

EU – Bosnia and Herzegovina Stabilisation and Association Agreement
5th Public Administration Reform Special Group
25 February 2021
Recommendations¹

1. Public Administration Reform Strategic Framework (PAR SF)

- BiH should establish a functioning **political decision making body** to be supported by relevant PAR Coordinators in order to provide a credible and effective political steer for the implementation of public administration reform (PAR) in a coordinated way across all government levels. In this context, we welcome the plan to establish in 2021 a Committee of Prime Ministers dealing with PAR, by providing political steering to the ministers in charge of PAR and the PAR coordinators.
- BiH authorities need to establish **effective coordination arrangements** on PAR by substantially simplifying and streamlining functions with existing PAR Coordinators.
- To this effect, all PAR coordinators should be strengthened in their role of steering implementation and monitoring of the Action Plan. Notably, **PAR Coordinators Office** should improve its performance and effectiveness for better horizontal and vertical coordination, by conducting possible functional reviews within 2021. BiH authorities should **strengthen PAR coordinator’s staffing capacities** at entities level and Brčko District in line with the organisation rulebooks in order to best perform the horizontal coordination with other implementing bodies on PAR and ensure monitoring.
- BiH should adopt a common **performance based monitoring system**, by adopting a common methodology on how to monitor PAR and an interoperable information technology system. The methodology should entail common templates for the collection of uniform data against targets at all levels of government as well as common guidelines and timelines for monitoring and reporting. PARCO and PAR coordinators should train better the staff responsible for monitoring PAR and publish the monitoring report in the websites of institutions in charge of PAR until July 2021.
- BiH should ensure higher **financial ownership and sustainability** for the implementation of the Action Plan by integrating its costs in the budgetary laws for 2022. In particular, BiH is encouraged to improve the co-financing of the PAR Action Plan, as well clarify based on the costing of the Action Plan, estimation of the financial gap for 2021-2022, by providing transparently the sources for the coverage of the funding.
- BiH should use the PAR Strategic Framework and related Action Plan 2020-2022 as the key document for the definition and delivery of technical assistance and therefore establish **effective donor coordination** on PAR.
- In order to enhance government accountability on PAR, BiH executive institutions at all levels of government should regularly report to the parliaments and inform citizens

¹ The 5th PAR Special Group recommendations should be published in the PAR Coordinator’s websites at each government level and EU Commission should be informed on the link of the websites.

on the reform process. Adequate consultations with civil society organisations should also be ensured.

2. Public Finance Management (PFM)

- As a matter of urgency, Federation of Bosnia and Herzegovina and Republika Srpska entity levels should expedite the adoption of their individual PFM Strategies 2021-2025 and all levels should cooperate to develop and adopt a credible and relevant **country-wide Public Financial Management strategic framework** and Action Plan by June 2021, while establishing a **performance-based monitoring system**. BiH authorities will conduct a Public Expenditure and Financial Accountability within 2021
- Once the strategic framework is adopted, BiH should initiate a **country-led policy dialogue** on public finance management reform with the European Commission, civil society representatives, development partners and International Financial Institutions.
- BiH authorities are expected to advance PFM reforms in **three key areas until the next PAR Special Group**, by implementing the recommendations of the Public Investment Management Assessment across all levels; improving the quality of budget process by adherence to the budget calendar and increasing budget transparency; and finally, making progress towards programme budgeting and medium-term budget planning at all stages of the budget cycle.

3. Civil Service and Human resource management

- BiH authorities should adopt the **common policy framework on civil service** in *Republika Srpska* entity and continue implementation and monitoring of this policy across all government levels in line with the Action Plan on PAR 2020-2022. The State level needs to fill all open vacancies in Ministry of Justice responsible for implementation of such policy.
- In line with the common policy framework, BiH authorities should adopt common **HRM methodologies on monitoring civil service law implementation and human resources management** until July 2021, by making this requirement as well legally binding. Such annual reports should be shared with the EU Commission and also published in the websites by the institutions in charge with public administration responsibility.
- In line with the common policy framework, BiH authorities should upgrade and adopt the legal basis on **public service where needed and make them functional** and integrate common methodologies in the Human Resource Management Information System for collection of data, while ensuring uniformity and interoperability between the data across levels until end of 2021.
- BiH authorities are recommended to harmonise legal provisions of the eleven civil service laws and human resource standards across government levels in order to ensure **mobility and common standards in working conditions, functions and organisation of civil service** for a functioning single administrative space. The

amendments would need to include particularly harmonisation of regulations affecting the scope of civil service, recruitment and selection procedures, categories of positions and competences levels of positions in order to promote mutual recognition of civil servants' qualifications and training curricula and render the civil service system more effective.

- Civil service laws need to be **aligned with merit principles**, by reforming the recruitment and selection process. To this effect, BiH authorities should: (1) reform the composition of selection committees with a view to ensure their impartiality and competence; (2) improve the quality of selection tests through the usage of competency-based assessment framework and organisation of at least one anonymous test for selection (written and oral); (3) increase the usage of online tools in recruitments for more transparency and a more objective process, (4) select always the best ranked candidate.
- BiH authorities should **discontinue practices that violate merit principles** like the practice of appointing 'acting heads' without ensuring candidates to pass open competition procedures; as well as hiring staff on temporary basis without transparent and meritocratic procedures. The civil service laws and recruitment practices have yet to ensure that ethnic criteria do not prevail over merit.
- BiH authorities should ensure that a **consistent and effective institutional set-up for human resource management** is regulated. In this regard, the roles and responsibilities for civil service and HRM policy development and management of Human Resource Management Information System, implementation, and monitoring, as well training should be clearly divided between competent institutions, particularly between the responsible ministries and civil service agencies at each government level. BiH authorities should strengthen the capacities of civil service agencies to improve human resource management and training delivery.

4. Policy Development and Coordination

- BiH should revise and upgrade all related primary and secondary legislation in **strategic planning** by defining common standards and quality requirements for country-wide development of sectoral strategies. The upgraded monitoring guidelines on public policies should require reporting on result-based policy achievement and not only activity-based progress against policy objectives.
- At each government level, BiH should designate clear institutional responsibilities with sufficient capacity for co-ordination and quality control over all new policy proposals before they are sent to governments for approval, including the authority to send policy inputs back to line ministries where minimum quality standards are not met. To this effect, the general secretariats and as well institutions responsible for policy planning should be strengthened.
- BiH is encouraged to improve the implementation of **Regulatory Impact Assessment (RIA)** guidelines, including quality control functions at all government levels.

- BiH should ensure that the legal framework for **public consultation** is enhanced and consistently applied in practice and that policy proposals submitted for adoption are checked in terms of their compliance with the standards and requirements for consultation at all levels of government.
- BiH should accelerate the development and adoption of a **country-wide Programme of EU Integration**, in line with the methodology adopted in September 2020, by providing the full costing needed for its further implementation.

5. Accountability and Service Delivery

- BiH should establish a mechanism for effective **implementation of the Ombudsman**' recommendations in line with the best EU and international standards and raise awareness in public institutions of the need to implement the Ombudsman's recommendations.
- BiH should improve legal provisions on **access to information**, including the elaboration of an extensive catalogue of information to be provided on the websites of public institutions, and secure full implementation and regular and effective monitoring of these laws. Sanctions for non-compliance with the obligation to provide access to public information should be introduced where necessary. BiH authorities are invited to share with the EU Commission all draft legislation prior to submission to adoption procedure.
- All levels of authority are encouraged to adopt a harmonised approach in any legislative amendments to the **Laws on General Administrative Procedures (LGAPs)** in order to ensure both better and more coherent administrative services for citizens and businesses across the *country*.

Follow-up actions

PAR Strategy and Action Plan 2020-2022

BiH authorities are invited to provide the Commission by 31 March 2021:

- the exact level of financial costs and need at each level of government,
- the overview of funding sources for the Action Plan measures 2020-2022 and
- the related financial analysis on the financial gap
- the agreed version of the passport indicators and monitoring methodology for PAR prior to adoption.

Civil service reforms

- Ministry of Justice at the state level should inform Commission on the filling of the open vacancies responsible for civil service policy by 31 March 2021.
- Data along the template on HRM across all government levels should be shared with Commission services notably by 1 September 2021 and as well ahead of the next PAR SG in 2022.

- By 31 May 2021, all government levels should share a roadmap on rendering the public service registries functional and interoperable.
- A common methodology for monitoring civil service laws implementation should be shared with the Commission by 30 April 2021.
- All draft amendments to the civil service laws should be shared with Commission until July 2021.