance IP	Millennium Partners Consulting, LLC	10
Subcontractor 1	NextSense	2
Subcontractor 2	Čikom	1
Subcontractor 3	APP Impact	1
State-level institution	PPA	2
State-level institution	IDDEEA	2
State-level institution	ITA	1
State-level institution	HJPC	2
Entity-level institution	FBiH Inspections Authority	4
Entity-level institution	FBiH Ministry of Spatial Planning	4
Entity-level institution	FBiH Ministry of Justice	3
Entity-level institution	FBiH Tax Authority	1
Cantonal Institution	Zenica-Doboj Canton Ministry of Urban Planning, Transport, Communications, and Environment	2
LGU	Tešanj Municipality	6
LGU	Sarajevo Centar Municipality	2
LGU	Žepče Municipality	1
IT company	Halcom	2
IT company	MEDIT	1
Freight-forwarding company	Danfis-Šped	1
Legal firm	Almir Gagula	1
Partner CSO	CRMA	1
Partner CSO	TI	1
Expert	Edna Karadža	1
International donor	USAID	3
International donor	EU Delegation	1
International donor	World Bank Group	3
International donor	IFC	1
International donor	UNDP	1
		TOTAL KIs: 60

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ANNEX V: INTERVIEW GUIDES

Key informant interviews (KIIs)

1. USAID/BiH (Activity Contracting Officer Representative (COR), Head of EDO Office, previous Activity COR)
2. E-Governance Activity's IP and subcontractors
3. E-Governance Activity's beneficiaries (government institutions and agencies, municipalities, and CSOs)
4. International organizations and representatives of international community in BiH

Focus groups (FGDs)

5. FGD with Non-Beneficiaries

Online surveys

6. Online survey with inspectors
7. Online survey of LGUs

INFORMED CONSENT FORM FOR KIIS

Purpose: Thank you for taking the time to meet with us today. My name is (NAME). I am a researcher from MEASURE II, USAID/BiH's Monitoring and Evaluation Support Activity. MEASURE II is USAID/BiH's monitoring and evaluation platform. Our role is to assist the Mission in monitoring the implementation and effects of all their Activities in BiH by conducting different types of research, including project evaluations, sector assessments, surveys, and indices. We also help USAID's implementing partners develop their routine monitoring, evaluation, and learning plans. USAID/BiH has asked our team to conduct a mid-term performance evaluation of the E-Governance Activity. We are independent consultants with no affiliation with the organizations implementing the E-Governance Activity.
Procedures: If you agree to participate, the interview will take about one hour of your time. We will ask you about your experiences and views on the interventions conducted as part of the E-Governance Activity. Although USAID may publish the evaluation findings, all your answers will be kept confidential. Nothing you tell us will be attributed to any individual. Although we may use quotes, none of the individuals interviewed will be named in the report. We will use the data collected through the interviews to produce a report that will help USAID/BiH to improve the outcomes of the E-Governance Activity. The report will include only a composite of all of the responses received by individuals we interviewed.
Risks/Benefits: There are no significant risks to your participation in this study. You will not receive any direct benefit or compensation for participating in this study. Although this study will not benefit you personally, we hope our results will help improve future e-governance development activities in Bosnia and Herzegovina.
Recordings and Transcripts: The recording is created to produce direct transcripts of this interview to ensure that your statements are not misheard or misinterpreted. The recordings and transcripts will not be shared outside the evaluation team. They will be stored in a secure file without your personal identifiers. All details regarding data protection can be accessed by contacting the controller of this information, USAID MEASURE II, at mkulenovic@measurebih.com.
Do you have any questions at this time? (Interviewer should answer any questions)
Permission to Proceed: I understand the purpose of the interview as outlined above and understand that I can withdraw from the interview at any time and for any reason. I agree to participate in the interview (Evaluator records).
Yes No

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Permission to Record:
Yes No
Initials of evaluator to indicate receipt of verbal consent: _____
Date: _____

USAID

DO NOT READ: SQ: Starting questions

Could we start? We will kindly ask you for some short answers related to our introductory questions first.

1. (SQ1) Could you please briefly introduce yourself?

2. (SQ2) How long have you been involved in working with the E-Governance Activity, in what capacity and could you please briefly mention interactions that you had/have with the E-Governance Activity without going into details, as we will cover the details in the following questions.

3. (SQ3) Why did USAID design the E-Governance Activity and enter the e-governance sector where previously it had not interventions? What were the major objectives?

(SQ4) PROBE: What were your expectations from the software development components (e-construction/e-inspections/e-CPP)?

DO NOT READ: EQ1: How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

4. (Q1.1) From your point of view, which interventions of the E-Governance Activity were well accepted by the beneficiaries and why?

(Q1.1.1) PROBE: What are the biggest successes?

5. (Q1.2) In your view, which interventions of the E-Governance Activity were not as successful nor as willingly accepted and why?

6. (SQ5) What are the biggest challenges and contextual factors that affected the implementation of the E-Governance Activity?

(SQ6) PROBE: How did COVID-19 affected the implementation of activities?
(SQ7) PROBE: How has the withdrawal of already identified local government-level target beneficiaries from the RS affected the implementation?
(SQ8) PROBE: How could have the delays caused by the unwillingness of the RS to accept any interventions by the E-Governance Activity on the state level affected the Activity implementation?

7. (Q1.3) How would you assess the overall performance of the E-Governance Activity so far?

All right. After getting your overall impression, let us dig deeper into some "Details". To the extent you know, please answer our questions:

"Processes – As Is" - *beneficiary organizations' processes EQ1.a*

8. (Q1.a.1) Could you please describe the software development process, starting from the first contact of the E-Governance Activity with the beneficiaries?

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(Q1.a.2) PROBE: How did the process of business process mapping go?
(Q1.a.3) PROBE: Who and through which processes defined functional specifications for software development?
(Q1.a.4) PROBE: Did the beneficiaries vet these specifications in any way? If yes, what was that process?

9. (Q1.a.5) (As-Is IT Training Status) How were beneficiaries' staff's basic IT skills assessed at that stage, and was any basic IT training for the beneficiaries' staff organized?

"Processes – Re-engineering" - *managed, implemented, monitored, and coordinated and EQ2/3*

10. (Q1.4) What areas for improvements in beneficiaries' business processes were identified through the mapping exercise and please provide examples?

11. (Q1.5) Were any potential areas for business process improvement abandoned because the barriers were deemed impossible to overcome? If yes, what were those improvements and barriers?

"Selected approach for coding/implementation" - *managed, implemented, monitored, and coordinated*

12. (Q1.6) Please describe the approach to software development(coding), and what was the rationale for the selected option?

(Q1.7) PROBE: How was the subcontractor (software company) selected? What were the selection criteria? Were beneficiaries consulted in any way?
(Q1.8) PROBE: Were there any challenges in the subcontractor selection process and if yes, what were those challenges?
(Q1.9) PROBE: Who is the owner of the software's source code and how the software modifications can be done in the future?
(Q1.10) PROBE: Does the software have a warranty and how long is the warranty period?
(Q1.10.1) PROBE: Who will pay for licenses and maintenance in the future?

13. (Q.1.11) What was the role of the E-Governance Activity staff, and what were the other participants' roles during the coding process?

(Q.1.12) PROBE: Were there any challenges in the cooperation with the selected subcontractor/ developer?
(Q.1.13) PROBE: Were the beneficiaries involved in software development, and at what stages?

"Testing" - *managed, implemented, monitored, and coordinated*

14. (Q.1.14) Who performed software testing, and how and when was it done?

(Q.1.15) PROBE: Were any problems identified during testing, and how were they addressed?
(Q.1.16) PROBE: How did the final acceptance test (FAT) look like?
(Q1.17) PROBE: Who signed/approved the software acceptance document before the "go-live"?

"Training" - *managed, implemented, monitored, and coordinated*

15. (Q.1.18) Please describe the process of end-user training for the E-Governance Activity's software solution.

(Q.1.19) PROBE: Who conducted the training, which approaches were used (i.e., online, in-person, interactive, only manuals provided, or something else), and what was the total hours of training per person provided?

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(Q.1.20) PROBE: Was a testing environment created where users could practice without fear of making errors in the real system?

16. (Q.1.21) To what extent were end-users satisfied with the training provided?

(Q.1.22) PROBE: Is there a need for additional training?
(Q.1.23) PROBE: What about the new employees? Who and how will they be trained?

"Implementation – "Go Live" stage" - *managed, implemented, monitored, and coordinated*

17. (Q.1.24) After completing the training and testing, what steps did the "go live" process involve?

(Q.1.25) PROBE: Was there a pilot stage in the implementation process? If yes, what form did the pilot stage take and what were the results?
(Q.1.26) PROBE: What type of support did the E-Governance Activity and/or the software company provide from the "go live" point?

18. (Q.1.28) Did the beneficiaries face any challenges from the moment the software was fully implemented ("go live" point)? If yes, what were those challenges, and how were they mitigated?

(Q1.29) PROBE: Do you know whether the staff from beneficiaries' organization(s) put up any 'resistance to change', and if yes, how was it manifested?
(Q1.30) PROBE: Who was in charge of the change management process, how was it managed, and how successful was the process of transitioning to the new system and work processes?

"Implementation – Data Quality" - *managed, implemented, monitored, and coordinated*

19. (Q1.32) What is the quality of the data in the beneficiaries' systems?

DO NOT READ: EQ1a: To what extent and in what specific ways has the implementation of the E-Governance Activity enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

Let us recall for a moment what were the beneficiaries' business processes at the moment of the first interaction with the E-Governance Activity—remind the KI about the answers to Q8 provided above.

20. (Q1.a.6) Could you please provide examples of the changes in the beneficiaries' business processes after introducing the new software?

(Q1.a.7) PROBE: What percentage of processes were automated?

21. (Q1.a.8) How do you assess these changes?

(Q1.a.9) PROBE: Have these changes resulted in improvements, have they been detrimental in any way or has the overall result been unclear?
(Q1.a.10) PROBE: Have all original requirements communicated at the process mapping stage been addressed?
(Q1.a.11) PROBE: In what ways, if at all, these changes increased transparency of the beneficiaries' processes?

22. (Q1.a.12) In what areas is there potential for future improvements?

Let us recall some of the technical challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

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Could we now talk about the future:

DO NOT READ: EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

23. (Q2.1) Which challenges with the availability of hardware (i.e., workstations, servers, networks) were identified during the implementation process, and what is missing now or needs upgrading?

24. (Q2.2) Which challenges in terms of the availability of additional modules of the E-governance developed software or any other support software solutions were detected during the implementation process, and what is missing now or needs upgrading?

25. (Q2.3) Which challenges in terms of training or availability of in-house IT staff were detected during the implementation process, and what is missing now or needs upgrading?

26. (Q2.4) Which cybersecurity and data-loss/data-protection issues do the beneficiaries face or need to consider in the future?

    (Q2.5) PROBE: Do the beneficiaries have a cybersecurity assessment, and/or have they implemented an ISO 27001 certificate or any other security standard?

    (Q2.6) PROBE: Have the beneficiaries adopted a business continuity plan, established an offsite data storage, secured backup network links, implemented safety standards for server rooms, and dedicated one staff member to be in charge of cybersecurity issues?

27. (Q2.7) What financial resources/budget allocations are needed for sustainable implementation of e-government solutions, and are those currently secured? **(Ref. Q1.6—remind the KI)**

Let us recall some of the legislative/regulatory challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

28. (Q2.8) Which legislative/regulatory challenges do still impede the beneficiaries' organizations' improved performance?

29. (Q2.9) Who has the authority to address those challenges, and what is your estimate about willingness to tackle those issues in the near future?

30. (Q2.10) Are you aware of any other sector or branch of government in BiH (e.g., the judiciary, healthcare, register of fines, taxes) where some of these challenges were successfully overcome and how?

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

As you now have all the experience gained through your implementation, could we speak about what will new institutions desiring to implement the software solution face and what proactive steps to take to avoid challenges you encountered during your implementation:

31. (Q3.1) Who do you recognize as a potential next institution that would benefit the most from implementation of these software solutions?

32. (Q3.2) Which challenges (legal amendments or any other formal, organizational or procedural obstacles) need to be addressed before the (IT solution) implementation in other institutions?

33. (Q3.3) Does the software need any modifications before the implementation in the new institutions and what would be the extent of such modifications?

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34. *(Q3.4)* Which are the lessons learnt in the beneficiaries' implementation process that could be useful for (improving) implementation at potential other locations?

DO NOT READ: CQ: Closing questions

35. (CQ1) Are there any other donors active in this sector, and if yes, which ones, on what areas/issues do they focus, and is there adequate donor coordination and synchronization?

36. (CQ3) Is there anything else you wish to add about these topics which we have not covered?

37. (CQ4) Do you have any question for the evaluation team?

Thank you very much for the time dedicated to this conversation and valuable information provided.

IMPLEMENTING PARTNER

DO NOT READ: SQ: STARTING QUESTIONS

1. (SQ1) Could you please briefly introduce yourself?

DO NOT READ: EQ1: How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

2. (Q1.1) Which activities would you assess as well accepted by the beneficiaries and what were the reasons for the success of those interventions?

3. (Q1.2) In your view, which interventions were not as successful nor as willingly accepted and why?

4. (SQ5) What are the biggest challenges and contextual factors that affected the implementation of your activities?

   (SQ6) PROBE: How did COVID-19 affected the implementation of activities?
   (SQ7) PROBE: How has the withdrawal of already identified local government-level target beneficiaries from the RS affected the implementation and what steps were taken to persuade them to remain involved with the E-Governance Activity?
   (SQ8) PROBE: How could have the delays caused by the unwillingness of the RS to accept any interventions by the E-Governance Activity on the state level been avoided/mitigated?

Let's talk about each of the 3 e-systems in more detail. (e-construction, e-inspections, and e-procurement)

"Processes – As Is" - EQ1.a

5. (Q1a.1) Could you please describe the development process of software solutions related to e-construction, e-inspections, and e-procurement from you first contact with the beneficiaries? ***Note for the interviewer: Ask about each of the 3 software systems/platforms.***

   (Q1a.2) PROBE: How did the process of business process mapping go?
   (Q1a.3) PROBE: Who and through which processes defined functional specifications for software development?

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(Q1a.4) PROBE: Did the beneficiaries vet these specifications in any way? If yes, what was that process?

6. (Q1a.5) (As-Is IT Training Status) How were beneficiaries' staff's basic IT skills assessed at that stage, and was any basic IT training for beneficiaries' staff organized?

"Processes – Re-engineering" - *managed, implemented, monitored, and coordinated and EQ2/3*

7. (Q1.4) What areas for improvements in beneficiaries' business processes were identified through the mapping exercise and please provide examples?

8. (Q1.5) Were any potential areas for business process improvement abandoned because the barriers deemed impossible to overcome? If yes, what were those improvements and barriers?

"Selected approach for coding/implementation"

9. (Q1.6) Please describe approach to software development(coding), and what was rationale for the selected option?

(Q1.7) PROBE: How were the software development contractors selected? What were the criteria? Were beneficiaries consulted in any way?

(Q1.8) PROBE: Were there any challenges in the subcontractor selection process and if yes, what were those challenges?

(Q1.9) PROBE: Who is the owner of the softwares' source code and how the software modifications can be done in the future?

(Q1.10) PROBE: Do the softwares have a warranty and how long is the warranty period?

(Q1.10.1) PROBE: Who will pay licenses and maintenance in the future?

10. (Q1.11) What was the role of the E-Governance staff, and what were the other participants' roles during the coding process?

(Q1.12) PROBE: Were there any challenges in the cooperation with the selected subcontractor/ developer?

(Q1.13) PROBE: Were the beneficiaries involved in software development, and, if yes, at what stages?

"Testing"

11. (Q1.14) Who performed software testing, and how and when was it done?

(Q1.15) PROBE: Were any problems identified during testing, and how were they addressed?

(Q1.16) PROBE: How did the final acceptance test (FAT) look like?

(Q1.17) PROBE: Who signed the software acceptance document before the "go-live"?

"Training"

12. (Q1.18) Please describe the process of end-user training for the software solutions?

(Q1.19) PROBE: Who conducted the training, which approaches were used (e.g., online, in-person, interactive, only manuals provided, or something else) and what was the total hours of training per person provided?

(Q1.20) PROBE: Was a testing environment created where users could practice without fear of making errors in the real system?

13. (Q1.21) To what extent were end-users satisfied with the training provided?

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(Q1.22) PROBE: Is there a need for additional training?

(Q1.23) PROBE: What about the new employees? Who and how will they be trained?

"Implementation – "Go Live" stage"

14. (Q1.24) After completing the training and testing, what steps did the "go live" process involve?

    (Q1.25) PROBE: Was there a pilot stage in the implementation process? If yes, what form did the pilot stage take and what were the results?

    (Q1.26) PROBE: What type of support did you and/or the software company provide from the "go live" point?

15. (Q1.28) Did beneficiaries face any challenges from the moment the software was fully implemented ("go live" point)? If yes, what were those challenges, and how were they mitigated?

    (Q1.29) PROBE: Do you know whether the staff from beneficiaries' organization(s) put up any 'resistance to change', and if yes, how was it manifested?

    (Q1.30) PROBE: Who was in charge of the change management process, how was it managed, and how successful was the process of transitioning to the new system and work processes?

"Implementation – Data Quality"

16. (Q1.32) What is the quality of the data in the beneficiaries' systems?

    (Q1.33) PROBE: Who is in charge of assuring the correctness of data entry?

    (Q1.34) PROBE: How accurate and reliable are system-generated reports?

DO NOT READ: EQ1a: To what extent and in what specific ways has the implementation of the E-Governance Activity enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

Let's recall for a moment what were the beneficiaries' business processes at the moment of the first interaction with the E-Governance Activity—remind the KI about the answers to Q5 provided above.

17. (Q1a.6) Could you please provide examples of how beneficiaries' business processes changed after introducing the new software (e-construction permitting, public procurement, inspections)?

    (Q1a.7) PROBE: What percentage of processes have been automated?

18. (Q1a.8) How do you assess these changes?

    (Q1a.9) PROBE: Have these changes resulted in improvements, have they been detrimental in any way or has the overall result been unclear?

    (Q1a.10) PROBE: Have all original requirements communicated at the process mapping stage been addressed?

    (Q1a.11) PROBE: In what ways, if at all, these changes increased transparency of your processes?

19. (Q1a.12) In what areas is there potential for future improvements?

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Could we now talk about the future:

DO NOT READ: EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

Let's recall some of the technical challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

20. (Q2.1) Which challenges with the availability of hardware (i.e., workstations, servers, networks) were identified during the implementation process, and what is missing now or needs upgrading?

21. (Q2.2) Which challenges in terms of the availability of additional modules of the E-governance developed software or any other support software solutions were detected during the implementation process, and what is missing now or needs upgrading?

22. (Q2.3) Which challenges in terms of training or availability of in-house IT staff were detected during the implementation process, and what is missing now or needs upgrading?

23. (Q2.4) Which cybersecurity and data-loss/data-protection issues do the beneficiaries face or need to consider in the future?

    (Q2.5) PROBE: Do the beneficiaries have a cybersecurity assessment, and/or have they implemented an ISO 27001 certificate or any other security standard?

    (Q2.6) PROBE: Have the beneficiaries adopted a business continuity plan, established an offsite data storage, secured backup network links, implemented safety standards for server rooms, and dedicated one staff member to be in charge of cybersecurity issues?

24. (Q2.7) What financial resources/budget allocations are needed for sustainable implementation of e-government solutions, and are those currently secured? (REF: Q1.6 – remind the KI)

Let's recall some of the legislative/regulatory challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

25. (Q2.8) Which legislative/regulatory challenges do still impede beneficiaries' organization's improved performance?

26. (Q2.9) Who has the authority to address those challenges, and what is your estimate about willingness to tackle those issues in the near future?

27. (Q2.10) Are you aware of any other sector or branch of government in BiH (e.g., the judiciary, healthcare, register of fines or taxes) where some of these challenges were successfully overcome and how?

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

As you now have all the experience gained through your implementation, could we speak about what will new institutions desiring to implement the software solution face and what proactive steps to take to avoid challenges you encountered during your implementation:

28. (Q3.1) Who do you recognize as a potential next institution that would benefit the most from implementation of these software solutions?

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29. (Q3.2) What challenges (legal amendments or any other formal, organizational, or procedural obstacles) need to be addressed before the (IT solution) implementation in other institutions?

30. (Q3.3) Does the software need any modifications before the implementation in the new institutions and what would be the extent of such modifications?

31. (Q3.4) Which are the additional lessons learned in beneficiaries' implementation process that could be useful for (improving) implementation at potential other locations?

DO NOT READ: CQ: CLOSING QUESTIONS

32. (CQ1) Are there any other donors active in this sector, and if yes, which ones, on what areas/issues do they focus, and is there adequate donor coordination and synchronization?

33. (CQ2) Is there anything else you wish to add about these topics which we have not covered?

34. (CQ3) Do you have any questions for the evaluation team?

Thank you very much for the time dedicated to this conversation and valuable information provided.

BENEFICIARIES

DO NOT READ: SQ: STARTING QUESTIONS

Could we start? We will kindly ask you for some short answers related to our introductory questions first.

1. *(SQ1)* Could you please briefly introduce yourself and the organization/institution you belong to?

2. *(SQ2)* How long have you been involved/cooperating with the E-Governance Activity?

3. *(SQ9)* Please briefly mention the forms of interactions/types of cooperation with the E-Governance Activity without going into details, as we will cover the details in the following questions.

DO NOT READ: EQ1: How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

Let's discuss your experience first at an "Overall" level, and then we will switch to details:

4. *(Q1.1)* Through your interaction/cooperation with the E-Governance, which E-Governance's activities were well accepted by the beneficiaries and what were the reasons for the success of those interventions?

5. *(Q1.2)* In your view, which E-Governance interventions were not as successful nor as willingly accepted and why?

USG Only

6. *(SQ5)* What are the biggest challenges and contextual factors that affected the implementation of E-Governance Activity?

7. *(Q1.3)* How would you assess E-Governance's overall assistance in areas you collaborated with E-Governance so far?

All right. After getting your overall impression, let's dig deeper into some "Details":

"Processes – As Is" - *beneficiary organizations' processes EQ1.a*

8. *(Q1a.1)* Could you please describe the software development process, starting from the first contact with E-Governance?

   (Q1a.2) PROBE: How did the process of business process mapping go?
   (Q1a.3) PROBE: Who and through which processes defined functional specifications for software development?
   (Q1a.4) PROBE: Did the beneficiaries vet these specifications in any way? If yes, what was that process?

9. *(Q1a.5)* (As-Is IT Training Status) How were your staff's basic IT skills assessed at that stage, and did any basic IT training for the staff in need organized?

"Processes – Re-engineering" - *managed, implemented, monitored, and coordinated and EQ2/3*

10. *(Q1.4)* What areas for improvements in your business processes were identified through the mapping exercise and please provide examples?

11. *(Q1.5)* Did you identify any areas for improvement in your business processes that were given up due to barriers you deemed impossible to overcome? If yes, what were those improvements and barriers?

"Selected approach for coding/implementation" - *managed, implemented, monitored, and coordinated*

12. *(Q1.6)* Please describe your approach to software development(coding), and what was rational for the selected option?

    (Q1.7) PROBE: How was the subcontractor (software company) selected? What were the criteria? Did anyone from your team take part in the selection process?
    (Q1.8) PROBE: Were there any challenges in the subcontractor selection process and if yes, what were those challenges?
    (Q1.9) PROBE: Who is the owner of the software's source code, and how can the software modifications be done in the future?
    (Q1.10) PROBE: Does the software have a warranty, and how long is the warranty period?
    (Q1.10.1) PROBE: Who will pay licences & maintance in the future?

13. *(Q1.11)* What was the role of the E-Governance Activity staff, and what were the other participants' roles during the coding process?

    (Q1.12) PROBE: Were there any challenges in the cooperation with the selected subcontractor/ developer?
    (Q1.13) PROBE: Were you involved in software development, and at what stages?

USG Only

"Testing" - *managed, implemented, monitored, and coordinated*

14. *(Q1.14)* Who performed software testing, and how and when was it done?

    (Q1.15) PROBE: Were any problems identified during testing, and how were they addressed?
    (Q1.16) PROBE: How did the final acceptance test (FAT) look like?
    (Q1.17) PROBE: Who signed the software acceptance document before the "go-live"?

"Training" - *managed, implemented, monitored, and coordinated*

15. *(Q1.18)* Please describe the process of end-user training for the E-Governance Activity's software solution?

    (Q1.19) PROBE: Who conducted training, which approaches were used (i.e., online, in-person, interactive, only manuals provided, or something else) and what was total hours of training per person provided?
    (Q1.20) PROBE: Was a testing environment created where users could practice without fear of making errors in the real system?

16. *(Q1.21)* To what extent were end-users satisfied with the training provided?

    (Q1.22) PROBE: Is there a need for additional training?
    (Q1.23) PROBE: What about the new employees? Who and how will they be trained?

"Implementation – "Go Live" stage" - *managed, implemented, monitored, and coordinated*

17. *(Q1.24)* After completing the training and testing, what steps did the "go live" process involve?

    (Q1.25) PROBE: Was there a pilot stage in the implementation process? If yes, what form did the pilot stage take and what were the results?
    (Q1.26) PROBE: What type of support did you have from the E-Governance Activity and/or the software company from the "go live" point?
    (Q1.27) PROBE: How would you rate the support provided?

18. *(Q1.28)* Did you face any challenges from the moment the software was fully implemented ("go live" point)? If yes, what were those challenges, and how were they mitigated?

    (Q1.29) PROBE: Did the staff put up any 'resistance to change', and if yes, how was it manifested?
    (Q1.30) PROBE: Who was in charge of the change management process, how was it managed, and how successful was the process of transitioning to the new system and work processes?
    (Q1.31) PROBE: Did anyone outside your organization put up any 'resistance to change', and if yes, how was it manifested?

"Implementation – Data Quality" - *managed, implemented, monitored, and coordinated*

19. *(Q1.32)* What is the quality of data in the system?

USG Only

(Q1.33) PROBE: Who is in charge of assuring the correctness of data entry?
(Q1.34) PROBE: How accurate and reliable are system-generated reports?

DO NOT READ: EQ1a: To what extent and in what specific ways has the implementation of the E-Governance Activity enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

Let's recall for a moment what were your business processes at the moment of the first interaction with E-Governance - remind the KI about the answers provided for Q8 (Q1a.1)

20. *(Q1a.6)* Could you please provide examples of the changes in your business processes after introducing the new software?

    (Q1a.7) PROBE: What percentage of processes were automated?

21. *(Q1a.8)* How do you assess these changes?

    (Q1a.9) PROBE: Have these changes resulted in improvements, have they been detrimental in any way, or has the overall result been unclear?
    (Q1a.10) PROBE: Have all original requirements communicated at the process mapping stage been addressed?
    (Q1a.11) PROBE: In what ways, if at all, did these changes increase the transparency of your processes?

22. *(Q1a.12)* In what areas is there potential for future improvements?

23. *(Q1a.13)* All in all, how do you assess your 'new' working environment relative to what your working environment was before the E-Governance intervention?

Let's recall some of the technical challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

Could we now talk about the future:

DO NOT READ: EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

24. *(Q2.1)* Which challenges with the availability of hardware (i.e., workstations, servers, networks) did you notice during the implementation process, and what is missing now or needs upgrading?

25. *(Q2.2)* Which challenges in terms of the availability of additional modules of the E-governance developed software or any other support software solutions did you detect during the implementation process, and what is missing now or needs upgrading?

26. *(Q2.3)* Which challenges in terms of training or availability of in-house IT staff did you detect during the implementation process, and what is missing now or needs upgrading?

USG Only

27. *(Q2.4)* What about cybersecurity? Which cybersecurity and data-loss/data-protection issues do you face or need to consider in the future?

    (Q2.5) PROBE: Do you have a cybersecurity assessment, and/or have you implemented an ISO 27001 certificate or any other security standard?
    (Q2.6) PROBE: Have you adopted a business continuity plan, established an offsite data storage, secured backup network links, implemented safety standards for server rooms, and dedicated one staff member to be in charge of cybersecurity issues?

28. *(Q2.7)* What financial resources/budget allocations are needed for sustainable implementation of e-government solutions, and are those currently secured? **(Ref: Q1.6 – remind the KI)**

Let's recall some of the legislative/regulatory challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

29. *(Q2.8)* Which legislative/regulatory challenges do still impede your organization's improved performance today?

30. *(Q2.9)* Who has the authority to address those challenges, and what is your estimate about willingness to tackle those issues in the near future?

31. *(Q2.10)* Are you aware of any other sector or branch of government in BiH (e.g., the judiciary, healthcare, register of fines or taxes) where some of these challenges were successfully overcome and how?

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

As you now have all the experience gained through your implementation, could we speak about what will new institutions desiring to implement the software solution face and what proactive steps to take to avoid challenges you encountered during your implementation:

32. *(Q3.1)* Who do you recognize as a potential next institution that would benefit the most from implementation of this software?

33. *(Q3.2)* Which challenges (legal amendments or any other formal, organizational or procedural obstacles) need to be addressed before the (IT solution) implementation in other institutions?

34. *(Q3.3)* Does the software need any modifications before the implementation in the new institutions and what would be the extent of such modifications?

35. *(Q3.4)* Which are the lessons learnt in your implementation process that could be useful for (improving) implementation at potential other locations?

DO NOT READ: CQ: CLOSING QUESTIONS

36. *(CQ1)* Are there any other donors active in this sector, and if yes, which ones, on what areas/issues do they focus, and is there adequate donor coordination and synchronization?

37. *(CQ2)* If you were in a position to provide recommendations to USAID about future assistance in the e-governance/digitalization sector you work in, which aspects of technical assistance would be most welcome in the coming period and why?

USG Only

38. *(CQ3)* Is there anything else you wish to add about these topics which we have not covered?

39. *(CQ4)* Do you have any question for the evaluation team?

Thank you very much for the time dedicated for this conversation and valuable information provided.

NON-BENEFICIARIES

DO NOT READ: SQ: STARTING QUESTIONS

Could we start? We will kindly ask you for some short answers related to our introductory questions first.

1. *(SQ1)* Could you please briefly introduce yourself and the organization/institution you belong to?

DO NOT READ: EQ1: How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

2. (SQ9) To what extent are you familiar with the USAID E-Governance Activity?

   PROBE: Are you familiar with software development? If yes, which one?

If the respondent is familiar with the E-Governance activities, then ask:

3. (Q1.1 -Q1.2) In your view, were those interventions successful or not, and why?

4. (Q1.3) What do you think about E-Governance implementation overall?

DO NOT READ: EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

5. Do you have any projects in the e-governance sector?

   PROBE: If yes, could you tell us more about them?
   PROBE: If yes, did the project include software development?

If the respondent says they have a project in e-governance, ask the following questions regarding the project; if not, ask in general.

6. In your opinion, what are the major challenges for the development of e-governance?

   (Q2.1) PROBE: Which challenges with the availability of hardware (i.e., workstations, servers, networks), software, IT staff/training is missing now or needs upgrading in the e-governance?
   (Q2.8) PROBE: Which legislative/regulatory challenges impede improving performance in e-governance?
   (Q2.4) PROBE: Which cybersecurity and data-loss/data-protection issues should be considered in the e-governance?

USG ONLY

7. *(Q2.10)* Are you aware of any other sector or branch of government in BiH (e.g., the judiciary, healthcare, register of fines or taxes) where some of these challenges were successfully overcome and how?

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

8. *(Q3.1)* Have you tried to expand your software solutions to other related institutions? If yes, how did the process go? If not, why not?

   (Q3.2) PROBE: Which challenges (legal amendments or any other formal, organizational, or procedural obstacles) did you address before the (IT solution) implementation in other institutions?
   (Q3.3) PROBE: Did the software need additional modification before the implementation in new institutions and what would be the extent of such modifications? Any lessons learned?

DO NOT READ: CQ: CLOSING QUESTIONS

9. *(CQ1)* Have you cooperated in any way with other donors or USAID specifically on the issue of e-governance, and if yes, in which areas and how did that cooperation look like?

10. To what extent does your organization intend to focus on the development of e-governance in BiH in the future?

11. *(CQ3)* Is there anything else you wish to add about these topics which we have not covered?

12. *(CQ4)* Do you have any questions for the evaluation team?

Thank you very much for the time dedicated to this conversation and the valuable information provided.

FOCUS GROUP DISCUSSIONS

BENEFICIARIES

DO NOT READ: SQ: STARTING QUESTIONS

Could we start? We will kindly ask you for some short answers related to our introductory questions first.

1. Could you please briefly introduce yourself and the organization/institution you belong to?

2. How long have you been involved/cooperating with the E-Governance Activity?

3. Please briefly mention the forms of interactions/types of cooperation with the E-Governance Activity without going into details, as we will cover the details in the following questions.

DO NOT READ: EQ1: How has E-Governance managed, implemented, monitored, and coordinated its interventions, with a focus on software development (e-construction permitting, public procurement, inspections)?

USG only

Let's discuss your experience first at an "Overall" level, and then we will switch to details:

4. Through your interaction/cooperation with the E-Governance, which E-Governance's activities were well accepted by the beneficiaries and what were the reasons for the success of those interventions?

5. In your view, which E-Governance interventions were not as successful nor as willingly accepted and why?

6. What are the biggest challenges and contextual factors that affected the implementation of E-Governance Activity?

7. How would you assess E-Governance's overall assistance in areas you collaborated with E-Governance so far?

All right. After getting your overall impression, let's dig deeper into some "Details":

8. Could you please describe the software development process, starting from the first contact with E-Governance?

    PROBE: How did the process of business process mapping go?
    PROBE: Who and through which processes defined functional specifications for software development?
    PROBE: Did the beneficiaries vet these specifications in any way? If yes, what was that process?

9. How were your staff's basic IT skills assessed at that stage, and did any basic IT training for the staff in need organized?

10. What areas for improvements in your business processes were identified through the mapping exercise and please provide examples?

11. Did you identify any areas for improvement in your business processes that were given up due to barriers you deemed impossible to overcome? If yes, what were those improvements and barriers?

12. Please describe your approach to software development(coding), and what was rational for the selected option?

    PROBE: How was the subcontractor (software company) selected? What were the criteria? Did anyone from your team take part in the selection process?
    PROBE: Were there any challenges in the subcontractor selection process and if yes, what were those challenges?
    PROBE: Who is the owner of the software's source code, and how can the software modifications be done in the future?
    PROBE: Does the software have a warranty, and how long is the warranty period?
    PROBE: Who will pay licenses & maintenance in the future?

13. What was the role of the E-Governance Activity staff, and what were the other participants' roles during the coding process?

USG Only

PROBE: Were there any challenges in the cooperation with the selected subcontractor/ developer?
PROBE: Were you involved in software development, and at what stages?

14. Who performed software testing, and how and when was it done?

PROBE: Were any problems identified during testing, and how were they addressed?
PROBE: How did the final acceptance test (FAT) look like?
PROBE: Who signed the software acceptance document before the "go-live"?

15. Please describe the process of end-user training for the E-Governance Activity's software solution?

PROBE: Who conducted training, which approaches were used (i.e., online, in-person, interactive, only manuals provided, or something else) and what was the total hours of training per person provided?
PROBE: Was a testing environment created where users could practice without fear of making errors in the real system?

16. To what extent were end-users satisfied with the training provided?

PROBE: Is there a need for additional training?
PROBE: What about the new employees? Who and how will they be trained?

17. After completing the training and testing, what steps did the "go live" process involve?

PROBE: Was there a pilot stage in the implementation process? If yes, what form did the pilot stage take and what were the results?
PROBE: What type of support did you have from the E-Governance Activity and/or the software company from the "go live" point?
PROBE: How would you rate the support provided?

18. Did you face any challenges from the moment the software was fully implemented ("go live" point)? If yes, what were those challenges, and how were they mitigated?

PROBE: Did the staff put up any 'resistance to change', and if yes, how was it manifested?
PROBE: Who was in charge of the change management process, how was it managed, and how successful was the process of transitioning to the new system and work processes?
PROBE: Did anyone outside your organization put up any 'resistance to change', and if yes, how was it manifested?

19. What is the quality of data in the system?

PROBE: Who is in charge of assuring the correctness of data entry?
PROBE: How accurate and reliable are system-generated reports?

USG Only

DO NOT READ: EQ1a: To what extent and in what specific ways has the implementation of the E-Governance Activity enhanced beneficiary organizations' processes (e-construction permitting, public procurement, inspections)?

Let's recall for a moment what were your business processes at the moment of the first interaction with E-Governance - remind the KI about the answers provided for Q8.

20. Could you please provide examples of the changes in your business processes after introducing the new software?

    PROBE: What percentage of processes were automated?

21. How do you assess these changes?

    PROBE: Have these changes resulted in improvements, have they been detrimental in any way, or has the overall result been unclear?
    PROBE: Have all original requirements communicated at the process mapping stage been addressed?
    PROBE: In what ways, if at all, did these changes increase the transparency of your processes?

22. In what areas is there potential for future improvements?

23. All in all, how do you assess your 'new' working environment relative to what your working environment was before the E-Governance intervention?

Let's recall some of the technical challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

Could we now talk about the future:

DO NOT READ: EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

24. Which challenges with the availability of hardware (i.e., workstations, servers, networks) did you notice during the implementation process, and what is missing now or needs upgrading?

25. Which challenges in terms of the availability of additional modules of the E-governance developed software or any other support software solutions did you detect during the implementation process, and what is missing now or needs upgrading?

26. Which challenges in terms of training or availability of in-house IT staff did you detect during the implementation process, and what is missing now or needs upgrading?

27. What about cybersecurity? Which cybersecurity and data-loss/data-protection issues do you face or need to consider in the future?

    PROBE: Do you have a cybersecurity assessment, and/or have you implemented an ISO 27001 certificate or any other security standard?

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PROBE: Have you adopted a business continuity plan, established an offsite data storage, secured backup network links, implemented safety standards for server rooms, and dedicated one staff member to be in charge of cybersecurity issues?

28. What financial resources/budget allocations are needed for sustainable implementation of e-government solutions, and are those currently secured? **(Ref: Q1.6 – remind the KI)**

Let's recall some of the legislative/regulatory challenges you mentioned in the previous course of our conversation - remind the KI of what was stated earlier.

29. Which legislative/regulatory challenges do still impede your organization's improved performance today?

30. Who has the authority to address those challenges, and what is your estimate about willingness to tackle those issues in the near future?

31. Are you aware of any other sector or branch of government in BiH (e.g., the judiciary, healthcare, register of fines or taxes) where some of these challenges were successfully overcome and how?

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

As you now have all the experience gained through your implementation, could we speak about what will new institutions desiring to implement the software solution face and what proactive steps to take to avoid challenges you encountered during your implementation:

32. Who do you recognize as a potential next institution that would benefit the most from implementation of this software?

33. Which challenges (legal amendments or any other formal, organizational or procedural obstacles) need to be addressed before the (IT solution) implementation in other institutions?

34. Does the software need any modifications before the implementation in the new institutions and what would be the extent of such modifications?

35. Which are the lessons learnt in your implementation process that could be useful for (improving) implementation at potential other locations?

DO NOT READ: CQ: CLOSING QUESTIONS

36. Are there any other donors active in this sector, and if yes, which ones, on what areas/issues do they focus, and is there adequate donor coordination and synchronization?

37. If you were in a position to provide recommendations to USAID about future assistance in the e-governance/digitalization sector you work in, which aspects of technical assistance would be most welcome in the coming period and why?

38. Is there anything else you wish to add about these topics which we have not covered?

USG Only

39. Do you have any questions for the evaluation team?

Thank you very much for the time dedicated for this conversation and valuable information provided.

NON – BENEFICIARIES

DO NOT READ: STARTER QUESTIONS

1. *(EQ3.5)* Could you briefly describe how you currently perform tasks (inspections, construction permits, public procurement)?

   (EQ3.6) PROBE: To what extent is the process digitalized (inspections, construction permits, public procurement)?

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

2. *(SQ9)* To what extent are you aware of the activities carried out by E-Governance?

If they are familiar with E-Governance activities ask the following questions; if not, give a brief explanation of the specific software solution and then ask the following questions:

3. *(EQ3.1)* In your opinion, to what extent could the E-Governance software solutions (e-inspections, e-construction, e-CPP) be implemented in your institution?

4. *(EQ3.2)* What would need to change in technical and legislative/regulatory terms to implement E-Governance software solution in your institution?
   PROBE: Which actors need to be included in the system to fully implement E-Governance software solutions (e-inspections, e-construction, e-CPP)?

5. *(EQ3.8)* In your opinion, what is your institution's willingness to implement E-Governance software solutions?

   PROBE: From your perspective, what is the willingness of all other actors to implement E-Governance software solutions?

DO NOT READ: EQ2: What specific technical and legislative framework requirements are crucial for optimizing the comprehensive utilization of digitalized solutions in BiH institutions (e-construction permitting, public procurement, inspections)?

6. *(Q2.4)* What about cybersecurity? Which cybersecurity and data-loss/data-protection issues do you face or need to consider in the future?

   (Q2.5) PROBE: Do you have a cybersecurity assessment, and/or have you implemented an ISO 27001 certificate or any other security standard?
   (Q2.6) PROBE: Have you adopted a business continuity plan, established an offsite data storage, secured backup network links, and implemented safety standards for server rooms?

DO NOT READ: CQ: CLOSING QUESTIONS

USG Only

7. *(EQ3.9)* What is the level of IT skills in your institution?

8. *(CQ1)* Are there any other projects similar to E-Governance implemented in your municipality/canton? If so, which ones, and implemented by whom?

9. *(CQ2)* If you were in a position to provide recommendations to USAID about future assistance in the e-governance/digitalization sector you work in, which aspects of technical assistance would be most welcome in the coming period and why?

10. *(CQ3)* Is there anything else you wish to add about these topics which we have not covered?

11. *(CQ4)* Do you have any questions for the evaluation team?

ONLINE SURVEYS

FEDERAL INSPECTORS

This survey is implemented by USAID/BiH's Monitoring and Evaluation Activity (MEASURE II) as part of an evaluation of USAID/BiH's E-Governance Activity. One of the areas where the E-Governance Activity has been engaged over the past three years was to help upgrade IT and software systems (E-INSPECTOR 2 and BIMS 2) for inspections within the FBiH Inspections Administration (FUZIP).

The purpose of this survey is to provide us with an in-depth understanding of your involvement in the development of E-Government software solutions and recommendations for future activities. Our objective is to learn from your experience and the information you share with us will be used in combination with what we learn from other stakeholders to help USAID/BiH adjust their ongoing work and formulate potential future assistance. This survey is anonymous, and your responses will not be linked to you in any way.

1. Do you agree to voluntarily participate in this online survey questionnaire for inspectors?

    a. Yes
    b. No > END SURVEY!

2. What software did you interact with?
    a. E-INSPECTOR 2
    b. BIMS 2
    c. None of these > END SURVEY!

3. To what extent were you involved in the following stages of software development? (Likert scale 1 – not at all; 3 – somewhat involved; 5- to a great extent)

    a. Mapping of business processes in your institution
    b. Developing functional specifications for software
    c. Software testing
    d. Training for new software

4. How satisfied are you with the software functionalities developed by the E-Governance Activity? (5 – Very satisfied, 4- Satisfied, 3- Neither satisfied nor dissatisfied, 2- Dissatisfied, and 1- Very dissatisfied).

USG Only

5. *(Q1.3)* How satisfied are you with the progress of E-Governance in implementing software solutions for e-inspections? (Likert scale 1-5; 5 – Very satisfied, 4- Satisfied, 3- Neither satisfied nor dissatisfied, 2- Dissatisfied, and 1- Very dissatisfied; 6-do not know)

6. How much did the new system improved your work? (Likert scale 1 – not at all; 3 – somewhat; 5- to a great extent; 6 – do not know)

7. What do you think could have been done better in software development or introduction of software in your business processes? (open-ended question)

8. What is your gender?
    a. Female
    b. Male
    c. Prefer not to say

Thank you for providing us with your honest answers and contributing to the research!

LOCAL GOVERNANCE UNITS

This survey is implemented by USAID/BiH's Monitoring and Evaluation Activity (MEASURE II) as part of an evaluation of USAID/BiH's E-Governance Activity. One of the areas where the E-Governance Activity has been engaged over the past three years was to help upgrade IT and software systems for issuing construction permits in selected municipalities to shorten and simplify the permitting process for investors.

The purpose of this survey is to provide us with an in-depth understanding of the situation on the local level, the challenges municipalities/cities currently face in their permitting processes as well as local governance initiatives and actions in overcoming these challenges. Our objective is to learn from your experience and the information you share with us will be used in combination with what we learn from other stakeholders to help USAID/BiH adjust their ongoing work and formulate potential future assistance. This survey is anonymous, and your responses will not be linked to you in any way.

1. Do you agree to voluntarily participate in this online survey questionnaire for LGUs?
    a. Yes
    b. No

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

2. *(EQ3.9)* What is the level of IT skills in your institution? (5 = High level of competence - extensive IT experience; 4 = Moderately high level of competence - good IT experience; 3 = Average level of competence – some IT experience; 2 = Low level of competence – little IT experience; 1 = No level of competence – no IT experience)

3. *(EQ3.6)* To what extent is the process of issuing construction permits digitalized in your municipality? (Likert scale
    1 – not at all (the process is does not include digital solution in the workflow; e.g., paper and pencil;
    2 – some parts of the process are digitalized (e.g. applications are submitted in paper form, the processing is digitalized, but physical signature is required)
    3- the process is completely digitalized (process from submission to issuance is digitalized)

USG Only

4. In your opinion, is there a need to improve the process of issuing construction permits in your municipality?
   a. Yes
   b. No

DO NOT READ: EQ3: What are the barriers that could impede the scaling of the developed solutions (e-construction permitting, public procurement, inspections)?

5. Are you familiar with the USAID's e-permit building software?
   a. Yes
   b. No

6. *(EQ3.2)* What would need to change in technical terms (hardware, software, etc.) to digitalize building permitting in your municipality? (open-ended)

7. *(EQ3.2)* What would need to change in legislative/regulatory terms to digitalize building permitting in your municipality? (open-ended)

8. *(EQ3.8)* In your opinion, what is your municipality's willingness to implement digitalized construction permitting solutions? (1 – Not interested at all, 3 –Somewhat interested, 5 – Very interested)
9. What is the current population of your municipality/city?
   - Under 20,000 inhabitants
   - From 20,000 – 39,999 inhabitants
   - From 40,000 – 59,999 inhabitants
   - From 60,000 – 79,999 inhabitants
   - From 80,000 – 99,999 inhabitants
   - Above 100,000 inhabitants

10. According to your best knowledge, how would you rate the level of development of your LG:
    - Developed
    - Medium developed
    - Underdeveloped
    - Extremely underdeveloped

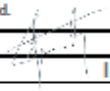
11. What is your gender?
    a. Female
    b. Male
    c. Prefer not to say

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ANNEX VI: CONFLICT OF INTEREST FORMS

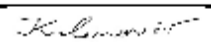
Name	Edis Brkic
Title	Chief of Party
Organization	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II)
Evaluation Position?	☒ Team Leader ☐ Team member
Evaluation Award Number	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II), implemented by American Institutes for Research, Contract Number: AID-167-I-17-00004
USAID Projects Evaluated	E-Governance Activity in BiH Contract Number: 72016820C00001
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	1/15/2024

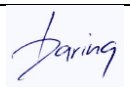
Name	Mirza Kulenovic
Title	Senior Research Analyst
Organization	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II)
Evaluation Position?	☒ Team Leader ☐Team member
Evaluation Award Number	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II), implemented by American Institutes for Research, Contract Number: AID-167-I-17-00004
USAID Projects Evaluated	E-Governance Activity in BiH Contract Number: 72016820C00001
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
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Signature	
Date	1/15/2024

Name	Erol Barina
Title	Senior Research Analyst
Organization	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II)
Evaluation Position?	☐ Team Leader ☒Team member
Evaluation Award Number	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II), implemented by American Institutes for Research, Contract Number: AID-167-1-17-00004
USAID Projects Evaluated	E-Governance Activity in BiH Contract Number: 72016820C00001
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

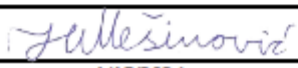
I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	1/15/2024

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Name	Haris Mešinović
Title	Senior Research Analyst
Organization	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II)
Evaluation Position?	☐ Team Leader ☒ Team member
Evaluation Award Number	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II), implemented by American Institutes for Research, Contract Number: AID-167-I-17-00004
USAID Projects Evaluated	E-Governance Activity in BiH Contract Number: 72016820C00001
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	1/15/2024

Name	Samir Dedovic
Title	Consultant
Organization	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II)
Evaluation Position?	☐ Team Leader ☒ Team member
Evaluation Award Number	USAID/BiH Monitoring and Evaluation Support Activity (MEASURE II), implemented by American Institutes for Research, Contract Number: AID-167-I-17-00004
USAID Projects Evaluated	E-Governance Activity in BiH Contract Number: 72016820C00001
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s), whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	23/05/2024

ANNEX VII: ET RESPONSES TO THE MISSION AND IP's COMMENTS

The ET for the E-Governance Performance Evaluation wishes to thank the Mission and the IP for their comments on the Draft Performance Evaluation Report and helping improve the Report's accuracy. The ET carefully reviewed all comments and made changes in the attached Final Performance Evaluation Report where necessary to clarify, explain better, or correct statements in the Draft Report.

Before addressing the individual comments, the ET provides a few General Responses (GR) that explain the background of the evaluation, the limitations the ET faced, or the ET's responses to similar comments that appear in different places in the report.

GR1: The Mission prescribed the timeframe for conducting this evaluation, including its beginning and end, which established the standard timeframe for data collection (February 2024). Some of the comments (e.g., Comment 22 para 2) questioned the timing of the evaluation, but the ET had no influence on the Mission's decision about when the evaluation (and primary data collection) took place. Thus, the ET conducted primary data collection in February and based its findings on these data. Moreover, upon receiving the E-Governance March newsletter before the Draft Report was finalized, the ET amended the draft report to reflect new developments presented in that secondary source of information after validating it with the Mission's representatives. While not typical for evaluations requested by the Mission, the ET also reviewed the E-Governance Activity's June Newsletter, which arrived after the Draft Report was submitted to the Mission, and this Final Report was further adjusted to reflect information contained in this newsletter. As such, the evaluation report is as up-to-date as possible. The report captures the status of the E-government software implementation and changes in the work processes of the partner government institutions as reflected in the real-life changes in those institutions which the E-governance interventions made so far. The ET restrained itself from speculating what change can happen in the remainder of the Activity's life, noting that breakthroughs can occur as the software systems are near final, the finalized legislative/regulatory changes created pre-conditions for making real-life transformations in the work processes of partner government institutions and the remaining legislative changes are underway.

GR2: The Mission should inform the IP (and other individuals interested in the findings and recommendations of this report, if not aware) that the Mission developed the evaluation questions independently. These evaluation questions established boundaries for the ET's work. In particular, the evaluation questions (EQs) 2 and 3 (but also parts of EQ1 and EQ1a, when relevant) directed the ET to examine possibilities for scaling up the Mission's future interventions (and applying the lessons learned from the ongoing ones), and as such, the EQs have an assessment dimension. In other words, the ET had to examine the broader context beyond the E-Governance interventions, review possible alternative strategies to the current interventions, which might be useful to review when designing any potential new interventions in the sector. Furthermore, although the ET conducted Key Informant (KI) interviews with the beneficiaries whose contact details the E-Governance Activity supplied to the ET, examining the broader context beyond the current interventions required talking to a limited number of KIs who were not direct E-Governance beneficiaries, but who were knowledgeable of digitalization of the BiH government sector in general. However, when the current E-Governance interventions were examined, only E-Governance beneficiaries provided information. A lack of awareness of the requirements that the ET caused led some broader findings to be misinterpreted as applying specifically to E-Governance. Where possible, the ET now attempts to distinguish places in the Final Report where this GR2 applies. Nevertheless, there are places throughout the report where the assessment dimension of this evaluation was interspersed with findings on the ongoing interventions, and in such places clear distinctions were often not possible. This explanation is provided in the Final Report's Evaluation Purpose and Questions section.

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GR3: In several instances, the comments show substantial differences in perception of ongoing E-Governance interventions between the Mission/IP and the E-Governance beneficiaries. In the report, the ET presented the E-Governance beneficiaries' viewpoints based on KIIs' responses. Instead of selecting one viewpoint, the ET believes that the value of this evaluation and its findings lies in detecting such discrepancies, as they indicate where there is room for further discussion and clarification between the Mission/IP and beneficiaries. Understanding such discrepancies could help prevent misunderstandings in the future and help improve the implementation process, which is one of the learning components of the evaluation work. In other words, the ET here is simply presenting commonly held KI views.

GR4: Several IP comments called for including qualifications such as "huge impact", "the major side-effect success", "landmark law" or synonyms in legislative/regulatory work relative to the administrative procedures (see Comments 39, 41, and 55). In contrast, a Mission's comment (Comment 63) reads: "The Activity was designed in a way that instructs the IP to ensure that legislation is in place to enable the implementation and usage of software solutions. ….".

In the absence of a consolidated set of the Mission/IP's comments, the ET reviewed the E-Governance contract and its modification. The ET found that the Activity's contract states on p. 15: "*The goal would be to align the existing sector laws, regulations and corresponding administrative procedures with the e-signature laws. Such intervention would focus on but would not be limited to the Law on Administrative Procedure and the Law on Archives.*"; on p. 16, "*The assistance can also be provided in aligning existing sector laws and administrative procedure regulations with e- signature law. The technical assistance should also support amending operating procedures of these agencies, integrating e-signature into existing systems and IT security.*"; and on p. 19, "*The contractor shall include all required legislative and procedural upgrades identified during mapping of the existing business processes.*" Consequently, the work the Activity performed on the legislative/regulatory changes aligns with its contractual obligations.

However, although the contract also requires the Activity to work on the Law on Archives (p.15, "*The goal would be to align the existing sector laws, regulations and corresponding administrative procedures with the e-signature laws. Such interventions would focus on but would not be limited to the Law on Administrative Procedure and the Law on Archives.*"), KIs, the Activity Annual Reports, the Activity newsletters and the Activity's Yr 5 Work Plan did not mention any progress/plans related to this piece of legislation. The ET is concerned that this potential gap means that even when the pending legislative amendments (that would enable the implementation of E-Governance's software products) are in place, the Law on Archives may emerge as another obstacle to implementation of the E-governance systems, as archiving regulations still do not cover digital files. The Mission/IP should take immediate mitigating actions to pre-empt this law from becoming the next implementation roadblock after the e-permitting software processes first cases.

Furthermore, although the mentioned legislative/regulatory changes were adopted, so far they have not transformed government institutions' processes, as the ET learned through KIIs. For example, according to KIs, the beneficiary institutions do not use e-signed documents in communication with other government institutions nor do they accept e-signed documents from citizens/businesses; partner institutions with functional DMSs maintain manual entry as a method of keeping registry books (duplicative work of entering data in manual registries and existing electronic systems still co-exists), nor are there examples where beneficiary institutions established single administrative points. Consequently, similarly to the status of E-Governance software that are nearly final but did not switch to the 'go-live' status, legislative/regulatory changes which are not reflected in the changes in the government's institutional processes fall short of the real-life transformations in the work processes of the partner government institutions.

GR5: Several comments point out that certain interventions and issues discussed in the draft report are not included in the Activity's SoW (see Comment 11 para 3, and comments 12, 43, 59). On the

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other hand, the ET found instances in which the Activity performed work beyond the SoW (examples include Comments 17, 46, and 72).

As per ADS 201, Collaboration, Learning, and Adaptation (CLA) is a standard component in USAID's program cycle. Concerning the current interventions outside the SoW, the ET believes that adaptive interventions were anticipated and covered by the wording "*Activities include but are not limited to:…*" (or similar) which is stated in all Activity's Components in the Contract. However, using the statement that "something is not in the Activity's SoW" without further elaboration resembles a "pick and choose" opportunistic approach. The ET believes that a more critical review of findings commented upon with "not in the Activity's SoW" should take place.

The quotes from the report, the related received comments to those quotes, and ET's responses are the following:

Comment 1

The Draft Report's original text: (page 1/para 1)

The U.S. Agency for International Development in Bosnia and Herzegovina (USAID/BiH)–funded E-Governance Activity in Bosnia and Herzegovina (E-Governance) is a $10.9 million, five-year Activity running from April 1, 2020, through March 31, 2025, implemented by Millenium Partners Consulting, Limited Liability Company.

Comment text:

$10.5 million per Contract modification

ET response:

Corrected in the Final Report (in the Abstract and Executive Summary sections)

Comment 2

The Draft Report's original text: (page 1/para 2)

The evaluation also identified alternatives to the conservative approach of amending numerous laws across all governance levels to enable the introduction of e-services.

Comment text:

There are no alternatives that exist in Bosnia —this idea is based on suggestions made by various KIIs to change a whole system and tradition of law to a US style Common Law approach which is not likely to happen.

ET response:

Please see GR2 and GR3.

The ET heard differing opinions. One KI from the legal professional community and academia, one KI from an international organization operating in the relevant sector, and one IT company presented possible alternatives/viewpoints to changing every single law which currently has no explicit permission for use of electronic means of communication between government bodies and citizens/businesses. In addition, one government official questioned the approach of countless legislative changes when cantonal laws contain some process-related provisions in their sectoral laws. Another government official questioned why relevant provisions of existing laws that permit the use of e-signature and e-documents are not cited instead of amending every relevant law with the same wording contained in the already enacted laws.

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The literature review identified the legislative solution in Serbia (as provided in Finding 16 para 4). In 2018, Serbia enacted a lex specialis (the Law on E-administration, which enables digitalization of all government institutions) that supersedes provisions of all other laws if there are conflicts. For example, Article 2. Point 1. states that government bodies (definition given in Article 1.) are required to act electronically when conducting administrative procedures and communicating. Article 3. governs the relationship between this specific law and other existing laws, stipulating: "*Matters of electronic administration, which are governed by this law, cannot be regulated differently by a separate law, except in the cases provided for by this law*." In the remainder of the law, many substantial digitalization issues (which still need to be regulated in BiH), are spelled out (i.e., the ICT infrastructure, cyber-security, government service bus, central government portal, etc.). Moreover, E-Governance's March Newsletter quotes Serbia as an example of good digital transformation practice.

Furthermore, USAID/BiH should be familiar with the lex specialis principles, as USAID/BiH and the Energy Policy Activity (EPA) used the lex specialis approach when advocating for adopting the Law on the Southern Interconnection to speed up the building of BiH's gas interconnection with Croatia to reduce BIH's dependency on Russian gas. This law overrides provisions in other laws and enables faster land expropriation and construction of the interconnection (i.e., creates an exemption to using general building permit and expropriation rules promulgated in other laws).

On this basis, the ET believes that, when designing future USAID/BiH interventions (if any), discussion can be opened with the local counterpart about working on a single law at each level of governance (due to the complex governance structure in BiH), which would enable the use of electronic administration and communication across all sectors under the jurisdiction of the given level of governance, instead of changing laws for specific sectors one by one, as it will take time and effort and further delay digitalization of government services in BiH.

The Report's Abstract, Executive Summary (under EQ2), and Finding 16 were changed to reflect the comment and the ET's response presented here.

Comment 3

The Draft Report's original text: (page 3/para 1)

Samir Dedović, the external information technology expert, provided invaluable input for this evaluation report.

Comment text:

It should be noted that Mr. Dedović is a former USAID officer (2006-2008) and worked on 2 USAID IT projects 1998-2005. Currently he based in Sarajevo and working for MEDIT DOO which may a direct competitor of Cikom the developer of BIMS 2 and Inspector 2 or other developers posing a potential conflict of interest. https://www.linkedin.com/in/samirdedovic/

ET response:

"The statement that Mr. Dedovic was a USAID officer is incorrect. The correct information is that Mr. Dedovic worked on three previous USAID projects in BiH (Business Finance Project [BF], Pledge Registry Project [PRP], and Enabling Labor Mobility Activity [ELMO]) which underpins his very considerable experience in successfully implementing USAID's IT-related Activities (as per Finding 15). Note that previous USAID experience was one of the criteria for selecting Mr. Dedovic as the evaluation team's external IT expert.

Next, in Annex VI, on page 86, you can find Mr. Dedovic's signed Conflict of Interest form in which he declares to have no actual or potential conflicts of interest to disclose.

Furthermore, Mr. Dedovic or his company MEDIT did not compete in any of the E-Governance Activity's RfPs, either as a prime or a sub. After learning it through a KII with MEDIT, Mr. Dedovic

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was consequently hired to assist the MEASURE II ET in the capacity of the external information technology expert. It means that Mr. Dedovic was not involved in preparing data collection instruments and did not participate in any KII as a member of the ET. Mr. Dedovic provided support to the ET in answering its IT- or e-systems implementation-related questions.

Consequently, Mr. Dedovic had no conflict of interest with "Cikom ... or other developers" in the past nor does he have any at the time of this evaluation. However, if, in the future, Mr. Dedovic or MEDIT decide to compete for any software solutions maintenance/upgrade developed within the framework of the E-Governance Activity, the conflict of interest should be re-assessed (as for any other consultant MEASURE engages in its evaluations or assessments) at that time.

In conclusion, MEASURE II does not find that Mr. Dedovic has any actual or potential conflict of interest related to this evaluation.

Comment 4

The Draft Report's original text: (page 1/para 1)

E-Governance is a $10.9 million USAID/BiH-funded Activity implemented by Millenium Partners Consulting, Limited Liability Company (LLC).

Comment text:

This is incorrect; the contract mod reduced the amount to 10.5 million.

ET response:

Please see response to Comment 1

Comment 5

The Draft Report's original text: (page 1/para 4)

Out of six software solutions included in the E-Governance contract, the Border Inspections Management System 2 (BIMS 2) and the Open Data database reached the go-live phase in May 2023 and March 2024, respectively.

Comment text:

If the focus is on the software solutions, following software solutions are complete: BIMS, eCPPe, Constructions Permitting Systeme, eCPARS in June In progress are: E-Inspector 2 nd Open Data for PPA.

Also, It's 'Centralized Public Procurement Information System (e-CPP) ', not 'Open data'

ET response:

Please see GR1 and GR2.

The report statements refer to software that reached the 'go-live' phase. The rest of the paragraph is explaining the status of the software that did not reach the 'go-live' phase.

The report was corrected based on the following:

After the collection of primary data for this evaluation in February, as per the E-Governance's March Newsletter, eCPP software switched to the 'go-live' phase. Furthermore, as per E-Governance's June Newsletter, the Tuzla Canton started to use the eCPP system. However, the Tuzla Canton is the only one of the four planned pilot cantons that can start using the software, and the remaining cantons are still in the process of formal establishment of their CPBs.

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The comments use the term 'Open Data' in two opposite statements. An additional review of the Activity's contract found that the Activity's exact task was not clearly spelled out. Namely, under section A.3.b(1) "Open Data in Public Procurement" as expected result a) (p. 23) states "*Digital monitoring tool(s) based on risk indicators developed and deployed*" while in the section A.3.b (2) which covers "Contractor/Vendor Past Performance Report" under Expected Results - Result 3 (p. 24) states "*Open Data Database developed and deployed. (b) Open Data organizations participating in procurement processes*." As per Comment 20, the Activity's Yr 4 and Yr 5 WPs, and information provided in the E-Governance June Newsletter, the ET found that the Open Data Module was developed by PPA, while E-Governance is still developing the digital monitoring tool based on risk indicators.

The wording in the Executive Summary EQ1, Finding 1 and EQ1 Conclusions was adjusted accordingly.

Comment 6

The Draft Report's original text: (page 2/para 3)

The software development process was designed in accordance with good engineering practices; however, several KIs offered inconsistent information about some software development steps.

Comment text:

Development process has several iteration, testing as well. Some beneficiaries expected that they are testing a final product. For example, currently project is doing User Acceptance Testing for E-Inspector 2 and system is not yet at te final acceptance stage (not a final product).

ET response:

Please see GR3 and the response to Comment 12 para 3.

Comment 7

The Draft Report's original text: (page 2/para 3)

For example, one beneficiary institution confirmed that all implementation steps took place, and they were satisfied with the end product. In contrast, referring to the same implementation steps, beneficiaries of another software solution strongly argued that what they received as a product for testing was not what they needed.

Comment text:

I don't understand this part. Is this the same institution?

ET response:

This paragraph refers to two different institutions (and two different software products). The report was reworded for clarity in the Executive Summary (p. 2) and Finding 5

Comment 8

The Draft Report's original text: (page 2/para 4)

Beneficiaries raised no issue with the software coding process nor with any other IT aspects. However, the need for legislative/regulatory changes required major efforts by E-Governance and caused considerable delays, at least for the implementation of the e-CPP and e-construction permitting.

Comment text:

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The need for the adoption of legislative/regulatory changes; the efforts in developing legislation went smoothly. E-Governance always completed the legal framework on time, but the politically unstable situation affected the dynamics of the adoption of the legal framework, which did not impact the development of the IT system but rather their Go-live.

ET response:

Elements of this comment were identified in the contextual challenges the Activity encountered (Finding 2), while the report previously stated which software products reached the 'go-live' stage and which ones were close to finalization. For the response to the rest of the comment please see GR1 and GR4.

Comment 9

The Draft Report's original text: (page 2/para 4)

Enabling e-signature was perceived as necessary for the e-construction permitting process, but the pursuit of this objective contributed to the delay in the implementation of this E-Governance intervention. By contrast, e-signature has not been integrated into other pieces of E-Governance software.

Comment text:

This is factually incorrect. Enabling legislative framework for the electronic procedures was a necessary step for the e-construction permitting, and every other system that requires or allows electronic administrative procedure. The Law was amended in July 2022! The use of e-signatures was enabled even before these changes through Halcom d.o.o. for legal entities and individuals, and through the Indirect Taxation Authority since May 2021 for legal entities.
Implementation of e-signature for the use in the e-Construction Permitting System was demoed in November 2022 and June 2023

ET response:

The ET finds a discrepancy between the comment statement that "this is factually incorrect" and the fact that, for example, E-Governance's e-permitting foresees e-signature integration (the system has not switched to 'go-live' yet) versus E-Governance's BIMS2 in which e-signature was not integrated (see the ET's response to Comment 37 as well). To make clear that the finding states that some E-Governance software solutions were developed with e-signature functionality while others were not the finding will be reworded in line with Finding 7 and its relevance for USAID/BIH future planning of interventions will be made clear. The changes in the Report were made in the Executive Summary (p. 2) and in Finding 7.

The part of the comment related to legislation is addressed in Comment 60 below.

Comment 10

The Draft Report's original text: (page 2/para 5)

Even as the e-construction permitting software approaches the go-live phase, beneficiaries are not clear about how to handle the coexistence of digital and paper-based processes, how to handle administrative tax stamps for digitally submitted documents, or which cases will be a priority for resolving (old ones submitted before e-permitting software is introduced or the newly filed ones).

Comment text:

The procedure is planned to be incorporated into the Instruction to be developed by E-gov.

ET response:

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The comment confirms the finding as currently stated, however, the Report was modified to include the wording that the E-Governance works on an Instruction that will address these issues in the Executive Summary (p. 2) and in Finding 8.

Comment 11

The Draft Report's original text: (page 3/para 1)

However, although this change can be implemented immediately in all BiH/FBiH government institutions, it appears to be unnecessarily on hold, pending the implementation of e-construction permitting software in the E-Governance partner institutions.

Comment text:

It is a correct statement that the changes of the Rulebooks on Operations and Management of Public Offices at the state and FBiH levels will have major impact to the work of public administration bodies as the requirement to keep manual entries in addition to the electronic lo longer exist. However, it is a wrong assumption that those regulations were amended to facilitate e-construction permitting and that their implementation are delayed because of the e-construction permitting software not being implemented.

Specifically, the Amendments to the FBiH Rulebook on Operations and Management of Public Offices were adopted by the FBiH Ministry of Justice to implement the Amendments to the FBiH Law on Administrative Procedure, adopted in July 2022. Those improvements of the legislative framework for e-governance at the level of Federation BiH, which applies to all government levels in FBiH- FBiH, cantons, municipalities - have been successfully accomplished by E-gov and FBiH Ministry of Justice to facilitate and encourage electronic communications in all administrative proceedings in FBiH and before all administrative authorities, including e-construction permitting procedure. Thus, those legislative/regulatory work are designed as a separate and complementary E-gov efforts to e-construction.

Finally, the implementation of rulebooks is not in the E-gov SOW. The implementation depends on many factors, lack of physical infrastructure to process administrative cases electronically, among others. It is the sole responsibility of the governments.

ET response:

Please see GR4.

In addition, the preamble of the FBiH Rulebook on Changes and Additions of the Rulebook on Operations and Management of Public Offices (FBiH Official Gazette, 91/23) states: "Based on Article 153 of the Law on the Organization of Administrative Bodies in Federation of Bosnia and Herzegovina ("Official Gazette of the Federation BiH", No. 35/03), the Federal Minister of Justice adopts". Thus, the changes are based on the Law on the Organization of Administrative Bodies in FBiH, not the Law on the Administrative Procedure.

Furthermore, the fact that the Rulebook was adopted by the Minister of Justice implies that the amendments to the Law on Administrative Procedure were not a precondition for its adoption. In the given scenario of a prolonged legislative procedure for changing the Law on Administrative Procedure, changes to the Rulebook related to authorization of use of DMSs in government institutions and abandoning of manual entries was possible earlier in implementation of E-Governance interventions (see Finding 12). If more time was needed for the rest of the changes to the Rulebook due to the lengthy parliamentary procedure, the Rulebook could have been amended again as the procedure is straightforward and the Ministry is the sole adopter.

For response to para 3 of this comment, please see GR5.

Comment 12

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The Draft Report's original text: (page 3/para 2)

While new software solutions are expected to reduce corruption in targeted government-led processes, there were no anti-corruption assessments conducted alongside the software development.

Comment text:

The contract did not specify that an anti corruption assessment should be conducted or that it was a deliverable. We understood that the "focus area of the activity is digitalization as a tool for fighting corruption." The statement should be rewritten in the second clause to indicate that "as a result of the new software solutions introduced the human factor in how corruption is transacted will be reduced."

ET response:

As per the Activity's contract, the purpose of E-Governance is to support initiatives to increase transparency and decrease corruption in targeted government-led processes, which include interactions between public officials and potential investors, local businesses, and citizens. Within the USAID/BiH CDCS PMP Results Framework, E-Governance primarily contributes to the Sub-IR 1.2.1. Corruption in targeted areas reduced.

The ET notes that no KI or the Activity's annual reports named any document produced containing the Activity's approach to reducing room for possible corrupt behavior or description of its anti-corruption efforts. As noted in GR5 and numerous examples identified in the ET's responses to received comments, the fact is that the Activity carried out a number of interventions (including producing some assessments) although they were not stated in the Activity's SoW.

The particular statement in the report (commented here, and later in the body of the report) comes from one group of KIs and one FGD where the users expressed their outrage and complaints about functionalities of one of E-Governance's software solutions. However, the ET did not take the users' complaints at the 'face value' (and did not note it as such in the report), as functionalities that they were dissatisfied with resembled to be directed towards reduction of government officials' discretionary powers or enhanced performance monitoring. In the absence of an assessment (where "assessment" is a generic term used for any kind of a document, including check-lists, pre-post analysis or anything similar) which would show how the software intends to address (or reduce the room for) possible corrupt behavior of government officials, the ET was not able to assess the beneficiaries' complaints versus possibly well-designed software functionalities that in some way reduce the room for possible corrupt behavior.

In conclusion, this is a lesson learned and it is spelled out as such in the recommendations for USAID/BiH's consideration in potential future interventions.

Comment 13

The Draft Report's original text: (page 3/para 4)

Despite a widespread lack of information and misinterpretations, the existing legal framework allows the full implementation of digital signatures in BiH, and some institutions have been adopting their use.

Comment text:

Existing as pre E-Gov or existing as something E-Gov contributed to?

ET response:

The first digital signature was issued in 2019 (source: https://www.klix.ba/biznis/bih-konacno-pocinje-izdavanje-potvrda-za-elektronski-potpis/191014094).

Comments 9 and 60 confirm the wording that the ET used here.

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Comment 14

The Draft Report's original text: (page 3-4/para 6/1)

Legislative and regulatory barriers in sectors where E-Governance operates were most often mentioned as obstacles to the implementation. However, over-regulation is recognized as a customary path of least resistance for under-capacitated and politically weak institutions. Still, harmonization of all laws in all sectors and on all levels may not be the only path to further digitalization. Alternatives include a new-mindset-approach of taking no additional action because the current legal framework in BiH is adequate for all sectors, more permissive interpretations of current digital legislation and reliance on general legal principles or passing a lex specialis that would eliminate the overwhelming requirement to amend several dozen pieces of legislation across various sectors and levels of governance.

Comment text:

Author 1: This is pure conjecture and doesn't belong in the evaluation. It shows a lack of understanding about BiH's legal institutional framework.

Author 2: Agree. This is the BiH legal tradition, and legal interpretation of the laws by the national jurisprudence. In fact, the FBIH Law on Administrative Procedure (and other LGAPs at the state, entity and BD levels) requires that special procedures laws are harmonized with the FBiH LAP. To reinforce this process and speed up the electronic communications among public authorities in FBiH, E-gov and FBiH Ministry of Justice incorporated " once only principle" under the LGAP's Chapter of General Principles. The LGAP general principles are required to be implemented into "all special administrative procedures laws in FBiH"….

The above explained legal opinion can also be found in the OECD/ SIGMA MONITORING REPORT May 2022 - "The Principles of Public Administration: Bosnia and Herzegovina" (page 127):

"As noted in the SIGMA 2017 monitoring report, the harmonisation of special procedures with the LGAPs at all levels constitutes a major challenge. There is no evidence of a clear and comprehensive action plan for harmonising all special laws with their respective LGAP, nor a complete inventory of laws regulating administrative procedures at any level. The PAR Strategy Action Plan 2018-2022 did not include specific action in this regard; however, the foreseen work on the catalogue of services might serve as a necessary enabler for the harmonisation process. Harmonisation is important, as all administrative-level LGAPs include the principle of subsidiarity application. Thus, the provisions of LGAPs shall be applied only in all those matters that are not regulated separately by a special law. All LGAPs include a provision establishing that special laws cannot contain regulations contrary to the principles of LGAP. However, the principles of all BiH LGAPs are regulated quite vaguely. Summing up, LGAPs do not have direct or priority application regarding all aspects of administrative procedures, which might result in lower procedural rights for the parties or more cumbersome procedures if any special law contains more restrictive procedural regulations than the LGAP.

ET response:

Please see GR2 and the response to Comment 2. The changes to the Report made in relation to Comment 2 apply equally to this Comment.

Comment 15

The Draft Report's original text: (page 3-4/para 6/1) (subset of the previous para)

Alternatives include a new-mindset-approach of taking no additional action because the current legal framework in BiH is adequate for all sectors, more permissive interpretations of current digital legislation and reliance on general legal principles or passing a lex specialis that would eliminate the overwhelming requirement to amend several dozen pieces of legislation across various sectors and levels of governance.

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Comment text:

Could you please elaborate more on this?

ET response:

Please see GR2 and the response to Comment 2. The changes to the Report made in relation to Comment 2 apply equally to this Comment.

Comment 16

The Draft Report's original text: (page 3/para 6) (subset of the two previous paras)

Alternatives include a new-mindset-approach of taking no additional action because the current legal framework in BiH is adequate for all sectors, more permissive interpretations of current digital legislation and reliance on general legal principles or passing a lex specialis that would eliminate the overwhelming requirement to amend several dozen pieces of legislation across various sectors and levels of governance.

Comment text:

Interesting idea. It's stated like a fact, but seems more like an opinion. If opinion, is this an opinion that came from the ET, KIs, or both?

ET response:

Please see GR2 and the response to Comment 2. The changes to the Report made in relation to Comment 2 apply equally to this Comment.

Comment 17

The Draft Report's original text: (page 5/para 3)

The absence of a holistic approach or at least a joint vision shared by key stakeholders will lead to continued fragmented, non-interoperable solutions; their implementation will be hampered by requests for countless changes of legislation, prolonged implementation time and, concerningly, will let current structures enabling corrupt behavior to remain intact.

Comment text:

E-governance recently developed a report for the FBiH Government's first intersectoral Working Group tasked for e-governance titled "Digital Transformation Roadmap - Priority Measures for E-Governance in FBiH" This document identifies the lack of joint policy/strategy/coordination body at the BiH and FBiH levels and provides short and long- term recommendations to remedy the current absence of dialogue and coordination. The establishment of this body/agency for BiH is one of the EU requirements.

ET response:

The report acknowledges the creation of the Work Group and recognizes it as the Activity's success (see Finding 19).

Although this report was not forwarded to the ET, this comment and the described intervention are in line with the ET's Recommendations 5 and 6 to support the work of the FBiH workgroup for e-governance, which confirms the ET's logic for providing high-level recommendations. In addition, the E-Governance June Newsletter mentioning a round table held ("Priority measures and activities for the development of e-government in the FBiH") and the study trip for the members of the FBiH WG for e-governance to Slovenia.

However, in accordance with GR5, this is an example where Activity did work beyond its SoW.

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Comment 18

The Draft Report's original text: (page 5/high-level recommendation 2)

Create a "Friends of USAID in digitalization" group from former USAID/IP staffers/consultants who had previously implemented successful e-solutions in the BiH public sector. (see F15)

Comment text:

I would like to see this at the bottom of the list. Other items are more relevant and useful.

In my opinion, a group of current USAID digitalization partners would be more beneficial than looking to former consultants.

ET response:

This comment is further elaborated in comments 75 and 76 and the ET provided the responses along those comments which equally apply here.

Comment 19

The Draft Report's original text: (page 5/high-level recommendation 4)

Involve the United States Government (USG) in (a) supporting adoption of legislation relevant for e-governance or (b) supporting no or minimal changes to laws. (see F: 2, 6, 11, 14, & 16)

Comment text:

This implies we're not currently involved, which is incorrect. It could say, "increase the involvement of the USG..." or "explore additional strategic engagement of the USG..."

I'm certain I wasn't asked if how USG was supporting e-gov legislation adoption during my "interview".

Using the phrase "more extensive" also work as stating in the findings section on page 10, "Beneficiaries asked for more extensive USG involvement with governments and parliaments to overcome some of the contextual factors which prevented timely implementation of E-Governance software solutions."

ET response:

In accordance with the ET's response to Comment 29, the report was reworded to reflect recommending an increased involvement and exploring additional strategic engagement of the USG

The previous statement was based on KIs' viewpoints. The ET did not explicitly ask this question to any KI, but as the KIIs are conducted per semi-structured protocols and KIs made such observations in addition to responding to the ET's questions.

Comment 20

The Draft Report's original text: (page 6/high-level recommendation 16)

Facilitate data extraction from the Open Data database for data-driven investigations by prosecutor's offices (POs), civil society organizations (CSOs), media, and relevant parliamentary committees. (see F: 1 and 2)

Comment text:

Open Data Database or OpenAPI was developed by the PPA BiH. We are developing a tool (module/system) that will read the data from the OpenAPI (Database) and will provide necessary information i.e. red-flags to the competent institutions, civil society etc.

ET response:

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As stated in the response to Comment 5, the difference between these two modules was clarified and the appropriate changes to the report were made. This recommendation was removed from the Report (under the assumption that E-Governance will develop, deploy, and train users of these groups in the remaining part of the LoA).

Comment 21

The Draft Report's original text: (page 6/high-level Recommendation 23)

Add change-management and anti-corruption skill sets to the implementation of e-governance solutions.

Comment text:

What exactly does this mean?

ET response:

The Executive Summary, where this comment is placed, contains a condensed set of the evaluation's recommendations. In the report's recommendation section, a more detailed explanation was included with Recommendation 23 and no comment had been placed there, so the ET believes that that explanation was sufficient.

Comment 22

The Draft Report's original text: (page 9/para 1)

(F1) After almost four years of implementation, E-Governance achieved mixed results. Out of six pieces of software foreseen by the E-Governance contract, two reached the go-live phase (BIMS 2 and the Open Data database), while the prerequisites for go-live for e-CPP were created in March 2024. The result can be improved in Year 5, as

Comment text:

Again, this is unfair. All systems are developed and ready to go, but stymied by the slow movement of the legislative process, the one year delay in contract modification —which was a considerable period of time (one year) — and other factors beyond the control of the project. Below the report cites 7 significant challenges beyond the project's control which have led to the "mixed results." That the E-Gov project is where it is given these challenges should be the main finding, not the "mixed results."

The results of the project implementation should be evaluated in the realistic time frame and not four-year period since ET itself found numerous challenges outside of the E-governance control. On page 1, ET concluded that "E-gov encountered numerous contextual challenges that affected the Activity's implementation and listed them all on page 1: "…the starting of the Activity during the Coronavirus disease (COVID-19) outbreak, USAID/BiH's loss of the principal designer of the Activity and the institutional memory of the Mission's earlier digitalization efforts, slow domestic legislative processes, frequent changes of leadership in key partner institutions, and refusal of Republic Srpska (RS) institutions and representatives to cooperate. Also, the contract modification which introduced some mitigative measures took more than a year." Therefore, such ET conclusion is misleading as it does not take into consideration the realistic time frame, in which E-gov sophisticated software could have been developed and implemented. In particular, it does not take into account that until July 2022, when the E-gov changed the Law on Administrative Procedure, no public administrative procedures in FBiH could have been conducted electronically.

ET response:

The report finds that the Activity achieved mixed results based on the evaluation findings. To use simplified language - rough math of the software which switched to the 'go-live' regime is as follows: inspection software – one of two - 50% achievement (BIMS2 = 100%, E-Inspector 2 = 0%), public

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procurement one of three - 33% achievement (e-CPP = software 100% [in one of four cantonal CPPs as the contract stipulates], CPARS = 0%, Module for Detecting Risky Procurements = 0%,), e-building permits has no implementation - 0% achievement). Summing up the aggregate achievements (50%, 33%, and 0%), the ET found that the results achieved in terms of reaching the 'go-live' phase and making tangible changes in the work processes of partner government institutions were somewhat mixed. However, the report clearly states that the findings are based on data collection performed in February 2024 and leaves room for these results to improve in the last year of implementation as the software systems that have not been completed are near finalization.

This report does not have a "major finding". The suggestion for the main finding that the comment asks for reflects the perspective of the commenter (please see GR3). As noted in GR4 and GR5, the ET did not find evidence that anything else beyond the identified contextual factors was outside the Activity's control.

The comment "The results of the project implementation should be evaluated in the realistic time frame and not four-year period since ET itself found numerous challenges outside of the E-governance control." was answered in GR1.

Comment 23

The Draft Report's original text: (page 9/para 3)

In addition, through data collection, the ET learned that the Central Bosnia Canton has its own e-CPP software which has been functional since 2018.

Comment text:

This is misleading: It should be noted that this Central Bosnia Canton software is not integrated in the e-procurement portal, and it is not managed by PPA BiH, meaning that date cannot be linked to the e-Procurement system (e-CPP). Since the adoption of the Rulebook, every established CPB in BiH in order to conduct centralized public procurement will have to use the eCPP software developed through E-Governance and managed by PPA BIH.

ET response:

Please see GR2, and the report will be modified to reflect that the information is relevant only for the Mission.

In addition to GR2, this is information learned through KIIs (KIs presented the information without being asked by the ET) and is not further discussed in the report. The Mission should be provided with this information in case USAID decides to continue implementation of the eCPP. In that case, this state of affairs will represent both a challenge (in terms of integrating the Central Bosnia Canton), but also an opportunity to learn about five years of using a system and further improve the eCPP.

Comment 24

The Draft Report's original text: (page 10/para 1)

On the other hand, while E-INSPECTOR 2 and CPARS face no legislative/regulatory issues, these two software applications have yet to be implemented.

Comment text:

This is not correct. For the CPARS implementation there has to be legislative framework, but for Open Data tool implementation there are no legal obstacles.

ET response:

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All references in the report related to the CPARS legislative/regulatory requirements have been adjusted in accordance with the comment.

The comments do not use the terms 'Open Data' 'Open Data tool,' and the 'Module for Detecting Risky Procurements' uniformly. In accordance with Comment 5, and after an additional review of the Activity's contract, the report was modified to discuss only the digital monitoring tool based on risk indicators.

Comment 25

The Draft Report's original text: (page 10/para 1)

As for the CPARS, a KI noted that they planned the final testing of the last software module for the end of April 2024, after which the software would reach the go-live phase.

Comment text:

Go-live depends on the legal framework

ET response:

The report presents a perspective of a KI. Furthermore, other KIs omitted providing information on this topic. However, the report will add the statement as presented in this comment.

For the factual correctness, it will be added that the "Module for Risky Procurements" does not require legislative changes. The changes were made in the Report's Finding 1.

Comment 26

The Draft Report's original text: (page 10/para 3)

Beneficiaries asked for more extensive USG involvement with governments and parliaments to overcome some of the contextual factors which prevented timely implementation of E-Governance software solutions.

Comment text:

this phrasing is more accurate than what is stated in the summary

Also, why is this mentioned in the heading if it's not one of the seven listed contextual challenges? I suggest deleting the sentence.

ET response:

Please see the responses to comments 19, 29, and 30.

Comment 27

The Draft Report's original text: (page 10/para 4)

2. The key USAID/BIH program officer involved in designing the Activity and establishing partner relationships in the design phase passed away just before the start of the Activity. In addition, the ET learned that this colleague had been involved in the majority of IT/digitalization-related USAID/BiH efforts over the past 20 years, and that historical knowledge became lost as well. This change left USAID/BiH without much tacit institutional knowledge and represented a serious setback for both USAID/BiH and the Activity.

Comment text:

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Comment 27-1: Why is this relevant? Knowledge should be provided by the contractor. Beside, in other Missions, COR is different from the person who is designing the Activity, I don't see the link here. What relevance does USAID's institutional knowledge have to the contractor's ability and capacity to implement the project which they were contractually obligated to do? Please explain.

Comment 27-2: I also find this paragraph odd. It definitely shouldn't be listed as the second item (unclear if these are ranked by importance).

In any regard, it should be at the end or not on the list. I acknowledge that losing the main specialist was a contextual challenge beyond E-Gov's control, but don't think it significantly impacted activity results and believe it should not be highlighted as prominently as it is for the below reasons:

1) USAID activities are often designed by non-Mission staff and/or people who won't be the COR/AOR.

2) The ET knew and worked substantially with Samir (USAID staff referred to) and didn't "learn" this during the evaluation. This small, yet important omission is relevant when looking at other recommendations and suggestions because it can be perceived as bias towards previous projects and work. This bias is something that came out during my "interview" with the ET.

3) Yes, one person's tacit institutional knowledge was lost, but others at USAID also had knowledge in these areas. Additionally, a digital specialist was hired in May 2021 who added substantial knowledge and experience and took over the management of the activity.

ET response:

In relation to comment 27-1: A KI who was involved in covering the gap which emerged due to the death of a Mission's staff member (the KI's quote: "who designed E-Governance and was the E-Governance CoR") stated that the person in question was knowledgeable about the sectors in which E-Governance operated and had contacts with the relevant counterparts during the design phase. In contrast, the Mission staff members that inherited the task to lead E-Governance knew very little about the sectors as USAID/BiH had no interventions in those sectors before. This problem was exacerbated with the outbreak of the COVID-19 pandemic in parallel with the Activity's launch (explained in the relevant contextual factor), The ET identified the loss of institutional memory in the initial months of the Activity's implementation as a contextual factor which caused some confusion about the leading roles in the Mission for this Activity and consequently made it harder to provide straightforward guidance to the Activity. These issues appeared on the Mission side, and the IP had limited (if any) powers in this regard. Thus the ET respectfully disagrees with the notion that all knowledge should be provided by the contractor. Moreover, USAID missions employ fulltime subject matter experts to precisely direct contractors' valuable expertise and capacity towards USAID set goals and enhance the effectiveness and sustainability of Activities' implementation. Development of institutional knowledge/memory, which belongs to USAID only, is an indispensable part of this process, as different interventions can have different contractors.

The report was modified to specify that the loss of institutional memory is relevant for the first several months of the Activity, while the Mission recovered from this situation by appointing a new experienced CoR to the Activity in June 2020, hiring a new staff member (in May 2021) who was gradually trained and mentored, and finally became the new Activity's CoR who took over its role in March 2022. These changes are reflected in the relevant rewording in the Executive Summary and Finding 2 (the second contextual factor).

However, as found by the ET, the local KIs are more aware of the previous USAID/BiH's success in digitalization of the government sector, changes to Finding 15 are made to indicate that the Mission's institutional memory about its past digitalization efforts should be refreshed as it could be beneficial in designing its future interventions.

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In relation to comment 27-1 1) To be specific to this evaluation, ET found that E-governance was designed by a person who was assigned to be the Activity's CoR and the contextual challenge recognized was caused by the death of that person.

In relation to comment 27-2 2), for factual correctness, the ET states that no MEASURE II ET member ever worked with "Samir (USAID staff member referred to)." The rest of conclusions in comment 2 are based on this initial incorrect presumption. The ET learned about this contextual factor through a KII.

In relation to comment 27-3 3) The comment confirms that "one person's tacit institutional knowledge was lost". The ET finds that the individual's tacit knowledge is a constitutional part of the institutional tacit knowledge. By pointing it out, the ET notes that it occurred and proceeds in the rest of the report with providing recommendations directed to mitigate it in future situations when roadblocks are encountered in the implementation or important decisions are to be made (see also ET's response to comments 15 and 42)

Comment 28

The Draft Report's original text: (page 11/para 5)

The e-Social Register System was eliminated from the contract because the Activity could not agree with the FMLSP on the technical specifications of the Request for Proposals (RfP). Specifically, the FMLSP demanded the elimination of several requirements, such as previous experience on similar projects and requirements related to the annual revenue from the RfP, but USAID/BiH and the Activity could not agree because removing these requirements could have jeopardized the tendering process by allowing underqualified bidders to compete. Afterward, the FMLSP withdrew from further cooperation with the Activity.

Comment text:

The FMLSP sent the letter to USAID in which they stated that they are cancelling an MOU because they have FINISHED the subject of the MOU. In what you wrote here, one may conclude that there is some kind of blaming on E-Gov. I would rephrase this part. I am willing to share the letter with you, so you can cite it correctly.

ET response:

The wording in Finding 2 was changed to reflect the comment provided.

Comment 29

The Draft Report's original text: (page 12/para 1)

Lastly, KIs suggested more extensive USG involvement with governments and parliament and professed conviction that more substantial involvement of the USG in lobbying activities with the government and parliament could accelerate legislative and regulatory procedures. The Activity typically works with employees below the minister level, and these individuals have few opportunities to explain required interventions to the government and parliamentarians.

Comment text:

This is listed in the #4 high-level recommendation and in the findings title, but not listed as one of the 7 issues. If the ET believes it relevant and important it should be further explained. If this is based on the quote from the government institution, then it isn't relevant and should be removed.

If the activity or technical ministry representatives needed support elevating the discussion they should have asked. This never happened even through I personally made that offer a number of times. To me it sounds like

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the government is blaming the inability to pass laws onto us and not taking responsibility for not doing their jobs.

ET response:

This information was shared by KIs from institutions that had to deal with legislative/regulator changes along the implementation of software solutions.

On the other hand, the ET has no reason to doubt the Mission's willingness to assist.

Given the different statements between the Mission and beneficiaries, these statements and quotes were removed from Finding 2, and placed in Finding 5 which provides other similar examples of differences in statements between KIs.

Comment 30

The Draft Report's original text: (page 12/textbox 1)

KI from a government institution

Comment text:

Author 1: Whose job this really is? I am reminding everyone that our role here is to SUPPORT certain institutions, not to do their job!

Author 2: Completely agree. This is ridiculous and makes the KI look like an entitled and lazy bureaucrat unwilling to do their job who sits back and waits for the project to do everything for them.

ET response:

The ET understands these comments as continuation of comments 19, 26, and 29 above. As noted in GR3, this is something the beneficiaries and the IP/Mission should clarify between themselves, as the ET's task is not to reconcile KIs' different opinions, perspectives, and perceptions. On the contrary, any attempt by the ET to act in that capacity would interfere with the work of the Mission/IP, and ETs always restrain themselves from such interference when conducting evaluations.

Comment 31

The Draft Report's original text: (page 21/para 3)

All KIs noted that they have good cooperation with the Activity. However, most KIs stated that only after the implementation is completed (go-live phase) will they be able to assess to what extent the software matches their needs.

Comment text:

This is a very strange statement, as beneficiaries first test and sign-off on the software before it goes live. The go-live is about fixing minor omissions/glitches, not to see if the software matches the overall needs, which are agreed at the system design stage

ET response:

Please see GR3.

In addition, in any software development, it is realistic (and the software implementer should be prepared for) that only after users' real-life experience with software it will be possible to assess how much the software design matches users' workflow and work on real cases, and in particular how successful the software design would be in preventing user errors.

Comment 32

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The Draft Report's original text: (page 12/textbox 2)

"None of us here will say that it (software) is good or bad. We have to get something that we will try and say it can or cannot (function). That's my view." - FGD participant from a government institution

Comment text:

This aligns with the above comment. Stakeholders were consulted during the design and testing of the software. The person quoted may not have been involved. If so, why are they quoted?

ET response:

The quote itself belongs to a person who was the lead on testing the software in a beneficiary institution. The rest of the text elaborates on multiple instances when KIs presented similar statements. Please also see GR3.

Comment 33

The Draft Report's original text: (page 14/para 1)

More precisely, in the e-CPP and e-construction permitting, legislative/regulatory changes were identified as major impediments to the software implementation.

Comment text:

This should be Go-Live not implementation

ET response

The report will be corrected to reflect on the Comment as the term 'implementation' encompasses also 'pre go-live' and 'post go-live' stages.

Comment 34

The Draft Report's original text: (page 14/para 1)

On the other hand, the adoption of the Rulebook on Joint Procurement, Centralized Procurement, and Establishment of the BiH CPB was named as a prerequisite for implementing the e-CPP software. Such intractable legal/regulatory barriers in e-CPP and e-construction permitting repeatedly delayed software implementation. However, most KIs recognized the adoptions of legislative/regulatory amendments as major successes for E-Governance, given the current state of legislative processes in BiH.

Comment text:

If the eCPP Rulebook had not been adopted, we wouldn't have the mandatory use of the eCPP System. This important fact is not mentioned. The Rulebook mandated the use of the eCPP system for all CPBs and CAs in BiH. This is extremely important for the sustainability of the system and data integration in the eProcurement portal. Without this regulatory change, we would likely have different eCPP software at different CPBs that are not integrated into the eProcurement system i.e. eCPP system of Central Bosnia Canton.

ET response:

The wording in Finding 9 was amended to reflect the comment.

Comment 35

The Draft Report's original text: (page 14/para 2)

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According to the contract modification, procurement and installation of hardware and software in the FBiH was planned for March 31, 2023. However, as of the time of report writing, E-INSPECTOR 2 has not yet been implemented.

Comment text:

Completed march 2024

ET response:

Regarding the equipment, the wording in the report (Finding 6) was modified to include that the equipment was delivered in March 2024.

Comment 36

The Draft Report's original text: (page 15/para 2)

KIs describing public procurement processes characterized them as massively paper-based, while e-bids, e-bid openings, and e-bid evaluations have been on hold since 2014. Beyond the public procurement portal, the rest of the tendering process is heavily paper-based. Tender documentation is in Portable Document Format (PDF), which prevents data extraction, and no statistics are available on the PPA website.

Comment text:

Not sure how this relates to the above statement "While BIMS2, E-INSPECTOR 2 and the eCPP have been implemented without e-signature…" The e-signature is not needed in the eCPP system. This statement makes no sense.

ET response:

Please see GR2. The text will be modified to reflect that it is of relevance for USAID/BiH future decisions.

It may be correct that the e-signature functionality is not needed in the eCPP systems as per its current functionality specifications. On the other hand, it is interesting that the eCPP, as a 'closed system,' accepts tenders submitted for publication as valid and authenticated documents, while (as per Comment 46) documents submitted through BIMS2 have to be submitted in hard copy as well. This raises further questions if the eCPP solution for submitting valid documents through the system can help override the same thing, which is a BIMS2 issue.

Coming back to the issue that e-signature is not integrated in the eCPP, the quoted text from the report was changed to reflect that the information is of USAID/BiH interest because, if the Mission in the future wants to tackle other aspects of 'massively paper-based' public procurement processes, the integration of e-signature will have to be developed to enable e-signed bids (domestic and international) and complaints.

Comment 37

The Draft Report's original text: (page 15/para 3)

In BIMS 2, freight forwarders' requests for inspection control are e-mailed to border inspections, but they also must be submitted in hard copy before an inspection is conducted. However, the BiH customs, which also operates at the border, has accepted digitally signed customs declarations since August 2022.

Comment text:

The freight-forwarders' requests for inspection control in BIMS 2 are not emailed to border inspections, but are submitted through the system itself, as they are actual, registered users of the system. It's true that the hard

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copy of the documentation is still required, but not due to inspections or BIMS 2. This is not related to E-Governance.

ET response:

This statement in the report (Finding 7) was reworded to read: "through the system" instead of "through email".

However, BIMS2 does not have an integrated e-signature functionality (and consequently a process of manual submission of documents is operated in parallel with BIMS2) as mentioned several times in this report for other pieces of E-Governance software (opposite to e-permitting where it was a must-have feature of the system), thus pointing out that some E-governance software products have the e-signature functionality and others do not is a valid finding (as presented in Finding 7).

Comment 38

The Draft Report's original text: (page 15/para 4)

According to the amended legislation, the construction permit issuance process must support the processing of both traditional (paper-based) and digital documents. However, beneficiaries were not provided with written procedures for parallel handling of these two systems.

Comment text:

Parallel procedure will be documented in the 'User Manual' document

ET response:

The comment confirms the finding presented. The new information provided in the comment was added to the Report (Finding 8).

Comment 39

The Draft Report's original text: (page 15-16, Conclusion)

Conclusion

Comment text:

The report cites delays caused by "intractable legal barriers" and also how e-construction systems cannot go forward until the Law on Spatial Planning is approved which may not be until the end of the project. This report needs to make that clearer and also the important fact that the legislative amendments that have gone forward and had huge impact such as the Law on Administrative Procedure would not have happened without the continuous efforts and hard work of the Activity.

ET response:

Please see GR4.

Comment 40

The Draft Report's original text: (page 17/para 2)

Legislative/regulatory changes in the domain of administrative procedures permit the introduction/use of DMSs in government institutions, which allows important changes in their work processes, including the transition from manually keeping various registers in hardcopy in the FBiH public administration.

Comment text:

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The changes to the Administrative Procedure Law introduced the use of electronic communication in administrative procedures, enabling government institutions in FBiH to create different e-services. This should be added as well. The Rulebook on the Operations and Management of Public Offices enabled the use of DMS. There has to be a distinction between these two.

ET response:

Please see GR4 and responses to comments 22 and 45.

Comment 41

The Draft Report's original text: (page 17/para 2)

This was a major side-effect success in E-Governance's regulatory work.

Comment text:

The major side-effect success was the fact that we managed to change the APL.

ET response:

Please see GR4.

Comment 42

The Draft Report's original text: (page 17/para 2)

However, although this change can be implemented immediately in all FBiH government institutions, it appears to be unnecessarily on hold pending the implementation of e-construction permitting software in the E-Governance partner institutions. When asked about the changes in beneficiary organizations' work processes, several KIs mentioned the shortening of deadlines in construction permitting.

Comment text:

Not sure what the relationship is between e-construction permitting and DMSs

ET response:

It was a notable effort of USAID/BIH to introduce DMSs in local governance units through its GAP I/II projects (MEASURE II Local Governance Assessment (LGA), p 7, para 3 and 4: "*Over the last 15 years, USAID/BIH has implemented several initiatives to provide technical assistance to local governments, some of which are ongoing. In 2004–2007, USAID/BIH implemented the Governance Accountability Project (GAP), a $20.4 million activity co-financed by USAID/BiH and the Swedish International Development Cooperation Agency (SIDA). In 2007–2012, USAID/BIH implemented the Governance Accountability Project Phase II (GAP2), co-financed by SIDA and the Embassy of the Kingdom of the Netherlands in BiH*"; LGA p.18 para 4: "*Some LGUs believe all procedures should be transferred online; others feel a sufficient IT system is already in place. For example, there are LGUs that acquired the DocuNova document management system during implementation of the USAID GAP Activity; that system remains in use and there are no problems either in the operation or in the maintenance of the system. In addition, other donor initiatives, despite DocuNova's availability, implemented a new DMS system*"; p.24, para 3: "*For example, while many advocate for introducing digitalization, the LGUs that received support from the USAID GAP have been using the DocuNova system for more than a decade.*").

These DMSs have been used for recording and tracking all types of cases in the local governance units, building permit cases are just one of those case types. For example, the Municipality of Tesanj uses USAID GAP's original software (with upgrades funded by the Municipality itself) for tracking all its case types including building permit cases. The ET hopes that this clarification answers the comment. However, we recommend that the commenter visits the Tesanj Municipality and observes DMS functionalities.

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When observing a functional DMS in a municipality, we recommend assessing communication and exchange of information (including the single-sign-on) between the e-building permitting software and the existing DMS. In the absence of that bridging between two software products, they will work as isolated silos and providing information on the Municipality's web site and enabling e-services through it will be an additional challenge.

Please see also responses to comments 11 and 61.

Comment 43

The Draft Report's original text: (page 17/para 2)

it appears to be unnecessarily on hold pending the implementation of e-construction permitting software in the E-Governance partner institutions

Comment text:

This implementation of DMS is not in our SOW, and should not be elaborated in the context of e-construction permitting, but creating broad legislative framework for e-governance in the Federation BiH. This issue is already explained earlier in the text.

ET response:

Please see responses to comments 11 and 42.

To further simplify the response, e-building permitting is only a subset of a fully-functional DMS which tracks all case types under the jurisdiction of a local governance unit.

Comment 44

The Draft Report's original text: (page 17/para 2)

Specifically, with the adoption of the Zenica-Doboj and Una-Sana cantonal laws on spatial planning and construction, the deadline for several steps in construction permitting was shortened by half and two-thirds, respectively. Even if the e-construction permitting software has not been implemented yet, these legislative changes are immediately applicable to the issuance of building permits in these two cantons.

Comment text:

Again: It's not only about the deadlines! It's about the fact that these laws enabled the use of the electronic system for construction permits.

ET response: The wording in Finding 9 was changed to reflect this comment and GR4.

Comment 45

The Draft Report's original text: (page 17/para 3)

The amendments to these regulations, although E-Governance pursued them with the primary motivation of enabling e-construction permitting, apply to all other cases on all levels of public administration in the FBiH (E-Governance helped effect the same change at the BiH level). However, most institutions that use DMSs are unaware of this legislative change and no KI could offer examples of actual implementation of these changes.

Comment text:

The identification of the potentials for the e-governance reforms in FBIH through the implementation of Amendments to the Rulebook on the Operations and Management of Public Offices is a fantastic observation

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by ET team as it was the E-governance ultimate objective. However, the Draft Amendments to the FBiH Rulebook on the Operations and Management of Public Offices were not pursued with the primary motivation of enabling e-construction, but to implement the Amendments to FBIH Law on Administrative Procedure and introduce the electronic communications and DMS in the work of public offices in FBiH at all government levels, and thereby eliminate the need for the double evidence and entries, the old manual and the new in an electronic form. This is a separate and complementary E-governance effort to the legal and regulatory changes designed to enable e-construction permitting.

ET response:

Please see response to Comment 11.

In addition, USAID GAP introduced DMSs (which record and track all kinds of cases within the authority of local governance units) in many local governance units. At the beginning of the E-governance these DMSs already existed. In relation to GR5 and prolonged legislative procedures in the parliaments which E-governance encountered, the Activity could have helped its beneficiaries (i.e., Municipality of Tesanj) to get rid of manual entries in registry books, save municipal resources and immediately show positive effects which the digitalization brings paving the road for its next (bigger and bolder) interventions. Such a phased approach would not be prevented by any of the identified contextual factors and this is an example where the Activity could perform adaptive actions.

Comment 46

The Draft Report's original text: (page 18/para 2)

However, BIMS 2 retained the interface of the legacy system (BIMS). BIMS 2 introduced no business process changes (for example freight forwarders are still requested to submit hardcopy of their requests for inspection controls) and limited the migration of data from the previous system (which is quite normal due to outdated data structures in the legacy system).

Comment text:

By definition the upgrade of the old system retains an interface.
The replacement was done due to poor performance of the old system that couldn't be improved.
The freight-forwarders' requests for inspection control in BIMS 2 are not emailed to border inspections, but are submitted through the system itself. It's true that the hard copy of the documentation is still required, but not due to inspections or BIMS 2.

ET response:

A KI stated what's presented in the report. As in other instances of different viewpoints among the key players in the development process, the statement in the comment will be added to Finding 5 in the report - "By definition the upgrade of the old system retains an interface", noting that it differs from the statement of another KI.

As per GR5, the second sentence in the comment is related to an Activity's deviation from the SoW. However, the ET does not find anything wrong with it, as long as the Mission approves it.

For the last part of the comment please see Comment 37 above.

Comment 47

The Draft Report's original text: (page 18/para 2)

However, BIMS 2 retained the interface of the legacy system (BIMS). BIMS 2 introduced no business process changes (for example freight forwarders are still requested to submit hardcopy of their

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requests for inspection controls) and limited the migration of data from the previous system (which is quite normal due to outdated data structures in the legacy system).

Comment text:

Everything was migrated with corrections to the registers that were necessary.

ET response:

KIs provided information that was presented in the report. However, as there is a contrary statement in the comment, the wording was removed from Finding 10. As in other instances of different viewpoints among the key players in the process of development, the contrary statement from the comment was added to the report (Finding 5), with a note that it differs from the statements of other KIs.

Comment 48

The Draft Report's original text: (page 19/para 1)

The Open Data database reached the go-live phase in March 2024

Comment text:

Again, factually incorrect

ET response:

This sentence was deleted, as per ET's response to Comment 5. At the same time, the relevant paragraph was reworded to refer to the digital monitoring tool based on risk indicators.

Comment 49

The Draft Report's original text: (page 20/para 1)

However, one KI was unsure to what extent public utilities will start using the e-construction permitting system for procedures they conduct, as not all of these actors are within the authority of the given LGU.

Comment text:

Public utility companies are required to use the system. For example, Article 67. of the Zenica-doboj Spatial Planning Law says: "The investor submits requests, additional documentation, and receives acts and administrative acts from the administrative authorities, public enterprises, companies, utility companies, agencies, and other institutions in the administrative procedure for obtaining construction permits, in paper and/or electronic form through the electronic permitting system in the field of spatial planning and construction. ...E-Gov is working with municipalities to establish the service level agreement between institutions (municipality and public utility companies)

ET response:

Part of the comment and the quote from the law "...in paper and/or electronic form..." confirm the statement in the report.

Comment 50

The Draft Report's original text: (page 20/para 1)

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The issuance process is further complicated because some types of permits require approvals from the cantonal or FBiH authorities or, in some cases, institutions that do not usually participate in the construction permitting process will have to provide the requested information (e.g., law courts).

Comment text:

In our contract is stated to implement e-Construction permitting system in 5 municipalities.
The system can be configured for issuing permits at the Cantonal and Federal authorities.

ET response:

The ET agrees with what is stated in the comment. However, in a situation when the system is introduced in municipalities but not in cantons, the communication between the municipal and the cantonal institutions (i.e., in cases of conversion of agricultural land into construction land) will have to be maintained in paper form. For the clarity of the statement, this part of Finding 12 was reworded.

Comment 51

The Draft Report's original text: (page 20/para 1)

The analysis of the amendments made with the E-Governance assistance shows that no sanctions are imposed for failing to use e-construction permitting software.

Comment text:

Of course not. It is not possible to propose penalties/sanctions for the use of the e-construction permitting system because both electronic and paper submission methods are allowed. Therefore, it is impossible to prescribe penalties/sanctions for its use or non-use. I am really not sure what was the intention of this comment.

ET response:

As the Activity's interventions on amendments to the law (as per Comment 49) permitted document submission in paper and/or electronic format, it left an open loophole for anybody not willing to use the electronic system to avoid it. The fact that the use of electronic/digital systems was not made mandatory is the reason sanctions are not prescribed by law.

Comment 52

The Draft Report's original text: (page 20/para 1)

This was corroborated by one KI who thinks that public utility companies are not mandated to use electronic communication communications in their segments of the construction permitting process.

Comment text:

If the Law or By-law says that they have to use it, then they have to use it! The opinion of one KI is not relevant in this case! The same can apply to any situation where one doesn't want to follow the rules.

ET response:

As elaborated in the response to Comment 51, all parties to cases have an option to use paper or electronic communication. Thus "must" does not exist in the laws discussed here.

Otherwise, it is correct that, if a law stipulates that some action or procedure is mandatory, then any non-compliance will incur legally mandated sanctions (also fully in line with the ET's response to Comment 51).

Comment 53

The Draft Report's original text: (page 20/para 2)

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LGUs that do not use any DMS in their daily operations can immediately implement the e-construction permitting software without the need to wait for legislative changes. With the use of the software, LGUs can automate their internal process for issuance of construction permits and increase transparency. This way, LGUs could use e-construction permitting software as a type of DMS to improve their work in an automated environment until roadblocks for the full implementation of e-construction permitting software are removed.

Comment text:

This is really unclear. It appears that their perception of the e-construction permitting system is closely related to the DMS. Especially considering they mentioned that the reason for changing the Rulebook on Office Operations was due to the implementation of the e-construction permitting system. This is completely inaccurate and misleading. The DMS is a separate system based on office operations. Yes, the e-construction system can be "integrated" with the DMS for receiving and processing documents, but it absolutely does not have to be integrated, whether the LGU has a DMS or not. These systems are not dependent on each other, yet they are creating a dependency relationship throughout the entire document.

ET response:

Please see responses to comments 11, 42, 43, and 61.

Comment 54

The Draft Report's original text: (page 20/para 3)

However, municipalities with DMSs and inspections with old software already had these options, although less advanced.

Comment text:

DMSs and inspections with old software already had these options, although less advanced.

Again, this is inaccurate and shouldn't be in the report.

ET response:

Please see GR3, where this issue is discussed in detail.

As the ET learned from KIs, the Tesanj Municipality also has performance data regularly extracted from their DMS (where the building permits sector is just one of sectors under municipal jurisdiction) and the mayor sets key performance indicators (KPIs) to be met. This would not be possible without having data at their disposal. In the inspection software systems, the data can be exported and processed in other software (as simple as Excel) and data analysis can be performed.

Comment 55

The Draft Report's original text: (page 20-21/EQ1A Conclusion para 1)

Legislative/regulatory changes in the domain of the administrative procedures created pre-conditions for electronic communication with parties and abandoning manual entries in various registry books.

Comment text:

The report should be more specific and name this landmark law that was finally amended after 20 years: the Law on Administrative Procedure.

ET response:

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The ET acknowledges that the Law on Administrative Procedure was amended and Finding 9 was modified taking into account GR4.

Comment 56

The Draft Report's original text: (page 21/EQ1A Conclusion para 2)

However, the introduction of BIMS 2 did not involve any modification of border inspection work processes per se.

Comment text:

The BIMS 2 does have electronic exchange of information with SEED+, a phytosanitary data exchange system for CEFTA countries, and through it with TRACES system of the EU, so the inspectors can and most do verify phytosanitary certificates directly in the system, without the need for the physical certificate to be submitted.

ET response:

The wording of Finding 10 and EQ1A Conclusions were modified to incorporate the information from the comment.

Comment 57

The Draft Report's original text: (page 21/EQ1A Conclusion para 4)

For the LGUs that already use a DMS in their internal processes, the main advantage of the new e-construction permitting system is in the simplification of the communications with citizens/businesses and in acceleration of case processing.

Comment text:

Again, nonsensical reference to DMS as a major element

ET response:

Please see responses to comments 11, 42, 43, 53, and 61.

Comment 58

The Draft Report's original text: (page 21/EQ1A Conclusion para 4)

The introduction of e-construction permits in a DMS regime could be most beneficial for those municipalities since it can increase the transparency of work of public government institutions (and individuals) and can generate reports that would make it possible to detect weak points conducive to potential corrupt conduct.

Comment text:

Through monitoring the Citizen and Municipality management (including Mayor) can see where the case is and how long it is kept. That is the flag for potential corrupt conduct.
Electronic exchange of data and documents reduces the number of contacts with border inspectors reducing possible acts of corruption. With this automation, the business process is redesigned and improved which will lead to a reduction of incidences of corruption

ET response:

The response to Comment 12 applies here as well.

In addition, the Mayor of the Municipality of Tesanj is already doing it (tracking and monitoring all data on cases in the municipality) with the municipality's DMS.

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In previous comments, regardless of document submission through the system, BIMS2 users are still required to submit hard copies of the same documentation.

Comment 59

The Draft Report's original text: (page 22/para 2)

There is a fully functional e-signature in BiH, with a legal framework that enables the exchange of electronically signed documents. Government officials' self-censorship is what prevents its widespread use in government institutions.

Comment text:

That the officials are reluctant to use e-signature should not be a major finding since that is out of the control or purview of the Activity. The finding should be that E- signature has been achieved along with the legal framework (no small feat). That was the result that was to be achieved, and was achieved, not whether officials would want to use it or not.

ET response:

Please see GR4 and GR5.

In addition, it is an interesting finding that the Activity found ways and resources to train the media in using e-signature - per E-Governance's June Newsletter: "Besides, the journalists had a chance to try to electronically sign requests for public services using the qualified electronic signature" (Media Masterclass section), while the use of e-signature by government officials in the partner institutions this Comment refers to as "out of the control or purview of the Activity.".

Comment 60

The Draft Report's original text: (page 22/para 2)

The existence of the state-level Law on E-Signature and the Law on Electronic Document indicates that e-signatures are legally recognized in BiH.

Comment text:

True, the legal framework on e-signature, e-document and accredited CAs have been in place since 2019 at the BiH level. FBiH also has the Law on Electronic Document in effect. However, conduct of public authorities and their proceedings are governed by the four laws on general administrative procedure in BiH, the FBIH being one of them, which was not updated since 1999. There was a firm legal opinion by all public officials that electronic signature cannot be used nor administrative proceedings conducted electronically in any administrative proceedings before authorities in FBiH, unless the FBIH Law on Administrative Procedure were amended. It is important to note that E-governance is primarily focused on developing software in the Federation. Thus, the full legal framework for e-governance in FBiH exist from July 2022, when the E-gov supported amendments to LGAP were adopted.

ET response:

The first part of the comment confirms the report statement.

For the discussion pertinent to the rest of this comment, please see GR3, GR 4 and the response to Comment 2.

Comment 61

The Draft Report's original text: (page 23/para 4)

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Notably, some of the most complex and impactful IT systems in place have been developed with the assistance of USAID Activities, such as USAID Pledge Registry Project (PRP), USAID Fostering an Investment and Lender-Friendly Environment (FILE), USAID Enabling Labor Mobility Activity (ELMO), and USAID Fiscal Sector Reform Activity (FAR).

Comment text:

Not related to E-governance evaluation.

ET response:

In the sense of GR2, Finding 15 was changed to reflect that it is intended for USAID/BiH's information.

Nevertheless, the ET believes that it is "Not related to E-Governance", but also that to some extent it is. "Not-related" in the sense that such a requirement is not explicitly stated in the Activity's contract. However, to some extent it is, as explained in GR5, and in the response to comments 11 and 42. Namely, when encountering roadblocks in the implementation, nothing prevented the Activity from consulting anybody who might offer experience, advice or suggestions to formulate mitigation measures as part of managing change in an organization, e.g., when introducing a new software solution, which requires substantial change management efforts.

Consulting former USAID GAP staffers could probably help answer questions posed in the comments about DMSs (as USAID GAP implemented DMSs in numerous municipalities in BiH) and their relationship to processing building permit requests (See Comment 42).

Comment 62

The Draft Report's original text: (page 23/para 5)

Legislative and regulatory challenges are identified as major implementation

Comment text:

As we noted earlier, the full legal and regulatory framework for e-governance has been in place since July 2022 for all administrative proceedings governed by the general procedure law - LGAP such as the Federation inspection administrative procedure. The issue identified by ET is the procedure governed by the special administrative procedure law. According to the EU and SIGMA sources, no government level in BiH has the registry of those laws and it is believed that there are many as "instead of being an exemption, special proceedings become the practice in BiH" . The EU recommends deviation from such legal practice through minimizing the number of special procedural laws, and establishing the registries of those laws at all level of governments as the first step.

In the recently developed E-gov Report "Digital Transformation Roadmap: Priority Measures for E-governance", this issue is addressed by the E-gov and specific recommendations made. It will be up to the national authorities to decide how to overcome this issue in the future.

ET response:

The first part of the comment was addressed in GR4 and in the responses to comments 2 and 11. The response to Comment 17 applies to the second part of this comment.

Comment 63

The Draft Report's original text: (page 23/para 5)

E-Governance had to shift resources to work on the removal of legislative/regulatory roadblocks for the implementation of its software solutions.

Comment text:

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The Activity was designed in a way that instruct the IP to ensure that legislation is in place to enable the implementation and usage of software solutions. I don't understand what are you trying to imply with this sentence.

ET response:

Response provided in GR4, while text in Finding 16 was reworded to reflect this comment.

Comment 64

The Draft Report's original text: (page 23/para 5)

Even when the Amendments to the FBiH Law on Spatial Planning and Land Use are adopted the implementation of the e-construction permitting system will require new rounds of legislative changes in each canton.

Comment text:

This is not correct. They even mentioned on several occasions in this document that the cantonal laws have been adopted. These laws will not require new rounds of legislative changes!

ET response:

As explained in GR2, it refers to possible new cantons, beyond current E-Governance partner cantons. The wording of Finding 16 was modified to reflect that it is intended for USAID/BIH's information.

Comment 65

The Draft Report's original text: (page 24/para 4)

One KI indicated that the adoption of a single lex specialis—a specific law designed to address the particularities of digital tool implementation—could streamline the process substantially. This specialized legislation would eliminate the cumbersome need to adopt or amend dozens of laws across various levels of governance, thereby simplifying the legal landscape for digital transformation. Moreover, the suggestion to circumvent this conservative attitude by adopting a lex specialis reflects a strategic shift towards more targeted legislative efforts, which could prove more efficient than the extensive overhauls suggested by the customary piecemeal legislative approach.

Comment text:

Maybe this highly hypothetical discussion should be a recommendation. That a lex specialis would be adopted is unrealistic.
This section does not pertain to an evaluation of the Activity and undermines its hard work to bring Bosnia's laws and regs into alignment in support of future digitalization efforts.

ET response:

Please see the response Comment 2.

Comment 66

The Draft Report's original text: (page 24/para 4)

One KI indicated that the adoption of a single lex specialis—a specific law designed to address the particularities of digital tool implementation—could streamline the process substantially.

Comment text:

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During the preliminary presentation, lex specialis was mentioned and sounded like it came from the ET not a KI. Do you know which KI said this? It would be helpful to know their background and credentials.

ET response:

Please see the response on Comment 2.

Comment 67

The Draft Report's original text: (page 28/para 3)

Major donors are actively involved in the sector, yet coordination and synchronization of their activities remain weak.

Comment text:

Since day#1 E-Governance Activity was involved with donor coordination such as UNDP, WB, IFC, EU, Swiss,…., had regular coordination meeting with them. As a result of great coordination we were able to organized fund raising for Indirect Taxation Authority (ITA) marketing activities. In the age of Covid-19, we gathered online most of the donors in BiH and managed to secure money for ITA marketing activities. USAID is aware of this activity.

ET response:

The finding reflects what the ET learned during the data collection.

Comment 68

The Draft Report's original text: (page 28/para 3)

All major donors are involved in BiH's e-governance initiatives. The United Nations Development Programme's (UNDP) project "Digital Transformation in the Public Sector in BiH" is a four-year project ending in August 2024 that focuses on assisting governments and institutions at all levels to implement a digital transformation through improved capacities for transparent and effective policymaking, as well as knowledge and resource management.

Comment text:

E-gov Report "Digital Transformation Roadmap: Priority Measures for E-governance" address this issues and provides recommendations to national authorities.

The response to Comment 17 also applies here.

Comment 69

The Draft Report's original text: (page 28/para 3)

Major donors are actively involved in the sector, yet coordination and synchronization of their activities remain weak.

Comment text:

actively involved is an overstatement. What are actual budgets for other donor projects? If you look at real investments from active projects I think you would find that not much money is directly spent on e-gov initiatives.

ET response:

The word "actively" was removed from Finding 22 in response to this comment, because readers can assess relative importance of the anticipated new EU project worth 11.5 million EUR

Comment 70

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The Draft Report's original text: (page 28/para 3)

The United Nations Development Programme's (UNDP) project "Digital Transformation in the Public Sector in BiH" is a four-year project

Comment text:

what was the budget?

ET response:

The information was not disclosed during KIIs. However, the information provided on the UNDP's website (https://www.undp.org/bosnia-herzegovina/projects/digital-transformation-public-sector-bih) in the section "Project value and donors" is: "Total value of the project: USD 5,000,000 (UNDP contribution USD552,830, Government of the United Kingdom/Good Governance Fund GBP 500,000 [Year I], Government of the Netherlands USD 199,692.00 [Year I])," However, the section "Impact" and subsection "Delivery in previous years" contained the following information: "$218 (2020), $ 456,667 (2021), $661,814 (2022), $190,108 (2023), and $65,676 (2024)".

Finding 22 was expanded with the above text included in a footnote.

Comment 71

The Draft Report's original text: (page 28/para 3)

However, the UNDP lost the financial support from the British government and the government of the Netherlands and currently operates using only the core UNDP budget

Comment text:

If that is the case, it's probably only a couple hundred thousand EUR.

ET response:

Publicly available information are provided in the response to Comment 70.

Comment 72

The Draft Report's original text: (page 29/para 4)

Failure to ensure interoperability between government institutions is increasingly recognized as a major obstacle to successful digitalization of government processes and development of new e-services. Although aware of examples of successful digital data exchanges between government institutions and even with private entities, such as settlement of traffic violation fine payments (commercial banks forward details about payment of fines to the FBiH Tax Authority which forwards them to IDEEAA) or tax filings and tax payments with both the BiH ITA and the FBiH Tax Authority, several KIs advocated for a restoration of the Government Service Buses (GSBs) that had been installed on the BiH and FBiH level to implement adopted interoperability frameworks on these levels of government

Comment text:

E-Governance did an assessment of GSBs and recommended replacement of hardware and software at all levels.

ET response:

This assessment was not forwarded to the ET. However, such a document will be very useful, if USAID/BiH decides to implement high-level recommendations of this report, and it further confirms the ET's logic in the development of its recommendations.

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However, in relation to GR5, the ET finds this as a further example of what was implemented beyond the Activity's SoW.

Comment 73

The Draft Report's original text: (page 29/textbox 2)

"The GSB system never actually became operational; the system is by now technologically obsolete and needs to be "refreshed" – licenses have expired and need to be reinstalled." – a quote from an international organization KI.

Comment text:

After the implementation (2016 or 2017) GSB was interoperable but not wisely used. Every level of the government had few live services through GSB. FUZIP was using e-service through GSB before E-Governance started (2020)

ET response:

This is a direct quote of what a KI stated. This quote versus the statement in the comment indicates, again, that there are different viewpoints and understanding of the same things among stakeholders in the sector. The quote itself was removed from the Report, however, to address this and similar misunderstandings between the stakeholders in the sector, this report offers high-level recommendations for the USAID/BiH's consideration.

Comment 74

The Draft Report's original text: (page 30/para 2)

Absence of an inventory of existing e-governance systems/applications in the FBiH makes it harder to plan potential future digitalization efforts.

Comment text:

E-Gov Activity recently completed a comprehensive analysis: "The Digital Transformation Roadmap: Priority Measures for e-Governance in FBiH." It provides a comprehensive roadmap to enhance digital governance and interoperability throughout Bosnia and Herzegovina, focusing on the FBiH. This initiative, developed in partnership with the FBiH Ministry of Justice and supported by USAID's E-Governance Activity, is aimed at providing a way to leverage digital technologies to increase governmental transparency, efficiency, and citizen engagement.

All government levels in BiH have the responsibility under the Public Administration Reform (PAR) to develop catalogues of services, which serve as the basis for digitalization.

2022 SIGMA Monitoring Report, Recommendations Services and Digitalization - Point 4 of the short-term recommendations (1-2 years) reads as follows: " Develop catalogues of services (PAR Co-ordinator's Office [PARCO] in co-operation with relevant bodies at the State level, FBiH Ministry of Justice [MoJ], RS Ministry of Administration and Local Self- Government [MALSG] and BD Mayor's Office) to support the mapping of services; their simplification, optimisation, and standardisation; monitoring of service delivery performance; and harmonisation of special administrative procedures with the LGAP.

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services; their simplification, optimisation, and standardisation; monitoring of service delivery performance; and harmonisation of special administrative procedures with the LGAP.

ET response:

Regarding the first part of the comment, the response to Comment 17 also applies here.

Regarding to the SIGMA report comment - neither KIs nor the ET's literature review identified the existence of such a catalog for the FBiH. However, if this catalog is developed and available, the ET kindly asks the commenter to forward it to USAID/BiH as it will be of great help to USAID in addressing the report's recommendation no. 20.

Comment 75

The Draft Report's original text: (page 32/para 2)

2. Create a "Friends of USAID in digitalization" group from former USAID/IP staffers/consultants who had previously implemented successful e-solutions in the BiH public sector. (see F15)

Many digital systems implemented in the BiH government that are in use today were implemented by USAID's Activities current or former staff (e.g., USAID FILE, USAID ELMO, USAID PRP, USAID FAR). USAID should identify these individuals and convene a "Friends-of-USAID in digitalization" group, which will help USAID to recover its institutional memory and provide useful advice in devising future approaches and interventions in the e-governance sector.

Comment text:

Author 1: Previous projects should not reflect on the current projects. The design is reflected in the SOW or the SOO and it is on the contractor to use their knowledge and technical expertise to ensure successful implementation of the project. Unless you can provide more in depth information to form basis for this recommendation and to prove its relevance, I'd advise that this be rephrased or removed from the list. It is solely the contractor's job to ensure smooth implementation and to provide the technical expertise.

Author 2: Agreed - This a ridiculous and uninspiring recommendation that doesn't belong on the list, let alone being the second one on the list.

It is weak recommendation, at best, and a potentially questionable recommendation, that is looking to give the ET and other "friends" not currently engaged with USAID influence in the space, at its worst.

Additionally, this is a vanilla recommendation that could be said for any USAID activity or subject matter. It reads like a way to "employ" previous IP staff. Just because they worked on something in the past, doesn't me it's correct or right for the present. I'm drawing this conclusion based on the focus on "former USAID/IP staffers/consultants".

In my opinion, consulting with the group of current USAID digitalization partners is more beneficial than looking to former consultants who have some institutional knowledge, but may not have current/relevant information.

ET response:

ET's based this recommendation on a simplified approach to talk to experts who can offer the outside-the-box viewpoints at times when roadblocks are encountered and mitigating measures are needed, or when important decisions are to be made.

The recommendation related to "Friends of USAID in digitalization" differs from the recommendation related to the "Advocacy group" in the sense that not all knowledge of implementation of previous e-

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systems is with government institutions, but also with experts/former government officials/companies/members of academia who provided assistance in implementing those e-systems in the past (mainly under various donor initiatives), or those that are knowledgeable of issues at stake in general. In other words, there are individuals who could not belong to an advocacy group, but who understand the issues at hand.

However, if "Friends of USAID in digitalization" is understood as the ET"s attempt to "employ previous IP staff, it is totally opposite to what the ET intended and a huge misunderstanding. The ET envisioned this group offering their help free of charge (on a pro-bono basis). As noted in Finding 15 that there have been successful USAID/BiH interventions in the past, the ET believes that previous USAID IPs' staffers (who understand USAID procedures, standards, and culture) can be the 'best equipped' to provide precise information to meet USAID/BiH's needs.

The ET wants to remove any notion that the recommendation is intended to generate employment opportunities for anybody. To this end, but still considering that it is wise to talk to outside-the-box experts when attempting to define mitigation measures for encountered roadblocks or when making important decisions.

The ET will make two changes to this recommendation. First, the recommendation will be moved to the bottom of the high-level list of recommendations (and the order of other recommendations will be changed). Second, the recommendation for USAID/BiH consideration will be to create an ad-hoc Advisory Group or engage in any other form of a consultative process with relevant experts at times when USAID/BiH considers that might be helpful to USAID/BiH in its informed decision-making. Finally, as with all other recommendations provided, they are listed for USAID/BiH's consideration only.

Comment 76

The Draft Report's original text: (page 34/recommendation 13)

… convene a "Friends-of-USAID in digitalization" group, which will help USAID to recover its institutional memory and provide useful advice in devising future approaches and interventions in the e-governance sector

Comment text:

I don't understand how we lost our institutional memory? If it's related to the absence of the previous USAID employee mentioned on page 10 this is an unnecessary statement. It's suggesting that we don't have institutional memory with other USAID staff, with a digital specialist on board since 2021 who brought with her extensive experience, and after conducting an extensive digital ecosystem assessment.

ET response:

Please see ET's response to Comments 27 and 75.

Comment 77

The Draft Report's original text: (page 34/recommendation 13)

Provide support with establishing CPBs on the cantonal level, if those CPBs intend to use E-governance developed e-CPP software. (see F: 1, 18, & 20)

Comment text:

Rulebook says that established CPBs must use the eCPP system. Why only at cantonal level?

ET response:

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This recommendation is limited to the cantonal level, as the ET's opinion is that if all cantons are initially supported by USAID/BiH and consequently get comfortable in using the system, they will have capacity to provide support to other levels if other levels decide to use the system. In that case, USAID/BIH's TA can be directed to other areas (where TA is more needed.)

Comment 78

The Draft Report's original text: (page 34/recommendation 15)

There are several arguments for integrating BIMS 2 and E-INSPECTOR 2, including simpler and cheaper maintenance, unified training of inspectors, and increased flexibility for FUZIP's management to shift inspector resources in response to suddenly increasing needs. Working

Comment text:

E-Gov was told that this is a political decision as BIMS should be at the state level although systems could be integrated. E-Gov will have integrated reporting from both systems.

ET response:

GR2 explains why this recommendation is provided for USAID/BiH's consideration in future decision making. "Political decisions" are a very volatile category. In a different set up in the future, economy-of-scale considerations the ET proposed should be reconsidered and may prevail.

Comment 79

The Draft Report's original text: (page 54/Table)

IT company	MEDIT

Comment text:

MEDIT is NOT one of our stakeholders and how is MEDIT relevant to E-Governance project?

Samir Dedovic, an expert hired by the Measure project for this evaluation, is Director of MEDIT which is a competitor of Cicom.

ET response:

The response to the first part of the comment is provided in GR2.

For the response to the second part of comment, please see Comment 3.

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