**STRATEGIC FRAMEWORK FOR PUBLIC ADMINISTRATION REFORM IN BOSNIA AND HERZEGOVINA**

**2018-2022**

March 2018

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# FOREWORD

The Strategic Framework for Public Administration Reform in Bosnia and Herzegovina 2018-2022 is focused on building an efficient, transparent, responsible and modern public administration that will operate in accordance with best practices and principles of the European Administrative Space and earnestly work for the benefit of citizens, delivering fast and reliable services. Public Administration Reform should facilitate efficient implementation of the law and evidence-based public policies, building a transparent, user-oriented, professional, effective and well-organised public administration capable of acting as a true driver of social and economic development and able to cope with the challenges of the European integration process and EU membership.

The Strategic Framework for Public Administration Reform mirrors the constitutional set-up of Bosnia and Herzegovina, Republika Srpska, Federation of Bosnia and Herzegovina and Brcko District of Bosnia and Herzegovina and the implementation of planned measures and activities will conform to the constitutional division of responsibilities in the area of public administration, without challenging it in any way whatsoever.

The drafting of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina was supported the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina in their decisions to adopt an Operational Plan for the preparation of this document.

By preparing this document, the authorities in Bosnia and Herzegovina have clearly reaffirmed that public administration is one of the areas of strategic importance for all administrative levels in Bosnia and Herzegovina.

The process of drafting the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina was supported by the Embassy of the United Kingdom to Bosnia and Herzegovina through the Good Governance Fund (GGF) and by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) through its Strengthening of Public Institutions (SPI) programme. Development of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina was also supported by the European Union Delegation to Bosnia and Herzegovina, SIGMA and other donors which contributed to the Public Administration Reform Fund.

Numerous representatives of the institutions of the Council of Ministers of Bosnia and Herzegovina, institutions of the Government of Republika Srpska, institutions of the Government of the Federation of Bosnia and Herzegovina and institutions of the Government of Brcko District of Bosnia and Herzegovina participated in the preparation of the Strategic Framework.

At the political level, the Strategic Framework for Public Administration Reform was steered by the Council of Ministers of Bosnia and Herzegovina, Government of Republika Srpska, Government of the Federation of Bosnia and Herzegovina and Government of Brcko District of Bosnia and Herzegovina as the decision-making authorities and the authorities responsible for adoption of the Strategic Framework for Public Administration Reform in BiH.

The Strategic Framework was drafted by inter-institutional working groups appointed by the Council of Ministers of Bosnia and Herzegovina, Government of Republika Srpska, Government of the Federation of Bosnia and Herzegovina and Government of Brcko District of Bosnia and Herzegovina, pursuant to the regulations at each administrative level and based on the SIGMA Principles of Public Administration; namely: Policy Development and Coordination, Public Service and Human Resource Management, Accountability, Service Delivery and Public Financial Management.

Working groups that carried out the activities are:

* Joint Working Group (JWG), comprising four PAR Coordinators and the representatives from the Office of the Chairman of the Council of Ministers of Bosnia and Herzegovina, Office of the Prime Minister of the Government of Republika Srpska, Government of the Federation of Bosnia and Herzegovina and Government of Brcko District of Bosnia and Herzegovina;
* Thematic Working Groups (TWGs), comprising representatives of line institutions at all four levels of government in Bosnia and Herzegovina from the ranks of senior (management-level) civil servants, in accordance with their respective scope of work.

A number of international and local experts was also engaged in the preparation of the Strategic Framework for Public Administration Reform.

# INTRODUCTION

## THE IMPORTANCE OF ADOPTION OF THE STRATEGIC FRAMEWORK

The process of public administration reform and modernisation (hereinafter: PAR) at the administrative levels of the institutions of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina (FBiH), Government of Republika Srpska (RS) and Government of Brcko District of Bosnia and Herzegovina is taking place in a structured manner since 2006, when the Council of Ministers of Bosnia and Herzegovina (CoM BiH), Government of the Federation of Bosnia and Herzegovina (FBiH), Government of Republika Srpska (RS) and Government of Brcko District of BiH (BD BiH) adopted the first PAR Strategy for BiH. The primary purpose of the PAR Strategy was to create and sustain a public administration capable of delivering quality services to citizens and businesses, which would operate on the principles of good governance and ensure the implementation of reforms required in the European integration process.

The initial PAR Strategy was implemented in accordance with Action Plan 1, covering the period 2006– 2010, and Revised Action Plan 1 for the period 2011-2014 (hereinafter: RAP1). Upon their expiry in 2014, the Council of Ministers of BiH, Government of the Federation of Bosnia and Herzegovina (FBiH), Government of Republika Srpska (RS) and Government of Brcko District of BiH passed conclusions in late 2015 in which they reaffirmed their commitment to public administration reform “through continuation of initiated but unfinished projects and other activities planned in the Strategy and RAP1”.[[1]](#footnote-1) In early 2016, the Council of Ministers of BiH, Government of the Federation of BiH, Government of Republika Srpska and Government of Brcko District of BiH approved and supported the Operational Plan for PAR Strategy Development, which marked the start of a joint and coordinated development of the new medium-term PAR Strategic Framework in Bosnia and Herzegovina.

Further improvement and enhancement of the public administration was recognised not only as a prerequisite for more efficient exercise of citizens' rights, but also for robust competitiveness and economic development and support to the process of EU accession. This is clearly evidenced by, inter alia, the following documents:

* Stabilisation and Association Agreement between the European Communities and their Member States and Bosnia and Herzegovina, envisaging the establishment of cooperation *“aimed at improving the development of an efficient and accountable public administration in Bosnia and Herzegovina”*[[2]](#footnote-2)
* Decision of the Parliamentary Assembly of Bosnia and Herzegovina confirming the Statement of the Presidency of Bosnia and Herzegovina that the government institutions in Bosnia and Herzegovina will undertake *“measures to strengthen administrative capacity, improve functionality and increase the efficiency of institutions at all levels of government to take over and implement the acquis communautaire and other obligations required for membership in the European Union”*[[3]](#footnote-3)
* Reform Agenda for Bosnia and Herzegovina for the period 2015-2018, which highlights public administration reform as one of the key priorities *“to ensure fiscal sustainability and adequate delivery of services to citizens, and stresses that it must be implemented in close connection with reforms in the socio-economic system and the rule of law”*[[4]](#footnote-4)
* The 2015 EU Enlargement Strategy, which puts public administration reform, together with the rule of law and economic governance, among the priority issues for candidate countries and potential candidates for membership in the European Union[[5]](#footnote-5)
* Communication of the European Commission on the EU Enlargement Policy 2016 recommending, inter alia, *“strengthening the rule of law and public administration in line with European standards at all levels of government and further improvement of cooperation between government levels”*[[6]](#footnote-6)
* Southeast Europe 2020 Strategy, which at the regional level recognised the importance of public administration reform for growth, development and competitiveness of Southeast European countries through the Governance of Growth Pillar[[7]](#footnote-7)
* Report of the staff of the International Monetary Fund, 2015 Article IV Consultation: Staff Report, etc.

## 1.2. THE PROCESS OF PREPARATION AND THE METHODOLOGY OF THE PAR STRATEGIC FRAMEWORK IN BOSNIA AND HERZEGOVINA

The drafting of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina was supported by the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and the Government of Brcko District of Bosnia and Herzegovina in their decisions to adopt the Operational Plan for the preparation of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina.[[8]](#footnote-8) This Operational Plan, developed in cooperation with SIGMA, a joint initiative of the Organisation for Economic Co-operation and Development and the European Union / SIGMA, has set the framework for a coordinated approach to development of the new Strategic Framework for Public Administration Reform at the four levels of government in Bosnia and Herzegovina.

At the political level, the PAR Strategic Framework was guided by the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina as the authorities responsible for decision-making and adoption of the proposed PAR Strategic Framework.

Preparation of the new PAR Strategic Framework was a process coordinated by PAR Coordinators at the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina.

Drafting of the Strategic Framework was entrusted to inter-institutional working groups, composed of representatives of the four levels of government in Bosnia and Herzegovina:

1. **Joint Working Group (JWG)**, comprising four PAR Coordinators and additional representatives of all four levels of government in Bosnia and Herzegovina, tasked with monitoring and oversight of the development of the new PAR Strategic Framework and guidance with respect to scheduling, direction and priorities;
2. **Thematic Working Groups (TWGs)**, comprising representatives of line institutions at all four levels of government in Bosnia and Herzegovina, generally from the ranks of senior (management-level) civil servants and according to the scope of their respective duties, who provided professional and technical support to development of the new PAR Strategic Framework. Five TWGs in total were established according to the SIGMA Principles of Public Administration; namely: *Policy Development and Coordination, Public Service and Human Resource Management, Accountability, Service Delivery, And Public Financial Management*.

Citizen participation in defining the contents of the Strategic Framework was ensured through public consultations, prior to its adoption by the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Brcko District of Bosnia and Herzegovina, using two channels of communication: websites and consultation workshops/seminars. Both channels were available to specifically invited parties as well as to any interested representatives of the civil society, academia and business community at all four levels of government in Bosnia and Herzegovina.

## 1.3. APPROACH TO THE DEVELOPMENT OF THE STRATEGIC FRAMEWORK

The starting analytical basis for development of this Strategic Framework were the indicators collected through regular monitoring and reporting on the implementation of the PAR Strategy 2006-2014 in BiH for the Council of Ministers of BiH, Government of the Federation of BiH, Government of Republika Srpska and Government of Brcko District of BiH. European Commission reports and other planning documents were an important source of data, particularly the sections on public administration in twelve **European Commission Reports on Bosnia and Herzegovina** (from 2005 to 2016), SIGMA/OECD Baseline Measurement Report: Public Administration Principles in Bosnia and Herzegovina, provisions of the Reform Agenda for BiH, the IMF external assessment, WB financial indicators and the actual status of public administration, as well as the remaining challenges from the previous Public Administration Reform Strategy in Bosnia and Herzegovina.

Upon analysis of these reports (12 reports) for the period 2005-2016, our conclusions match the European Commission's views on public administration in Bosnia and Herzegovina which basically emphasise the division and fragmentation of public administration and politicization of public administration, especially in terms of staffing where the European Commission notes an ongoing influence of political authorities on recruitment of public administration staff. Repeated objections also concern the transparency of public administration, especially in the domain of proactive disclosure; powerlessness of the Human Rights Ombudsman of Bosnia and Herzegovina; poor and underdeveloped concept of e-governance; unsustainable staff training and professional development system; horizontal and vertical structure of public administration in which an untenably large number of institutions reports directly to the Council of Ministers; oversized administrative apparatus in terms of both organisation and personnel; underdeveloped capacities for EU integration; etc.[[9]](#footnote-9) Furthermore, it is necessary to point out that the European Commission did not specifically indicate the administrative levels to which these assessments refer. However, given the evidently disparate situations between different administrative levels, assessments should be made for each level separately.

In 2015, upon an initiative of the United Kingdom and Germany, a document entitled Reform Agenda for Bosnia and Herzegovina 2015-2018 (hereinafter: the Agenda) was agreed and accepted in Bosnia and Herzegovina. The entire document aims to enhance the national EU accession capacities through comprehensive reform processes. The Agenda includes a set of concrete measures in the field of public administration reform and states the following: (1) *All levels of government will draft new laws on civil servants and civil service employees* with the assistance of the World Bank and SIGMA in order to facilitate public administration reform and introduce greater flexibility in work arrangements. These laws should be adopted following the adoption of the new labour laws in the entities, Brcko District of Bosnia and Herzegovina and the cantons; (2) *Candidates for employment in the civil service will be assessed on the basis of pre-established eligibility criteria and the results of competence tests, and administration authorities will ensure that the highest-ranked candidates are recruited;* (3) *The Council of Ministers of BiH, entity governments, cantonal governments and the Government of Brcko District of BiH will introduce restrictions on new employment in the public administration* until revised HR systems can be enacted and implemented (including the use of service norms) *and all public sector wages will be frozen* until a revised, merit-based system of wage setting is put in place; and (4) *publication of decisions on complaints in public procurement procedures (as a legal obligation) is of key importance to ensure the transparency of procurement procedures.*[[10]](#footnote-10)Visible progress of implementation of the current measures is demonstrated by the adoption of new labour legislation in the entities.

In 2014, SIGMA developed a total of 49 principles for strategic frameworks for public administration reform in five PAR areas, with a total of 55 indicators of which 30 are quantitative and 25 qualitative. In general, five principles were formulated for the PAR strategic framework, accompanied by five quantitative and three qualitative indicators, while reform areas were structured as follows: (1) Policy Development and Coordination (12 principles, five quantitative and five qualitative indicators); (2) Public Service and Human Resource Management (seven principles, five quantitative and five qualitative indicators); (3) Accountability (five principles, five quantitative and five qualitative indicators); (4) Service Delivery (four principles, five quantitative and three qualitative indicators); and (5) Public Financial Management (16 principles, five quantitative and five qualitative indicators).[[11]](#footnote-11) The following were stated as the key reform requirements, firstly: *leadership is established for the public administration reform* *and the strategic framework provides the basis for implementing prioritised and sequenced reform activities aligned with the government’s financial circumstances,* and secondly: *the public administration reform management provides guidance and steers the reforms, decides who is responsible for implementation and ensures professional administration necessary for implementation of reforms.* The following strategic principles were stated:(1) The Government has developed and enacted an effective public administration reform agenda which addresses key challenges; (2) Public administration reform is purposefully implemented; reform outcome targets are set and regularly monitored; (3) Financial sustainability of public administration reform is ensured; (4) Public administration reform has robust and functioning co-ordination structures at both the political and administrative level to steer and manage the reform design and implementation process; and (5) One leading institution has the responsibility and the capacity to manage the reform process; participating institutions have clear reform implementation responsibilities and capacity.[[12]](#footnote-12)

It should be noted that, for the first time, potential candidate and candidate countries have been given practical quantitative and qualitative indicators that can be used to review compliance with the principles and to measure the practical success of reforms. Operationalisation of strategic principles is thus made more certain, providing a clearer vision of the European Administrative Space and, therefore, making the convergence of the local and European administrative space more realistic. Qualitative indicators measure the maturity of relevant public administration components on a scale of 1 (lowest) to 5 (highest). Indicator monitoring data evidence is collected through annual situation assessments carried out by OECD/SIGMA. The extent to which any given candidate or potential candidate country applies these principles in practice is an indication of the capacity of its public administration to effectively implement the *acquis communautaire* in line with the criteria defined by the European Council in Copenhagen (1993) and Madrid (1995).[[13]](#footnote-13)

As early as 2017, SIGMA took a step further and promoted the new Principles of Public Administration for countries included in the EU enlargement policy. Basically, these are somewhat revised principles that have been updated in line with the latest developments on the candidate and member countries' path towards the EU. The key reform requirement is now monolithic and defined as follows: *the leadership of public administration reform and accountability for its implementation has been established and the strategic framework provides for the implementation of prioritised and sequenced reform activities aligned with the government's financial circumstances*. In accordance with the aforementioned, four new PAR strategic framework principles were defined, as follows: (1) the government has developed and enacted an effective public administration reform agenda which addresses key challenges; (2) public administration reform is purposefully implemented, reform targets are set and regularly monitored; (3) financial sustainability of public administration reform is ensured; and (4) public administration reform has robust and functioning management and coordination structures at both the political and administrative levels to steer the reform design and implementation process.[[14]](#footnote-14)

The abovementioned sources and indicators served as the basis to define the strategic priorities and individual objectives by components, as well as to suggest measures required to accomplish the designed objectives. Operationalisation of strategic priorities, specific objectives and measures is discussed in Chapters 2 and 5 below.

In this Strategic Framework, public administration includes administrative systems defined as such by the regulations of the institutions of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina.

This document provides a coherent framework and defines the objectives for the BiH Council of Ministers, Government of FBiH, Government of Republika Srpska and Government of Brcko District BiH in the area of public administration reform. In this regard, the Strategic Framework and Action Plan(s) are focused on the objectives and measures that will be implemented at these four levels of administration, whereas the activities at each level of administration are not necessarily identical or exhaustive considering their approximate but still uneven starting point. Being a common framework, this document allows measures and activities to be further developed through implementation documents, in line with the specific priorities and interests of each level.

With respect to adoption of Action Plan(s), option no. 2 from the Operational Plan for the Preparation of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina will be applied. According to the said option, first the Strategy will be developed and then the Action Plan(s). This will ensure higher quality of the document. Adoption of the Action Plan(s) will take place within six months from the date of adoption of the Strategic Framework. Administrative levels will develop their own Action Plans according to their needs and constitutional competences, as well as specific features of the public administrations system and the scope of reform activities to be implemented.

# VISION, MISSION AND STRATEGIC OBJECTIVE

The shared **vision** of the Council of Ministers of Bosnia and Herzegovina, Government of Republika Srpska, Government of the Federation of Bosnia and Herzegovina and Government of the Brcko District of Bosnia and Herzegovina is to develop a modern public administration at all four levels of government that will ensure and respect the principles of the European Administrative Space underlying the functioning of public administration in the European Union and contribute to a successful accession and approximation process, while safeguarding public interest and meeting the needs of citizens and businesses.

**The mission** of the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina is to create the conditions for efficient, effective, transparent, more participatory and accountable public administration in accordance with the European Union standards and the principles of good governance.

The main principles of implementation of reform measures are the principles of the European Administrative Space and of good governance: reliability, predictability, accountability and transparency, financial sustainability and public participation in the process of adoption and implementation of policies and regulations.

Having in mind the EC Reports cited in Chapter 1.3, SIGMA reports and recommendations, provisions of the Reform Agenda for BiH, the IMF external assessment, the World Bank financial indicators, the actual state of public administration and the remaining challenges from the previous Bosnia and Herzegovina Public Administration Reform Strategy, the priority action areas are:

1) Strengthening public administration capacities through implementation of the principles of the European Administrative Space;

2) Establishment of customer-oriented and transparent public administration;

3) Development of professional and de-politicized and merit-based service system; and

4) Establishment of rational, coherent, efficient, effective and accountable organisational structure in public administration, at every level of administrative authority.

Results expected from the implementation of the PAR Strategic Framework:

* Public administration operation improved in accordance with the European Administrative Space principles
	+ Government effectiveness –World Bank indicator – percentile rank (0-100) According to the latest available WGI 2017 assessment, Bosnia and Herzegovina rank was 37.98 in 2016.
* Simplified service provision procedure in support of economic development
	+ Progress on the World Bank Doing Businesslist, *Bosnia and Herzegovina is ranked 86th of 190 economies according to the World Bank Doing Business 2018 report.*
* Service quality tailored to users’ actual needs, accompanied by adequate level of communication and technology development
	+ Number of electronic services; establishment of customer satisfaction monitoring mechanisms
* Policies and regulations adopted based on assessments of options and evidence, with participation of the public
	+ Annual indicators from the *Worldwide Governance* list on regulatory quality; progress of Bosnia and Herzegovina in the EU accession process

According to the latest *WGI 2017* assessment report, Bosnia and Herzegovina ranking for 2016 in the Regulatory Quality domain was 48.56.

In addition, Bosnia and Herzegovina's progress in the EU accession process is reviewed annually in European Commission reports.

* The principle of competence and performance appraisal affirmed as the main principle of human resource management in public administration.
	+ Public administration job classification adjusted to actual needs, SIGMA/OECD monitoring indicators.

* Transparent and accountable public administration
	+ Level of proactive transparency of institutions and public administration bodies

*The abovementioned strategic priorities will be implemented through specific objectives and measures listed in Chapter 5 of the Strategic Framework, which also includes impact indicators for specific objectives and outcome indicators for measures.*

# FUNDAMENTAL STRATEGIC FRAMEWORK AND ORIENTATION

The approach to development of the PAR Strategic Framework in Bosnia and Herzegovina in terms of scope, structure, implementers and deadlines is based on the commitments from the previous Operational Plan:

“*The PAR Strategy and the Action Plan will include state-level institutions, two entities and Brcko District as implementers. The PAR Strategy and the Action Plan will not include cantons and municipalities as direct implementers. However, when necessary, some of the pillars or objectives of the action will be implemented at the level of the cantons and/or municipalities, which will be indicated in the implementation documents (action plans). The focus of the PAR Strategy at the state, entity and Brcko District level will enable a more focused decision-making process and more targeted allocation of funds.”[[15]](#footnote-15)*

In line with the common and general strategic goals defined in the Strategic Framework for Public Administration Reform in BiH, each administrative level in Bosnia and Herzegovina can adopt separate implementing documents (action plans) that will define the specificities of the public administration at that administrative level of government, as well as their needs and priorities.

The Strategic Framework for Public Administration Reform in Bosnia and Herzegovina is the framework for synchronised and coordinated implementation of reform measures aimed at achieving the standards good governance that are generally accepted in democratic political systems, thus ensuring more effective implementation of the commitments under the Stabilisation and Association Agreement and the Reform Agenda. The PAR Strategic Framework of Bosnia and Herzegovina reflects the constitutional set-up of Bosnia and Herzegovina and its adoption and implementation is based on the principles of inclusiveness, partnership, cooperation and coordination.

Strategic objectives set out in this Strategic Framework represent the common and general framework for all levels of government in BiH. The PAR Strategic Framework reflects the constitutional and legal set-up of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina. Each level of government has autonomy when it comes to the structure and organisation of the public administration system in the exercise of its competencies. In this regard, the composition of operational structures and the process of development and implementation of the PAR Strategic Framework ensure *inclusion, credibility, relevance and ownership* of the agreed objectives and measures, by means of inter-institutional consultations and structured cooperation among (appointed) representatives of the relevant institutions of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina.

Consequently, given the complexity of the public administration system in BiH and taking into account the complexity of public administration reform, the Strategic Framework for Public Administration Reform and the accompanying action plan(s) primarily recognise the institutions of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina as implementers of the measures. According to the Operational Plan for the Preparation of The New Strategic Framework for Public Administration Reform in Bosnia and Herzegovina, activities will be carried out at the cantonal and/or municipal level as and when required and concerning certain pillars or objectives, which will be indicated in the implementing documents (action plans).

With respect to the role of cantons, the administrative level of the Federation of Bosnia and Herzegovina may decide, in a separate action plan, in which activities and to what extent the cantons are to be involved in the reform process. In this respect, due account will be taken of the constitutional division of competences between the Federation of BiH and its cantons, as well as the rationale and purpose of the overall reform effort. In addition, any administrative level that contains local self-government units (municipalities and towns) may decide, in a separate Action Plan, to involve them in the public administration reform process. In this respect, due account will be taken of the autonomy of self-government units in the domain of core activities, in line with the principles enshrined in the European Charter of Local Self-Government as well as the current legal arrangements guaranteeing their autonomy. The Strategic Framework must not limit the right to local self-government in any way whatsoever. In addition, the Strategic Framework may address the role of local self-government units in the domain of delegated tasks.

Harmonised reform activities are implemented through common measures, which assume a certain degree of coordination and harmonisation between government levels, and through measures and activities that each level of government carries out individually in order to achieve its strategic goals. On the basis of common and general strategic objectives, each administrative level in BiH can further develop and adapt implementation documents to address its specific needs and priorities. Also, taking into account the introduction of medium-term and annual planning at all levels of government, reform activities based on this Strategic Framework can also be directly planned through medium-term plans of administrative authorities and monitored through annual reporting. An essential requirement that would ensure that reform measures are comprehensively implemented and monitored, is the adoption and consistent application of the monitoring and reporting system, in line with the set strategic and operational objectives and the corresponding performance indicators. In this regard, the authorities adopting the PAR Strategic Framework for BiH emphasize the duty of all bodies and institutions to respect the constitutional competences.

Coordination of reform measures between government levels in BiH also implies active cooperation and coordination of key donors in the area of public administration reform, achieved through the Public Administration Reform Fund or via multilateral/bilateral support programmes. Donor funds within the Public Administration Reform Fund and the EC IPA II programme prioritise implementation of those joint or individual reform activities that have a higher or immediate impact on strategic and operational reform objectives, in accordance with the procedures and criteria of the Public Administration Reform Fund, IPA II procedures and other procedures agreed at all levels of government in Bosnia and Herzegovina pursuant to the Decision on the System of Coordination of the EU Integration Process in BiH.

The PAR Strategic Framework is structured around the OECD/SIGMA Principles of Public Administration, established by the European Union to monitor the development of administrative capacities in candidate countries and potential candidates for membership in the European Union.[[16]](#footnote-16) The Principles of Public Administration are a guidance and reference document that will be used to steer activities in the course of PAR implementation in Bosnia and Herzegovina in order to conform to European Administrative Space standards in the following areas:

1. Policy development and coordination
2. Public service and human resource management
3. Accountability
4. Service delivery
5. Public financial management

Use of The Principles of Public Administration as a guideline will facilitate compliance with the EU requirements for public administration reform as one of the three main pillars of enlargement and aspirations set out in the Reform Agenda for Bosnia and Herzegovina 2015-2018.

The Principles define what good governance entails in practice and outline the main EU accession requirements to be followed by candidate countries during the EU integration processes. They also feature a framework for regular monitoring and analysis of the progress of implementation of the Principles, while also setting and describing country benchmarks, i.e. progress measurement indicators. The actual concept of “good governance” was progressively defined by EU countries and is included in the EU Charter of Fundamental Rights. The notion of the “European Administrative Space” was put forth by SIGMA in 1999. It includes elements such as reliability, predictability, accountability and transparency, as well as technical and managerial competence, organisational capacity, financial sustainability and citizen participation.

Adhering to the IPA II programming timescale and the duration of key regional and EU initiatives (such as EU 2020, SEE 2020), the PAR Strategic Framework for Bosnia and Herzegovina was developed for the period from 2018 to the end of 2022. Taking into account the Reform Agenda timeline, forecasting capacities, complex process of preparation of strategic planning documents and the Strategic Framework timeframe, corresponding action plans will be developed to cover two periods:

1. Action plan(s) for 2018-2020; and
2. Action plan(s) for 2021-2022.

This approach will facilitate the mid-term review of PAR Strategy implementation and adjustment of reform steps to actual progress.

# PREVIOUS STRATEGY ACHIEVEMENTS AND ASSESSMENT OF PUBLIC ADMINISTRATION IN BiH

## 4.1 IMPLEMENTATION OF ACTION PLAN 1 (AP1) AND REVISED ACTION PLAN 1 (RAP1)

The PAR Strategy and its action plans have envisaged short-term and medium-term reforms in six reform pillars: 1) Strategic planning, policy making and coordination capacities; 2) Public finance; 3) Human resources management; 4) Administrative procedure and administrative services; 5) Institutional communication; and 6) Information Technology/e-Government. Implementation of horizontal systems was planned in the first phase, while sector reforms under the same reform pillars were planned in the second medium-term phase. The third phase should have focused on segments where progress was not satisfactory.

Through implementation of reform measures since 2006, horizontal management systems and capacities envisioned in the Strategy were significantly developed at all administrative levels, but strategic goals have not been fully realised. Reform measures were implemented on the basis of several action plans:

* From 2006 to 2010, 52.28% of Action Plan 1 measures were implemented[[17]](#footnote-17)
* From mid-2011 to 2014, 61% of Revised Action Plan 1 measures were implemented[[18]](#footnote-18)
* By the end of 2016, a total of 68% of Revised Action Plan 1 measures were implemented[[19]](#footnote-19)

The table below gives an overview of goals achieved per reform area and at different administrative levels:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **BiH** |  | **FBiH** |  | **RS** |  | **BDBiH** |  | **AVERAGE** |
| **SPCPD** | 73% | 79% | 82% | 66% | **75%** |
| **PF** | 79% | 72% | 75% | 72% | **74%** |
| **HRM**  | 60% | 53% | 65% | 58% | **59%** |
| **AP&AS** | 58% | 65% | 89% | 63% | **68%** |
| **IC** | 85% | 76% | 78% | 80% | **79%** |
| **e-Governance** | 48% | 41% | 71% | 39% | **50%** |
| **TOTAL** | **67%** | **64%** | **75%** | **63%** | **68%** |

Source: 2016 Annual Progress Report (monitoring of Revised Action Plan 1 of the Strategy of Public Administration Reform in BiH).

Actual progress across different administrative levels and reform areas was not uniform.

In the area of **Strategic planning, coordination and policy making**, most significant progress was achieved by introducing the legal and methodological framework for medium-term and annual programming for the Council of Ministers of Bosnia and Herzegovina, Government of FBiH and Government of Republika Srpska, strengthening the capacities of competent institutions for analysis and planning and developing the supporting IT solutions.[[20]](#footnote-20) Implementation of reform measures created the conditions for active involvement of citizens and the public in the process of adoption of regulations at all administrative levels, and also for conducting regulatory impact assessments at the level of the state, Federation of Bosnia and Herzegovina and Republika Srpska. Additionally, functions related to preparation and monitoring of sessions have been significantly improved, ensuring legal compliance and coordination of development of policies and regulations.

The challenges that lie ahead are related to further improvement of the planning system at each administrative level, prioritisation and, in particular, its linking with budget planning, i.e., the programming budget, strengthening the function of coordination and quality control of policies and regulations at all administrative levels and coordination of European integration issues. Strategic and medium-term planning functions and public policy development must be strengthened through internal organisational adjustments in institutions and administrative bodies and additional professional training. Increased use of public consultation and impact assessment instruments remains a challenge that needs to be further addressed in the coming period. Access to regulations is not yet complete and it is necessary to develop a comprehensive, publicly accessible electronic register of regulations as well as access to consolidated texts.[[21]](#footnote-21)

In the area of **public finance**, the internal audit function was strengthened through regulations, institutional arrangements and training. Budget planning and execution were improved by introducing the Budget Management Information System.[[22]](#footnote-22)

Budgets were adopted with delays over the last five years, which points to some weaknesses in the budget planning system. The debt burden continues to grow. At the end of 2014, the total debt was estimated at 36.9% of gross domestic product (GDP), as opposed to 33.9% at the end of 2013. In addition, financial data produced by governments must comply with internationally recognised standards for macroeconomic statistical systems, such as ESA and Government Finance Statistics (GFS).

In the area of public procurement, a legislative framework was established and is largely in compliance with EU Directives. Institutional arrangements for the procurement system are well defined.

However, the performance of all involved institutions (in particular the Procurement Review Body) remains a challenge. The formal approach of the PRB leads to frequent cancellation of tenders due to minor technical errors and almost exclusive reliance on price (purchase price) as the only award criterion, to the detriment of quality.

In the field of public-private partnerships and concessions, legislation and administrative arrangements remain very fragmented. The only exception is Republika Srpska, where the normative framework was finalised with the Law on Public-Private Partnership and adoption of the relevant bylaws.[[23]](#footnote-23)

The development of Supreme Audit Institutions (SAIs) is progressing and their reports to the BiH Parliamentary Assembly, Republika Srpska National Assembly, FBiH Parliament and Brcko District Assembly cover financial audits, compliance audits and performance audits. SAIs apply a risk-based approach to ensure that a sufficient number of mandatory audits is included in the annual audit plan, because staffing levels are below the authorised levels and this results in reduced coverage by mandatory audits.[[24]](#footnote-24)

In the field of **Human resource management**, significant progress was made in the planning of trainings and development for civil servants and performance appraisal of civil servants.[[25]](#footnote-25) There are individual HRM IT systems at all levels, but they only partially conform to the parameters that a HRMIS should contain.

However, human resource management and development policies based on common and harmonised principles have not been established. The presence of direct or indirect political influence on the appointment of senior managerial staff has been identified as one of the challenges in the OECD/SIGMA 2015 Baseline Measurement Report.

The Agency for the Prevention of Corruption and Coordination of the Fight against Corruption was given the mandate to administer the reform in promoting integrity and preventing corruption across BiH.[[26]](#footnote-26) In Republika Srpska, the Ministry of Justice was designated as the owner and coordinator of all anti-corruption activities and provides administrative, technical and logistical support to the Commission for Implementation of the Anti-Corruption Strategy of Republika Srpska as a permanent inter-ministerial working body of the Government.[[27]](#footnote-27)

Agency activities are managed at the level of the institutions of BiH, the majority of which have adopted their institutional integrity plans and anti-corruption action plans. However, the Agency has limited authority to implement these plans.[[28]](#footnote-28)

The area of **Accountability** was not organised as a separate thematic unit during implementation of the PAR Strategy 2006 – 2014. Implementation of reform measures, however, was monitored as part of the area of administrative decision-making and development of electronic services, i.e. ICT development. Overall implementation of planned reform measures indicates that 68% of objectives were achieved.

The legislative framework for public information access was introduced and implemented at all administrative levels. Republika Srpska applies the guidelines and standards from 2001, when the Law on the Freedom of Access to Information entered into force.[[29]](#footnote-29) Also, the Law on the Freedom of Access to Information and the associated bylaws are in force in the Federation of Bosnia and Herzegovina since 2001. Despite that progress, there is no clear and comprehensive mechanism for establishing and implementing control over institutions subordinated to the Government. The main disadvantages are the lack of criteria for distinguishing between different types of administrative bodies and the lack of procedures that would ensure control over the establishment of new institutions. Independent institutions that would monitor access to public information and have the right to issue binding decisions and guidelines concerning access to public information have not been established, and there are no mechanisms to monitor information disclosure. Only at the level of institutions of Bosnia and Herzegovina there is the Administrative Inspectorate of the Ministry of Justice (MoJ), which is in charge of inspection and monitoring in the area of public information.

In the area of **Service delivery**, progress in the implementation of the reform measures was rather uneven and most progress was made at the level of Republika Srpska. The PAR Strategy 2006-2014 was mostly focused on e-solutions for public services. The normative framework for provision of electronic services was established through adoption of the following regulations at all administrative levels: Law on Electronic Signature, Law on Electronic Documents, Law on Electronic Legal Traffic etc. Additionally, Republika Srpska created an e-Government portal with the most important information about services offered to citizens.

As part of regulatory reform strategies in the Federation of Bosnia and Herzegovina and Republika Srpska, activities were systematically conducted to improve the business environment and facilitate business operations by eliminating unnecessary administrative procedures. This significantly accelerated the process of registration of businesses, while also reducing costs. The progress made by tax authorities in the Federation of Bosnia and Herzegovina and Republika Srpska is particularly evident regarding the provision of electronic services to businesses. Equally successful were the activities on digitalisation of the cadastre in the Federation of Bosnia and Herzegovina and Republika Srpska, as well as the planned land registry reform.

All administrative levels have solid ICT infrastructure that supports electronic communications services. Institutions of Bosnia and Herzegovina adopted the standards for accessibility of websites of the institutions of Bosnia and Herzegovina, which have been integrated into a common platform. A functional e-Procurement Information System was also introduced and allows contracting authorities to publish notifications and submit reports. An electronic ID card issuance system has been launched. The World Bank's ICIS project is under way and aims to establish four GSBs (Government Service Buses) and data exchange points between different administrative levels, to be used for exchange and use of data from different registries.

An interoperability framework was developed in the previous period and was agreed as the basis for mutual data and information exchange.

The administrative procedure at all administrative levels was improved by amending the main laws that allow the administration to communicate electronically with citizens. For more efficient management of appellate procedures, second-instance authorities are now under obligation to rule on the substance if the decision of the first-instance authority is repeatedly appealed. The laws on administrative procedure at all four levels of administration regulate the matter of mandatory *ex officio* collection of evidence for facts recorded in official registers, in order to relieve the citizens from the requirement to obtain such documentation. Training for administrative procedure officers and inspectors was delivered to a number of employees at all administrative levels.

To foster quality management in administration bodies, the Council of Ministers of BiH supported the introduction of a quality management system in the institutions of Bosnia and Herzegovina, however the institutionalisation of this instrument has yet to occur.[[30]](#footnote-30)

The implemented reform measures have to a great extent created the conditions for service improvements, but slow implementation of adopted normative and other solutions diminishes their significance. So the launch of the e-portal of the institutions of Bosnia and Herzegovina is substantially delayed, even with a prepared list of services. A major challenge at the level of institutions of Bosnia and Herzegovina is the fact that the adopted Law on Electronic Signature was neither implemented nor amended, since the absence of electronic signatures makes the provisions of the Law on Administrative Procedure on Electronic Communication with Citizens irrelevant. The lack of electronic signature and agreement on information sharing between administrative authorities continues to force citizens to obtain the necessary documents themselves, instead of such documents being obtained ex officio by the administrative body. This is undoubtedly an issue that should be addressed as a matter of priority in order to simplify the delivery of services to citizens. Equally important is the adoption of the interoperability framework, as a prerequisite for broader interventions in respect of information sharing between administrative bodies and creation of a large number of electronic services.

**lessons learned during implementation of the PAR Strategy 2006–2014**

The main reasons for **delays** in the implementation of planned reforms are limited political leadership and process management, delays in initiating reforms after the adoption of strategic documents, unrealistic deadlines, lack of clear identification of institutional owners of some reform measures, lengthy harmonisation of project documents, complex public procurement procedures and the challenges in integrating the reform agenda into annual planning.

Some of the lessons learned from implementation of the PAR Strategy point to the following in particular:

* The need to use the management and coordination mechanism for implementation of the Strategic Framework to clearly define the roles and responsibilities of all implementation stakeholders at the political, operational and technical level, and to ensure their functionality. Namely, although the PAR management and coordination mechanism was previously established by the Common Platform, political management of the reform was absent.[[31]](#footnote-31) The Coordination Board for Economic Development and European Integration, the leading management and coordination body at the political level, never convened to discuss PAR-related matters. For this reason, in the next strategy period clear political support must be provided for further public administration reform and strengthen the role of PAR Coordinators for all administrative levels;
* The need to improve the monitoring and evaluation system in line with performance indicators. The monitoring and evaluation framework created under the previous Strategy identified the indicators which were mainly linked to processes and direct outputs from activities, and consequently the reporting was based on the execution of activities and the achievement of goals, rather than on the assessment of achieved results. This substantially decreased the precision and relevance of evaluation of effects of undertaken RAP1 measures;
* The need to plan and report financial resources for implementation of planned strategic measures, given that the previous Strategy did not exhibit the necessary financial resources. Implementation of the previous Strategy was, in addition to budgetary funds, heavily reliant on the funds of the PAR Fund as a common instrument for donor funding on the one hand, and the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District on the other. There is the need for timely recognition of planned reform measures and their inclusion in medium-term and annual plans of institutions and administrative bodies identified as implementers of these measures. In the absence of a clearly identified institution responsible for implementation of reform measures, activities are not included in medium-term and annual plans of institutions and administrative bodies and this directly impacts the efficiency of implementation.

## 4.2. EXTERNAL ASSESSMENT OF PAR IN BOSNIA AND HERZEGOVINA

Development of a new PAR strategic framework was recommended by the European Commission Report on Bosnia and Herzegovina published in late 2015. The Report finds that BiH is at **an early stages of its public administration** **reform** and that “the lack of broad political support for country-wide reforms and the fragmentation of public services are hampering the efforts to carry out institutional and legislative reforms’’. The 2015 Report recommends that in the coming year Bosnia and Herzegovina should: **“*develop, adopt and start to implement a new country-wide strategic framework for public administration reform and ensure appropriate political leadership and guidance to public administration reform in the country; ensure implementation of an effective human resources management system; and develop a public financial management reform programme, which is clearly linked to the new PAR strategic framework”****.* The same recommendation was reiterated in the 2016 report for Bosnia and Herzegovina.[[32]](#footnote-32)

An indirect external assessment of PAR status was also provided by the International Monetary Fund (IMF), which was approached by the BiH Council of Ministers and the governments of the Federation of BiH and Republika Srpska with a request for further financial support to structural reforms. In approving the Request for Extended Arrangement, the IMF insisted on measures to **strengthen the administrative capacities and increase the efficiency of public institutions at all levels of government** as the basis for all other reforms, i.e. as the key priority for ensuring fiscal sustainability and delivery of quality services to citizens. The planned IMF assistance should facilitate, inter alia, the implementation of structural, fiscal and financial reforms aimed at cutting back public spending and limiting the current non-prioritised public spending to create room for investments in infrastructure and improve the efficiency of public finances.

Progress in adapting the public administration to the requirements of the EU accession and approximation process is regularly monitored through SIGMA reports. One monitoring area focuses on the PAR strategic framework, political and operational management of the PAR process and, in particular, financial sustainability of public administration reform in candidate countries and potential candidates for membership in the European Union. Key requirements and principles of public administration in this and other monitoring areas have also been taken into account during development and drafting of this Strategic Framework document.

Quality and management performance are monitored by a number of international organisations, where one of the most relevant are the World Bank indicators which are of particular interest to investors. According to these indicators, Management Efficiency and Regulatory Quality indices are below 50, the lowest of all countries of the Western Balkans.[[33]](#footnote-33)



Table: *Worldwide Governance Indicators*, Bosnia and Herzegovina, 2006–2016.

# OPERATIONALISATION OF KEY STRATEGIC OBJECTIVES

## 5.1 POLICY DEVELOPMENT AND COORDINATION

Policy development and coordination is one of the key functions of public administration and ensures responsible and effective management of public affairs. Management of public affairs in democratic systems is conducted through a policy development and coordination system which should foster informed, inclusive and transparent decision-making in the best interest of citizens and overall economic and social development. These are also the basic directions of reform measures in this area in BiH. In accordance with the constitutional setup and constitutional division of competences, public policies in BiH are shaped and implemented at several levels of government, whose policy development systems are at a comparable stage of development and face similar challenges.

Implementation of reform measures under the 2006-2014 Public Administration Reform Strategy in Bosnia and Herzegovina resulted in the strengthening of functions necessary for existence of an organised decision-making system at all administrative levels.[[34]](#footnote-34) The impact of implemented reform measures can be seen in improvements in the policy development and coordination system, whose development unfolded in two directions. With respect to adoption of regulations, legal acts governing the drafting procedure have been adopted and applied at all administrative levels. These acts set out the procedure for adopting regulations: from problem identification to coordination and public consultations and regulatory impact assessment, to monitoring implementation, reporting and evaluation. Thus, almost all stages of the policy development and implementation cycle (policy priorities, formulation, adoption, implementation and evaluation) are duly regulated.

The previous PAR Strategy in BiH has strengthened the functions necessary for an organised decision-making system at all administrative levels. Going forward, reforms should focus on consistency and improvement of the system, planning (strategic, medium-term and annual) in conjunction with budget planning and other financial resources and the EU integration process, as well as on strengthening organisational and human capacities for effective policy implementation in administrative bodies at all levels.

Special attention should be paid to better integration of the planning process and the process of adoption of public policies and their implementing instruments, in order to ensure timely implementation of analytical policy-making and implementation tools that require time and resources. Competent decision-making implies that the decision-makers at all administrative levels in BiH are fully informed about the available options and impacts of various policies, selection of appropriate regulatory instruments, estimated funding requirements, and that they are properly informed about the actual implementation results and able to take corrective action in a timely manner.[[35]](#footnote-35) Regulatory impact assessments and inclusive policy-making and implementation have been formally introduced in the decision-making procedures at all administrative levels in Bosnia and Herzegovina, with a varying degree and scope of application. Better legislative scheduling should ensure the implementation of these instruments for laws that introduce certain systemic solutions, depending on the resources and capacities available to other policy instruments[[36]](#footnote-36). In order to make rational and enforceable decisions, it is necessary to continue with improvement of legal and methodological solutions and to ensure more consistent application of these instruments in practice at all administrative levels, including measures aimed at improved organisational structure and strengthening the implementation capacities of human resources.

The decision-making process should be further developed towards transparency and accountability of administrative bodies to both legislative bodies and the public by affirmation of cooperation mechanisms and by improving the quality of reporting by focusing on achieved policy objectives and targets rather than completed activities. The last few years saw the start of legal and methodological regulation of the development and implementation process for other public policy documents, such as strategic documents and plans, with further improvements pending.

Changes and innovation in the public policy development process are not always supported by adequate organisational adjustments or systematic strengthening of analytical and planning capacities. Introduction of instruments such as regulatory impact assessment, policy planning, policy evaluation or public consultation requires systematic training to ensure that these changes add value to public policy development. Human resource management systems must ensure the availability of civil servants trained in analytical and planning tasks through improved human resource planning and management at all administrative levels, as well as better horizontal flow of analysis and planning functions, by means of internal organisational acts.

5.1.1. Current status

The policy development and coordination system is of the outmost importance for democratisation of a society, its economic development and successful international participation, including the accession process and particularly its functioning within the EU.

Bosnia and Herzegovina has put in place a substantial number of elements of the policy development and planning system at the level of the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina and Government of Republika Srpska, while similar systems are being developed for the Government of Brcko District of BiH.

In the context of multiple policy development systems, lacking or inconsistent information concerning any public policies, their mutual links and indicators for the whole country can be overcome by improved co-operation and coordination. Implementation of joint projects should ensure a uniform methodological approach, as is the case with legislative drafting rules and the strategic planning methodology, while final solutions may be tailored to each level of government and contain some minor differnces.

PAR Strategy implementation in the previous period has significantly enhanced a number of elements of the public policy development and planning system at the level of the Council of Ministers of Bosnia and Herzegovina, Government of the Federation BiH and Government of Republika Srpska, while a similar system is being developed for the Government of Brcko District of Bosnia and Herzegovina. Overall, this progress relates to the establishment of strategic, medium-term and annual planning functions, establishment of the budget planning system (medium-term and annual), improved transparency and preparation of decision-makers' sessions and session monitoring and reporting, introduction of analytical tools such as regulatory impact assessment or public consultation into the legislative process, and strengthening of policy coordination and organisational and human resource development at each administrative level. Upcoming challenges in the new reform cycle refer to improvement and integration of certain elements of strategic planning and public policy development into consistent and coherent decision-making systems, establishment of more efficient mechanisms for implementation of already established rules, with improvement of organisational structures and strengthening of human resources for these functions at each individual administrative level in parallel with strengthening of IT support to the planning process.

*Strategic planning*: At the level of the Federation of Bosnia and Herzegovina and the Government of Republika Srpska there is a comprehensive legal framework for strategic planning that integrates long-term, medium-term, annual and sectoral planning in conjunction with budget planning. The planning coordination function was entrusted to the Institute for Development Programming of the Federation of BiH and the General Secretariat of the Government of Republika Srpska, respectively.[[37]](#footnote-37) A comparable planning system is under development in the Brcko District of BiH. Institutions of Bosnia and Herzegovina have the legal and methodological framework for medium-term and annual planning, linked to budget planning.[[38]](#footnote-38) Medium-term planning is carried out for the third year now and the institutions’ plans are published online. Methodological guidelines for strategic and medium-term planning, introduced through the previously implemented joint project[[39]](#footnote-39), formed the basis for development of appropriate methodological solutions at all administrative levels. At the level of the institutions of Bosnia and Herzegovina, the Manual on methodology in the medium-term planning process[[40]](#footnote-40) and the Annual Planning Guide were adopted.[[41]](#footnote-41) At the level of the institutions of BiH and Republika Srpska, appropriate methodological manuals have been adopted, while adoption of implementing acts for the Law on Development Planning and Management in the Federation of Bosnia and Herzegovina is still pending.[[42]](#footnote-42)

Institutional solutions adopted by the Government of the Federation of Bosnia and Herzegovina and the Government of Republika Srpska in terms of the lead coordinating function, content quality control and coordination of priorities are somewhat simplified compared to that of the BiH Council of Ministers, where this function is divided among several institutions (Ministry of Finance and Treasury, Directorate for Economic Planning and General Secretariat of the Council of Ministers of BiH) and there is a need to strengthen their mutual coordination and cooperation. The strategic (medium-term) planning function was operationally entrusted to ministry secretaries or other administrative bodies and institutions at all administrative levels.

*Policy development and coordination:* In the previous period, the legal and methodological framework for policy development has been developed and the process of institution-building for the implementation of this function was initiated. The process of drafting laws and other legal acts and the use of nomotechnical standards and impact assessment/compliance checking tools were improved by the introduction of methodologically unified Legislative Drafting Rules (adopted by legislative bodies) and decision makers’ rules of procedure. These rules were followed by a manual and

methodological guidelines aligned with the previously developed Policy Development Methodologies and adapted to each administrative level. Each level of government adopted regulatory impact assessment and public consultation rules and corresponding methodology guidelines. These documents establish the procedures and organisational solutions that will ensure the quality of content of impact assessments. In terms of capacity development (organisational and human) for regulatory impact assessment, significant progress was made in Republika Srpska by forming and staffing a special impact assessment department at the Ministry of Economic Relations and Regional Cooperation, while at the level of the Council of Ministers of BiH and the Government of the Federation this role was assigned to the General Secretariat. In addition, both entities were implementing regulatory reform strategies aimed at reducing barriers to business, which significantly improved the business environment in Bosnia and Herzegovina, whilst continuing to pursue similar initiatives.

Application of the adopted legal and methodological policy development rules is not always consistent and there are weaknesses in the process of drafting and passing laws at each stage of the cycle, especially in the absence of analytical approach and coordination.

The initial phase of policy formulation often omits an analytical approach to defining problems and goals, data collection and substantive development and consideration of different options before proceeding with standardisation. Public involvement in reviewing options in the early stages of the process is not a practice. Thus, a significant set of regulations from the Reform Agenda for Bosnia and Herzegovina was made with either symbolic or slight involvement of the relevant stakeholders. It is therefore necessary to establish a systematic practice of problem analysis and development of different policy options before the actual drafting of a normative act takes place.

Inter-institutional cooperation and coordination between administrative levels are regulated by norms specified in decision makers’ rules of procedure, however the substance of these documents must be implemented to ensure the quality of final solutions. The process of inter-sectoral consultations is implemented in practice either through written statements or by mixed working groups, which do not always submit information or reports about their activities and results. The content of mandatory opinions needs to be improved in a meaningful way in order to actually contribute to the legislative drafting process. Boards or committees that discuss drafts and proposals of regulations before sessions represents a special type of additional consultations as a mechanism for inter-sectoral harmonisation and dispute resolution before the sessions. Information on the effects of their actions should be made accessible to the public.

Inclusion and involvement of the public in the drafting of regulations and policies is a factor of legitimacy of public policies, but also a guarantee of their successful implementation. Public consultation, including online consultation, was introduced into the legislative drafting process together with the obligation to appoint a public consultation coordinator.[[43]](#footnote-43) Monitoring and reporting on implementation of the rules on public consultations is conducted annually in the institutions of Bosnia and Herzegovina and Republika Srpska.[[44]](#footnote-44) In practice, the public consultation process is often seen as a formal obligation to be dispensed with, rather than an opportunity to engage in real dialogue with the participants. Interested public and citizens increasingly monitor the success of public policy implementation, however the opportunities for and the practice of their involvement in the policy-making phase remain limited.

Regulatory impact assessment is an analytical tool that needs to be enabled and supported by evidence-based decision-making. Decision-makers should be adequately informed about the available options and selection of the regulatory instrument, regulatory and policy impact or resources required for implementation, in order to be able to choose an appropriate solution. This, however, is not a regular practice and this tool is not uniformly applied at all levels of government. The number of key, systemic regulations subjected to a comprehensive impact assessment is negligible and in the recent years the number of regulations adopted under the urgent procedure has increased. A comprehensive impact assessment requires significant financial and human resources and time, as well as improved legislative planning. Better scheduling of legislative activity would have to include the use of these instruments for laws that introduce certain systemic solutions, in accordance with the resources and capacities for other policy instruments as well.[[45]](#footnote-45) In order to make rational and enforceable decisions, legal and methodological solutions should be further improved to ensure more consistent application of these instruments in practice at all administrative levels, including measures aimed at improved organisational structure and strengthening of human resources.

Reporting to decision-makers on the implementation of regulations and regulatory impact assessments is not recognised as a corrective mechanism in policy-making and legislative drafting and was thus not established as a regular practice.[[46]](#footnote-46) Implementation monitoring carried out by competent authorities (ministries) is often focused on implemented activities rather than the level of attainment of objectives. Additionally, the practice of regular parliamentary oversight is absent in terms of achievement of objectives set out in adopted regulations. The decision-making process needs to be further developed in order to ensure the transparency and accountability of administrative bodies to both the legislative bodies and the public by promoting cooperation mechanisms and raising the quality of reporting by focusing on achieved goals and desired policy outcomes rather than implemented activities.

5.1.2. Specific objective for the Policy Development and Coordination reform area

**Strengthening the coherence, participation, efficiency, control and transparency of the development management system and the public administration decision-making process**

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline value** | **Target value** |
| Government effectiveness(Percentile rank) [[47]](#footnote-47) | (2016) – 37.98 | (2022) – 42.00 |
| Regulatory quality(Percentile rank)[[48]](#footnote-48) | (2016) – 48.56 | (2022) – 56 |
| Information on laws and regulations(% of those who strongly agree or agree)Balkan Barometer[[49]](#footnote-49) | (2017) – Baseline value for those who strongly agree or agree) – 43% | (2022) – 60% |

5.1.3. Measures

**Measure 1: Enhancing capacities of decision-makers at administrative levels in Bosnia and Herzegovina to develop a competent and consistent decision-making system at all administrative levels**

The key functions of the authorities and bodies providing direct support to the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina (Centres of Government) with regard to government sessions, legal harmonisation, design and approval of strategic priorities and financial viability will be enhanced. This will ensure a better decision-making and decision-monitoring process. All levels of government will establish a legal framework to coordinate policy proposals that are sent to decision-makers for adoption, as well as monitoring and reporting.*[[50]](#footnote-50)*

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline** | **Target** |
| Number of administrative levels that have established the legal and institutional framework for coordinating the content of policy proposals sent to decision-makers for adoption[[51]](#footnote-51) | (2017) – 0/4  | (2022) – 4/4 |
| Consistency of the CoG in setting and enforcing the procedures (points) – SIGMA[[52]](#footnote-52) | (2017) – 1/4[[53]](#footnote-53) | (2022) – 4/4 |

**Measure 2: Improvement of strategic, medium-term and annual planning systems in Bosnia and Herzegovina at each administrative level through inter-institutional cooperation and harmonisation with the budgeting process and available public financial resources, and requirements of the European integration, respecting the constitutional and legal set-up of Bosnia and Herzegovina**

Strategic, medium-term and annual planning systems in Bosnia and Herzegovina will be improved so as to provide regular information on objectives, measures and activities, and also to facilitate monitoring of the overall results of their implementation and ensure that the strategic, medium-term and annual programmes and plans are aligned with the medium-term budgetary framework and annual budgets. At all administrative levels, the existing legal frameworks and strategic, medium-term, and annual planning functions will be evaluated and redefined as necessary in order to optimise and harmonise the existing planning, monitoring and reporting systems and practices. Also, capacity building for implementation of planning, monitoring and reporting systems will continue. Monitoring and reporting requirements will be revised in such a way as to ensure that the reports include information on progress against policy objectives and indicators. At all levels of administration, methodological frameworks will be developed for the sectoral strategy development process to ensure that strategies are prepared and adopted in accordance with government operating plans and that they provide information on cost estimates and sources of funding.

The foregoing will be implemented through improvement of inter-institutional cooperation procedures and methodological alignment of planning, monitoring and reporting processes at each administrative level, consistent implementation of normative acts for planning, monitoring and reporting on the work of the CoM BiH and the governments of FBiH, RS and BD and adoption of a long-term planning methodology at all administrative levels in BiH, including the obligation to state the financial implications. The percentage of planning documents that do not undergo control processes and are not financially operationalized will be reduced.

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline** | **Target** |
| Adequacy of the legal framework for policy planning at each administrative level (points) – SIGMA[[54]](#footnote-54) | (2017) – 3/7[[55]](#footnote-55) | 5/7 |
| Legal framework at each administrative level enables proper monitoring and reporting (points) – SIGMA[[56]](#footnote-56) | (2017) – 3/8[[57]](#footnote-57) | 6/8 |

**Measure 3: Strengthening the evidence-based decision-making system and enhancing analytical capacities at all administrative levels through improved application of analytical tools for decision-making based on arguments and evidence**

The decision-making process will be improved based on previous analysis and evaluation. Also, proposed policies and regulations will be regularly checked to verify that they include appropriate analytical assessments and the quality and availability of regulations will be improved. This measure includes a revision of legal and methodological frameworks, strengthening of necessary organisational and HR capacities, training of civil servants involved in analyses and planning in ministries and other administrative bodies/organisations, introduction of mechanisms for regular checking and control of proposed policies and regulations and updating the registers of primary and secondary regulations and consolidated versions of key regulations. Also, all levels of administration will provide access to all laws and bylaws to citizens, free of charge.

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline** | **Target** |
| Percentage of draft laws, bylaws, public policies and regulations that have undergone regulatory impact assessment[[58]](#footnote-58)  | (2017) – N/A[[59]](#footnote-59) | (2022) 50% |
| Use of regulatory impact assessments (points) – SIGMA[[60]](#footnote-60)  | (2017) – 0/3[[61]](#footnote-61) | (2022) – 2/3 |

**Measure 4: Ensuring inclusion and participation of the public in the making, implementation and monitoring of strategic plans, public policies and regulations**

The scope and quality of public participation will be improved in all stages of development and progress monitoring of public policies, strategic plans and regulations, and the level of public confidence in government and public administration will be raised. To implement this measure, activities will be undertaken to increase transparency through the use of public consultation mechanisms and regular public dissemination of information about planned measures and their results, together with creation of a harmonised methodology that will foster independent surveys of satisfaction with the quality of public participation in policy development and implementation. The existing legal frameworks that govern the area of public consultation and public participation will be revised.

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| **Indicators** | **Baseline** | **Target** |
| Percentage of strategic plans, public policies and regulations where the public consultation process was fully compliant with the rules of public participation[[62]](#footnote-62) | (2017) – N/A[[63]](#footnote-63) | (2022) – 50% |
| Quality assurance of the public consultation process (points)[[64]](#footnote-64) – SIGMA  | (2017) – 0/3[[65]](#footnote-65) | (2022) – 2/3 |

**Measure 5: Increasing efficiency and consistency through inter-institutional functional linking within administrative levels and harmonised action in drafting and implementing public policies between ministries, between the Centres-of-Government and ministries, and between executive and legislative bodies.**

The public policy planning, adoption and monitoring system, with a clear delineation of responsibilities between Centres-of-Government and line ministries, between ministries, and between executive and legislative authorities, will be improved in the course of adoption of policies and regulations through a series of consultations and sharing of plans between executive and legislative bodies and by submitting government reports on the results of implementation of policies and regulations to the legislative body for review. All levels will create new mechanisms or improve the existing mechanisms to include and consult core government institutions and relevant government bodies during inter-ministerial consultations in the policy/plan/regulation drafting process. Only in exceptional situations should governments and parliaments use the mechanism of summary and urgent procedures to propose and adopt laws. Such situations will be normatively more clearly defined and will exclude regulations of strategic and/or systemic importance.

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| **Indicators** | **Baseline** | **Target** |
| Test of inter-ministerial consultation practices (points) – SIGMA[[66]](#footnote-66) | (2017) – 0/12[[67]](#footnote-67) | (2022) – 8/12 |
| Percentage of draft policies, plans and/or regulations returned from government decision-making due to incomplete inter-institutional consultations[[68]](#footnote-68) | (2017) – N/A[[69]](#footnote-69) | (2022) – 20% |

## 5.2. CIVIL SERVICE AND HUMAN RESOURCE MANAGEMENT

Albeit strengthened over the last ten years, the Human Resource Management (HRM) function remains in the process of development and maturation. Some shifts are evident: from the terminology in use (*human resources, management,* rather than previously used *personnel affairs, personnel*), through adoption of new procedures (modelled on modern practices) to embedding human resource management into the structure of the administrative bodies. It is important to note that the progress so far is primarily the result of the efforts of professionals in this reform area.

The next phase of development of human resource management in the administrative structures of Bosnia and Herzegovina should be marked by parallel activities in the following four categories:

1. *Completion of the scope of work* – creating legal preconditions for the introduction of missing procedures, such as modern planning of HR needs, analysis and analytical assessment of jobs, competence-based recruitment, computerisation of work processes
2. *Continuous professional development of professional staff* – this is especially important for staff in civil service agencies/administrations who should act as the main point of contact for all expert and procedural issues in this field
3. *Building general managerial capacities* – if managers are to perform well in their respective fields (human resource management, finance, procurement, etc.), they need to be given opportunities to acquire and demonstrate general managerial skills and abilities (decision making, employee motivation, strategic planning, policy development, etc.), as this is a fundamental performance requirement for them
4. *Improved contribution of human resource management to the strategic decision making process* – managers in institutions can greatly assist this process by making decisions in the domain of human resource management (e.g. revisions of the rulebook on job categorization) in consultation with professionals in this field. Also, staff in charge of human resource management should demonstrate greater agility in producing information and analyses for the top management, thereby indicating the practical benefits that this function can provide to the institution.

These activities are in fact processes and it is difficult to say when they may be fully completed, but their application will enable the construction of a sufficiently good system that can meet the criteria on the path to European integration.

5.2.1. Current status

With respect to internal organisational structure in individual administrative bodies, human resource management is still typically positioned alongside accounting and finance or general and legal affairs. At the same time, human resource management activities (and performance) are quite diverse and differ from one institution to another.

The principle of merit-based recruitment has been compromised by the detrimental trend of politicisation of the civil service, as pointed out by the European Union and SIGMA.[[70]](#footnote-70) Surveys undertaken by non-governmental organisations indicate that ordinary citizens have very little confidence in the fairness of the public administration recruitment process,[[71]](#footnote-71) even though the procedures that apply to civil service structures are clearly prescribed.

Recruitment procedures are conducted according to a well-regulated legal framework, but experience in this segment shows that they need to be more consistently applied and must ensure, among other things, greater transparency of recruitment committees at all levels, whereas the knowledge assessment process should be improved by focusing on verification of competences, as this would considerably increase the chances that the recruitment decision is truly based on merits.

The human resources planning function is fairly one-dimensional. Planning, in fact, comes down to an effort to fill vacancies without a serious assessment of needs (number of incumbents and their professional profile) and priorities (ranking of jobs in terms of their importance for the work of the institution). The planning function needs to be updated and more closely linked to other human resource management functions (in particular with recruitment, promotion, remuneration and professional development) because cost reductions in administrative structures demanded by everyone – from citizens to the International Monetary Fund – primarily refer to the cost of human resources.

As regards the remuneration system, the legal framework at all levels generally guarantees the principle of “same salary for the same job”, although none of the public administration structures in Bosnia and Herzegovina so far made a thorough job on the classification and ranking of jobs. It is necessary to conduct a comprehensive review of jobs to assess the complexity and level of responsibility of each job and to determine priority competences required to perform the relevant tasks.

Current performance appraisal practices, usually carried out regularly, have a limited effect on staff motivation and are not linked with the professional development needs planning. Practice has shown that it is difficult to set relevant, clear and measurable performance targets, partly because of the lack of target setting skills among managers and partly because of outdated job descriptions, which are supposed to serve as the starting point for target setting. Budget constraints hamper the appropriation of funds for financial rewards, further eroding the credibility of the performance appraisal system.

Professional development is in place, but the efficiency of individual programmes and their applicability in the workplace is not measured. Training is by far the most common form of professional development, while other forms are very limited (mentoring, self-study, various types of study visits and other similar forms of knowledge acquisition). Although specific professional development programmes for managers exist, there are no standards for management skills and competences that could serve as the basis for performance appraisal and job testing of managers in the public administration.

The dynamics of future development of administrative structures in Bosnia and Herzegovina depends to a great extent on institutions’ commitment to the principles of work ethics and integrity. In the performance of their day-to-day tasks, employees in administrative bodies must be mindful of the fact that they manage public goods, spend public money and that their work is subject to public interest. Therefore, the behaviour of each employee in the administration must be guided by, *inter alia*, the principles of accountability, transparency and rational use of resources. In this sense, in addition to existing mechanisms for sanctioning disciplinary infractions and codes of ethical conduct, institutions should build their capacity for development and implementation of integrity plans that, in practical terms, show what the institution recognises as a threat to its ethical norms and how it intends to address it.

5.2.2. Specific objective in the reform area *Civil Service and Human Resource Management*

**Legal framework established and capacities built for development of the human resource management function based on the principles of professionalism, merit and efficiency**

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| **Indicators** | **Baseline** | **Target** |
| Clarity in the legislative framework of the scope of the civil service (points)[[72]](#footnote-72) – SIGMA | (2017) 1/2[[73]](#footnote-73) | 2022 – 2/2 |
| Adequacy of the horizontal scope of the public service in the HRM area at all administrative levels (points)[[74]](#footnote-74) – SIGMA  | (2017) 0/6[[75]](#footnote-75) | 2022 – 3/6 |

5.2.3. Measures

**Measure 1: Improvement of human resource management policies and legal framework and building capacities for their efficient implementation**

Policy/strategic framework, laws and by-laws will be adopted to enable the institutional set-up, application and development of a consistent and effective human resource management practice. This includes, *inter alia*, a clear definition of the roles and responsibilities of institutions in charge of civil service and the development of HRM policies, their implementation and oversight. Necessary reform regulations for each civil service structure in BiH will be prepared through coordinated work of interdepartmental working groups. Also, an independent HRM function will be created in administrative bodies to provide essential support to improvement of the HRM process. Better communication and faster dissemination of ideas and lessons learned will be ensured through creation of and support to the network of prominent civil servants in the field of HRM that will encompass all four administrative structures in BiH.

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| **Indicators** | **Baseline** | **Target** |
| Percentage of administration bodies/ institutions at all administrative levels with a standalone HRM function[[76]](#footnote-76) | (2017) N/A[[77]](#footnote-77)2017 – percentage of bodies that have established it | 2022 – 80% of bodies have established it  |
| Percentage of administration bodies/ institutions that consistently apply the HRM policy in all HRM areas[[78]](#footnote-78) | (2017) 2017 percentage of bodies that consistently apply it | (2022) – 70% percentage of bodies that consistently apply it |

**Measure 2: Ensuring comprehensive compliance with the principles of merit, equal treatment, transparency and political impartiality in all HRM areas**

This measure will provide for consistent application of the principles of merit, equal treatment and transparency in the selection process, as well as in the subsequent maintenance of personnel files in terms of appraisal, promotion, transfer, training and development, advancement and end of service, including elimination of potential weaknesses caused by arbitrary actions of managers. This implies an intervention in the current civil service legislation. This measure also includes interventions in the current legal framework for selection of civil servants with the aim to improve the work of selection committees in terms of their competence and transparency, application of the selection model which must be based on the Competence Framework with an introduction and modernisation of written tests at all administrative levels. Formalities and unnecessary costs will be removed from vacancy procedures. Provisions of the civil service legislation with any elements of politicisation of the civil service will be revised. Particular focus will be placed on statutory norms which regulate the recruitment of senior executives and senior civil servants, with a view to consistent application of the principle of merit to these categories too. Efforts will be invested to publicly affirm the principle of de-politicisation of civil service through various forms of training and other ways of raising the awareness of this problem.

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| **Indicators** | **Baseline** | **Target** |
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| Adequacy of the legislative framework for merit-based recruitment for civilservice positions (points)[[79]](#footnote-79) – SIGMA  |

 | (2017) - 11/18[[80]](#footnote-80) | (2022) - 16/18 |
| Application of recruitment procedures for civil service positions (points)[[81]](#footnote-81) – SIGMA  | (2017) - 3/18[[82]](#footnote-82) | (2022) - 8/18 |
| Application of recruitment procedures for senior civil servant positions[[83]](#footnote-83) – SIGMA  | (2017) – 1.5/9[[84]](#footnote-84) | (2022) - 5/9 |

**Measure 3: Establishing modern human resource planning and professional development**

Human resource planning procedures will be adopted through drafting of HRM plans. HRM plans will be based on institutional needs assessments and circumstances on the internal and external labour market on the one hand, and on the efficacy, efficiency and cost-effectiveness of the administrative structure on the other hand. Institutions responsible for HRM planning will be established at all administrative levels (with the exception of RS, where this issue has already been solved). Also, HRM planning will be standardised at every level and the planning process will be linked to budget planning and the programme budgeting system, having in mind the need for continued optimisation of the number of employees in administrative structures. Functional and reliable HRM software systems will be established and will serve as a strategic planning tool in the civil service area. The civil service/administration agencies of BiH, FBiH and RS and the Sub-Department for Human Resources in Brcko District of BiH will ensure that the system is updated on a regular basis and will strive to remove any obstacles to the operationalization of information systems as a strategic tool. All administrative levels will provide the resources required for creation of functional registers of civil servants and access to information contained in these registers. Strategic and planning documents for training and professional development of employees will be based on assessments of functional needs in individual institutions. The training needs assessment process will be improved and linked to performance appraisal, and the impact of training on employee performance will be regularly evaluated. Given the importance of performance appraisal, the assessment process will be more intensively monitored and the necessary trainings related to performance monitoring and appraisal will be carried out. The budgets will allocate funds to cover the planned cost of activities to support the implementation of professional development plans/strategies.

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| **Indicators** | **Baseline** | **Target** |
| Percentage of institutions that effectively establish and use annual HRM plans relative to the total number of institutions at all administrative levels[[85]](#footnote-85) | (2017) – N/A[[86]](#footnote-86) | (2022) – N/APercentage of institutions that have established it  |
| Development, implementation and monitoring of training plans / through strategic training plans (points)[[87]](#footnote-87) – SIGMA  | (2017) – 1/3[[88]](#footnote-88) | (2022) – 3/3  |
| Training expenditure relative to annual salary budget (%)[[89]](#footnote-89) – (SIGMA) | (2017) N/A[[90]](#footnote-90) | (2022) N/APercentage of budget funds |
| Existence of a functional HR database with civil service data (points)[[91]](#footnote-91) – (SIGMA) | (2017) – 0/4[[92]](#footnote-92) | (2022) – 3/4  |

**Measure 4: Establishing a fair and transparent remuneration system**

A fair and transparent remuneration system will be put in place through a comprehensive analytical assessment of jobs, and their classification and ranking. The fundamental principle of ‘same pay for the same type of work in the same category and of the same complexity and volume of work’ will apply. The Council of Ministers and the governments of the Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina will provide the necessary resources and support to these activities. Analytical assessment of every single position in the civil service will be made through interventions in regulations on staffing and organisation of positions.

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| **Indicators** | **Baseline** | **Target** |
| Fair base salary allocation in the job classification system (points)[[93]](#footnote-93) – (SIGMA)  | (2017) – 1/4[[94]](#footnote-94) | (2022) – 3/4 |
| Accessibility of salary information (points) – (SIGMA)[[95]](#footnote-95) | (2017) – 0/3[[96]](#footnote-96) | (2022) - 2/3 |

**Measure 5: Ensuring that employees of administrative structures comply with the codes of conduct**

The Council of Ministers of Bosnia and Herzegovina and the governments of the Federation Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina will provide political support and the necessary resources for the promotion of integrity and prevention of corruption in civil service. Application of employee codes of conduct will be enforced through strong compliance mechanisms with strict disciplinary sanctions and quick, efficient and impartial disciplinary procedures. Also, activities will be undertaken to raise the managers’ awareness that misconduct should be sanctioned in a fair and timely manner. A legal basis for the adoption of integrity plans at all administrative levels will be ensured and capacities for their drafting will be enhanced.

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| **Indicators** | **Baseline** | **Target** |
| Disciplinary decisions confirmed by the courts (%)[[97]](#footnote-97) – SIGMA | (2017) – 0/4[[98]](#footnote-98) | (2022) – 2/4 |
| Existence of legal frameworks for civil service integrity (points)[[99]](#footnote-99) – SIGMA | (2017) – 0/5[[100]](#footnote-100) | (2022) – 3/5 |
| Civil service integrity plans established (points) [[101]](#footnote-101) – SIGMA  | (2017) – 0/4[[102]](#footnote-102) | (2022) – 4/4 |

**Measure 6: Improving the quality of general management in civil service structures**

In order to improve the quality of general management in civil service structures, continuing professional development programmes on basic managerial knowledge and skills will be introduced for managerial positions in the administration. Legislation will govern performance testing (analyses, essays, work tests, work reports) for managerial positions based on tests of general managerial competencies. Legislative provisions governing performance monitoring and appraisal of managers in administrative organisations will be revised to ensure that managers are appraised by competent bodies.

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| **Indicators** | **Baseline** | **Target** |
| *Number of senior civil servants who received training on managerial knowledge and skills at all administrative levels[[103]](#footnote-103)* | (2017) – N/A[[104]](#footnote-104) | (2022) – 90% |
| *Percentage of managers whose performance was appraised by the competent bodies[[105]](#footnote-105)* | (2017) – N/A[[106]](#footnote-106) | (2022) – N/A90% |

## 5.3. ACCOUNTABILITY

The accountability principle, as one of the governing principles in designing and implementing reform processes in public administration, is recognised as such in key documents which set the standards for public administration in the EU integration processes.

Implementing the accountability principle in practice implies the existence of efficient and functional accountability mechanisms within institutions, between institutions and between branches of government (judicial oversight of the administration), as well as accountability towards citizens as the end users of public administration services. In public administration, the accountability principle means that its overall operation must serve public interest, as well as rational approach to organisation of public administration, proactive transparency in designing policies and functioning, efficient protection of citizens’ rights, including redress in case of deviation from regulations.

Organisational arrangements in public administration must consider the conditions under which a function could be practically organised within an institution or administrative body, possibly within the existing portfolio. In this respect, it is necessary to consider the macro and micro levels of organisation. Macro-organisational issues examine the reciprocal position of institutions, including relations of subordination and coordination, the modalities in which administrative supervision is exercised and, in particular, the position of independent regulatory agencies within an individual level of government. Micro-organisational issues concern the differences between internal organisational units, particularly with regard to substantive responsibilities and minimum critical mass. Appropriate and comprehensive functional analysis of the two levels of organisation at each individual level of government would point to further reform interventions with respect to the development of common criteria for administrative organisation as well as potential legislative interventions.

5.3.1. Current status

All stakeholders relevant for assessing the status of public administration in BiH in the accountability component, including the organisation of public administration, voice more or less identical issues.

EC Progress Reports for Bosnia and Herzegovina in the period from 2005 to 2016 indicate that the public service in BiH is fragmented, which still does not contribute to the development of common standards and criteria for professional public services at all levels in BiH.

The organisational structure of state administration at the level of Bosnia and Herzegovina is defined by two laws: the BiH Law on Ministries and Other Bodies of Administration and the BiH Law on Administration.[[107]](#footnote-107) The scope of these two laws overlaps to a great extent and does not set out clear criteria for establishment of institutions. The position of public (state) administration in the Federation of Bosnia and Herzegovina is regulated by law in an almost identical manner, on the basis of the Law on Organisation of Administration Bodies in FBiH[[108]](#footnote-108) and the Law on Federal Ministries and Other Bodies of Federal Administration,[[109]](#footnote-109) while in Republika Srpska this area is comprehensively regulated by the Law on the Republic Administration[[110]](#footnote-110). Organisational structure of public administration in Brcko District of BiH is prescribed by the Law on Public Administration of Brcko District of Bosnia and Herzegovina[[111]](#footnote-111).

The European Commission Report states that the overall organisation of public administration in Bosnia and Herzegovina hampers increased accountability due to the current structure of public administration, marked by overlapping competences and lines of reporting. This is particularly true at the level of institutions of BiH, where over 40 institutions report directly to the Council of Ministers of BiH. In Republika Srpska, the aforementioned Law on the Republic Administration regulates the competences of administrative bodies and the issue of accountability much more clearly.

Furthermore, the European Commission finds that there is a lack of appropriate procedures to control the creation of new institutions. With regard to chains of accountability within institutions, managerial accountability is not yet established and has not taken root in the administrative, normative and organisational structure of the public service.

Given the country’s constitutional setup, administrative disputes in Bosnia and Herzegovina are decentralised and are handled by regular courts.

As regards compensation of damages to natural and legal persons arising from unlawful treatment, all administrative levels have regulations that guarantee this right, primarily through contract and tort law. The Law on Administration of Bosnia and Herzegovina and the Law on the Republic Administration in Republika Srpska explicitly provide for liability for the damage inflicted by an administrative body to a legal or natural person through its illegal actions, but procedural provisions governing the exercise of this right have not been developed.[[112]](#footnote-112) Because of that, and due to the lack of mechanisms for monitoring this aspect of public accountability at all levels and insufficient information on the practical realisation of the right to compensation for the damages caused by the illegal actions of public authorities, the European Commission[[113]](#footnote-113) considers that the legal framework regulating public liability as a legal, political and moral principle is incomplete.

Almost all reports indicate the low rate at which public administration bodies implement the recommendations by the institution of the Ombudsmen of Bosnia and Herzegovina.

Implementation of legislation on access to information is largely undermined in practice by insufficient institutional capacities and the lack of an efficient system of supervision over the enforcement of these laws. The Ombudsman institution is founded on satisfactory international standards; however, the low rate of implementation of the Ombudsman’s recommendations remains a considerable challenge. Generally, fulfilling the accountability principle by establishing functional mechanisms and lines of accountability within and between the institutions and between branches of government, as well as towards citizens, is still in its initial stages. The overall structure of public administration in Bosnia and Herzegovina at certain levels of government, in particular the institutions of Bosnia and Herzegovina and FBiH, is characterised by an overlapping and insufficiently clear legislative framework. Key deficiencies include vague criteria to differentiate between different types of administrative bodies and inadequate procedures for efficient control over the creation of institutions. Institutional liability for compensation of damages arising from wrongdoing by public administration is largely regulated, but due to the lack of a monitoring system there is no data on the extent to which this means of redress is used in practice.

5.3.2. Specific objective for the reform area *Accountability*

**Organisationally and functionally aligned and transparent public administration system, with improved internal and external supervision over the work of public administration**

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| **Indicators** | **Baseline** | **Target** |
| Public trust in administration (% of those who trust or completely trust)Balkans Barometer[[114]](#footnote-114) | (2017) – 15% | (2022) – 20% |
| Requests for access to information in possession of a government agency (institution) are accommodated in a timely manner (% of those who agree or fully agree)Balkans Barometer[[115]](#footnote-115) | (2017) – 27% | (2022) – 35% |

5.3.3. Measures

**Measure 1: Improvement of organisational structure of public administration systems at all levels of administration**

*Public administration will be streamlined in line with appropriate and coherent policies and regulations, and will ensure clear lines of accountability. This includes improved institutional typology and hierarchy within and between institutions at administrative levels such that it facilitates streamlined implementation of administrative activities and their control. Provisions will be made to make sure that all authorities subordinated to governments have a defined accountability system in place in terms of planning (including financial planning), reporting and scrutiny. Allocation of any competence to a new or existing body will be subject to a defined set of conditions, in order to ensure control over establishment of new bodies and improve cost-effectiveness and economic justification. Legal frameworks will clarify the relations of subordination and coordination, modalities of exercising administrative supervision and the position of autonomous bodies at administrative levels. Organisational arrangements and forms within institutions and reporting lines between administrative authorities, administrative organisations, services and bodies will be defined by setting the types and competences-related criteria, as well as minimum requirements for establishment of internal organisational units. Internal management of ministries at all levels needs to be decentralised by providing clear statutory bases for delegation of decision-making from the level of ministers to the level of high-ranking civil servants. A results-oriented management culture needs to be established in administrative authorities at all levels, with procedures and practices that would ensure that administrative authorities are responsible for achieving measurable results and outcomes, and that the progress against them is measured using indicators and performance targets. Registers of public institutions will be set up and made available to the public,.*

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| **Indicators** | **Baseline** | **Target** |
| *Adequacy of the policy and regulatory framework for managing Centre-of-Government institutions at administrative levels (points)[[116]](#footnote-116)* – *SIGMA* | (2017) – 1/5[[117]](#footnote-117) | (2022) – 3/5 |
| Accountability in reporting between Centre-of-Government bodies and line ministries at administrative levels (points) [[118]](#footnote-118) – SIGMA  | (2017) – 0/4[[119]](#footnote-119) | (2022) – 2/4 |

**Measure 2: Increasing accessibility of information held by public administration**

*The right of access to public information will be improved in the legislation,[[120]](#footnote-120) observing the principle of maximum transparency, and will be consistently applied in practice by ensuring the protection of this right and the application of standards of proactive disclosure. The principle of maximum transparency will mean regulation and introduction of standards of proactive transparency, including a catalogue of information that the institutions will publish on their websites, which will be prescribed by legislation. Consistent implementation of the law will be ensured through strengthening the capacities of civil servants acting in accordance with the law, and through strengthening the role of the institution of the Ombudsman. Mechanisms to ensure aggregated statistics on requests for access to information of public importance at every administrative level will be enhanced. Laws will guarantee the right to appeal and efficient supervision over observance of freedom of information laws, including sanctions for non-compliance, will be established.*

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| **Indicators** | **Baseline** | **Target** |
| *Comprehensive monitoring of implementation of freedom of information laws (points) [[121]](#footnote-121)* – *SIGMA* | (2017) – 0/5[[122]](#footnote-122) | (2022) – 3/5 |
| Proactive disclosure of information by state administration bodies on their websites (points)[[123]](#footnote-123) – SIGMA | (2017) – 2/5[[124]](#footnote-124) | (2022) – 3/5 |

**Measure 3: Improve the mechanism for safeguarding the rights of individuals to good governance and public interest**

*Mechanism for protecting the rights of individuals to good governance and protection of public interest will be enhanced by creating functional internal and external mechanisms to safeguard this right, including assurance of consistent and fair treatment in administrative disputes guaranteed by internal administrative complaints and judicial review, as well as improvement of procedures and mechanisms by which public authorities can assume liability for wrongdoing, with redress and/or adequate compensation. Law on the Ombudsman will be improved to eliminate direct influence of executive government on the budget of the institution of the Ombudsman and to improve the mechanisms that will ensure a higher degree of implementation of recommendations by SAIs and the Ombudsman (including by introducing disciplinary liability for non-compliance). Position, organisation and competences of administrative inspection services at all levels will be analysed and proposals will be made for improvements. Performance of administrative inspection services will also be improved through employee training. Laws on administrative disputes will be improved at all levels so as to ensure equal access to justice, including through efficient legal remedies in case of lengthy administrative procedures in courts, and the timeframes for adjudicating administrative disputes will be shortened. A mechanism for monitoring administrative disputes pertaining to statutory liability of public administration bodies at any administrative level will be created in the legal framework and in practice, to result in improved efficiency of administrative disputes and decisions and, consequently, fewer errors in the work of administrative authorities.* Mechanisms will be created to monitor cases that involve the liability of administrative authorities in damage compensation procedures.

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| **Indicators** | **Baseline** | **Target** |
| *Rate of implementation of Ombudsman’s recommendations[[125]](#footnote-125)*  | (2017) N/A | (2022) – 40% |
| Number of cases by administrative authorities (administrative decisions) confirmed by the competent court[[126]](#footnote-126) | (2017) 0 (no data) | (2022) – 80% |

## 5.4. SERVICE DELIVERY

Digitalisation of business, continuous flow of information and the social media compelled the private sector to allow its customers to conduct banking transactions or purchases from the comfort of their homes or even on the go, tailoring their services to the individual needs of their customers to the maximum extent possible. It is therefore no surprise that citizens now have increasingly greater expectations from the public administration regarding the quality, speed, price, transparency and accessibility of services it delivers. Indeed, modern public administrations make great efforts to improve their service delivery, but they often fail at this. Service users are still frustrated by having to wait in queues, by user-unfriendly websites, by the need to contact a number of different instances before receiving a reply or service (e.g. getting a registration card or driver’s licence, approval for specific benefits, registration of a business entity, calculation of taxes, etc.). The main reason for failure is that public administration tends to design and deliver services based on its own expectations and processes rather than the expectations of service users.

Consequently, the transformation of public administration’s service delivery begins with understanding the needs and priorities of users. It is also necessary to look at the entire path a user must travel to get the required service, which usually involves a number of phases (different instances and communication channels) but from the user’s point of view represents a single experience. Since the desire to deliver all public administration services without the need to wait in queues or with a single mouse-click is unrealistic and would be too expensive to put into practice, identification of the least efficient services and measuring the level of client (dis)satisfaction is one of the ways to determine priority action areas with the aim to improve the performance of public administration. In any case, particularly favourable results and positive impact on customer satisfaction are achieved by improving the organisation of work (elimination of unnecessary or duplicate steps, elimination of bottlenecks, etc.) as well as the legal framework that governs the interaction between service users and service providers (modernisation of the Law on Administrative Procedure and, in particular, minimisation of procedural norms that effectively diverge from the general administrative procedure, i.e. impose formalities that make the provision of services subject to fulfilment of specific conditions).

Apart from increased user expectations, the number and scope of services provided by the public administration is also growing as a result of the European integration process. At the same time, the available budgets are under constant downward pressure, especially in view of the prolonged economic crisis and a stagnant economy. In fact, public administration actors are expected to work more for less money. The solution to this conflict lies in introducing and applying advanced information technologies which can contribute to better quality of interaction and positive experiences at a lower cost. Of course, this too comes at a price in terms of appropriate infrastructure and recruitment, training and motivation/retainment of appropriate specialised IT personnel.

At the same time, as the public administration is also required to ensure an appropriate minimum level of services to all user segments regardless of where the services are delivered and their preferred manner of interaction (e.g. stationary or mobile counters/desks, call centre, e-mail, SMS, mobile phones, internet portals, smart TVs, etc.), it is necessary to standardise operational processes by setting out internal protocols or standard operating procedures for each service or/and introducing appropriate quality standards such are CAF, ISO 9001 and others.

All the aforementioned changes cannot happen overnight. As is the case with any other effort aimed at transformation, political leadership must encourage the acceptance of appropriate and desirable solutions and channel investments, time and financial resources into the development of the system, infrastructure, skills and capacities for sustainable service delivery according to the selected model.

5.4.1. Current status

The public administration system in BiH does not measure user satisfaction in a systematic and multidisciplinary way as does the commercial sector. Though there are institutions which have adopted this principle, when designing and delivering services the BiH public administration system relies mostly on a very limited set of data obtained from users, mostly from complaints and petitions or direct contacts with users in the course of handling individual cases. One of the objectives relevant for this topic from the Revised Action Plan 1 (RAP1), the implementation of which has not even started, is the training programme for Customer Relations Management (CRM).

All administrative levels in BiH already have certain principles and mechanisms in place that could be used for further development of the quality system (statistics, administrative supervision, status monitoring, activity reports, handling of objections, petitions and complaints, etc.); however, these are not used as tools for continuous improvement of the quality and organisation of tasks. Total Quality Management (TQM)[[127]](#footnote-127)has not yet taken root in most public administration institutions. The commitment from RAP1 to introduce quality management systems on voluntary basis is still valid. At the level of BiH, the Council of Ministers of BiH supported the introduction of CAF or ISO 9001 quality management standards (the option to introduce both standards in parallel is allowed) and the necessary employee capacity development. The Council of Ministers of BiH then tasked the Public Administration Reform Coordinator’s Office to, together with other BiH institutions, coordinate and implement the Operational Plan for Introducing Quality Management in BiH Institutions 2016-2018. Government of Republika Srpska adopted a conclusion consenting to the introduction of CAF in the Republika Srpska Civil Service Agency, and the Agency was tasked with sharing the acquired knowledge with all interested administrative authorities in RS and given an active role in improving quality management and CAF implementation in the RS administration, while the Government of the Federation BiH supported the introduction of CAF in the Civil Service Agency of the Federation BiH as a free and simple tool that will facilitate the use of quality management techniques in public sector organisations. The Regional School of Public Administration (ReSPA) formed the Regional Working Group for Quality Management in Public Administration, the members of which are representatives of administrative levels of Bosnia and Herzegovina, Republika Srpska and the Federation of Bosnia and Herzegovina.

The level of accessibility and ease of access to services is not sufficiently high due to often unjustified bureaucratic impediments, lack of use of new, already available technologies, inefficient organisation of operations (inadequate and deficient legislative solutions that define the operational processes, which leave room for multiple interpretations depending on the circumstances or civil servants’ preferences) and irresponsibility, often untrained staff who directly and/or indirectly deliver these services and even intentionally obstruct or slowing down the service delivery process in anticipation of a return favour. Deficiencies have been identified in the legal framework which pose administrative impediments and are not technologically neutral in the sense that they often preclude application of modern means of communication. Thus, the interaction between users of services and the public service is characterised by paperwork (which has its financial, environmental and security costs) and traditional means of communication. Even when appropriate consolidation is done by one institution to enable service users to acquire the relevant service at a one-stop-shop at this institution, due to the complexity of most services users have to go to several such desks to obtain the required service (more one-stop-shops).[[128]](#footnote-128)

User satisfaction with public services in Bosnia and Herzegovina according to the Balkan Opinion Barometer for 2016 is as follows:[[129]](#footnote-129)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| User satisfaction level | Very bad | Poor | Good | Very good | Excellent |
| Time required to obtain a document from the public register | 16 | 36 | 34 | 8 | 1 |
| Treatment of citizens in the public sector (police, health, judiciary, etc.) | 15 | 29 | 38 | 11 | 2 |
| General satisfaction with public services | 20 | 22 | 31 | 19 | 6 |
| Cost of public services | 26 | 39 | 25 | 6 | 1 |
| Time required for public services | 26 | 39 | 25 | 6 | 1 |
| Efficiency of the administrative procedure | 37 | 29 | 22 | 5 |  |
| Effective application and implementation of business regulations | 55 | 28 | 11 | 1 |  |
| Are the authorities effectively fighting corruption? | 60 | 27 | 9 | 1 |  |

Since the EU Digital Agenda aspires to establish e-government and e-services as the dominant models of operation of public administrations of its Member States by 2020, the public administration system in Bosnia and Herzegovina should not allow overly long delays. The potential for e-government in BiH is satisfactory as more than two thirds of citizens have access to the Internet (their level of knowledge and readiness to use e-services is another issue), and the growing potential for m-government as the next phase of development is also encouraging. A number of enacted laws is required for introduction of electronic services, however the system is not well-rounded at all levels and the BiH Interoperability Framework, although already agreed, has not been adopted[[130]](#footnote-130) to allow the implementation of interoperability projects and facilitate data exchange.[[131]](#footnote-131)

The system of one-stop-shops, virtual or physical, as single points of contact is a clear and obvious choice when governments intend to develop a user-oriented service culture in public administration. There are several one-stop-shop solutions at individual governmental levels in BiH, mostly related to certain priority services such as issuance of residence permits, IDs, passports and driver’s licences, registration of businesses in RS, payment of contributions at tax administrations, etc. An electronic catalogue of available services, as a starting point for establishing virtual one-stop-shop systems, is available at the level of Bosnia and Herzegovina and Republika Srpska but does not offer the possibility of executing transactions.

Regulations on general administrative procedure at all levels of administration in Bosnia and Herzegovina meet the standards of good governance. These laws (and the regulations on office operations) have been amended in the course of RAP1 implementation to enable electronic communication between the public administration and citizens. Still, at the level of the Federation of Bosnia and Herzegovina, certain incomplete provisions regarding delivery of submissions in person practically make electronic submissions impossible. These laws at all four administrative levels regulate the issue of mandatory ex officio obtaining of evidence from official records (under threat of sanctions against the official person at the level of Bosnia and Herzegovina); however, this is not implemented in practice by some bodies, hence the users still act as couriers between different bodies. Strengthening the accountability of public bodies along with digitalisation of public registers, adoption of the principle of open government and facilitation of electronic data exchange between public administration institutions could put an end to this practice.

The Government of the Federation of Bosnia and Herzegovina and the Government of Republika Srpska have developed certain model registers, inventories of administrative procedures, or regulations that deviate from the application of the law on general administrative procedure. The existence of these records makes it possible to determine the exact number of such exceptions/deviations and, more importantly, the reasons for their adoption. These data, together with comparative examples of innovative/new solutions from the region, could serve as the basis for consideration of possible improvements to the laws on general administrative procedures. The number of procedures that are exempted by special regulations from the application of the law on administrative procedure should be reduced to the absolute minimum.

5.4.2. Specific objective in the reform area Service Delivery

**Public administration in BiH is user-oriented in that it professionally monitors and understands users’ needs and expectations and uses this to improve its operational processes and administrative procedures, reduce administrative burdens and make services accessible through various communication channels, while ensuring the quality and reducing the costs of services.**

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline value** | **Target value** |
| Public perception of transparency of public services (score on a scale 1 to 5)Balkan Barometer[[132]](#footnote-132) | (2017) – 2.5 | (2022) – 3.5 |
| General satisfaction with public services (% that say they are completely or mostly satisfied)[[133]](#footnote-133) (Balkan Opinion Barometer) | (2017) – 27% | (2022) - 40 % |

5.4.3. Measures

**Measure 1: Identification of quality instruments for services delivered by the public administration and orientation to service users**

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline value** | **Target value** |
|  A policy framework for quality management exists at all administrative levels in BiH | (2017) – 0/3  | (2022) – 3/3 |
| % of services measured using customer satisfaction tools at each administrative level | (2017) – 0% | (2022) – 50 % |
| % of institutions that have developed and applied Customer Relations Management – CRM system at each administrative level | (2017) – 0% | (2022) – 40 % |

Consistent introduction of quality management systems at all levels of administration will be facilitated by introduction and application of needs assessment and customer satisfaction measurement mechanisms in all public administration institutions, in order to realistically and impartially identify what the citizens and businesses think and need and to, consequently, make appropriate material, procedural, technological, technical and other changes. Using the existing user feedback mechanisms and with active participation of users, managers in institutions will standardise internal service delivery procedures by setting out detailed protocols/standard operating procedures based on the approved methodology. The result will be that any officer permanently or temporarily involved in the provision of a specific service would act in a standardised way. All this would then be integrated into comprehensive quality management systems such as CAF and/or ISO. Quality management systems will be gradually introduced; first in pilot institutions and then in others, depending on the extent of their capacity and availability of material resources. The end result will be a comprehensive quality management system in use in a considerable number of institutions.

**Measure 2: Improvement of accessibility of services through different channels of communication**

To improve communication between service providers and service users and to facilitate and reduce the price of delivery of public administration services, public administrations will use the opportunities offered by the new digital environment and the modern technologies and standards adopted by the EU Member States – primarily electronic data exchange. This measure focuses on the infrastructure and other prerequisites needed for delivery of personalised, accessible and simple public services to all citizens and businesses through various communication channels, giving preference to digital service delivery and service delivery via one-stop-shops. The relevant infrastructure will be fully interoperable and will connect previously modernised registers, with *mandatory* observance of the “one time only” principle. Under this principle, citizens and businesses should submit the relevant data to public administration only once and public administration institutions should then be able to share this information internally in accordance with the principles of interoperability and with the aim of relieving the citizens and the business community from the burden of data collection. Users of services, citizens and the business community would thus come to the forefront and services would be tailored to their needs. Available mechanisms for adaptation of services to various groups of users will ensure that services are more accessible to persons with special needs and/or persons with difficulties in communicating through electronic or classical channels. Therefore, public administrations need to review and redesign existing processes and services, transform their existing systems and make their data and services available to other administrations and, as much as possible, to the business community and civil society, while ensuring free flow of data in accordance with the basic principles of interoperability and the integrity, privacy and other security requirements for personal data.

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline value** | **Target value** |
| % of priority services provided via multiple channels (3rd or 4th level transactions) at each administrative level | (2017) – 0% | (2022) – 40 % |
| % reduction of time required for service delivery (registration of commercial company, construction permit, company tax, tax) at each administrative level | (2017) – 0% | (2022) – 50% 40 %[[134]](#footnote-134)(2022) – 50% 40 %[[135]](#footnote-135) |
| Number of services offered through one-stop-shops at each administrative level | (2017) – 4(services: e- civil registry, e- registry of commercial entities, e-payment of tax services and e-land registry)  | (2022) – 8(four additional priorities will be identified, plus upgrades of the existing ones) |

**Measure 3: Coherent improvement of the administrative and legal framework**

This measure relates to improvement of the legal framework governing the interaction between service providers and service users. Based on the established unified registers of special procedural norms and the results of the analysis of these registers, it will be possible to find clear indicators of special procedural provisions that are unjustified and arise from other laws and regulations which unduly complicate the entire system of administrative procedures and impose additional administrative burdens/formalities on users. Activities included in this measure complement the regulatory assessment in the Policy Coordination area, however that assessment is ex ante and takes place prior to adoption of the regulation, while the assessment under this measure is ex post and takes place while the regulations that impose certain formalities on service users are already in force. Civil servants will undergo relevant trainings on an ongoing basis to ensure that the public administration is trained to apply the improved legal framework for administrative procedures.

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Baseline value** | **Target value** |
| % fewer special procedural norms that have proven to be unjustified and complicate the system of administrative procedures for end users of services at each administrative level | 0[[136]](#footnote-136) | 10 % |

## 5.5. PUBLIC FINANCIAL MANAGEMENT (REFERENCE TO THE CONSOLIDATED STRATEGY THAT WILL BE DEVELOPED BASED ON PUBLIC FINANCIAL MANAGEMENT STRATEGIES AT ALL ADMINISTRATIVE LEVELS)

Given that the EU integration process requires a reform of public financial management, it was agreed that all government levels (institutions of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina) will develop their public financial management strategies, to be used as the basis for the Public Financial Management Reform Strategic Framework for BiH 2016-2020.

Each level of government in Bosnia and Herzegovina has its own public sector audit service.

In order to carry out the reforms and improve the public finance system towards greater functionality, transparency, accountability and efficiency in public financial management and thus contribute to greater macroeconomic stability in Bosnia and Herzegovina, the eight key requirements set out by SIGMA in its document *The Principles of Public Administration* represent the starting point for identification of strategic/specific objectives of the PAR Strategic Framework in the area of public finance 2016-2020:

***Key requirement 1:*** Fiscal and macroeconomic sustainability will be achieved through formulation of the budget in compliance with legal provisions and within the frameworks identified by the Budget Framework Paper (BFP), ensuring that the general government budget deficit and the debt-to-gross domestic product ratio are on a sustainable path.[[137]](#footnote-137)

***Key requirement 2:*** Accounting and reporting practices ensure transparency and public scrutiny over public finances; both cash and debt are managed centrally, in line with legal provisions.

***Key requirement 3:*** Align and implement financial management and control in line with the requirements of Chapter 32 of the EU accession negotiations.

***Key requirement 4:*** Internal audit function is established according to international standards.

***Key requirement 5:*** Public procurement is regulated by duly enforced policies and procedures that reflect the policies and regulations of the European Union, and are supported by competent and adequately resourced institutions. .

***Key requirement 6*:** In case of alleged breaches of public procurement rules, the aggrieved parties are provided with access to justice through an independent, transparent, effective and efficient remedies system.

***Key requirement 7:*** Contracting authorities are adequately staffed and resourced and carry out their work in accordance with applicable regulations and recognised good practice, interacting with an open and competitive supply market.

***Key requirement 8:*** Constitutional and legal framework guarantees the independence, mandate and organisation of the Supreme Audit Institution to perform its mandate autonomously according to standards applied for its audit work, allowing for high-quality audits that impact on public sector functioning.

The BiH Reform Agenda 2015-2018,[[138]](#footnote-138) adopted by the BiH Council of Ministers, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska, cantonal governments and Government of Brcko District of Bosnia and Herzegovina, recognises the need to undertake concrete activities to ensure fiscal and financial sustainability and implementation of socio-economic reforms. The reforms are grouped into six main areas, with particular importance assigned to the set of reforms in the area of public finance, taxation and fiscal sustainability, improvement of fiscal discipline and improvement of the internal financial control system.

In addition to the Reform Agenda, in the Letter of Intent to the IMF [[139]](#footnote-139) the BiH authorities have set the structural reform objectives to encourage economic growth, create new jobs and ensure sustainability and greater efficiency of government finances: fiscal policy, improvement of efficiency in collection of revenues, strengthening of public finance, maintaining a stable financial system and providing support to credit growth.

Based on the recommendations from the SIGMA Baseline Measurement Report for Bosnia and Herzegovina from 2015, the Public Expenditure and Financial Accountability (PEFA) Assessment for Bosnia and Herzegovina from 2014, the reforms planned in the Letter of Intent to the International Monetary Fund and the Reform Agenda 2015–2018 and the commitment to implement the reforms and ensure consistency with other strategies, plans and programmes – the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina are in the process of preparing their public financial management reform strategies.[[140]](#footnote-140)

# MANAGEMENT AND COORDINATION MECHANISM

## 6.1. PAR MANAGEMENT AND COORDINATION SYSTEM

6.1.1. Current status

Governance and coordination functions in the public administration reform process in Bosnia and Herzegovina are carried out at four levels, in accordance with the constitutional competences and regulations at each level of government.

Political responsibility for implementation of measures and activities set out in Revised Action Plan 1 is shared by the chairman of the Council of Ministers of Bosnia and Herzegovina, prime minister of the Federation of Bosnia and Herzegovina, prime minister of Republika Srpska and the mayor of Brcko District of Bosnia and Herzegovina.

Responsibility for management and coordination of the public administration reform, pursuant to regulations at each level of administration, is assigned as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Responsibility f*or: | *BiH Council of Ministers* | *Government of the Federation of BiH* | *Government of Republika Srpska*  | *Government of Brcko* *District of BiH* |
| *Political representation and management* | Chairman of the Council of Ministers | Prime Minister | Prime Minister | Mayor |
| *Operational management* | PAR Coordinator’s Office | Ministry of Justice[[141]](#footnote-141)  | Ministry of Administration and Local Self-government | Mayor’s Office[[142]](#footnote-142) |
| *Coordination within and with other administration levels* | PAR Coordinator’s Office | Appointed PAR Coordinator | Appointed PAR Coordinator | Appointed PAR Coordinator |

Management and coordination mechanisms for implementation of the PAR Strategy 2006-2014 were set out in the Common Platform on the Principles and Implementation of Action Plan 1 of the PAR Strategy of Bosnia and Herzegovina.[[143]](#footnote-143) This document sets out the persons responsible for coordinated implementation of reform measures at the level of political coordination, institutional coordinators for each level of government and between the four levels of government, and the intergovernmental bodies responsible for supervision and operational implementation, including their composition and functioning. The Platform also sets out individual and joint reform implementation measures, i.e. measures focused on cooperation and coordination between the administrative levels. The management and coordination mechanism established at each administrative level is complemented by intergovernmental cooperation and coordination structures, as follows:

|  |  |
| --- | --- |
|  | *Common coordination structures* |
| *Political coordination and harmonisation* | Coordination Committee for Economic Development and European Integration (chairman of the BiH Council of Ministers, prime minister of the Government of the Federation of Bosnia and Herzegovina, prime minister of the Government of Republika Srpska and the mayor of Brcko District of Bosnia and Herzegovina) |
| *Coordination within and with other administrative levels* | PAR Coordinator’s Office, appointed PAR Coordinators for BiH entities and Brcko District of Bosnia and Herzegovina  |
| *Operational implementation* | Intergovernmental working bodies – Implementation teams |
| *Monitoring of implementation*  | Intergovernmental working bodies – Monitoring teams |

The Public Administration Reform Fund was established for the purposes of joint and coordinated financing of common and individual reform measures. The Fund is managed by the Managing Board, consisting of representatives of the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska, Government of Brcko District of Bosnia and Herzegovina and donors representatives.

6.1.2. Management and Coordination of the PAR Strategic Framework

The key requirements from *The Principles of Public Administration Reform* for candidate countries and potential candidates for EU membership concerning the PAR management and coordination mechanism refer to clearly identified leadership that ensures, facilitates and monitors purposeful implementation and development of management and coordination structures at the political and operational levels in order to steer the process, with clearly defined roles, responsibilities and implementation capacities, with clearly identified institutional responsibilities.

The management and coordination system of the PAR Strategic Framework aims to ensure a coordinated and mutually harmonised approach to implementation of public administration reform in line with the constitutional competences of the institutions of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina. Intergovernmental structures and mechanisms for implementation of the PAR Strategic Framework are being established exclusively for this purpose and their operation and lifespan are directly linked to the mandate and duration of reform activities.

The approach to development of the management and coordination mechanism of the PAR Strategic Framework is based on the following commitments:

* The foundation and the backbone of the management and coordination mechanism are the institutions, bodies and appointed function holders identified, pursuant to regulations at each administrative level, as the parties responsible for public administration reform (at the level of the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina). Each level of government is responsible for further development of institutional, organisational and human capacities required for more efficient implementation and monitoring of public administration reform, according to its capacities and needs and its constitutional competences.
* Table: Institutions/bodies responsible for public administration reform at each level of government in Bosnia and Herzegovina

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Government level** | Council of Ministers of Bosnia and Herzegovina | Government of the Federation of Bosnia and Herzegovina | Government of Republika Srpska | Government of Brcko District |
| **Institution/ body responsible for public administration reform** | Office of the Chairman of the Council of Ministers - Public Administration Reform Coordinator's Office | Ministry of Justice  | Ministry of Administration and Local Self-Government | Mayor’s Office |

* For the purposes of coordination of common policy implementation, each administrative level delegates its own representatives to intergovernmental working bodies at the level of political and operational management and coordination. Activities of these intergovernmental working structures are based on the principles set out in the Common Platform, while the detailed roles, responsibilities, subject matter and operating procedures are further elaborated and harmonised between the respective levels of government. Work of the intergovernmental working structures must not, in any way whatsoever, bring into question the existing legal, organisational or other arrangements established by the competent authorities at each administrative level and will be carried out in line with the constitutional competences. Improvements to the existing management and coordination mechanism will be carried out before the adoption of the action plan(s) for implementation of the Strategic Framework.
* Mandatory compliance with the existing coordination structures in BiH and the European integration coordination mechanism. The link with this mechanism was achieved through the Joint Body of Bosnia and Herzegovina and the European Union for monitoring of implementation of the Stabilisation and Association Agreement - Special Group for Public Administration Reform. The members of this group are PAR Coordinators at all levels of government. The public administration reform coordination mechanism will approximate and, to the extent possible, align with the appropriate mechanism for implementation of the overall Strategy for Public Finance Management Reform in Bosnia and Herzegovina.
* Ensure continuous cooperation and coordination of donors in the field of public administration reform through established and functional management structures of the Public Administration Reform Fund (PAR Fund), but also through other forms of donor contribution (particularly through EU financial support mechanisms). This also implies the readiness of BiH authorities to continue to co-finance the PAR Fund together with donors in the field of public administration reform, as this is necessary to provide additional financial resources for the implementation of joint and individual reform measures.
* Ensuring the compliance of management and coordination structures with the PAR Strategic Framework implementation monitoring and reporting system. A uniform monitoring and reporting system for implementation of reform measures at all levels of government is a prerequisite for monitoring and improving the implementation of the Public Administration Reform Strategic Framework, for both joint and individual reform measures. Monitoring and reporting will be carried out in accordance with constitutional competences.

## 6.2. COMMUNICATION ABOUT THE PUBLIC ADMINISTRATION REFORM PROCESS

In parallel with reform activities, to modernise and prepare the administration for EU membership it is necessary to intensify communication with citizens so as to achieve a high level of understanding and acceptance of the processes and the changes it brings.

A proactive approach to communication is one of the important indicators of positive change in the work of public administrations in EU Member States. Management should no longer be just a system that provides services and information about services, but should become the initiator of communication and information collector by developing and modifying its services in line with its daily communication with the public. Improved strategic communication means creating clear and easily understood messages for citizens, direct contact with citizens, proactive approach and willingness to engage in dialogue, which in turn fosters increased public confidence in the work of the institutions and stronger cooperation between institutions and the civil society.

The PAR Strategy and Revised Action Plan 1 recognise the importance of communication and introduction of a continuous two-way process of communication with the public, including specific audiences of interest to the public sector reform, with the aim of promoting the values and increasing the visibility of progress in public administration reform. Chapter 4.5 of Revised Action Plan 1 (*Institutional Communication*) states: “*Without successful internal and external communication there can be no successful public administration”*,[[144]](#footnote-144) clearly underlining the importance of institutional information exchange aimed at better and more credible communication of key messages to target audiences.

The significance of communicating the public administration reform process to different target audiences was also recognised in the Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform in BiH Action Plan 1. According to this document, PARCO is tasked with promoting public administration reform to the government authorities and the public. The same document (Article VI, paragraph 2.i.) states that the promotion of the public administration reform is also the responsibility of the PAR Coordinator at the level of the Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina, as well as support to PARCO in promoting the overall reform.

The area of *institutional communication* has seen considerable progress, as evidenced by the established practice of communication planning, adoption of communication strategies and plans at the level of the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina, the strengthening of public relations capacities, continuous work in the field of media relations and their monitoring, proper functioning of the system for ensuring compliance with laws on the freedom of access to information, direct communication with citizens and the growing number and scope of public campaigns.[[145]](#footnote-145)

Administrative bodies in Bosnia and Herzegovina mainly communicate about their own activities, which the citizens do not associate with the PAR process.[[146]](#footnote-146) Qualitative analysis of publications about the PAR process in the country and the media reports indicate that there is a lack of information aboout PAR, as confirmed by the Transparency International report *Perceptions of Public Administration in Bosnia and Herzegovina 2014*,[[147]](#footnote-147) which reveals that almost half of respondents were completely unaware of the reforms. The report makes a recommendation to bring the process closer to citizens and to take their views and perceptions into consideration when planning and implementing reform activities.[[148]](#footnote-148)

An analysis of media articles about the PAR process has revealed a lack of harmonised, consistent and continuous public information efforts by all administrative bodies and their representatives on reform-related topics and the importance of public administration reform in general, with consistent key messages aimed at awareness-raising.

In late 2016, an analysis was carried out of the perception of media representatives about the quality of communications about the public administration reform process. The majority of respondents (reporters most frequently reporting about public administration reform) noted that administrative bodies did not have a proactive approach to communication.

During the period of implementation of the Strategic Framework for Public Administration Reform, the following is required at all four levels of government:

* Development of uniform implementing documents on communicating about the PAR process, setting out the rules and procedures for communication with key audiences, including the general public, media, civil society and internal/institutional audiences, in order to promote better understanding of the PAR process;
* Uniform implementation of PAR-related communication activities by administrative bodies at all levels of government and monitoring of communication outcomes, with active involvement of central public relations units;
* Ensure a more proactive approach to PAR-related communications through closer cooperation of the institutions with civil society and the media, planning and implementation of public information campaigns, public opinion polls, organisation of open days, promotion of PAR in the social media, etc.

## 6.3. MONITORING AND EVALUATION OF THE STRATEGIC FRAMEWORK FOR PUBLIC ADMINISTRATION IN BOSNIA AND HERZEGOVINA

### 6.3.1. Monitoring and reporting

The monitoring and reporting framework implies an established logical system of objectives, outputs, measures and performance indicators which enables monitoring and reporting on the progress of implementation of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina at every administrative level, as well as overall progress for Bosnia and Herzegovina.

The purpose of this framework is to identify the duties and tasks related to collection, analysis and collation of information on implemented reform measures, the method and schedule of data collection and exchange and the format and structure of progress reporting based on performance indicators. Monitoring and reporting will also allow for corrective action and streamlining of the reform.

The Strategic Framework for Public Administration Reform and associated action plans will include **performance indicators** to measure the impact of the reform.

Baseline indicator values for specific objectives were determined on the basis of the SIGMA 2017 Monitoring Report and available own data. Missing baseline values will be determined during 2018. Target indicator values represent average expected results by 2022.

In line with *The Principles of Public Administration*, monitoring of the Strategic Framework for Public Administration Reform is based on implementing Action Plan(s), which essentially contain the following:

* **Overall objective** - with an indicator defined at the level of impacts
* **Specific objectives**, required to achieve the overall objective set out in the Strategic Framework for Public Administration Reform, with indicators defined at the level of outcomes
* **Measures** under specific objectives, which match the headings in the Strategic Framework for Public Administration Reform document and represent “sub-headings of the documents grouping coherent, intertwined results” for which specific indicators have been identified
* **Results of activities**, as **the basic units of measurement of the progress of implementation of the action plan**, identified mostly at the level of specific “short-term” outcomes, as direct outputs of an activity
* **Activities** - not an exhaustive list of activities aimed at a certain outcome, only the main/principle activities that can be identified. Activities were grouped together to avoid unnecessary fragmentation
* **Implementation timeframes for activities** that contribute to achievement of results
* **Indicators** with **baseline and target values** for general and specific objectives, also at the level of measures
* **Funding** from the budget and/or donor funds
* **Institutions responsible** for implementation of the outputs
* **Partner institutions** in the realisation of results, which may bear primary responsibility for a certain activity or be just implementing partners

The action plan(s) matrix as part of the Strategic Framework for Public Administration Reform is primarily focused on the results of specific activities and will serve as the basis for results-based monitoring. Results based monitoring (RBM) is the process of monitoring focused on public policy objectives and results, which facilitates comparisons as to how successful is the implementation of that particular public policy against identified objectives.

**Identifying results** is the key to result based monitoring (RBM). Development of this system is a deductive process in which baseline values, activities and outputs follow from targeted results. Indicators, ***baseline values*** (BV) *and* ***target values*** (TV), which represent key elements of the framework for monitoring impact in implementation of a given public policy, arise from results and are based on results. BV and TV will be defined in the action plan(s), alongside the outputs.

**Indicators** are quantitative or qualitative values representing a simple and reliable tool for monitoring the degree of progress in implementation of the results (in the process of results based monitoring - *RBM*), i.e. **overview of changes** related to the public policy being monitored or evaluation of impact of the institution in charge of implementation of the given policy. SMART indicators are generally identified at the level of outcomes and at the level of outputs, except in cases where these cannot be identified. Baseline values (BV) should be given for end of 2017, and target values (TV) for the end of 2020 or 2022. Sources of information and indicator measurement data are not included directly in the AP matrix to keep the document lighter, but will be included in the *Guidelines for Monitoring and Evaluation of the Action Plan of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina*, to be developed after the Strategic Framework is adopted.

**Institutional framework and levels of responsibility**

Starting from the positive experiences with the previously established monitoring, reporting and evaluation system, , the structures and mechanisms for coordination, monitoring and reporting on the progress of planned reforms will be further specified and harmonised after adoption of the Strategic Framework.

The proposed approach is to keep the operational coordination level (PAR Coordinators) and the arrangements for the functioning of intergovernmental working bodies - supervisory teams, at least within their scope of responsibility for monitoring and reporting, while other responsibilities of these bodies should be defined and agreed upon after adoption of the Strategic Framework for Public Administration Reform.

***Institutions*** are responsible for implementation of specific activities from the Action Plan. In the context of monitoring, institutions should continuously collect information on the progress of activities “in the field” and **continuously** provide information to inter-governmental working bodies (supervisory teams) on implementation of the plan via streamlined reports. Institutions will regularly submit their reports for inclusion into semi-annual and annual progress reports.

***Supervisory teams***- the role of supervisory teams is to catalyse information between the institutions of BiH and Public Administration Reform Coordinator’s Office (PARCO) (if the information is gathered at the level Bosnia and Herzegovina) and share information among the institutions of Republika Srpska, Federation of BiH and entity Coordinators or institutions of Brcko District of BiH and the PAR Coordinator for Brcko District of Bosnia and Herzegovina (for information gathered at the level of Federation of BiH, Republika Srpska and Brcko District of BiH). Supervisory teams should be able to verify any “field” information received from the institutions. Throughout the year, i.e. on a **quarterly** basis, supervisory teams for all areas would meet to discuss and analyse implementation of Action Plan(s) (degree of implementation, recommendations for implementation of Action Plan(s), drafting of joint analyses and other documents, exchange of experiences, etc.). Supervisory teams would therefore function as an effective mechanism for coordination and exchange of information. Supervisory teams would be tasked with keeping PAR Coordinators at the level of Bosnia and Herzegovina, Federation of BiH, Republika Srpska and Brcko District of BiH updated on the progress of implementation of the Action Plan(s).

***PAR Coordinators at the level of entities and Brcko District of BiH***, within their respective levels of government, organise and coordinate the work of working bodies and the activities related to public administration reform. Twice a year they meet with the implementing structures to discuss the progress of implementation of identified measures and activities, their more effective implementation and to produce recommendations for the progress report. At the relevant meetings, members of supervisory teams would prepare a snapshot of Action Plan implementation for all planned activities from the reform areas they cover. PAR Coordinators would send the collected information to the Public Administration Reform Coordinator's Office twice a year, in accordance with the semi-annual and annual reporting schedule. This information will be used to prepare progress reports on the implementation of the Strategic Framework for Public Administration Reform, which will show the progress achieved by each level of government in different areas and the overall progress of implementation of public administration reform in Bosnia and Herzegovina. In addition, entity Coordinators and the Coordinator for Brcko District of Bosnia and Herzegovina, together with the PAR Coordinator for BiH, participate in other activities related to monitoring and reporting, monitoring and evaluation, as well as other activities that will be further elaborated in a separate document that will be prepared after the adoption of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina.

***The Public Administration Reform Coordinator's Office,*** together with entity Coordinators and Coordinator for Brcko District of Bosnia and Herzegovina, is responsible for ensuring that the monitoring and evaluation system is in place for implementation of public administration reform measures and activities and progress reporting, as well as professional and technical support to coordination of the public administration reform. A comprehensive and easy reporting format will be developed for reporting purposes. Coordinators of the Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina and members of the working bodies from the institutions of Bosnia and Herzegovina will submit information on the implementation of agreed measures and activities to the Public Administration Reform Coordinator’s Office of BiH for collation and use in preparation of annual / semi-annual progress reports.

Harmonised semi-annual and annual progress monitoring reports, with graphs/figures and recommendations, will be submitted for consideration and adoption to the Council of Ministers of Bosnia and Herzegovina, Government of Republika Srpska, Government of the Federation of Bosnia and Herzegovina and Government of Brcko District of Bosnia and Herzegovina.

For more efficient monitoring of implementation of the Strategic Framework, organisation of annual conferences on the status of public administration reform in BiH will be considered. Another option is to hold at least semi-annual or annual meetings of the relevant line ministers from all administrative levels. With regard to improvements in the impact monitoring methodology and in securing an up-to-date outline of information related to reform impacts, adequate monitoring tools will be developed.

**Monitoring and reporting system**

**Data gathering** is a very important step that allows civil servants in charge of the monitoring process to prepare reports on the implementation of measures and activities for reporting purposes. The gathering of data on the implementation of reform measures is necessary for the monitoring function, for appropriate and timely implementation of planned activities and for reporting to decision-makers. The Strategic Framework for Public Administration Reform aims to introduce a systematic and comparable monitoring and reporting system with uniform data/information collection forms and reports aligned with the action plan matrix. Coordinators will supervise and coordinate the gathering of data by the competent institutions at each level of government. The data will then be sent to PARCO for compiling.

**Reporting** is a very important step in the monitoring process that entails the production of concise and specific reports based on previously collected data on the progress of implementation of the public policy results. Reporting must be done in specific intervals, in the agreed form and format, while overall reporting on achievement of objectives and results will be done by the Public Administration Reform Coordinator’s Office (PARCO) together with PAR Coordinators for the Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District of Bosnia and Herzegovina on the basis of the gathered data and information. Progress reporting will be based on the results of activities foreseen in Action Plan(s) and will be done in the form of semi-annual and annual reports. In view of the scope and complexity of the AP matrix, PARCO will design the reporting format for each result as part of the *Guidelines for Monitoring and Evaluation of the Action Plan of the Public Administration Reform Strategy* and distribute it to the competent stakeholders to be used for report drafting purposes. The Progress Report will provide information about the progress at each of the four levels of government as well as harmonised recommendations for more effective implementation.

The report format will include a special analytical section on the progress towards achievement of the relevant objective. Along with reports, PAR Coordinators will be provided with data on specific milestones for the upcoming reporting period, which will enable more precise and comprehensive reporting and monitoring of progress towards results. These milestones will essentially represent outputs of activities in a certain period, and their implementation will lead to achievement of the corresponding result.

**Monitoring tools**

To facilitate monitoring of implementation of the Public Administration Reform Strategy in Bosnia and Herzegovina, an *IT monitoring* *tool* will be designed for all four levels of administration. It will contain monitoring data relevant for public administration reform policies collected from institutions competent for collection of relevant data and reporting on the progress of public administration reform. The system will facilitate progress monitoring for each administrative level individually as well as for the overall reform effort, and its form will be designed in more detail as part of the *Guidelines for Monitoring and Evaluation of the Strategic Framework for Public Administration Reform*.

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### 6.3.2. Evaluation

**Evaluation/assessment of public policies** involves the use of collected and analysed data and information received through monitoring to assess the effectiveness, efficiency, progress and **impact** of the given public policy, **during or after** its implementation. Evaluation is a logical next step of the monitoring process. Evaluation should provide reliable and useful information that should be used as “lessons learned” and subsequently be incorporated into decision-making processes and development of future policies. In the best case scenario, evaluation will provide comparative *ex ante* and *ex post* insights (before and after introduction of a public policy) and analysis of positive and/or negative developments throughout a series of interventions which make up the given public policy. The **internal evaluation** coordination function will be carried out by PAR Coordinators at their respective administrative levels. Internal evaluation data from different administrative levels will be submitted to PARCO for compilation.

In addition to the internal evaluation system (lack of internal evaluations may indicate bias/lack of objectivity in analysing policy failures, which is why it is advisable to engage independent external evaluators), it is necessary to conduct independent external evaluations by engaging educational and other professional institutions, the civil society, relevant international organisations and independent control bodies. **External evaluations** can be conducted by specialised private companies, consultants, audit companies and CSOs at the request of the Council of Ministers/governments, competent institutions or donors. The costs of external evaluation will be covered from external sources of financing (Public Administration Reform Fund, IPA or cooperation with other donors). The advantage of external evaluation is its independence and neutrality which increases the chances that conclusions and recommendations will also have more substance and be more constructive for the purpose of planning further policy implementation steps. Evaluation will be described in more detail in the *Guidelines for Monitoring and Evaluation of the Strategic Framework of Public Administration Reform*.

# 7. FINANCIAL FRAMEWORK

In line with the requirements set out in *The Principles of Public Administration*, an **indicative cost** **assessment**  for implementation of the PAR Strategic Framework in Bosnia and Herzegovina was prepared on the basis of defined strategic measures, together with the **sources of funding**. As an integral part of development of action plan(s), a more appropriate and precise assessment will be made with the specific activities and timeframes and institutional responsibilities for their implementation.

### 7.1. Costs

Implementation of measures foreseen in the PAR Strategic Framework in Bosnia and Herzegovina will require appropriate human and material resources – funding. Considering the nature of reform activities, the largest portion of resources is required to finance regular staff activities in the institutions responsible for implementation. These **human resources** have already been secured. Their costs include gross salaries of staff employed in institutions at all administrative levels and will be financed through regular budget allocations.Since the PAR Strategic Framework in Bosnia and Herzegovinadoes not provide for recruitment of additional staff, no additional costs of human resources were planned. A minor part of necessary **material resources** was secured from the existing infrastructure of institutions responsible for implementation. Costs of these resources (such as office supplies, overhead costs and use of existing facilities and equipment) will also be financed from regular budget allocations to these institutions.

Implementation of certain measures will require additional material resources, including supplies and services (professional services, travel, accommodation, rent, training materials, etc.) and capital investments (procurement of equipment, facilities and software). The cost estimate for the PAR Strategic Framework in Bosnia and Herzegovinacontains only the costs of **additional** resources – those that require additional funding. Costs of **existing** resources that will remain in use and do not require additional funding (such as salaries of existing staff involved in implementation and ancillary administrative costs) have not been included although it is assumed that they may account for a larger share of total reform costs than the additional costs. The reason behind this approach is the difficulty in collecting information needed to produce a credible assessment of current costs. This approach is in line with SIGMA guidelines and practices in other countries of the region. In line with specific requests for information and available resources, PARCO and PAR Coordinators in the entities and Brcko District of Bosnia and Herzegovina may opt for estimate of running costs, i.e. total costs of the reform, in the course of drafting of the Action Plan(s).

The estimate of additional costs is based on the principles of reality and efficiency. Additional resources were planned only for those measures that cannot be implemented and would not yield results with the current resources, provided that it is reasonable to assume that additional funding can be obtained.

Costs were estimated for each reform measure and area and for each main economic line item (Materials and services, Capital investments), and also by years. This approach ensures a better correlation with medium-term budget planning and planning of donor support. The precision of the cost estimate is proportional to the availability of information about the planned measures.

The estimate was made for measures implemented in the period 2017-2020. This is the planning period of the first Action Plan(s). For the sake of comprehensiveness, cost implications of these measures for the period 2021-2022 were also included, but this mostly refers to costs of investment maintenance. Costs of relevant projects implemented in 2017 (ongoing projects) were also included.

Estimated total additional cost of implementation of the PAR Strategic Framework in BiH will amount to approximately **55.11 million BAM**. Cost breakdown by reform area is shown in the table below. Due to planned investments in IT systems, the Service Delivery area accounts for the major share of the costs (73%).

**Indicative assessment of additional costs of implementation of measures in the period 2017-2020**

|  |  |  |  |
| --- | --- | --- | --- |
| Reform area | Total needed | % | Chart, pie chart  Description automatically generated |
| Policy Development and Coordination | 5.27 | 10% |
| Civil Service and HRM | 4.59 | 8% |
| Accountability | 4.89 | 9% |
| Service Delivery | 40.37 | 73% |
| Total BAM mill. | 55.11 | 100% |

Estimated share of capital investment costs in total costs is 17% (9.46 million BAM), while the remaining 83% (46.02 million BAM) represents the costs of supplies and services. To produce an estimate of long-term budget impact in line with The Principles of Public Administration, a separate estimate was made of one-off and ongoing costs of reform measures. Majority of additional costs (98%) are one-off costs. Permanent costs amounting to 1.1 million BAM (2%) refer to investment maintenance in the period 2021-2022.

### 7.2 Funding Sources and mechanisms

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The running costs of implementation of the PAR Strategic Framework in Bosnia and Herzegovina will be financed from the budgets of institutions of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina through regular budget allocations for labour costs, supplies and services. This also includes allocations from the budgets of BiH institutions for support to PARCO, amounting to around 6.35 million BAM in the period 2017-2020.

Additional costs in the total amount of **55.11 million** **BAM** will be financed from:

1. Contributions to the **PAR** **Fund** from donors and local governments. These contributions represent joint investments by donors and local governments in support of PAR.
2. Other modes of **donor support**, including IPA II projects and projects of other donors and international organisations. In the long run, support is expected through IPA II, using EU sector budget support mechanisms[[149]](#footnote-149).
3. Additional **budget allocations** by local governments. In addition to payments to the PAR Fund, local governments will provide additional funding in accordance with their needs and capacities through budget allocations to institutions responsible for implementation.

According to available information, a total of **26.92 million** **BAM** (49% of required additional funding) has already been secured. Of this amount, around 13.34 million BAM (24%) comes from the PAR Fund and includes funding already secured for current, approved and planned projects and allocations planned by local governments for the period 2018-2020 according to their medium-term budget plans. The remaining 13.58 million BAM (25%) is funded by other donor projects, including ongoing projects and projects with already approved or planned financing (IPA II, World Bank).

The amount that still needs to be sourced is **28.19 million** **BAM** (51% of required additional funding). Considering the scarce budgetary resources, expectations are that 27.09 million BAM (49%) will be provided by donors in future contributions to the PAR Fund or through projects. The remaining 1.1 million BAM (2%) represents investment maintenance costs in the period 2021-2022 which would be financed from local budgets. Estimated total contribution of local governments to the financing of additional costs of the PAR Strategic Framework is around 2.475 BAM million or 4% of total additional costs[[150]](#footnote-150). The Indicative Financing Plan is presented in the table below. Same as for costs, sources of financing will be updated and detailed in the course of development of the Action Plan(s).

**Indicative Financing Plan for additional costs of implementation of measures planned for the period 2017-2020**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Policy Development and Coordination | Civil Service and HRM | Accountability | Service Delivery | Total BAM mill. | % | A close up of text on a white background  Description automatically generated |
| A. Required amount | 5.27 | 4.59 | 4.89 | 40.37 | 55.11 | 100% |
| Amount planned/ secured | 1.40 | 3.68 | 0.81 | 21.04 | 26.92 | 49% |
|  PAR Fund | 1.40 | 1.72 | 0.81 | 9.41 | 13.34 | 24% |
|  Donor projects | 0.00 | 1.96 | 0.00 | 11.62 | 13.58 | 25% |
|  |  |  |  |  |  |  |
| (B-A) Deficit | -3.87 | -0.91 | -4.08 | -19.33 | -28.19 | 51% |
|  Planned from the budget | -0.08 | -0.08 | 0.00 | -0.93 | -1.10 | 2% |
|  Planned from donations | -3.79 | -0.82 | -4.08 | -18.39 | -27.09 | 49% |

PAR Coordinators and domestic competent institutions at the level of Bosnia and Herzegovina, entities and Brcko District of Bosnia and Herzegovina will take timely action to secure the remaining amounts from domestic governments, donors and international organisations. PARCO, in cooperation with the entity Coordinators and the Coordinator for Brcko District of Bosnia and Herzegovina, work with international donors and take responsibility for filing budget requests in coordination with the ministries of finance and the Finance Directorate of Brcko District of Bosnia and Herzegovina. Ministries of finance and the Finance Directorate of Brcko District of Bosnia and Herzegovina will, upon decisions of the Council of Ministers of BiH and governments of the entities and Brcko District of BiH, specify the amounts and the manner of financing in the budgets. In line with *The Principles of Public Administration*, expectations are that PAR will be included as a prioritu in the Budget Framework Paper (BFP) and that budget documents will contain the approximate amount of funds planned for the PAR support, in line with the Action Plan(s).

In order to monitor the total investment in PAR, PAR coordinators and domestic competent institutions at the level of BiH, entities and Brcko District of Bosnia and Herzegovina will undertake activities required to establish an appropriate cost monitoring system for the PAR Strategic Framework in Bosnia and Herzegovina at all four levels of government. This will provide insights into actual allocations for each administrative level and for Bosnia and Herzegovina as a whole. This would also improve the quality of budgetary and planning documents, foster better project proposals and lead to better financing decisions.

Appendix 1: Glossary

To be added

Appendix 2: List of abbreviations

|  |  |
| --- | --- |
| BD | Brcko District  |
| BiH  | Bosnia and Herzegovina |
| CAF | Common Assessment Framework  |
| CRM  | Custom Relationship Management  |
| TV  | Target values |
| DEP | Directorate for Economic Planning |
| BFP (DOB)  | Budget Framework Paper  |
| EC  | European Commission |
| EU  | European Union |
| FBiH  | Federation of Bosnia and Herzegovina |
| GGF  | Good Governance Fund  |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit  |
| IPA  | Instrument for Pre-Accession Assistance |
| ISO  | International Organization for Standardization  |
| IMF | International Monetary Fund |
| NGO  | Non-governmental organisations |
| OECD | Organisation for Economic Co-operation and Development  |
| PEFA | Public Expenditure and Financial Accountability  |
| BV  | Baseline value |
| RAP1  | Revised Action Plan 1 |
| RBM  | Result Based Monitoring  |
| ReSPA  | Regional School for Public Administration  |
| PAR  | Public Administration Reform |
| RS  | Republika Srpska |
| SEE 2020  | South East Europe 2020 |
| SIGMA  | Support for Improvement in Governance and Management |
| SMART  | Specific, Measurable, Achievable, Relevant, Time-bound |
| SMS  | Short Message Service |
| TWG  | Thematic Working Group |
| TQM  | Total Quality Management  |
| HRM | Human Resource Management |
| CoMBiH  | Council of Ministers of Bosnia and Herzegovina |
| JWG | Joint Working Group |

1. Information on activities in the process of public administration reform, adopted by the Council of Ministers of Bosnia and Herzegovina by Decision no. 05-07-1-1724-15/15 dated 10 July 2015, the Government of the Federation of Bosnia and Herzegovina by Decision no. 865/2015 dated 9 July 2015, Government of the Republika Srpska by Conclusion no. 04 / 1-012-2-2523 / 15 dated 5 November 2015 and the Government of the Brcko District of Bosnia and Herzegovina Act no. 01.11-1031DS-02/15, dated 5 June 2015. [↑](#footnote-ref-1)
2. The Presidency of Bosnia and Herzegovina ratified this agreement in November 2008 and it came into force in 2015, Article 111. [↑](#footnote-ref-2)
3. Decision Reaffirming the Declaration of the Presidency of Bosnia and Herzegovina, Official Gazette of Bosnia and Herzegovina no. 16/15. [↑](#footnote-ref-3)
4. Reform agenda for Bosnia and Herzegovina for the period 2015-2018. Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of the Republika Srpska, Government of Brcko District of Bosnia and Herzegovina and the governments of all cantons in the Federation of Bosnia and Herzegovina have adopted the appropriate action plans; available at: [www.fbihvlada.gov.ba](http://www.fbihvlada.gov.ba), [www.vijeceministara.gov.ba](http://www.vijeceministara.gov.ba) and [www.vladars.net](http://www.vladars.net). [↑](#footnote-ref-4)
5. EU Enlargement Strategy for 2015, available at: <http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_strategy_paper_en.pdf> and <http://europa.ba/wp-content/uploads/2016/11/20161109_strategy_paper_en.pdf>. [↑](#footnote-ref-5)
6. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Enlargement Policy of the European Union, 9 November 2016, Brussels, p. 12. [↑](#footnote-ref-6)
7. South-East Europe Strategy 2020, available at: <http://www.rcc.int/pages/62/south-east-europe-2020-strategy>. [↑](#footnote-ref-7)
8. Operational Plan for preparation of the Strategic Framework for Public Administration Reform in Bosnia and Herzegovina, April 2016. [↑](#footnote-ref-8)
9. *Bosnia and Herzegovina Report 2016*, European Commission, Brussels, 2016, p. 10. See other Reports as well. [↑](#footnote-ref-9)
10. See: <http://www.vijeceministara.gov.ba/search/Default.aspx?q=agenda&searchDepth=0&selectedCategory=0&contentType=0&langTag=bs-BA&template_id=93&pageIndex=1>, accessed on 11.08.2017. [↑](#footnote-ref-10)
11. *The Principles of Public Administration, An Overview*, OECD, SIGMA, EU, 2014. Available at: <http://www.sigmaweb.org/publications/principles-public-administration-eu-enlargement.htm>, accessed on: 18/08/2017. [↑](#footnote-ref-11)
12. *Ibid*., p. 9. [↑](#footnote-ref-12)
13. Đurović, G.: *Challenges of Public Administration Reform in the context of EU integration process and in function of economic development, external analysis; Project: Development of Strategic Framework of Public Administration reform in BiH*, Lucid Linx, Sarajevo, 2016, p. 11. [↑](#footnote-ref-13)
14. *The Principles of Public Administration,* OECD, SIGMA, EU, Edition 2017, p. 9. [↑](#footnote-ref-14)
15. Operational Plan for the preparation of the new Strategic Framework for Public Administration Reform in Bosnia and Herzegovina, p.15 [↑](#footnote-ref-15)
16. The Principles define what good governance entails in practice and outline the main requirements that countries should follow during the European integration process. They also feature a monitoring framework enabling regular analysis of progress in applying the Principles and setting country benchmarks, i.e. progress monitoring indicators. Available at: <http://www.sigmaweb.org/publications/Principles-Public-Administration-Overview-Serbian.pdf>. [↑](#footnote-ref-16)
17. *Analysis of PAR Strategy Implementation, Public Administration Reform Coordinator’s Office, working draft, April 2016*. [↑](#footnote-ref-17)
18. *Annual RAP1 implementation monitoring report for 2014*. [↑](#footnote-ref-18)
19. The Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina adopted decisions in 2015 which ensured continued implementation of the public administration reform through initiated but incomplete projects and other activities foreseen in the Strategy and RAP1. [↑](#footnote-ref-19)
20. *Information on activities in the public administration reform process*. [↑](#footnote-ref-20)
21. *OECD/SIGMA Report on Baseline Measurement: Public Administration Principles*, Bosnia and Herzegovina, April 2015. [↑](#footnote-ref-21)
22. *Information on activities in the process of public administration reform*, adopted by the BiH Council of Ministers by Decision No. 05-07-1-1724-15 / 15 of 10 July 2015, the BiH Government Decision No. 865/2015 of 9 July 2015 and the Brcko District Government Act No: 01.11-1031DS-02/15 of 5 June 2015. [↑](#footnote-ref-22)
23. According to information from Republika Srpska, the law is in line with the so-called soft European Union laws in the field of PPP, i.e. with the *Guidelines for Successful Public Private Partnerships* and *The Green Paper on Public Private Partnerships and Community Law on Public Contracts and Concessions*. [↑](#footnote-ref-23)
24. *OECD/SIGMA Baseline Measurement Report*: Public Administration Principles, Bosnia and Herzegovina, April 2015. [↑](#footnote-ref-24)
25. Through implementation of the RAP1 objective HRM 6.1, evaluation rules were adopted at all four administrative levels and require that each civil servant undergoes regular annual interviews with his/her immediate supervisor, while performance assessments refer to the level of attainment of previously agreed job goals, which was not the case before. Performance management training is included in the regular training program. [↑](#footnote-ref-25)
26. Law on the Agency for the Prevention of Corruption and Coordination of Fight against Corruption, Official Gazette of BiH, no. 103/09. [↑](#footnote-ref-26)
27. The Ministry of Justice carries out training on development of integrity plans in the public sector in Republika Srpska, in accordance with the rules and the decision adopted by the Commission for Implementation of the Anti-Corruption Strategy. All taxpayers (the entire public sector in the RS) should adopt their integrity plans by December 2017. [↑](#footnote-ref-27)
28. Ibid. [↑](#footnote-ref-28)
29. Also, there is a request form, and the ministries have issued guides and index registers that facilitate citizens’ access to information controlled by the ministries and the Government of Republika Srpska as a whole. The standards for the Government website were adopted in 2007 and subsequently amended in 2011. All ministries in the Government of Republika Srpska, as well as the Information Sector in the General Secretariat of the Government, have structured and staffed the positions of public relations officers. [↑](#footnote-ref-29)
30. With its Conclusion from September 2015, CoM BiH authorized PARCO to prepare, in cooperation with ADSBiH and BAS, an operational plan for the introduction of a quality management system in the BiH institutions and to coordinate its implementation. [↑](#footnote-ref-30)
31. Common Platform on Principles and Implementation of the PAR Strategy in BiH Action Plan 1, CoM BiH, FBiH Government, RS Government, BD BiH Government, April 2007. [↑](#footnote-ref-31)
32. *Commission staff working document*, Bosnia and Herzegovina 2016 Report, Brussels, 9 November 2016. [↑](#footnote-ref-32)
33. *Worldwide Governance Indicators*, 2016, available at: <http://info.worldbank.org/governance/wgi/#reports>. [↑](#footnote-ref-33)
34. The Principles of Public Administration for candidate countries and potential candidates for EU membership identify 9 critical government functions: coordination of the preparation of government sessions, ensuring legal compliance, coordination of the approval of strategic priorities and work programs, coordination of the preparation of policy proposals for government decision-making, the provision of financial policy enforceability related to resource planning, coordination of government communication activities with the public, management of relations between the government, parliament and / or president, coordination of European integration affairs. [↑](#footnote-ref-34)
35. Potential impacts on economic development, social relations, environmental protection, business environment, internationally accepted obligations, etc. [↑](#footnote-ref-35)
36. For example, work regulations, civil and public service regulations, administrative procedures, social security, etc. [↑](#footnote-ref-36)
37. Strategic planning in Republika Srpska is regulated by the Decision on the procedure of planning, monitoring, and reporting on implementation of the adopted strategies and plans of the Government of Republika Srpska and administrative bodies of RS (Official Gazette of RS, 50/16) [↑](#footnote-ref-37)
38. *Decision on the Medium-Term Planning, Monitoring and Reporting Process in BiH Institutions,* Official Gazette of BiH, no. 62/14 *and Decision on annual planning and monitoring and reporting on work of institutions of BiH,* Official Gazette of BiH, no. 14/14. [↑](#footnote-ref-38)
39. *Strengthening of Capacities for Strategic Planning and Policy Development,* 2012. [↑](#footnote-ref-39)
40. *Instruction on the manner of preparation of annual work program and activity reports in institutions of BiH,* Official Gazette of BiH. [↑](#footnote-ref-40)
41. *Instruction on the manner of preparation of annual work program and activity reports in institutions of BiH,* Official Gazette of BiH. [↑](#footnote-ref-41)
42. *Law on Development Planning and Management*, Official Gazette of FBiH, 32/17. [↑](#footnote-ref-42)
43. *Guidelines for Republic Administration Bodies on Public Participation and Consultations in the Drafting of Laws*, Official Gazette of Republika Srpska, no. 123/2008. [↑](#footnote-ref-43)
44. The Ministry of Justice of Bosnia and Herzegovina and the Republic Secretariat for Legislation of Republika Srpska. [↑](#footnote-ref-44)
45. E.g. labour regulations, state and public services, administrative procedures, social security, etc. [↑](#footnote-ref-45)
46. Potential impacts on economic development, social relations, environmental protection, business environment, internationally accepted obligations, etc. [↑](#footnote-ref-46)
47. Worldwide Governance Indicators, 2017 Update. [↑](#footnote-ref-47)
48. Worldwide Governance Indicators, 2017 Update. [↑](#footnote-ref-48)
49. <https://www.rcc.int/seeds/results/3/balkan-business-barometer> [↑](#footnote-ref-49)
50. For the purposes of this document, the term “Centre of Government” signifies the structure/s in the administration which provide(s) direct support to the executive branch (government, president, prime minister) and acts as a coordinator of the decision making system, and as such is of a crucial importance for defining and implementing policy objectives. The Centre of Government is known as an Office, Cabinet, President’s Office, Secretariat, etc. (Chancellery, Cabinet Office, Office of the President, Presidencia, White House Executive Office, Privy Council, Casa Civil, etc.) and in a great number of countries encompasses several bodies: Michal Ben-Gera, *Co-ordination at the Centre of Government: The Functions and Organisation of the Government Office Comparative Analysis of OECD Countries, CEECs and Western Balkan Countries*, March 2004, and the web site of the OECD <http://www.oecd.org/gov/cog.htm>. [↑](#footnote-ref-50)
51. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-51)
52. Indicator 2.6.1, Sub-indicator 2, The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 38-39 [↑](#footnote-ref-52)
53. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 48 [↑](#footnote-ref-53)
54. Indicator 2.3.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 28-29 [↑](#footnote-ref-54)
55. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 41 [↑](#footnote-ref-55)
56. Indicator 2.5.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 35-36 [↑](#footnote-ref-56)
57. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 45 [↑](#footnote-ref-57)
58. Own indicator, with baseline and target values estimated by administrative levels. [↑](#footnote-ref-58)
59. Baseline value will be measured in 2018. [↑](#footnote-ref-59)
60. Indicator 2.10.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 49-51 [↑](#footnote-ref-60)
61. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 60 [↑](#footnote-ref-61)
62. Own indicator, with baseline and target values estimated by administrative levels. [↑](#footnote-ref-62)
63. Baseline value will be measured in 2018. [↑](#footnote-ref-63)
64. Indicator 2.11.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 53-54 [↑](#footnote-ref-64)
65. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 65 [↑](#footnote-ref-65)
66. Indicator 2.11.2, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 56-58 [↑](#footnote-ref-66)
67. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 65 [↑](#footnote-ref-67)
68. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-68)
69. Baseline value will be measured during 2018. [↑](#footnote-ref-69)
70. See the *European Commission 2016 Progress Report for Bosnia and Herzegovina*: <http://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> and the SIGMA assessment of the status of public administration for the period May 2015 – April 2016: <http://www.sigmaweb.org/publications/Monitoring-Report-2016-BiH.pdf> [↑](#footnote-ref-70)
71. More information on this matter can be found in *Perceptions of Public Administration in BiH*, Transparency International BiH (2014), available from: <https://ti-bih.org/wp-content/uploads/2014/09/PERCEPTIONS-OF-PUBLIC-ADMINISTRATION-20141.pdf> [↑](#footnote-ref-71)
72. Indicator 3.1.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 65-66 [↑](#footnote-ref-72)
73. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 80 [↑](#footnote-ref-73)
74. Indicator 3.1.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 65-67 [↑](#footnote-ref-74)
75. The Principles of Public Administration, Bosnia and Herzegovina, November 2017, p. 80 [↑](#footnote-ref-75)
76. Own indicator, baseline values estimated by administrative levels. [↑](#footnote-ref-76)
77. The baseline value will be measured and target value will be set in 2018. [↑](#footnote-ref-77)
78. Own indicator, with baseline values estimated by administrative levels (in 2018). [↑](#footnote-ref-78)
79. Indicator 3.3.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 75-76 [↑](#footnote-ref-79)
80. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 87 [↑](#footnote-ref-80)
81. Indicator 3.3.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 75-78 [↑](#footnote-ref-81)
82. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 87 [↑](#footnote-ref-82)
83. Indicator 3.4.1, Sub-indicator 5, Methodological Framework of the Principles of Public Administration, November 2017, p. 85 and 87-88 [↑](#footnote-ref-83)
84. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 90 [↑](#footnote-ref-84)
85. Own indicator, baseline and target values estimated by administrative levels. [↑](#footnote-ref-85)
86. The baseline value will be measured and the target value will be set in 2018. [↑](#footnote-ref-86)
87. Indicator 3.6.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 100 and 101-102 [↑](#footnote-ref-87)
88. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 94. [↑](#footnote-ref-88)
89. Indicator 3.6.1, Sub-indicator 12, Methodological Framework of the Principles of Public Administration, November 2017, p. 100 and 105-106 [↑](#footnote-ref-89)
90. Baseline value will be measured and target value will be set in 2018. [↑](#footnote-ref-90)
91. Indicator 3.2.1, Sub-indicator 7, Methodological Framework of the Principles of Public Administration, November 2017, p. 69 and 72-73 [↑](#footnote-ref-91)
92. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 82 [↑](#footnote-ref-92)
93. Indicator 3.5.1, Sub-indicator 4, Methodological Framework of the Principles of Public Administration, November 2017, p. 93 and 95. This indicator contains some modifications compared to SIGMA, but the measurement will be done according to the SIGMA methodology. [↑](#footnote-ref-93)
94. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 92 [↑](#footnote-ref-94)
95. Indicator 3.5.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 93-95 [↑](#footnote-ref-95)
96. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 92 [↑](#footnote-ref-96)
97. Indicator 3.7. 1, Sub-indicator 5, Methodological Framework of the Principles of Public Administration, November 2017, p. 108 and 111 [↑](#footnote-ref-97)
98. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 96 [↑](#footnote-ref-98)
99. Indicator 3.7.2, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 112 [↑](#footnote-ref-99)
100. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 97 [↑](#footnote-ref-100)
101. Indicator 3.7.2, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 112 and 113 [↑](#footnote-ref-101)
102. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 97 [↑](#footnote-ref-102)
103. Own indicator, baseline and target values estimated by administrative levels. [↑](#footnote-ref-103)
104. Baseline value will be measured and target value will be set in 2018. [↑](#footnote-ref-104)
105. Own indicator, baseline and target values estimated by administrative levels. [↑](#footnote-ref-105)
106. Baseline value will be measured and target value will be set in 2018. [↑](#footnote-ref-106)
107. *Law on Ministries and other Bodies of Administration of BiH*, Official Gazette of BiH, no. 5/03, and *Law on Administration of BiH*, Official Gazette of BiH, nos. 32/02, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09, 103/09, 87/12 and 6/13 [↑](#footnote-ref-107)
108. *Law on the Organisation of Administration Bodies in FBiH,* Official Gazette of FBiH, no. 35/05 [↑](#footnote-ref-108)
109. *Law on Federal Ministries and Other Bodies of Federal Administration*, Official Gazette of FBiH, no. 19/03, 38/05, 2/06, 8/06 and 61/06 [↑](#footnote-ref-109)
110. *Law on the Republic Administration,* Official Gazette of RS, no. 118/08, 11/09, 74/10, 86/10, 121/12, 15/16 and 57/16 [↑](#footnote-ref-110)
111. *Law on Public Administration of the Brcko District of Bosnia and Herzegovina*, Official Gazette of Brcko District of BiH, no. 19/07, 2/08, 43/08, 9/13 and 48/16 [↑](#footnote-ref-111)
112. *Law on Administration,* Official Gazette of BiH, nos. 32/02, 102/09 and 72/17*,* and *Law on the Republic Administration,* Official Gazette of Republika Srpska, no. 118/2008, 11/2009, 74/2010, 24/2012, 121/2012, 15/2016 and 57/2016 [↑](#footnote-ref-112)
113. *European Commission Report for Bosnia and Herzegovina*, 2016 [↑](#footnote-ref-113)
114. <https://www.rcc.int/seeds/results/2/balkan-opinion-barometer> [↑](#footnote-ref-114)
115. <https://www.rcc.int/seeds/results/2/balkan-opinion-barometer> [↑](#footnote-ref-115)
116. Indicator 4.1.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 117-119 [↑](#footnote-ref-116)
117. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 106 [↑](#footnote-ref-117)
118. Indicator 4.1.1, Sub-indicator 7, Methodological Framework of the Principles of Public Administration, November 2017, p. 117 and 121 [↑](#footnote-ref-118)
119. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 106 [↑](#footnote-ref-119)
120. *Law on Freedom of Access to Information of BiH*, Official Gazette of BiH, nos. 28/00, 45/06, 102/09, 62/11 and 100/13; *Law on Freedom of Access to Information of the Federation of BiH*, Official Gazette of FBiH, nos. 32/01 and 48/11; *Law on Freedom of Access to Information of the Republika Srpska*, Official Gazette of Republika Srpska, no. 20/01 [↑](#footnote-ref-120)
121. Indicator 4.2.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 123-125 [↑](#footnote-ref-121)
122. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 109 [↑](#footnote-ref-122)
123. Indicator 4.2.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 123 and 125 [↑](#footnote-ref-123)
124. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 109 [↑](#footnote-ref-124)
125. Own indicator, baseline and target values estimated by administrative levels. [↑](#footnote-ref-125)
126. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-126)
127. Organisational management method focused on continuous quality improvements with the goal to meet the needs of customers or service users. TQM requires participation of all employees at all levels of the organisation and its task is to raise quality above user expectations and to continually strive for improvement. [↑](#footnote-ref-127)
128. Public Administration Perception: Bosnia and Herzegovina, TI BiH 2014, Regional Comparative Study of e-Government ReSPA, Initial Service Provision Analysis - Comparative Study with Initial Analysis of Public Administration Optimization in the Western Balkans Region ReSPA 2016, Report *From e-Government to Open Government*, ReSPA 2017. [↑](#footnote-ref-128)
129. Available at: http://www.rcc.int/seeds/results/2/balkan-opinion-barometer. [↑](#footnote-ref-129)
130. On 5 September 2017, the Government of Brcko District of BiH adopted the Decision on the adoption of the Interoperability Framework of Bosnia and Herzegovina. [↑](#footnote-ref-130)
131. *Law on Electronic Signature of BiH,* Official Gazette of BiH, 91/06*; Law on Amendments to the Law on Identity Card of BiH Citizens,* Official Gazette of BiH, 18/12*; Decision on the basics of the use of electronic signatures and the provision of verification services,* Official Gazette of BiH, no. 21/09; *Decision on electronic commerce and e-government in the Council of Ministers of BiH,* Official Gazette of BiH, no. 7/10*; Law on Electronic Business and Legal Traffic,* Official Gazette of BiH, no. 88/07*; Law on Electronic Document,* Official Gazette of BiH, no. 58/14; *Law on Protection of Personal Data,* Official Gazette of BiH, no. 49/06, 76/11 and 89/11; *Law on Electronic Document of FBiH,* Official Gazette of FBiH, no. 15/13; *Law on Electronic Signature of Republika Srpska, Official Gazette of RS, no. 106/15; Law on Electronic Commerce of the Republika Srpska,* Official Gazette of Republika Srpska, no. 59/09, 33/16; *Law on Electronic Document of the Republika Srpska,* Official Gazette of Republika Srpska, no. 106/15*; Law on Information Security,* Official Gazette of Republika Srpska, no. 70/11. [↑](#footnote-ref-131)
132. Balkan Barometer 2017, Public Opinion Survey, pdf, 2017, p. 117. [↑](#footnote-ref-132)
133. https://www.rcc.int/seeds/results/2/balkan-opinion-barometer [↑](#footnote-ref-133)
134. Relates to the following services: registration of business entities, renewal of personal ID documents, company taxes, tax. [↑](#footnote-ref-134)
135. Relates to the service of issuing construction permits. [↑](#footnote-ref-135)
136. In order to establish the baseline value, it will be necessary to conduct an analysis and identify all special procedural norms. [↑](#footnote-ref-136)
137. As defined by the Stability and Growth Pact:

[http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Stability\_and\_growth\_pact\_(SGP)](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary%3AStability_and_growth_pact_%28SGP%29). [↑](#footnote-ref-137)
138. <http://www.FBiHvlada.gov.ba/pdf/Reformska%20agenda.pdf> . [↑](#footnote-ref-138)
139. <http://www.parlamentFBiH.gov.ba/dom_naroda/bos/parlament/propisi/El_materijali_2016/EEF%20Pismo%20namjere%20i%20Teh.%20memorandum.pdf> . [↑](#footnote-ref-139)
140. Adopted at the session of the Council of Ministers of Bosnia and Herzegovina held on 31 December 2016, session of the Government of the Federation of Bosnia and Herzegovina held on 15 June 2017 and the session of the Government of Brcko District of Bosnia and Herzegovina held on 7 June 2017. [↑](#footnote-ref-140)
141. *Conclusion of the Government of the Federation of Bosnia and Herzegovina*, no. 78/2017 dated 19 January 2017. [↑](#footnote-ref-141)
142. According to the Law on Public Administration of Brcko District of BiH, Article 19(e), the Office of the Mayor (as a public administration body) is responsible for public administration reform activities. [↑](#footnote-ref-142)
143. Adopted by the Council of Ministers of Bosnia and Herzegovina, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska and Government of Brcko District of Bosnia and Herzegovina in 2007. [↑](#footnote-ref-143)
144. *Public Administration Reform Strategy, p.10*. [↑](#footnote-ref-144)
145. *Semi-annual Progress Report on the Implementation of the Revised Action Plan 1 of the Public Administration Reform Strategy in Bosnia and Herzegovina,* July 2016. [↑](#footnote-ref-145)
146. *Situation analysis and needs assessment with recommendations in the area of communication on public administration reform in BiH,* January 2017. [↑](#footnote-ref-146)
147. *Perceptions of Public Administration in Bosnia and Herzegovina 2014,* Transparency International Bosnia and Herzegovina, p. 13*.* [↑](#footnote-ref-147)
148. *Perceptions of Public Administration in Bosnia and Herzegovina 2014*, p. 2: “What is emphasised by a slightly higher percentage of respondents is the claim that reforms have not been explained to the public, fully … “ [↑](#footnote-ref-148)
149. Key requirements for Sector Budget Support are: well-defined governments/sector policies, institutional structure, management and capacities for sector strategy implementation, coordination of sectors and donors, mid-term budget prospects for implementation of sector policies and implementation assessments. Additional criteria include: efficient, effective and transparent management of public finances and agreements on sector budget, and valid and projected macroeconomic frameworks for implementation of sector policies. [↑](#footnote-ref-149)
150. The Principles of Public Administration require that additional costs financed from domestic sources be stated separately from those financed by donors. Considering that the PAR Fund contains a mix of funds provided by domestic governments and donors, it is not possible to precisely determine the origin of financing for individual measures set out in the Strategic Framework. For the same reason, the exact amount of the contribution of domestic governments to implementation of the PAR Strategic Framework cannot be determined. [↑](#footnote-ref-150)