

PUBLIC

ADMINISTRATION REFORM

SEMI-ANNUAL

PROGRESS REPORT

January - June 2023

2023



Ured koordinatora za reformu javne uprave
Канцеларија координатора за реформу јавне управе
Public Administration Reform Coordinator's Office

July 2023

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0,31 %

SEMI-ANNUAL PROGRESS FOR BIH

14,31 %

TOTAL OF ACTIVITIES PERFORMED

80,30 %

UNFINISHED ACTIVITIES

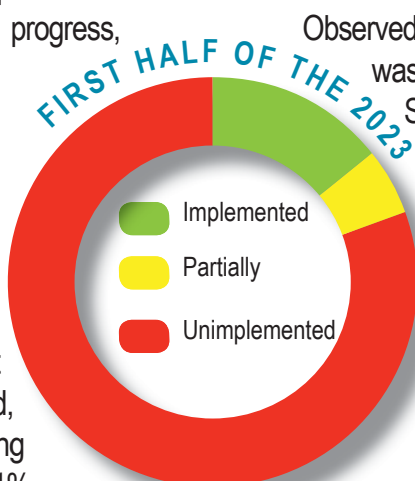
Reform in numbers

In the first half of 2023, Bosnia and Herzegovina did not come significantly closer to the vision of modern public administration harmonized with the principles of the European administrative space and the needs of citizens.

The semi-annual measurement of the progress achieved in the implementation of the Action plan for the reform of public administration shows that by the beginning of July this year, 14.31 percent of the activities from the Action plan had been implemented, which is 0.31 percent more than at the end of 2022. It is about relative progress, which is calculated as an average of the achieved progress of the administrative levels. Observing the fulfillment of indicators for the whole of BiH, a total of 6.61 percent of activities were implemented, while 8.09% were partially implemented.

In the first part of the year, 5.39 percent of activities were partially implemented, which compared to the previous reporting period it represents a setback of 0.81%, while the percentage of activities that were not implemented increased and now amounts to 80.30 percent. One of the reasons for the poor result is the long establishment of the structure for the implementation of the public administration reform. In the reporting period, the Council of Ministers of BiH, the Government of Brčko District of BiH and the Government of Republika Srpska adopted the Common platform on the principles and method of

implementation of the public administration reform, which establishes the structure for the implementation of the public administration reform. It is expected that the Common Platform will be soon adopted by the Government of the Federation of BiH. For the establishment of supervisory teams in reform areas, it will be necessary for the Council of Ministers of BiH and the Government of Republika Srpska to appoint representatives of institutions to these bodies.



Observed by levels of administration, the best result was achieved by the institutions of Republika Srpska, which fully implemented 21 activities or 16 percent, partially implemented 6 activities or 4 percent, while 107 activities or 80 percent remained unrealized.

The institutions of the Federation of BiH implemented 19 activities from the Action plan or 14 percent, and the same number of activities were implemented by the institutions of the Brčko District of BiH. The FBiH partially implemented 8 activities or 6 percent, while 80 percent of the activities from the Action plan remained unimplemented. In BDBiH, 7 or 5 percent of activities were partially implemented, while 108 activities or 81 percent remained unimplemented. State institutions fully implemented 18 activities or 13 percent, partially implemented 8 or 6 percent of activities, while 81 percent remained unimplemented (110 activities).

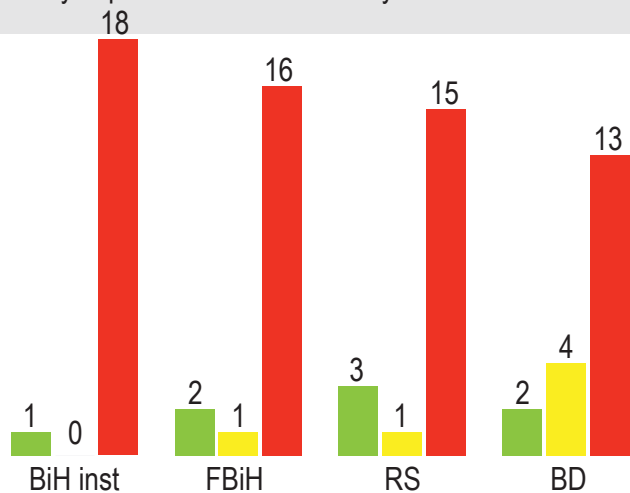
RISKS

The biggest risk for the further implementation of the reform remains the slow establishment of the structure for the implementation of the strategic document and the accompanying PAR Action plan. Political support for the implementation of agreed measures and activities is crucial for the success of the reform. Blockage of the PAR Fund, which contains unused money for the implementation of reform activities, and insufficient capacities in institutions remain challenges for the next period as well.

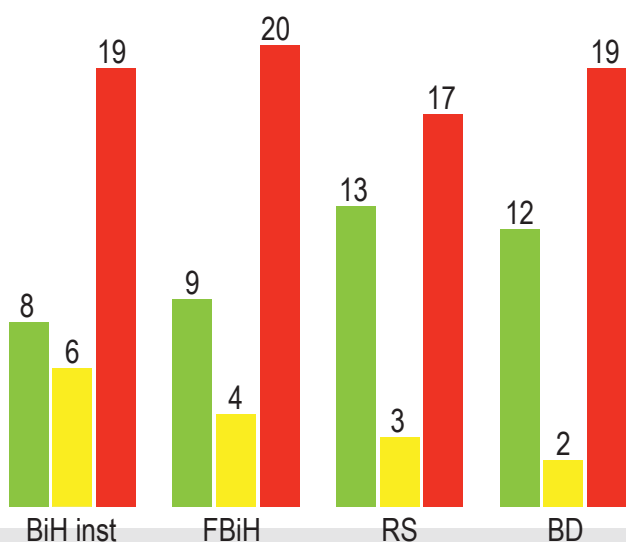
MEASURES

It is necessary to complete the formal establishment of technical and political coordination, and ensure their efficient functioning in the second half of the year. It is necessary to unblock the PAR Fund and open discussions with donors in order to secure additional funds for the continuation of the reform. It is necessary to revise the action document in the following period in accordance with the recommendations of the European Commission.

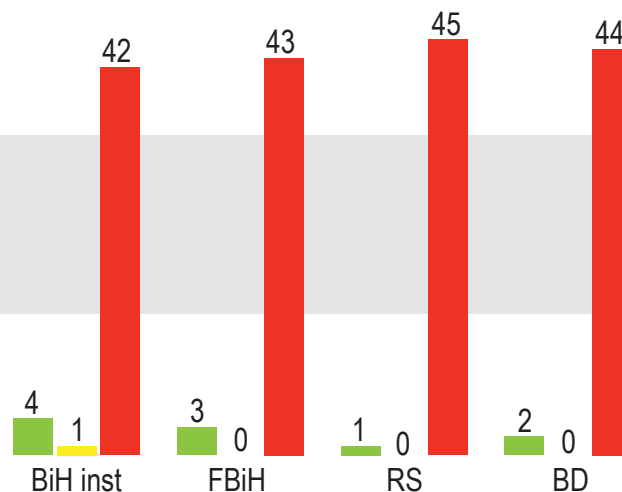
In the area of **Policy development and coordination** in the reporting period, little was done on the development of the policy implementation and system drafting, which should ensure informed, inclusive and transparent decision-making in the best interest of citizens and overall economic and social development. In this area, not a single activity was implemented entirely, while 11 percent of activities were partially implemented. Observed by levels.



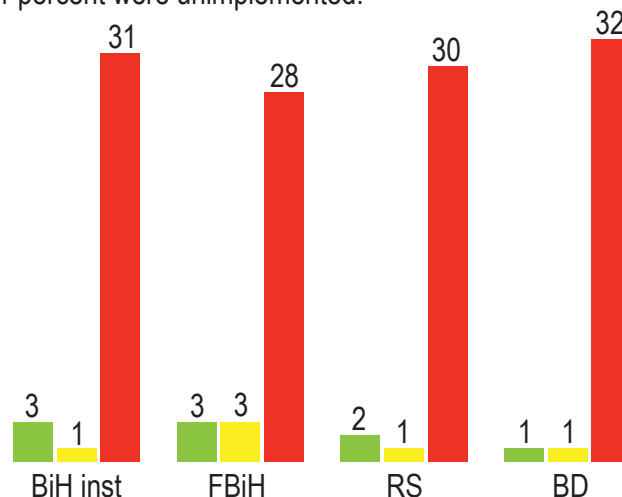
In the field of **Civil service and human resources management**, small advances have been made in the establishment of an independent, impartial and efficient public administration, but it is necessary to work further on strengthening the ability of the administration to fulfill its tasks and to act in accordance with the principles of transparency, fairness, merit, professionalism, affirmation and rewarding work efficiency. In this area, 18 percent of activities were completed, 20 percent were partially completed, while 62 percent remained unrealized.



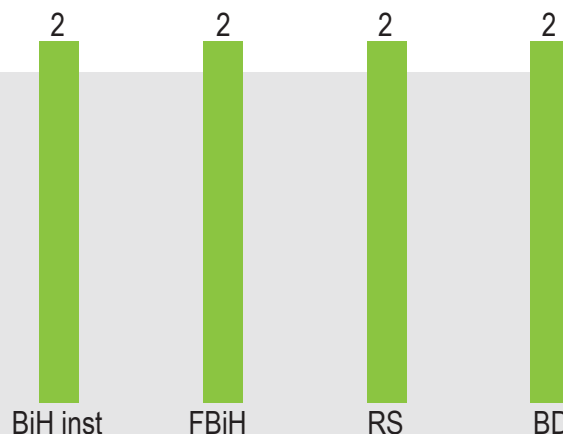
In the area of **Accountability**, no progress was made compared to the previous reporting period. It is impossible to talk about progress in strengthening the organizationally and functionally coordinated and transparent system of public administration with improved internal and external supervision over the work of public administration, which is a key task in this area. So far, 2 percent of activities have been implemented in the area of Accountability, there are no partially implemented activities, and 98 percent of activ-



In the area of **Service delivery**, the challenge of public administration is that electronic services have not yet been introduced, with the reduction of costs and the automation and digitalization of processes performed by public administration, and the simplification of the procedures for providing services. In this area, 3 percent of activities were implemented, 6 percent were partially implemented, while 91 percent were unimplemented.



In the area of **Public finance management**, in the previous reporting period, all activities foreseen by the Action plan for Public Administration Reform were implemented. These activities included the preparation of individual, and the preparation of a comprehensive national public finance management strategy. The strategic framework for the reform of public administration, namely, foresees that the reform of public finance management will be carried out through a separate document.



1. INTRODUCTION

POLICY DEVELOPMENT
AND COORDINATION

CIVIL SERVICE AND HUMAN
RESOURCE MANAGEMENT

ACCOUNTABILITY

SERVICE DELIVERY

PUBLIC FINANCE
MANAGEMENT

Public administration reform is one of the key priorities of the accession process, and public administration capable of adopting and implementing the *acquis* of the European Union is one of the most important prerequisites for membership in the European Union. The priority from the Opinion of the European Commission on the request for EU membership states that it is necessary to “complete the necessary steps in the reform of public administration with the aim of improving the overall functioning of public administration by ensuring a professional and depoliticized civil service and a coordinated approach for creating policies throughout the country”, but this priority has not been fully fulfilled.

The reform in BiH is taking place on the basis of the Strategic framework for Public Administration Reform in BiH 2018-2022¹ and the Action plan for Public Administration Reform, which was adopted by the Council of Ministers of BiH², the Government of the Federation of BiH³, the Government of Brčko District of BiH⁴ and the Government of Republika Srpska⁵. The period of validity of these documents has been extended until the end of 2027⁶.

The Strategic framework and the Action plan follow the structure of the SIGMA Principles of public administration and include five pillars in which reform measures are planned. The sixth pillar of the principles of public administration refers to the very existence of a strategic document in the field of public administration reform, political commitment to the reform process, political leadership and technical coordination, as well as monitoring the implementation of the reform, as a prerequisite for the reform in all other pillars. The SIGMA Principles within this pillar also imply the existence of effective monitoring of the implementation of strategic documents.

This report aims to present the state of implementation of the PAR Action plan in the reporting period, analyze key achievements, identify bottlenecks and problems that hinder the reform process, and propose corrective measures to eliminate them.

¹ The Strategic framework was adopted by the Government of Brčko District of BiH (38th session on June 8, 2018), the Government of FBiH (147th session of June 14, 2018), the Council of Ministers of BiH (155th session on September 25, 2018) and the Government of Republika Srpska document adopted in 2020 (77th session held on June 26, 2020).

² At the 22nd session held on December 16, 2020, Official Gazette of BiH, number 18/21

³ At the 239th session held on October 8, 2020, Official Gazette of FBiH, number 73/20

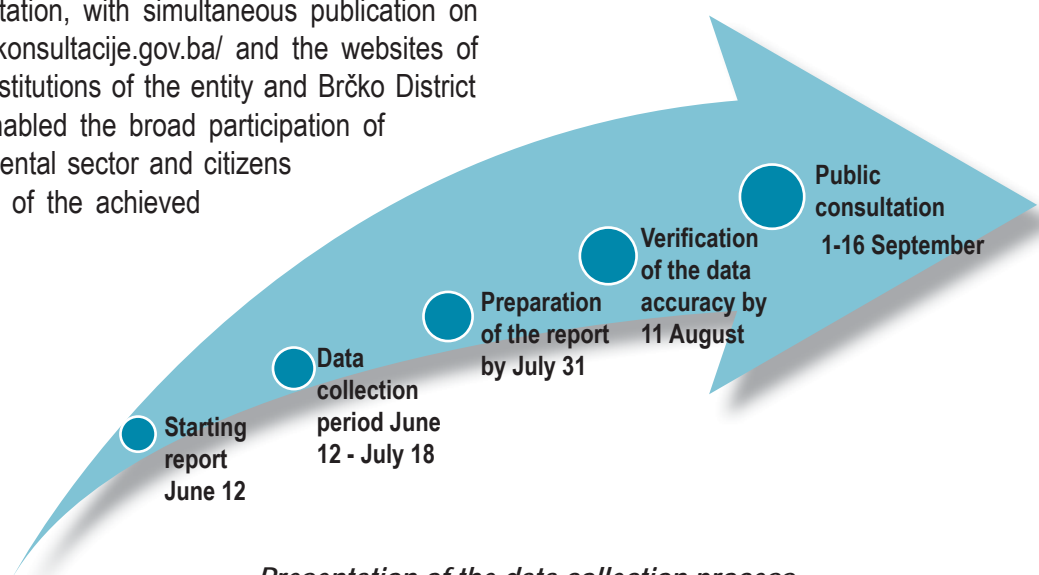
⁴ At the 120th extraordinary session held on October 12, 2020

⁵ At the 97th session held on November 19, 2020, Conclusion No. 04/1-012-2-3285/20 from November 19, 2020.

⁶ Conclusion of the Government of the RS, number: 04/1-012-2-2405/22, from July 7, 2022; Decision and Conclusion of the Government of BD BiH, number: 01.11-0377MB-078/22 from July 27, 2022; decisions of the Government of the FBiH adopted at the 329th session, held on September 1, 2022. (“Official Gazette of FBiH”, number 71/22); Decisions of the Council of Ministers of BiH adopted at the 56th session of the Council of Ministers of BiH from October 26, 2022. (Official Gazette of Bosnia and Herzegovina, no. 78/22)

REPORT PREPARATION PROCESS

The report covers the time period January 1 - June 30, 2023 and shows progress in the implementation of activities from the Action plan. The values of the indicators' measures were taken from the previous report, prepared at the end of 2022. In the process of preparing the report, the institutions of the state, entities and the Brčko District of BiH participated, which, in accordance with their competences and responsibilities for the implementation of activities, submitted data on the achieved progress in the period June - July 2023. Data collection was carried out through the PAR M&R information system⁷. The report also includes data from the scope of work of the Public Administration Reform Coordinator's Office (PARCO), regular monitoring of conditions and changes in reform areas, and data from other sources, such as reports from non-governmental and international organizations. The report is _date_ submitted for public consultation, with simultaneous publication on the site <https://ekonsultacije.gov.ba/> and the websites of the competent institutions of the entity and Brčko District of BiH, which enabled the broad participation of the non-governmental sector and citizens in the evaluation of the achieved progress.



DESCRIPTION OF THE METHODOLOGY

This report is the result of the applied monitoring system of the Strategic framework for Public Administration Reform in BiH and the Action plan, methodologically rounded out through the guidelines for monitoring and reporting, prepared with the support of the “Support to Public Administration Reform in Bosnia and Herzegovina” project, which was financed by the European Union with money from the IPA 2015 fund. The report consists of two parts, where in the first part, in addition to a summary review of progress in reforms at the overall level of the Action plan and individually by reform area, the focus is on the achievement of planned results, and then on potential problems and risks in the process of the implementation of planned reforms, and specific recommendations for improving the reform process in the coming period. The second part of the report consists of a

tabular overview of the implementation of the Action plan and is contained in the Annex, and shows the detailed progress in implementation for each reform activity at each administrative level and overall for the country, as well as the assessment of progress for each reform measure based on the previous reporting period.

Progress assessments are based on available, verifiable information gathered in the monitoring process.

INDICATOR VALUES AND PROGRESS ASSESSMENT

When qualifying the progress in the narrative part of the report, a descriptive assessment was used in such a way that small, certain or moderate, and significant progress was noted, depending on the estimated scope of the achieved progress of the reform in the thematic unit. In addition to these, two more extreme evaluations of progress are possi-

ble, namely the statement that there is no progress, and the statement that progress has been fully achieved. In addition to descriptive ratings, pre-defined indicators were used to measure and display the state of the reforms, in such a way that each indicator is associated with values that enable monitoring of the changes brought about by the reforms. Accordingly, all indicators used in this monitoring process carry three values: baseline, current and target value. Baseline value (BV) and target value (TV) are indicator values that, from the monitoring aspect, are of a fixed character, and are determined in the planning process and represent the initial and desired state of the observed phenomenon. The current value (CV) is the value of the indicator that was measured in the monitoring process and most often, but not necessarily, ranges between the baseline and target values. For reforms, i.e. indicators whose current values reach or exceed the target values within the planned deadlines, it is stated that the planned progress has been fully achieved.

⁷ <http://monitoring.parco.gov.ba/ords/parbih/r/par-m-e102102102102102/>

DETERMINING THE CURRENT VALUE OF THE INDICATOR FOR THE COUNTRY

Aggregate indicator values for the country are based on measured indicator values at individual levels. Unless otherwise defined by the indicator itself, the value of the indicator for the country, depending on its type, is determined as following:

- a) as the lowest measured value for binary indicators (yes/no);
- b) as an average value of measured values at individual levels for quantitative absolute⁸ and relative/percentage indicators⁹;
- c) the aggregate value of the measured values at individual levels for own scalar indicators¹⁰ as in cases where a certain change is foreseen at the administrative levels, that is, the target value represents the sum of values/changes at different levels;
- d) in accordance with the intended original methodology for SIGMA's indicators.

SCORE IN THE FORM OF A TRAFFIC LIGHT

There are three levels at which indicator values are measured, namely the level of a specific goal, the level of a reform measure, and the level of a reform activity. Individual reform activities are covered in the Annex and narrative part of the report, and at least one indicator is attached to each of them. Out of a total of 140 activities (with the fact that some activities do not apply to all levels of government) as defined by the Action plan, 113 of them are intended to be measured using one indicator, while the other 27 are intended to be measured using two or more indicators. Precisely because of such activities, the need to give a single, aggregate assessment of the realization at the level of the activity as a whole was imposed. For this purpose, and with the aim of visual interpretation of the implementation of the activity, the use of a traffic light system is foreseen, in which each activity is associated with a corresponding color in accordance with its implementation, i.e. in accordance with the measured values of the associated indicator(s).

Given that it is planned that the indicator values at the activity level will be measured for each of the four administrative levels individually, and collectively for the country, it was foreseen that each activity will be assigned a score in the form of a traffic light for each administrative level to which the activity refers (the most common are that's all four levels), and one for the overall implementation at the level of the state as a whole. Therefore, with each activity, a total

of five scores were given in the form of a traffic light (BiH in total, institutions of BiH, Republika Srpska, Federation of BiH, Brčko District of BiH).

The score value in the form of a traffic light reflects the measured value of the indicator for that activity at the time of measurement, i.e. at the end of the reporting period for which the measurement is performed. For activities with two or more indicators, the score value in the form of a traffic light is based on the simple arithmetic mean of the measured values of all corresponding indicators.

One of three colors is used for scoring in the form of a traffic light: red, yellow or green. If the measured value of the indicator is in the range of 0 to 40 percent from the target value(s) of the corresponding indicator(s), the red color rating is used.

If that range is from 41 to 99 percent, a yellow grade is used.

The green rating is used for the measured value of the associated indicator(s) which is equal to the target value(s).

THE MEANING OF SCORES IN THE FORM OF A TRAFFIC LIGHT

Since the goal of the monitoring is to determine whether the planned target values of the observed changes have been achieved through the implementation of the activity, the meaning of the traffic light colors used corresponds to that goal. Regardless of whether two or three traffic light colors are used, their meaning corresponds to the actual situation:

	the meaning of the score	measured value CV
red	target values are not achieved	0 – 40%
yellow	the target values were partially achieved	41 – 99%
green	target values are achieved	100%

This way of interpreting traffic lights directs both the monitor and the reader to the qualitative dimension of activity implementation, and shifts the focus from procedural to results-oriented monitoring, which is fully correlated with the established Action plan monitoring model and guidelines. In addition, with the use of a traffic light system for evaluating the implementation of activities, an inseparable and key part is a detailed textual description that is provided for each activity and which more closely reflects the state of implementation of the reform activity. The traffic light system is only a tool for a quick overview of the state of achievement of target values at the level of reform activities.

⁸ The values of these indicators are expressed as whole numbers that indicate the quantity of the observed parameter.

⁹ These are indicators that are expressed as a percentage value of a certain phenomenon, which is measured in the range from a minimum of 0% to a maximum of 100%.

¹⁰ They show achievement by measuring the observed phenomenon on a pre-defined scale, showing it as a ratio of whole numbers.

2. PROGRESS IN THE IMPLEMENTATION OF THE STRATEGIC FRAMEWORK OF THE ACTION PLAN

Bosnia and Herzegovina has not yet fulfilled the vision from the Strategic framework for Public Administration Reform 2018-2027 and built a modern public administration that will ensure and respect the principles of the European administrative area.

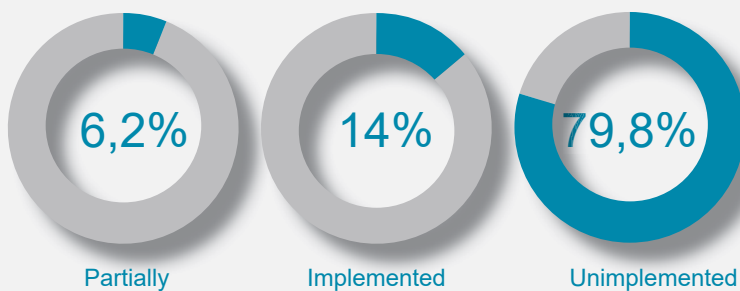
Monitoring of the implementation of the Action plan for Public Administration Reform shows that by July of this year a total of 14.31 percent of activities were implemented, which is 0.31 percent more than the measured progress at the end of last year. It is about relative progress calculated on the basis of the average achieved progress of administrative levels. In the first half of 2023, 5.39% of activities were partially implemented, which compared to the previous reporting period when the percentage of partially implemented activities was 6.2%, this represents a setback of 0.81% (yellow light). At the same time, the number of activities that were not implemented increased and now amounts to 80.30 percent (red light). The reason for the reduction in the number of partially realized activities is the change of yellow to red light in cases where the activity is measured on an annual basis (such as activities 2.1.8. and activity 1.3.4).

This report aims to show the state of implementation of the Action plan of the public administration reform in the reporting period, analyze key achievements, identify bottlenecks and problems that hinder the reform process, and propose corrective measures for their elimination.

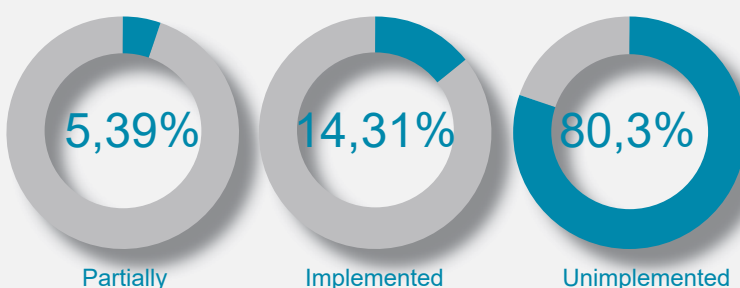
If the achieved progress is observed in relation to the indicators for BiH as a whole, the level of implementation of the Action plan is significantly lower, because, according to the methodology, the activity can be fulfilled (green light) when all levels have fulfilled it. This means, in the case of binary indicators, that if, for example, three levels have realized the activity and received the green light, and the fourth has not, the value of the indicator is calculated on the basis of the lowest value and the traffic light for the activity remains red. Viewed in this way, 6.61 percent of the activities have been implemented so far, 8.09 percent have been partially implemented, while 85.29 percent have not been implemented. Compared to the previous period, when 5.15 percent of activities were implemented, this represents an improvement of 1.46 percent in relation to fully realized activities. In relation to partially implemented activities, there was a decline of 1.47 percent compared to the previous period when 9.56 percent were partially implemented. The calculation was made on 136 activities (out of a total of 140 activities from the Action plan, with the fact that the completed 4 activities from the area of Public Finance Management, for which one level of government is in charge, were not taken into account).

One of the key reasons for slow progress in the implementation

Results at the end of 2022



Results from July 2023



of activities is the non-functioning of structures for public administration reform. In the reporting period, this deficiency was partially remedied by the adoption of the Common Platform on the Principles and Method of Implementation of Public Administration Reform in BiH¹¹, the Government of the Brčko District of BiH¹² and the Government of the Republika Srpska¹³, and it is expected that the document in the next reporting period will be adopted by the Government of the Federation of BiH. In order for the PAR structure to be fully established, and thus to implement the recommendation from the previous reporting period, it is necessary for the Council of Ministers of BiH and the Government of Republika Srpska to adopt decisions on the appointment of members of the supervisory teams, since they were involved in the preparation of this report. PAR coordinators continued to hold meetings in the reporting period. Another reason for the insufficient implementation of activities is the lack of capacity and money. The public administration reform fund has not yet been unblocked, so the recommendation on unblocking this financial instrument for the implementation of the reform, which was given in the previous report, is also unfulfilled, as well as the recommendation on ensuring adequate financial, administrative and human resources for the implementation of the public administration reform, which includes decisions on further investments in the PAR Fund.

With the exception of the recommendation on ensuring the coordination of DEI-PARCO with the relevant institutions in the preparation of IPA III documentation for the financing of key interventions in the field of service delivery (development of catalogs of services, shared services and the creation of other prerequisites for the establishment of electronic services), the recommendations from the previous reporting period generally remained unimplemented. The recommendation on amending the Law on the Institution of Ombudsman for Human Rights of BiH was partially fulfilled, in order to eliminate the direct intervention of the executive power in approving the budget of this institution and to ensure its financial independence. The regulation is in the parliamentary procedure, but it has not yet been adopted¹⁴.

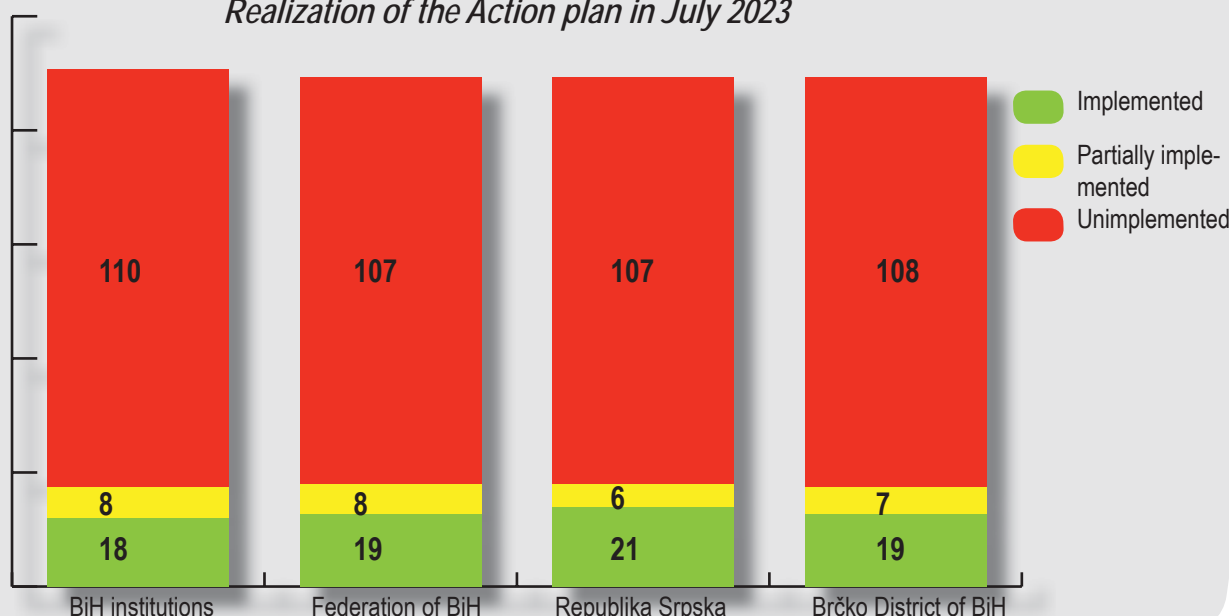
The key risks for the further development of the public administration reform process are still the lack of a favorable political environment and political support, which is, above all, reflected in the adop-

tion of relevant acts for the establishment of the PAR structure, the activation of bodies for political coordination, the unblocking of the PAR Fund and the securing of further investments in PAR Fund. Insufficient understanding in the world of decision-makers about the benefits that the reform brings primarily to citizens, but also to the administration itself, and the lack of interest of institutions in the reform, which is often accompanied by insufficient capacities for the implementation of planned measures and activities, remain a risk that can affect the achievement of the agreed results. By the end of the year, it is necessary to ensure functional structures for the implementation of the reform, especially the full functioning of the body for political coordination, in accordance with the requirements of the accession process, and to work on developing awareness of the benefits of public administration reform for citizens and institutions. It is necessary to unblock the PAR Fund and ensure further investments by donors and local governments, and attract donors to ensure the financing of the planned reforms. Institutions should ensure adequate capacities for the implementation of the activities from the Action plan and participate in projects financed by donor funds, in order to implement the activities, but also to strengthen the existing capacities for subsequent reforms.

PROGRESS IN THE IMPLEMENTATION OF ACTIVITIES BY LEVELS OF ADMINISTRATION

Looking at how many activities have been completed by level of administration, it is evident that the greatest overall progress was achieved by the institutions of Republika Srpska, which have so far implemented 16 percent of the activities from the Action plan. The institutions of the Federation of BiH and Brčko District of BiH follow with 14 percent of all activities implemented, while the lowest result was achieved by state institutions that implemented 13 percent of all activities. The most partially implemented activities in July 2023 were recorded by FBIH institutions - 6 percent, and state institutions with 6 percent. The institutions of the Brčko District of BiH follow with 5 percent, while the institutions of the Republika Srpska record the least partially realized activities - 4 percent. The chart shows an overview of traffic lights measured in July 2023 (in real activity numbers).

Realization of the Action plan in July 2023



¹¹ 16th session of the Council of Ministers of Bosnia and Herzegovina from June 26, 2023

¹² 5th regular session of the Government of the Brčko District of Bosnia and Herzegovina from June 7, 2023

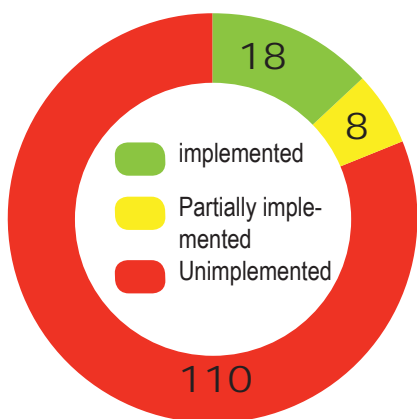
¹³ Source of information - PAR coordinator of Republika Srpska, conclusions from the session have not yet been submitted to PARCO

¹⁴ <https://parlament.ba/olaw/OLawDetails?lawId=105193>

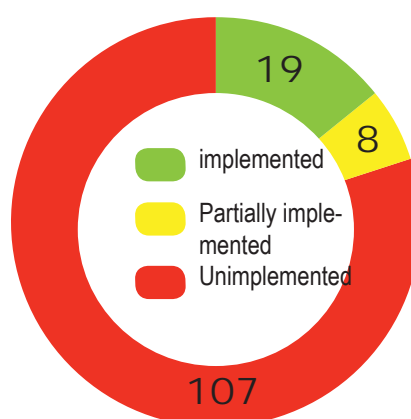
Observed by levels of administration, state institutions have fully implemented 18 or 13 percent of the total of 136 activities from the Action plan, and partially implemented 8 or 6 percent of activities, while 81 percent remained unimplemented (110 activities). Observed by areas of reform, the highest result was achieved since the beginning of the implementation of the Action plan in the area of Public Finance Management (100%), but this result was achieved in the previous reporting period. A significant result was also achieved in the field of Public Service and Human Resources Management, where a total of 8 activities or 24 percent were implemented. Total data for state institutions and data by field are shown in the graphs.

The institutions of the Federation of BiH implemented 19 activities from the Action plan out of a total of 134 activities or 14 percent, which is the same result as in the previous reporting period. FBiH partially implemented 8 activities or 6 percent, while 107 or 80 percent of the activities from the Action plan remained unimplemented. The highest result (100%) was achieved in the previous period in the area of Public Finance Management, followed by the area of Public Service and Human Resource Management, where 27 percent of the activities were implemented. Total data for institutions of FBiH and data by area are shown in the graphs.

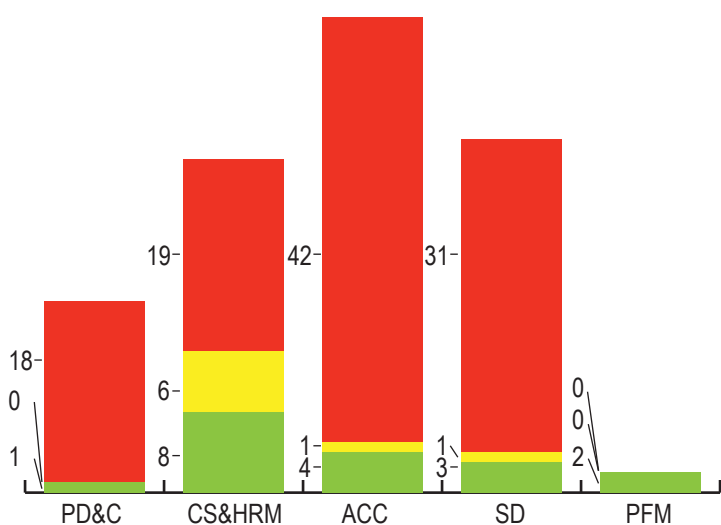
State institutions



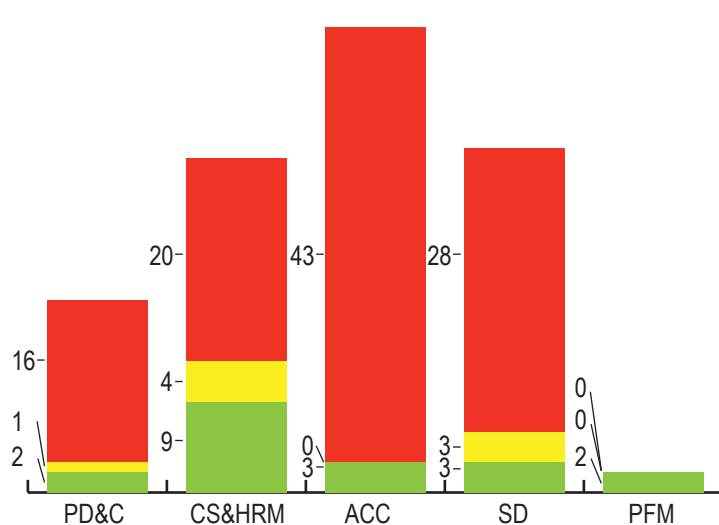
Institutions of FBiH



State institutions - results by reform areas



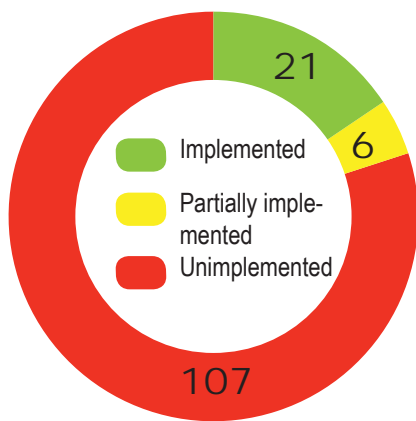
FBiH - results by reform areas



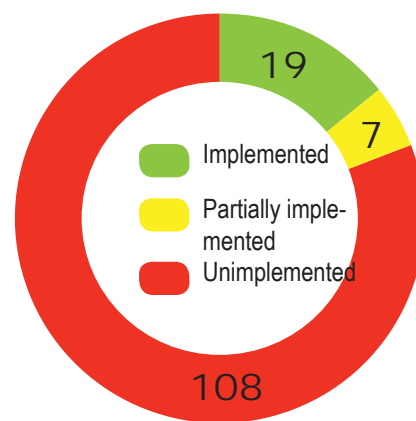
The institutions of Republika Srpska implemented a total of 21 activities or 16 percent, which is a slight increase compared to the previous reporting period. 6 activities or 4 percent of activities were partially implemented (less than in the previous reporting period), and 107 activities or 80 percent were not implemented. The highest result (100%) achieved in the previous period was in the area of Public Finance Management, followed by the area of Public Service and Human Resources Management where 39 percent of activities were implemented, and the smallest progress was achieved in the area of Accountability where 2 percent of activities were implemented. Total data for institutions of RS and data by area are shown in the graphs.

Institutions of the Brčko District of BiH have implemented a total of 19 activities or 14 percent so far, and the situation has remained unchanged compared to the previous period. 7 or 5 percent of the activities were partially implemented, while 108 activities or 81 percent remained unimplemented. The highest result, as at other levels, 100% was achieved in the previous period in the field of Public Finance Management. This is followed by the area of Public Service and Human Resources Management, where 36 percent of activities were implemented, while the lowest result was achieved in the areas of Accountability and Service Delivery. Total data for BD institutions and data by area are shown in the graphs.

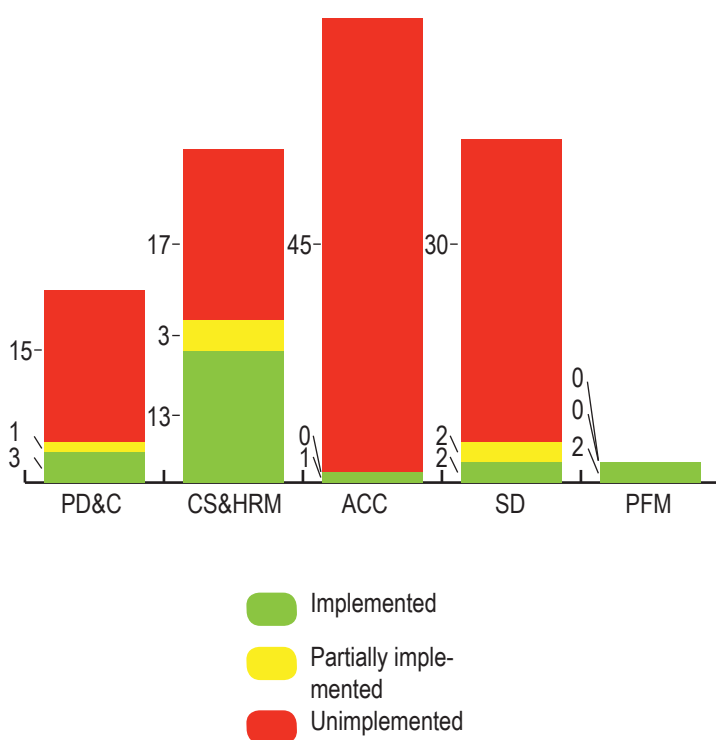
RS - institutions



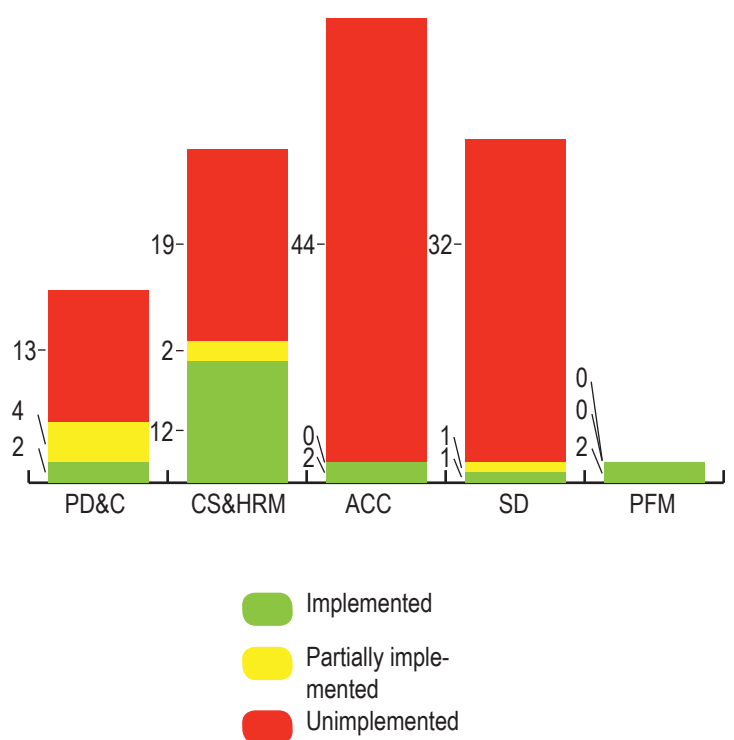
Institutions of BDBiH



RS - results by reform areas



BDBiH - results by reform areas



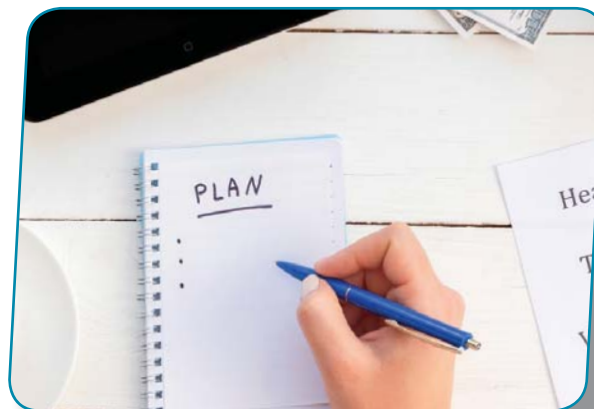
PROGRESS ACHIEVED IN THE IMPLEMENTATION OF MEASURES

The Strategic framework contains a total of 17 measures distributed in four reform areas (the exception is the area of Public Finance Management, which does not have defined measures), which are measured using 39 indicators. For the purposes of this report, the values of the indicators of the measures measured at the end of 2022 were used. The measurement is carried out with the help of indicator passports that predict the time period of the measurement. Passports provide that the measurements, depending on the indicators, will be carried out most often on an annual basis, in some cases the period between two measurements is even longer. Not a single measure was fully implemented at the end of 2022, and the situation remained the same in July 2023. In this period, the value was changed only for one of the indicators within measure 2.1, but the new value was not sufficient to affect the completed measures as a whole.

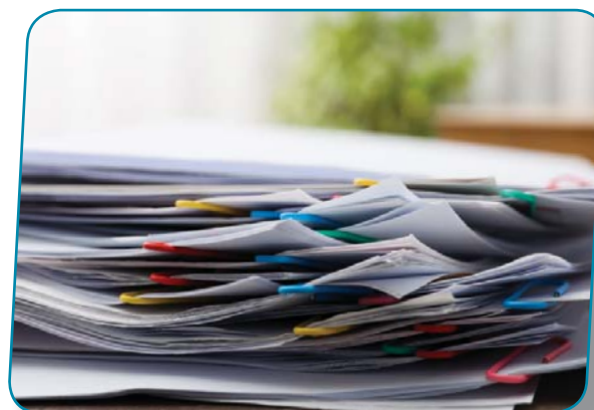
Taken as a whole, in two cases the target value of the indicator was achieved, both times in the area of Public Service and Human Resources Management, while in two cases in the area of Accountability, the current value was measured, which was lower than the baseline value. A certain shift was made for 14 indicators, where the value at the end of 2022 is above the baseline value, while for 21 indicators no change was recorded. Taking into account that the measurement of one measure is carried out using several indicators, the realization of the measure is possible only when all the indicators belonging to that measure are fulfilled. Detailed statistics on the fulfillment of measures were presented in the previous reporting period in total, for BiH and by levels of administration. In this report, statistics are presented by area of the reform, where an overview of the fulfillment of the measures for the area is given, as well as an overview of the fulfillment of each indicator of the measure, including data on the baseline, target and current value of the indicator.

EXAMPLES OF SUCCESS

At the state level, the improvement of the planning system continued - the Council of Ministers of BiH issued an Instruction on how to prepare the annual work program and work report in the institutions of BiH, which simplified the legal framework for annual planning. In the Republika Srpska, the new Decision on impact assessment of regulations¹⁵ prescribes two forms of impact assessment for draft/proposal laws and for impact assessment of proposed regulations, as well as more detailed questions on the basis of which the analysis is performed and the expected impacts are assessed. Important novelties are provisions related to the assessment of the impact of regulations that are harmonized with the legal acquis of the European Union, as well as the provision of the



obligation to conduct a cost-benefit analysis, the introduction of standard cost models, and ex post analysis. Although the law on freedom of access to information did not prescribe the proactive publication of information in FBiH, the Govern-



ment of FBiH, in accordance with the Communication Plan for 2023, continued the proactive publication of documents. The Work Program, the Budget of the Federation of BiH for 2023, the Report on the Work of the Government of FBiH for 2022, the Budget of the Federation of BiH for Citizens for 2023, and numerous other documents were published. State institutions continued to publish documents in accordance with the policy and standards of proactive transparency.



¹⁵ Official Gazette of the Republika Srpska, number 08/23

COMMUNICATION ACTIVITIES

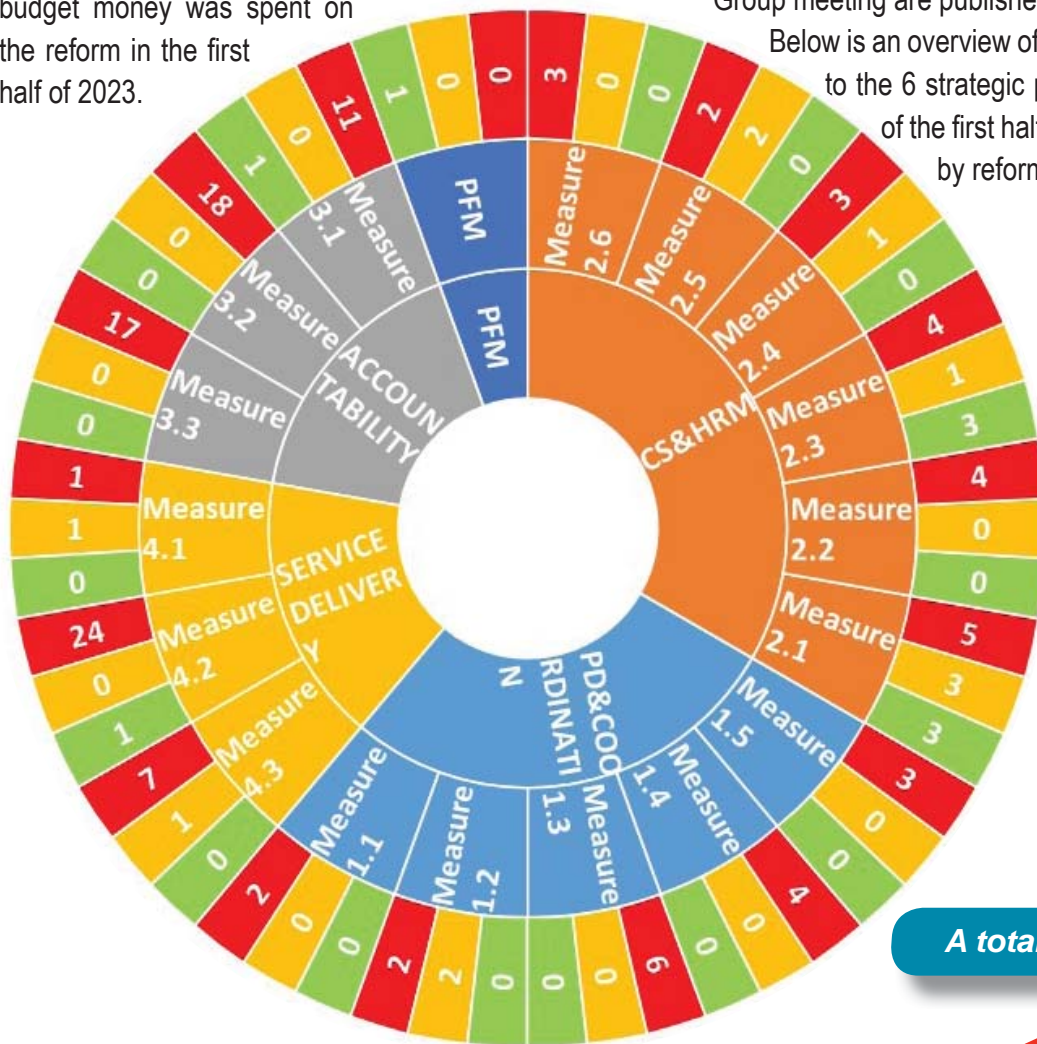
FINANCING OF THE REFORM

For the purposes of implementing the Strategic framework and the Action plan, a cost estimate was made. The total costs were estimated at BAM 61.66 million. Of that, BAM 5.09 million (8%) are implementation costs, for which donor money is partially secured, while financing for BAM 56.57 million (92%) is not secured.

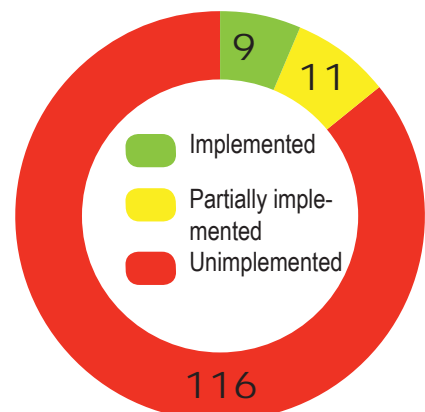
Taking into account the minimal progress achieved, and that in the reporting period the institutions worked independently on the implementation of the activities from the Action plan, it is not possible to provide data on how much budget money was spent on the reform in the first half of 2023.

Communication activities in the reporting period were focused on the presentation of achieved results in the field of strengthening proactive transparency, and the presentation of the results of discussions on public administration reform with the European Commission within the Special Group for Public Administration Reform. Tools such as announcements and news made on the website, addresses at round tables, statements for the media were used, and in July PARCO also prepared an electronic newsletter that was delivered to representatives of institutions, to civil society and to the media. Recommendations from the PAR Special Group meeting are published on the PARCO website.

Below is an overview of the overall progress in relation to the 6 strategic pillars of the reform at the end of the first half of the year, and then progress by reform area.



A total of 140 activities



MEASURES

5

MEASURES IN
AREA

10

INDICATORS

0

REACHED
INDICATORS IN
AREA

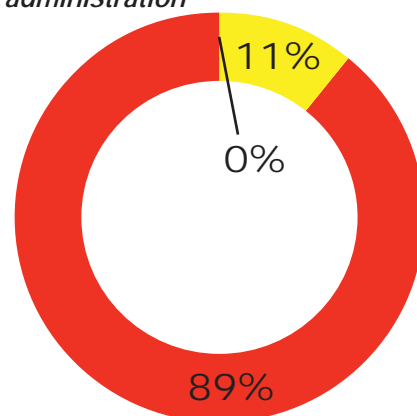
2.1. POLICY DEVELOPMENT AND COORDINATION

Policy development and coordination are among the key functions of public administration, which ensure responsible and effective management of public affairs. The management of public affairs is carried out through a system of policy development and implementation that should ensure informed, inclusive and transparent decision-making in the best interest of citizens and overall economic and social development.

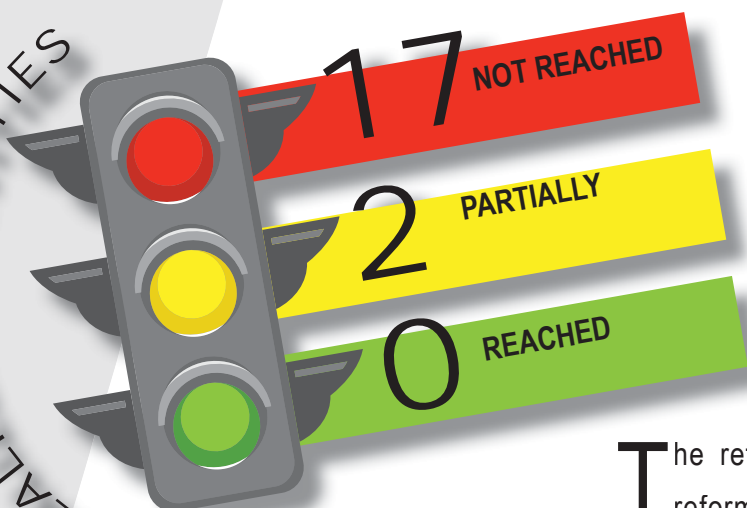
ANALYSIS:

REFORM MEASURES

Specific goal: Strengthening coherence, participation, efficiency, control and transparency in the development management system and the decision-making process in public administration



REALIZED ACTIVITIES



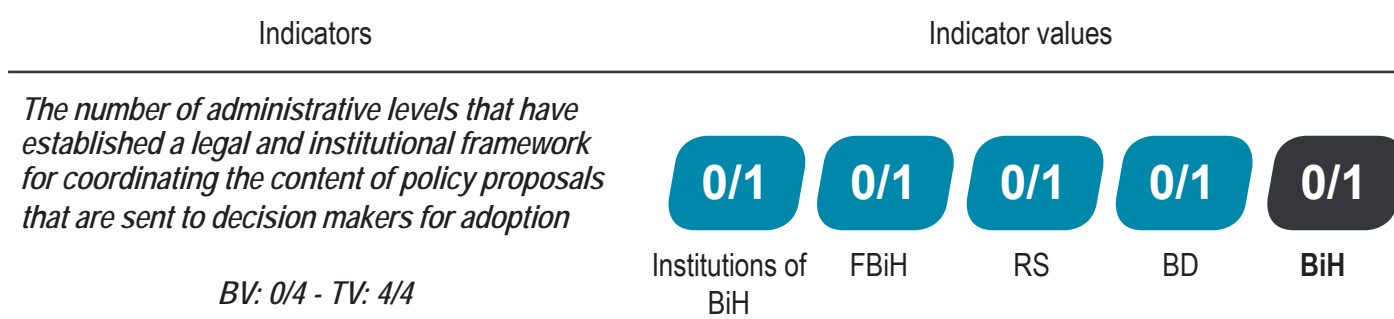
The reform in this area is planned through five reform measures and 19 activities. None of the reform measures have been fully implemented. At the level of BiH, target values were not reached for 17 activities, and target values were partially reached for 2 activities. At the level of BiH institutions, the target values were not reached for 18 activities, while the target value was reached for 1 activity. In the Federation of BiH, target values were not reached for 16

activities, target values were partially reached for 1 activity, target values were reached for 2 activities. In the Republika Srpska, target values were not reached for 15 activities, target values were partially reached for 1 activity, and target values were reached for 3

activities. In the Brčko District of BiH, target values were not reached for 13 activities, target values were partially reached for 4 activities, while target values were reached for 2 activities.

	Inst. BiH	FBiH	RS	BD
The target values were not reached	18	16	15	13
The target values were partially reached	0	1	1	4
The target values were reached	1	2	3	2
<i>Total number of activities:</i>	19	19	19	19

Measure 1: Strengthening the capacity of decision-makers at administrative levels in BiH for the development of a competent and consistent decision-making system at all administrative levels

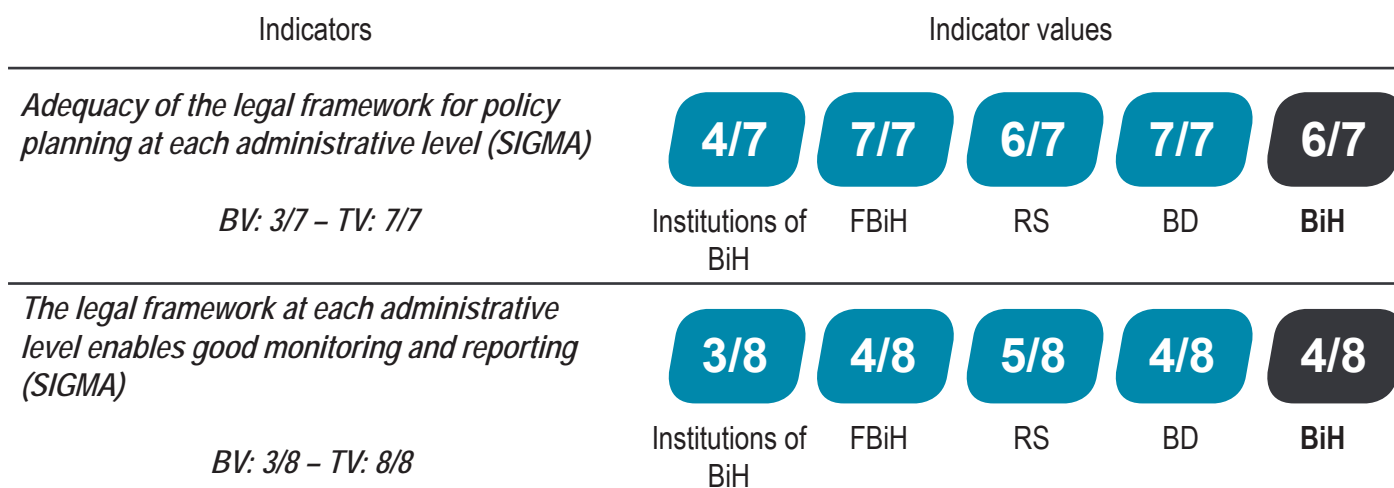


No progress was made in the implementation of the measure. No progress was made in the implementation of activity 1.1.1. and 1.1.2. The implementation of these activities is planned through a project from IPA II 2019 which is in the public procurement procedure. Long-term IPA procedures related to the preparation and approval of the project, including the approval of financial resources, and the implementation of public procurement

affected the beginning of the implementation of these activities. The risk is related to the outcome of the public procurement procedure of the project from IPA II 2019, within which the implementation of these activities is planned.

There has been no change in indicator values since the last progress report.

Measure 2: Improvement of the system of strategic, medium-term and annual planning in BiH at every administrative level through inter-institutional cooperation and compliance with the budgeting process and available public financial resources and the requirements of European integration, respecting the constitutional and legal structure of BiH



In the reporting period, the Council of Ministers of BiH adopted the Instruction on the method of preparation of the annual work program and work report in the institutions of BiH ("Official Gazette of BiH", number 48/23). This simplified and improved the legal framework for annual policy planning in the institutions of BiH, which will enable good monitoring and annual reporting on the implementation of planned activities in the institutions of BiH. In the Republika Srpska and Brčko District of BiH, there was no progress in the reporting period. After the Council of Ministers of BiH adopted the Instruction on the method of preparation of the annual work program and work report in the institutions of

BiH, the Ministry of Justice of BiH conducted two one-day trainings for all ministries and administrative organizations of BiH. Due to the insufficient support of decision-makers at the level of BiH institutions, a system of long-term/sectoral planning, monitoring and reporting has not been established. In the Federation of BiH, Republika Srpska and Brčko District of BiH, there was no progress in the reporting period.

There has been no change in indicator values since the last progress report.

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

Indicators	Indicator values				
<p><i>Percentage of draft laws, by-laws, public policies and regulations that have undergone regulatory impact assessment analysis¹⁶</i></p> <p><i>BV: N/A – TV: 50%</i></p>	0%	0%	0%	0%	0%
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>Use of Regulatory Impact Assessments (SIGMA)</i></p> <p><i>BV: 0/3 – TV: 2/3</i></p>	1/3	1/3	1/3	1/3	1/3
	Institucije BiH	FBiH	RS	BD	BiH

At the level of BiH institutions, no progress has been achieved in the implementation of measures and activities. Due to the lack of human capacity, no methodology, manual, guidelines for assessing the impact of regulations, nor rules for the development of public policies and other general acts have been developed. Due to the lack of financial resources, no information system has been developed to support the drafting of regulations, nor has a database of all legal regulations adopted by authorities at all administrative levels been established. In the Republika Srpska, the new Decision on the impact assessment of regulations¹⁷, prescribes two forms, namely form 1 of the assessment of the impact of a draft/proposal of law and form 2 of the assessment of the impact of a proposal of a regulation. With these forms, the methodological tools established by the methodological manual for the assessment of the impact of regulations have been updated, as well as the more de-

tailed questions on the basis of which the analysis is performed and the expected impacts are assessed. In addition to refreshing the methodological tools through the forms prescribed by the new Decision, important news are also the provisions related to the assessment of the impact of regulations that are harmonized with the legal acquis of the European Union, as well as the provision of the obligation to conduct a cost-benefit analysis, the introduction of standard cost models, and ex post analysis. In the Federation of BiH and the Brčko District of BiH, no progress was made in the implementation of measures and activities.

There has been no change in indicator values since the last progress report. The risk and challenge that may have an impact on the achievement of results within this measure is related to the lack of human capacity in the work of drafting and implementing the assessment of the impact of regulations.

¹⁶ To determine the value of the indicator in question, data for the entire calendar year is taken into account, so there was no change in the value of this indicator.

¹⁷ Official Gazette of the Republika Srpska", number 08/23

Measure 4: Ensuring inclusive access and involvement of the public in the phase of creation, implementation and monitoring of strategic plans, public policies and regulations

Indicators	Indicator values				
<i>The percentage of strategic plans, public policies and regulations where the public participation rules were fully respected in the public consultation process¹⁸</i>	0%	0%	0%	0%	0%
	Institutions of BiH	FBiH	RS	BD	BiH
<i>BV: N/A – TV: 50%</i>					
<i>Quality assurance of the public consultation process (SIGMA)</i>	0/3	1/3	0/3	0/3	0/3
	Institutions of BiH	FBiH	RS	BD	BiH
<i>BV: 0/3 – TV: 3/3</i>					

At the level of the institutions of BiH, in the Federation of BiH, Republika Srpska and in the Brčko District of BiH, no progress has been achieved in the implementation of measures and activities. There has been no change in indicator values since the last progress report.

Risks and challenges that may have an impact on the achievement of results within this measure are related

to the improvement of the legal framework at each administrative level that regulates the area of public consultations and public participation in accordance with the SIGMA Principles, insufficient public interest in the consultation process, lack of financial resources for establishing /upgrading and functioning of the e-consultation portal.

Measure 5: Increasing efficiency and consistency through inter-institutional functional connection within administrative levels and coordinated action in the development and implementation of public policies between ministries, between “government centers” and ministries, and between executive and legislative bodies

Indicators	Indicator values				
<i>Testing the practice of inter-ministerial consultations (SIGMA)</i>	5/12	4/12	4/12	9/12	4/12
	Institutions of BiH	FBiH	RS	BD	BiH
<i>BV: 0/12 – TV: 8/12</i>					
<i>Percentage of draft policies, plans and/or regulations returned from government decision-making due to incompletely implemented inter-institutional consultations¹⁹</i>	0%	0%	0%	0%	0%
	Institutions of BiH	FBiH	RS	BD	BiH
<i>BV: n/a – TV: 20%</i>					

At the level of the institutions of BiH, in the Federation of BiH, Republika Srpska and in the Brčko District of BiH, no progress has been achieved in the implementation of measures and activities. There has been no change in indicator values since the last progress report.

Risks and challenges that may have an impact on the achievement of results within this measure are related

to inadequate planning of regulations that need to be adopted in one calendar year, untimely preparation of the draft law by the Council of Ministers/Governments, and non-compliance with the planned deadlines for submitting the draft law to the parliamentary procedure and intensive use of urgent procedures for the adoption of laws proposed by the Council of Ministers/ Government.

¹⁸ To determine the value of the indicator in question, data for the entire calendar year is taken into account, so there was no change in the value of this indicator.

¹⁹ To determine the value of the indicator in question, data for the entire calendar year is taken into account, so there was no change in the value of this indicator.

CHALLENGES AND RISKS:

Key challenges and risks that have had an impact and may have an impact in the implementation of reform measures and activities in the reform area of policy development and coordination:

- Failure to adopt the Common Platform on the principles and method of implementation of public administration reform in BiH prevented the establishment and formation of the Supervisory team for this reform area, which further resulted in the difficulty of implementing reform measures and activities in this area;
- Lack of financial resources for the implementation of reform measures and activities;
- Long-term IPA procedures related to the preparation and approval of projects, including the approval of financial resources, and the implementation of public procurement affected the beginning of the implementation of activities in this area;
- Insufficient support from decision-makers for establishing a system of long-term/sectoral planning, monitoring and reporting at the level of BiH institutions;
- Lack of human capacity for implementing reform measures and activities;
- Improvement of the legal framework at each administrative level that regulates the area of public consultation and public participation in accordance with the SIGMA Principles;
- Insufficient public interest in the consultation process;
- Inadequate planning of regulations that need to be passed in one calendar year;
- Untimely preparation of the draft law by the Council of Ministers/Governments, and non-compliance with the planned deadlines for submitting the draft law to the parliamentary procedure;
- Intensive use of emergency procedures for the adoption of laws proposed by the Council of Ministers/Government;

KEY RECOMMENDATIONS FOR THE AREA OF POLICY DEVELOPMENT AND COORDINATION

- By the end of 2023, the Council of Ministers of BiH should choose the best solution/option for regulating the system of long-term/sectoral planning, monitoring and reporting at the level of BiH institutions;
- The Ministry of Finance and Treasury of BiH should, in cooperation with the Directorate for Economic Planning of BiH, by the end of 2023, prepare amendments to the Decision on the procedure of medium-term planning, monitoring and reporting in the institutions of BiH and amendments to the Instructions on methodology in the procedure of medium-term planning, monitoring and reporting in the institutions of BiH and to submit them to the Council of Ministers of BiH for consideration and adoption;
- The Agency for the Civil Service of BiH, the Agency for the Civil Service of the Federation of BiH, the Agency for State Administration of the Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should plan and organize by the end of 2023 training for civil servants in the area of regulatory impact assessment;
- The BiH Civil Service Agency should, in cooperation with the BiH Ministry of Justice, by the end of 2023, plan and organize training for civil servants with the aim of properly implementing the new legal framework for annual planning, monitoring and reporting at the level of BiH institutions;
- By the end of 2023, the Ministry of Justice of BiH should, in accordance with the SIGMA Principles, prepare amendments to the Rules for consultations in the drafting of legal regulations and submit them to the Council of Ministers of BiH for consideration and adoption;
- Competent bodies of the Parliamentary Assembly of BiH/Parliament of the Federation of BiH/National Assembly of the Republika Srpska/Assembly of the Brčko District of BiH and the Council of Ministers of BiH/the government should plan and organize meetings by the end of 2023 in order to improve their cooperation in the matter of better coordination of the planning process and adoption of regulations and politics.

MEASURES

6

MEASURES
IN AREA

16

INDICATORS

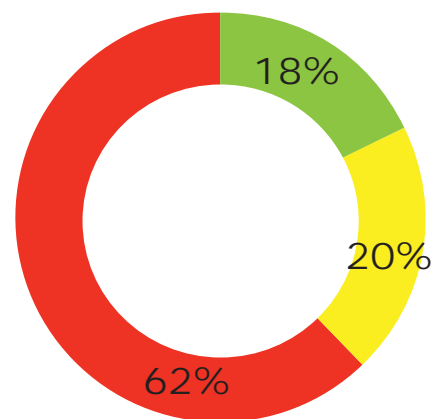
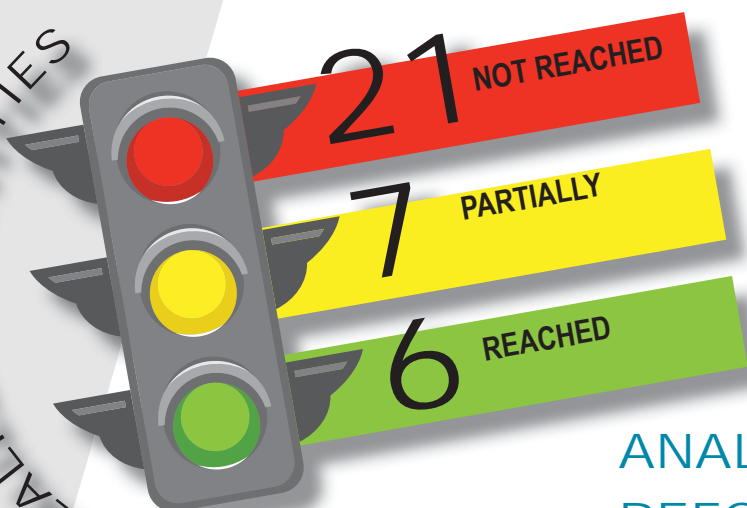
2

REACHED
INDICATORS IN
AREA

2.2. CIVIL SERVICE AND HUMAN RESOURCE MANAGEMENT

Human resources, that is, employees, are the most important resource of any organization, both in the business sector and in public administration organizations. Therefore, adequate management of human resources is a very important element in the work process in every institution of civil service/administration, as well as public administration as a whole. Modern management of human resources in public administration should have the characteristics of transparency, fairness, and especially should be based on the principles of merit, professionalism, affirming and rewarding efficiency in work. Through the development of the legal framework and the necessary capacities in this area, an attempt is being made to establish an independent, impartial and efficient public administration capable of fulfilling its tasks.

REALIZED ACTIVITIES



ANALYSIS: REFORM MEASURES

Specific objective: Established legal framework and built capacities for the development of the human resources management function based on the principles of professionalism, merit and efficiency

According to the established indicators, the specific goal in this area was achieved in the previous reporting period, that is, the target values for both indicators were reached.

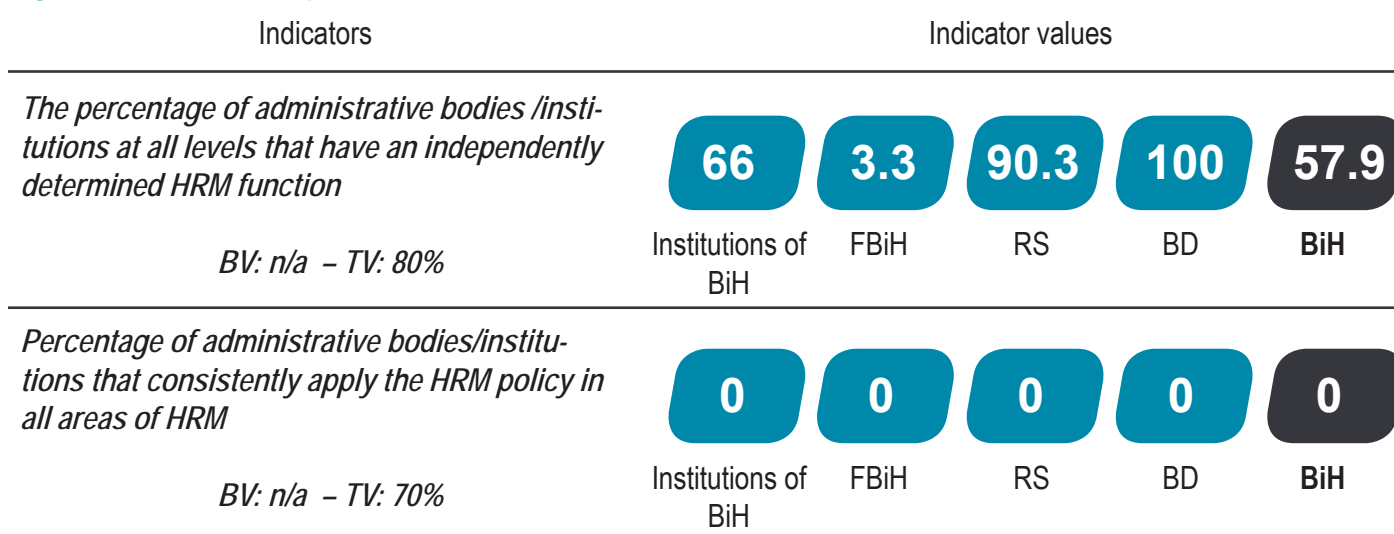
For the six measures as defined in this area, 16 indica-

tors were determined, out of which the target values were reached for 2 indicators, while the remaining 12 indicators were not reached. Within the aforementioned 6 measures,

34 activities were determined. Of these, 6 activities were implemented, 7 were partially implemented, and 21 were not implemented.

	Inst. BiH	FBiH	RS	BD
The target values were not reached	19	20	17 ²⁰	19
The target values were partially achieved	6	4	3	2
The target values were reached	8	9	13	12
<i>Total number of activities:</i>	33	33	33	33

Measure 1: Improvement of policies and legal framework for human resources management and capacity building for their effective implementation



At the level of this measure, progress was recorded at the level of BiH institutions compared to the first indicator, where the previous value of 56.8% increased to 66%. The reason is primarily the more complete data provided by individual institutions of this level. This also affected the overall progress for the whole of BiH according to this indicator, so that now the current value is almost 60% compared to the previous 47.4% of administrative bodies/institutions at all levels that have an independently determined HRM function. Part of the activities within this measure were realized in the previous reporting period. This refers to activities 2.1.1. Adopt a policy framework for the development of human resources management in public administration structures in BiH at the level of Republika Srpska and Brčko District of BiH, 2.1.3. Analyze civil service legislation at individual administrative levels, make recommendations to achieve its compliance with the Principles of public administration and propose areas where harmonization is necessary between different administrative levels and 2.1.6. Build (improve) the capacities of key institutions in order to provide support to other administrative bodies/institutions for the effective implementation of policies and the legal framework for HRM. Regarding activities 2.1.2. Form interdepartmental working

groups (IWG) for drafting the necessary reform regulations for each civil service structure in BiH and ensure coordination in the work of the IWG through the sharing of information and concrete solutions. There were no changes in the reporting period that would affect the indicator, but the Ministry of Justice of BiH reported on the intention to send an emergency to the institutions that did not nominate their representatives for the interdepartmental working group according to their initiative from 2021 (at that time, only the Civil Service Agencies of BiH and FBiH forwarded the proposals of members for the IWG, apart from the Ministry of Justice of BiH). For activities 2.1.4. Prepare the drafts of the necessary regulations in accordance with the Principles of public administration, the policy framework for the development of Human Resources Management in public administration structures in BiH and current legislation in BiH (Law on Prohibition of Discrimination, Law on Gender Equality, Labor Laws, etc.) and 2.1.5 Regulations to clearly define the roles and responsibilities of the institutions in charge of the civil service and the development of HRM policies, their implementation and supervision, there was a change at the level of the Republika Srpska, where the working version of the Law on Civil Servants was drafted, and in April 2023 submitted to

²⁰ This number also includes activity 2.2.1 where one of the two indicators remained unrated in this report due to the disagreement of the representative of Republika Srpska with the rating assigned by SIGMA.

the Ministry of Administration and Local Self-Government for referral to the adoption procedure. However, the Public Administration Reform Coordinator's Office did not have access to the above-mentioned draft, so it was not possible to assess whether it is in accordance with the Principles of public administration. At the other administrative levels, certain steps were taken, but there was no change in the indicators. Thus, at the level of the institutions of BiH, consultations are underway with SIGMA on the draft Law on amendments to the Law on the Civil Service of BiH, which was previously prepared with the support of the project "Strengthening the human resource management in BiH", while a proposal for the Regulation has been sent to the Government of the Federation of BiH on the conditions, method and program of taking the general knowledge exam and professional exam for civil service candidates in the Federation of BiH, the adoption of which would have a significant impact on progress in this domain.

Public availability of official data and reports on the civil service was, as foreseen through activity 2.1.7, ensured in the previous reporting period at the level of the institutions of BiH and FBiH. At the FBiH level, in this reporting period, steps were taken to further improve the availability of data through the establishment of a new platform for the management of professional training (TMS), which is integrated through the HRMIS system. However, at the level of RS and BD BiH, no progress has been recorded in this activity.

For activity 2.1.8. Determine instruments for better cooperation and coordination between agencies for the civil service/administration in the development and application of effective

HRM practices and standardization of tools for HRM, a regression was recorded, given that within a year of the formation of the Forum of Directors of Civil Service/Administration Agencies in BiH and the initial meeting (May 31 and June 1, 2022), no formal meeting of this Forum was held.

For activity 2.1.9. To establish an adequate independent HRM function in administrative bodies/institutions so that key HRM jobs and competencies are represented in the job descriptions of employees in HRM units, progress has been recorded at the level of BiH institutions as described in relation to the first indicator at the level of this measure, while there is no recorded progress at other levels.

Also, according to activities 2.1.10. which refers to monitoring and improving the consistency of the application of HRM policy in institutions and 2.1.11. Establish and provide continuous support to the work of a network of professionals in the field of HRM, which will include all four administrative structures in BiH, no progress has been recorded at any administrative level.

Key risks and challenges that led to activities not being implemented as planned are: lack of interest of certain administrative levels in BiH in the formation of a joint interdepartmental working group, insufficient monitoring of the application of the law on civil service and reporting, slowness in obtaining opinions and adopting prepared regulations, lack of continuous cooperation of agencies for civil service/administration, lack of training of officials for human resources management, and the lack of harmonization of the system in the Federation of BiH. In this reporting period, it has been shown that the risks and challenges identified in the previous report have been realized, and that it is necessary to approach the realization of the given recommendations more actively.

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

Indicators	Indicator values				
<p><i>Adequacy of the legal framework for meritorious employment for civil service positions (points) - (SIGMA)</i></p> <p><i>BV: 11/18 – TV: 16/18</i></p>	15/18	11/18	6/18	6/18	11/18
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>Application of recruitment procedures for civil service positions (points) – (SIGMA)</i></p> <p><i>BV: 3/18 – TV: 8/18</i></p>	10/18	13/18	10/18	2/18	11/18
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>Application of recruitment procedures for positions of senior civil servants – (SIGMA)</i></p> <p><i>BV: 1.5/9 – TV: 5/9</i></p>	3.5/9	5.5/9	3.5/9	2.5/9	4/9
	Institutions of BiH	FBiH	RS	BD	BiH

There were no changes in the indicator values at the level of this measure. Also, for none of the four activities determined as part of this measure, no progress was recorded compared to the previous reporting period at any administrative level, with the fact that activity 2.1.1. (Amendments to valid regulations in the field of civil service, which will ensure consistent application of the principles of merit selection of the best candidate, equal treatment and transparency) implemented at the level of BiH institutions in the previous reporting period. According to all other indicators, the activities are marked as unrealized (2.2.2. Strengthen the mechanisms for selecting the most competent job candidate, 2.2.3. Improve the capacities of the Board for deciding on appeals through additional employment and training

and 2.2.4. Ensure the legal framework for respecting the principle of political neutrality in the work of civil servants, especially those with managerial powers).

Key problems were recorded as: insufficient readiness to introduce changes in the way of conducting the professional examination, insufficient IT equipment and financial resources, and failure to implement recommendations for strengthening the capacity of authorities that supervise the application of regulations in the civil service system prepared as part of the project "Strengthening the human resource management in BiH". The risk at the level of BiH institutions is that the inconsistent application of civil service regulations could reduce the application of the aforementioned principles. It is evident that the risks identified in the previous report have materialized.

Measure 3: Establishment of modern personnel planning and professional development of employees

Indicators	Indicator values				
<p><i>The percentage of institutions that effectively establish and use one-year personnel plans in relation to the total number of institutions at all administrative levels</i></p> <p><i>BV: n/a – TV: 70%</i></p>	0	0	100	0	24.1
	Institutions of BiH				
	FBiH	RS	BD	BiH	
<p><i>Development, implementation and monitoring of training plans/through strategic training plans (points) - (SIGMA)</i></p> <p><i>BV: 1/3 – TV: 3/3</i></p>	3/3	3/3	2/3	0/3	2/3
	Institutions of BiH				
	FBiH	RS	BD	BiH	
<p><i>Training costs in relation to the annual salary budget (%) – (SIGMA)</i></p> <p><i>BV: 0/4 – TV: 2/4</i></p>	0/4	0/4	0/4	0/4	0/4
	Institutions of BiH				
	FBiH	RS	BD	BiH	
<p><i>Existence of functional databases of human resources with data on civil service (points) – (SIGMA)</i></p> <p><i>BV: 0/4 – TV: 3/4</i></p>	0.5/4	2/4	1.5/4	0.5/4	1.5/4
	Institutions of BiH				
	FBiH	RS	BD	BiH	

There were no changes in the indicator values at the level of this measure.

In the reporting period, there was no progress in the implementation of activities related to personnel planning (2.3.1., 2.3.2. and 2.3.3.), with the fact that these activities at the RS level were marked as implemented in the previous reporting period. Also, activities 2.3.4. Establish functional and reliable software systems from the domain of HRM and ensure their interoperability 2.3.6. Intensify inspection and other types of supervision over the implementation of regulations on the evaluation of the work of civil servants, 2.3.7.

Conduct trainings for managers (evaluators) on monitoring and evaluating work and 2.3.8. Ensuring the application of an improved training needs analysis process related to performance evaluation and introducing a regular evaluation of the effects of training on work performance were implemented in the previous reporting period at three administrative levels: FBiH, RS i BD BiH. Related to activity 2.3.4. for the level of BiH institutions, consultations are underway on changes to regulations that would enable the existence of functional databases of human resources with data on the civil service, while for the remaining three activities, the

problem is the lack of complete data for the assessment of indicators for this administrative level. Related to activity 2.3.5. Revise the existing/prepare new strategic professional development documents and provide funds in the budget to support the implementation of strategic documents (provide consolidated data on trainings financed from the budget of central HRM units and individual institutions at each administrative level), the continuity of the existence of strategic professional training documents was maintained (with the exception of the level of BD BiH),

but there was no progress at any administrative level regarding the establishment of unified training records.

Risks and challenges for the implementation of unrealized activities in the following period are failure to adopt adequate legal solutions, insufficiently favorable political environment, insufficiently developed awareness of the advantages of personnel planning, and disapproval of new employment due to lack of financial resources.

Measure 4: Establishing a fair and transparent system of wages and benefits for work

Indicators	Indicator values				
<i>The fairness of determining the basic salary in the job classification system (points) - (SIGMA)</i> <i>BV: 1/4 – TV: 3/4</i>	1/4	0/4	1/4	1/4	1/4
	Institutions of BiH	FBiH	RS	BD	BiH
<i>Availability of salary data (points) - (SIGMA)</i> <i>BV: 0/3 – TV: 2/3</i>	1/3	1/3	0/3	3/3	1/3
	Institutions of BiH	FBiH	RS	BD	BiH

There were no changes in the indicator values at the level of this measure. Activities 2.4.1. Use regulations to foresee the obligation of job analysis and analytical evaluation of jobs, as well as the methodology for analytical evaluation, classification and gradation of jobs and 2.4.3. By amending the regulations establish a system of wages and benefits based on the analytical assessment and classification of workplaces, at the level of BiH institutions, it was implemented earlier, while no progress was recorded at other administrative levels in this reporting period. For activities 2.4.2. Carry out an analytical assessment and classification

of working places as a basis for a new salary and compensation system, and amend the acts on the systematization and organization of working places and 2.4.4. Ensure the availability of data on the system of wages and benefits, no progress has been recorded at any administrative level compared to the previous reporting period.

The key risks for the implementation of these activities are the uncertainty of the adoption of regulations governing this area by the competent authorities, and the insufficient capacity of officials/units for human resources in certain institutions/administrative bodies.

Measure 5: Ensuring compliance with the norms of ethical behavior of employees in administrative structures

Indicators	Indicator values				
<i>Disciplinary measures confirmed by the court (%) - (SIGMA)</i> <i>BV: 0/4 – TV: 2/4</i>	4/4	4/4	4/4	4/4	4/4
	Institutions of BiH	FBiH	RS	BD	BiH
<i>Existence of legal frameworks for integrity in the civil service (points) - (SIGMA)</i> <i>BV: 0/5 – TV: 3/5</i>	1/5	0/5	0/5	0/5	0/5
	Institutions of BiH	FBiH	RS	BD	BiH
<i>Established civil service integrity plans (points)</i> <i>BV: 0/4 – TV: 4/4</i>	0/4	0/4	1/4	0/4	1/4
	Institutions of BiH	FBiH	RS	BD	BiH

Even at the level of this measure, there were no changes in the value of the indicator in this reporting period.

Activity 2.5.1. Strengthening the awareness of management staff about the need to sanction work failures in a fair and timely manner, was partially realized in the previous reporting period and no changes have been recorded since then. Activity 2.5.2. which refers to improving the implementation of disciplinary procedures and ensuring the application of the code of ethical behavior of employees was previously implemented at the FBiH level, and trainings on this topic were also held in this reporting period, while no progress was recorded at other administrative levels. Related to ensuring the legal basis for adopting integrity plans and strengthening capacity at the level of individual institutions for their preparation (activity 2.5.3.), no changes

were recorded in the percentage of institutions that adopted integrity plans (this activity was previously implemented at the RS level and partially implemented at the FBiH level). In this reporting period, training was held at the FBiH level on the topic “Development, implementation and monitoring of the implementation of integrity plans for 53 participants, which should contribute to better quality of integrity plans and their better implementation at this administrative level. Regarding monitoring the implementation of integrity plans (activity 2.5.4) no progress was recorded at any administrative level.

The same **challenges** and risks identified in the previous reporting period are still present, such as an inadequate legal framework, insufficient monitoring of the implementation of integrity plans, and the absence of integrity plans in all institutions, especially at the BD BiH level.

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

Indicators	Indicator values				
<p><i>The number of managerial civil servants who received training on management knowledge and skills at all administrative levels</i></p> <p><i>BV: n/a – TV: 90%</i></p>	49.8	7.8	0	92.2	26.1
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>Percentage of managerial civil servants whose work was evaluated by competent authorities</i></p> <p><i>BV: n/a – TV: 90%</i></p>	0	0	80	100	25
	Institutions of BiH	FBiH	RS	BD	BiH

There were no changes in the indicator values at the measure level.

Activity 2.6.1. which refers to the training of managerial civil servants on basic managerial knowledge and skills, was in the previous reporting period realized at the level of RS and partially realized at the level of BiH institutions. In this reporting period, no progress was recorded compared to the previous one. Activity 2.6.1 is similar. Amend the existing/enact new provisions of the regulations that regulate the verification of the work of managerial civil servants based on the assessment of managerial skills previously implemented at the

FBiH level, while no progress was recorded at other administrative levels even in this reporting period. The last activity within this measure also refers to changes in regulations, (2.6.3. Amend existing/enact new provisions of the regulations that regulate the monitoring and evaluation of the work of managers of institutions/ administrative organizations), and it is still unrealized at all administrative levels.

The **challenge** continues to be securing the necessary funds for training, as well as the disinterest of decision makers in changing the current regulations.

KEY RECOMMENDATIONS FOR THE AREA OF CIVIL SERVICE AND HRM

- Given that in this reporting period, almost insignificant progress was made in the field, the recommendations from the previous report are still current.
- Competent institutions at all levels (the Ministries of Justice of BiH and FBiH, the Ministry of Administration and Local Self-Government of the RS, in cooperation with agencies for civil service/administration, and the Sub-Department for Human Resources of BD BiH) should intensify activities on the preparation and adoption of relevant regulations. It is necessary to strengthen the personnel capacities of the institutions responsible for drafting regulations in the field of civil service, as well as the capacities for human resource management in individual institutions. It is necessary to improve cooperation and coordination mechanisms in the area between and within individual administrative levels (it is necessary for the Supervisory team for HRM to start work, to ensure the continuous sustainability of the work of the Forum of Directors, and the sustainability of the work of practitioner networks and their mutual interaction).
- When amending the regulations, the competent institutions should take into account the recommendations from the SIGMA Monitoring Report for BiH from 2022, as well as the recommendations established through the project “Strengthening Human Resource Management in BiH”. Agencies for civil service/administration and the Human Resources Subdivision of the BD BiH should increase the application of information technologies in the recruitment process by using available budget and donor funds.
- In the field of personnel planning, the competent institutions should take into account the requirements of the Strategic framework of RJU and the recommendations from previously prepared analyzes when amending the regulations. Civil service/administration agencies and the Human Resources Subdivision of the BD BiH should take steps to ensure the interoperability of information systems from the HRM domain, as well as the establishment of unique training records financed from the budget for each administrative level.
- It is necessary to start activities on job analysis at the levels where this has not been done, and the Civil Service/Administration Agencies should ensure greater availability of salary data.
- In terms of integrity, it is necessary to improve the legal framework in accordance with the findings of the analyzes carried out and the SIGMA monitoring report from 2022 (with the fact that the legal framework that is the subject of the SIGMA assessment is outside the domain of the Strategic framework for RJU, and it is necessary to include all competent institutions in this matter). At the BiH level, institutions should initiate amendments to the Law on the Agency for the Prevention of Corruption and Coordination of the Fight Against Corruption in terms of the inclusion of a provision that will foresee the obligation to develop strategic plans, as well as the adoption of the Strategy for the fight against corruption. At the FBiH level, it is necessary to ensure coordination in the field of the fight against corruption. The Agency for the Prevention of Corruption and the Coordination of the Fight Against Corruption of BiH, the Ministry of Justice of the RS, the anti-corruption authorities of the FBiH and BD BiH should intensify their activities to monitor the implementation of integrity plans in individual institutions at all administrative levels.

MEASURES

3

MEASURES IN AREA

6

INDICATORS

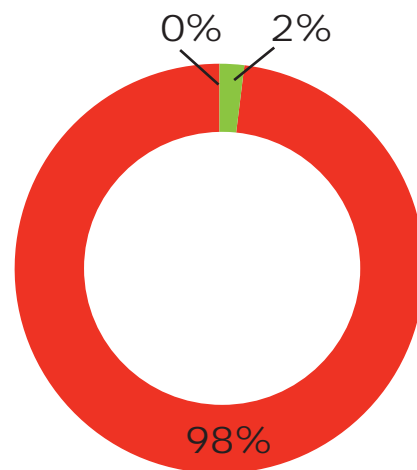
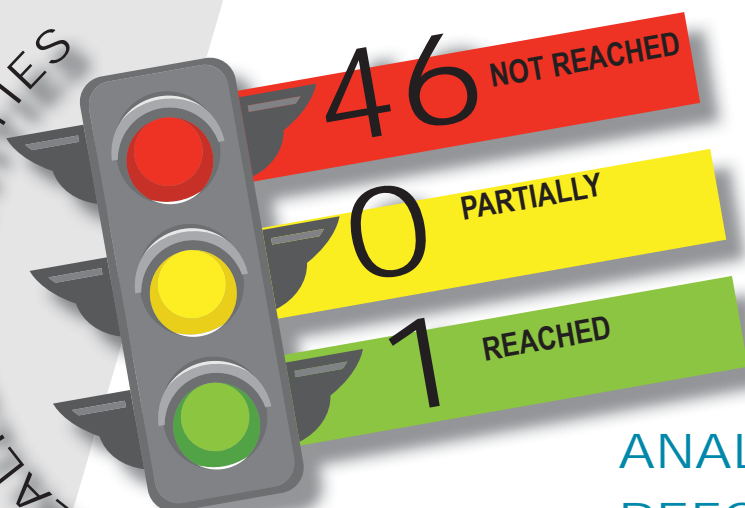
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REACHED INDICATORS IN AREA

2.3. ACCOUNTABILITY

The field of accountability requires the existence of adequate mechanisms that ensure the responsibility of administration. The planned measures and activities are based on the SIGMA principle, according to which the entire organization of the administration should be rational, follow adequate policies and regulations, and ensure appropriate internal, political, judicial, social and independent accountability. This includes ensuring the right of access to public information, an efficient system of appeals, as well as independent supervision and judicial control in administrative cases. Accountability must be accompanied by legal accountability for the decisions of public institutions or the lack of them. The key goal in this reform area is to achieve an organizationally and functionally harmonized and transparent system of public administration with improved internal and external supervision over the work of public administration.

REALIZED ACTIVITIES



ANALYSIS: REFORM MEASURES

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

In the reporting period, no progress was made in strengthening the accountability of the public administration. The area contains three measures aimed at improved organization of administration, improving the right to access information and strengthening the transparency of institutions, as well as strengthening mechanisms for the supervision of independent institutions, inspections and judicial control in administrative cases. These reforms are planned within the framework

of three measures and in this report the values of the indicators of the measures are taken from the previous reporting period. In most cases, it is a SIGMA measurement. The report observes activities, 47 of them in total. In the previous reporting period, only one activity was completely fulfilled (at all levels of government). At the state level, 4 activities have been completed, in the Federation of Bosnia and Herzegovi-

na 3, in Brčko District of Bosnia and Herzegovina 2, while in the Republika Srpska only one activity has been completed (green light). Taking into account that no progress was recorded in this reporting period, the statistics of the implementation of the planned activities remain the same. The table shows the statistics of the achieved progress by activities individually, for each level of government:

	Inst. BiH	FBiH	RS	BD
The target values were not reached	42	43	45	44
The target values were partially reached	1	0	0	0
The target values were reached	4	3	1	2
<i>Total number of activities:</i>	47	46	46	46

Measure 1: Improving the organizational structure of the public administration system at all administrative levels

Indicators

Indicator values

Adequacy of policy and regulatory framework for management of central government institutions at administrative levels (points) - (SIGMA)

BV: 1/5 – TV: 3/5



Responsibility in reporting between central government bodies and competent ministries at administrative levels (points) - (SIGMA)

BV: 0/4 – TV: 2/4



The evaluation of the organization of public administration is measured using two indicators, in accordance with the SIGMA Principles of Public Administration, which question the adequacy of the policy and regulatory framework for the management of central government institutions and accountability in reporting between ministries and administrative organizations within ministries. The displayed value of the measure indicator represents the value stated in the Report on progress in the implementation of the PAR Action plan, for the period 2020-2022.

Within this measure, 12 different activities were planned, but none of them were implemented in the reporting period, nor was progress made in implementation, and the values of all activity indicators remain unchanged compared to the previous reporting period. Taking into account the lack of capacity in some of the key institutions responsible for the implementation of the reform in this area, part of the activities that foresee the draft of an analysis of the organizational structure of the public administration (3.1.2) based on the previously established methodology (3.1.1.), as well as the preparation of a plan improvement of the organizational structure and its

implementation (3.1.3) and the development of tools for planning further changes in the organization of administration (3.1.4) are planned through the IPA 2019 project. The same project includes activities that lead to further strengthening and promotion of managerial accountability. The public procurement procedure is ongoing and the project is expected to start in the last quarter of 2023. In the previous reporting period, progress was made in the development of managerial accountability through the PAR IPA 2015 project, around which a discussion was organized and initial analyzes were prepared, as well as through the PIFC IPA 2015 project, around which Guidelines for the development of managerial accountability in BiH institutions were prepared at the state level, since it provides recommendations and clarifications for the development of management accountability, including instructions on the delegation of authority, as well as challenges in the development of management accountability.

In the reporting period, the relevant ministries did not work on improving the acts on internal organization (3.1.5). Although the methodology for the development of electronic registers of administrative bodies and or-

ganizations was developed in the previous reporting period (3.1.7 - indicators fulfilled in the previous period) together with the software solution (3.1.9) and draft by-laws on the establishment of electronic registers of administrative bodies and organizations at all levels, which will regulate the obligation to regularly update the registers (3.1.8) in the reporting period, the activities did not continue, and the indicator values remain unchanged in this reporting period, including for activity 3.1.10. - ensuring the availability of registers to the public.

Risks and next steps: One of the key reasons for the lack of implementation of these activities is the failure to establish a structure for public administration reform. Due to the lack of capacity in some of the competent ministries, IPA support was requested for the implementation of part of the activities, but the challenge of fully involving the competent institutions in the project activities, in order to achieve the established goals, remains. It is necessary to further strengthen the capacities in the competent ministries of justice/administration, and to ensure the effective participation of representatives of these institutions in the implementation of planned project activities.

Measure 2: Increasing the availability of public administration information

Indicators	Indicator values				
<p><i>Comprehensiveness of monitoring the implementation of the law on access to information of public importance (points) - (SIGMA)</i></p> <p><i>BV: 0/5 – TV: 3/5</i></p>	1	0	0	0	0/5
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>Proactivity in publishing information of state administration bodies on their websites (points) - (SIGMA)</i></p> <p><i>BV: 2/5 – TV: 4/5</i></p>	3	2	1	1	2/5
	Institutions of BiH	FBiH	RS	BD	BiH

The measure is aimed at ensuring the legal and institutional framework for freedom of access to information in accordance with the highest international standards, and strengthening proactive transparency. The values of the indicators represent the values from the Report on the Implementation of the PAR Action plan, for the period 2020-2022. 18 activities are planned within the framework of this measure. Although certain shifts were observed in the reporting period, they did not affect the change in indicator values of the activity, and for all indicators the values remain unchanged compared to the previous reporting period.

In the previous reporting period, analyzes of legislation on freedom of access to information were prepared, which influenced the change of indicators for BiH and FBIH (activity 3.2.1), and at the state level, a new Law on freedom of access to information in BiH was prepared (activity 3.2.2). which takes over the provisions of Directive (EU) 2019/1024 of the European Parliament and of the Council of Ministers from June 20, 2019 on open data and the reuse of public sector documents, and contains provisions on proactive transparency, including a list of documents that

state institutions should proactively publish. The Ministry of Justice of BiH sent the new Law on Freedom of Access to Information to the Parliamentary Assembly of BiH. The Ombudsman institution previously expressed concern that the law did not ensure the independence of the second-level authority²¹, and the reaction of the DEU²² in BiH²³ in the reporting period is in accordance with the position of the Ombudsman institution and points to the fact that the law did not take into account the recommendations from previously prepared analyses. A group of non-governmental organizations, members of the European Integration Monitoring Initiative, announced that they are preparing "Amendments to the Draft Law with the aim of improving it and harmonizing it with international standards"²⁴. Considering that activity 3.2.2. foresees the adoption of harmonized amended/new laws on freedom of access to information at all administrative levels (in accordance with the recommendations resulting from the analysis), and that at other levels in the reporting period there was no progress in the implementation of this activity, the value of the indicator remains unchanged. The same indicator values re-

²¹ https://ombudsmen.gov.ba/documents/obmudsmen_doc2023042110381041bos.pdf

²² <https://hayat.ba/sattler-pisao-parlamentu-bih-zakon-o-slobodi-pristupa-informacijama-uskladiti-sa-eu/980610/>

²³ <https://index.ba/sattler-pisao-parlamentarcima-zakon-o-slobodi-pristupa-informacijama-uskladiti-sa-eu/>

²⁴ <https://eu-monitoring.ba/organizacije-civilnog-drustva-upozoravaju-prijedlog-zakona-o-slobodni-pristupa-informacijama-ce-ugroziti-prava-gradjana/>

main for activities 3.2.5, 3.2.6, and 3.2.7, which refer to the analysis of justification, harmonization of legislation for the supervisory authority in accordance with the law on access to information and strengthening the capacity of the supervisory institution. At other levels, no progress was made in improving freedom of access to information.

Although by-laws on proactive transparency (3.2.3) and the proactive transparency monitoring mechanism in accordance with the new regulations have not been developed, the institutions' intention to make data available exists. State institutions continued to publish documents based on the previously adopted policy and standard of proactive transparency²⁵, and the Public Relations Office of the Government of FBiH continued to publish important documents, including the Work Program of the Government of FBiH, in accordance with the "Communication Plan of the Government of FBiH for 2023 with the Communication Action Plan" for 2023, Budget of the Federation of BiH for 2023, Report on the work of the Government of FBiH for 2022, Budget of the Federation of BiH for citizens for 2023, all decisions made, and a number of other documents. According to the data of the Public Relations Office of the FBiH Government, the page has one million visitors, while the Facebook page has more than 35,000 followers. Proactive transparency in FBiH, however, was not introduced as a formal obligation of all federal institutions, so the value of the indicator remains unchanged. At the state level, an online proactive transparency monitoring system was established in the previous period (activity 3.2.4), and in this reporting period, a new fifth survey was conducted among 65 state institutions, which showed that the average fulfillment of proactive transparency standards is 72.27%²⁶. In accordance with the conclusion of the BiH Council of Ministers from 2022, out of 65 institutions, internal acts on proactive transparency were adopted by 30 institutions²⁷. Although a monitoring system exists, taking into account changes in legislation and the need to align with new regulations, the value of the indicator remains unchanged. No changes were recorded at other levels.

Progress was not achieved even in the implementation of activity 3.2.7. - harmonization of job descriptions with new regulations on freedom of access to information. At the state level, the new Draft Law on Freedom of Access to Information contains provisions related to the obligations of public relations civil servants and introduces different obligations for civil servants, but the law has not yet been adopted. According to the data provided by state institutions on the current status of compliance of job descriptions

²⁵ The Council of Ministers of Bosnia and Herzegovina adopted at the 60th session held on December 3, 2018

²⁶ The survey was conducted in April 2023.

²⁷ Data from the PARCO survey

²⁸ Official Gazette of the Federation of Bosnia and Herzegovina number: 14/22

with applicable laws, it is possible to conclude that not all positions of public relations officers are compliant with the applicable law on freedom of access to information; there are institutions where such positions are not provided by systematization, while part of the position of public relations civil servants is unfilled. No progress has been confirmed in the entities and BDBiH in the reporting period.

No progress was made in the implementation of activities 3.2.9, which foresees the definition of standard data for unified databases of requests for access to information, the same is for related activities 3.2.10, 3.2.11, 3.2.12. At the state level, the Draft Law on Freedom of Access to Information foresees the establishment of a register of requests for access to information, which is published on the websites of institutions, and which, according to the proposed law, contains entries on procedural steps, the resolution of requests, as well as data on appeals and court proceedings. The assessment of readiness for open data was prepared in the previous reporting period for BiH and FBiH where the activity 3.2.13. was carried out, and in this report there was no progress in the preparation of similar analyzes for the RS and BDBiH. Taking into account the absence of all analyses, no progress has been made in the development of the open data policy (3.2.14), and the development of the guide on open data (3.2.15).

The indicator remained unchanged for the activity of improving website maintenance procedures, which should also incorporate technical standards of proactive transparency. In FBiH, the Government of FBiH adopted a Decision on the website and online channels of communication of the Government of FBiH²⁸ which improved the procedures for maintaining the website, but, taking into account that proactive transparency standards are not defined in regulations in FBiH, as well as that the Decision refers only to the website of the Government FBiH indicator value remains the same. At other levels, there was no progress in the implementation of activities.

Risks and next steps: Non-inclusion of civil society organizations, especially in the process of drafting regulations that realize basic rights, can reduce the quality of legislation and slow down the process of adopting regulations, and thus the implementation of activities. It is necessary to include civil society organizations in the further implementation of the activities envisaged by this measure, and to ensure cooperation among the key bearers of activities at all levels, in order to achieve harmonized solutions.

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

Indicators	Indicator values				
<p><i>The rate of implementation of the ombudsman's recommendations</i></p> <p><i>BV: 45.12% – TV: 55%</i></p>	-	-	-	-	31
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>Number of cases of administrative bodies (administrative acts) confirmed by the competent court</i></p> <p><i>BV: 53% – TV: 61%</i></p>	-	-	-	-	48.1
	Institutions of BiH	FBiH	RS	BD	BiH

This measure should contribute to the establishment of functional mechanisms for the protection of the individual's right to good administration and the public interest, and the displayed indicator values represent the values from the Progress Report for the period 2020-2022. 17 activities are planned as part of the measure, and the submitted data do not indicate any progress in their implementation, and the indicator values remain unchanged.

Although the Institution of Ombudsman regularly analyzes the implementation of recommendations through annual reports, and statistical records are also kept by audit institutions at all levels, which have registers of recommendations on their websites, an analysis of the reasons for the low fulfillment of recommendations by supervisory bodies has not been prepared (activity 3.3.1) even in this reporting period.

The status of the key institutions that supervise the work of the administration is not entirely independent (activity 3.3.2) The legal status of the Ombudsman Institution and Supreme Audit Institutions largely corresponds to international standards, but in the case of the Ombudsman Institution, the shortcomings of the legislative framework have not yet been resolved, while the functional, operational and financial independence, mandate and organization of the audit office (Audit Office of Institutions of BiH, The Audit Office in the Federation of BiH, the Main Audit Service of the Republika Srpska, the Audit Office of Public Administration and Institutions in the Brčko District of BiH) are regulated only by laws and not by the constitution, which is one of the international principles. The Draft Law on Amendments to the Law on the Institution of Ombudsman for Human Rights has been submitted to the parliamentary procedure. One of the reasons for initiating the procedure for amending the Act is to ensure financial independence. The proposed provisions envisage the inclusion of competent parliamentary commissions in the budget preparation process of the Ombudsman Institution for the purpose of ensuring financial independence, with the obligation of the MFT to act in accordance with these recommendations. In the explanation of the law, it is stated that this is in accordance with the recommendations of the Subcommittee for Accreditation of the International Coordi-

nating-Financial Committee. These recommendations require that the institution enjoy "complete independence in defining its budget". The law has not yet been adopted, so the value of the indicator remains unchanged.

Activities that contribute to the strengthening of inspection supervision over the work of public administration (from 3.1.6 to 3.1.9) were not conducted in this reporting period at any administrative level, and one of the reasons is the lack of capacity, especially at the state level.

No data was submitted confirming that any activities were conducted to improve regulations on administrative disputes (3.3.10 and 3.3.11) and the establishment of a monitoring system on administrative resolution (3.3.12, 3.3.13 and 3.3.14), nor on the improvement of the legislation that prescribes the payment of idemnity in case of wrongful work of the administration (3.3.16 and 3.3.17).

The Centers for the Education of Judges and Prosecutors of FBiH and RS have planned trainings on administrative resolution, but there is no data on the implementation and training participants (activity 3.3.15). The training program of the FBiH Center for 2023 includes a seminar on "Court practice in administrative disputes" and a seminar on "Current issues in the administration of the area", while in the training program for 2023 of the RS Education Center, one training session is planned on "Practice of the Supreme Court of the Republika Srpska on the administrative report".

Risks and next steps: The lack of capacity in the competent ministries, especially in administrative inspections, remains a challenge in the coming period. It is necessary to ensure support for further capacity building in competent institutions. Continuous political support for strengthening independent supervision over the work of institutions will be necessary to ensure the independence of supervisory institutions and their further development. This support, as well as increasing the willingness of institutions to develop a culture in public administration that respects the recommendations of supervisory institutions, is necessary for the successful implementation of planned activities.

KEY RECOMMENDATIONS FOR AREA OF ACCOUNTABILITY

- The Council of Ministers of BiH, the Government of the Federation of BiH and the Government of the Brčko District of BiH should provide full support for the implementation of the planned activities of the PAR Action plan, which are aimed at strengthening accountability in public administration.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of Republika Srpska and the competent institution of the Brčko District of BiH should ensure the full participation of their representatives in projects funded by the EU or other donors in order to improve the legislative framework on the organization of administration and promote managerial accountability in public administration.
- The BiH Parliamentary Assembly should amend the Law on the Ombudsman in order to eliminate the direct intervention of the executive power in approving the budget of the Ombudsman Institution and to ensure the financial independence of this institution.
- The Ministries of Justice/Administration in cooperation with PARCO, the Ombudsman Institution of BiH and audit offices should analyze the reasons for the low degree of fulfillment of the recommendations of these supervisory bodies, and adopt and implement a set of measures that will strengthen the independent supervision over the administration.
- The Parliamentary Assembly of BiH, the Parliament of the FBiH, the National Assembly of the RS and the Assembly of the BDBiH should at all levels strengthen the mechanism of supervision over the implementation of the recommendations of independent bodies and require regular reports from governments at all levels.
- It is necessary that the Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of the Republika Srpska and the competent institution of the Brčko District of BiH establish an efficient system of monitoring administrative and judicial practice in administrative matters, with reliable statistics in order to ensure the effective application of the right to administrative justice and the right to compensation caused by the wrongful work of the administration.
- The Ministries of Justice at all levels should complete the drafting of laws on freedom of access to information that will be harmonized with the requirements for proactive transparency and openness of data and offer harmonized solutions, and then refer them to the adoption procedure, while organizing consultations with civil society and citizens.
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MEASURES

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MEASURES IN AREA

7

INDICATORS

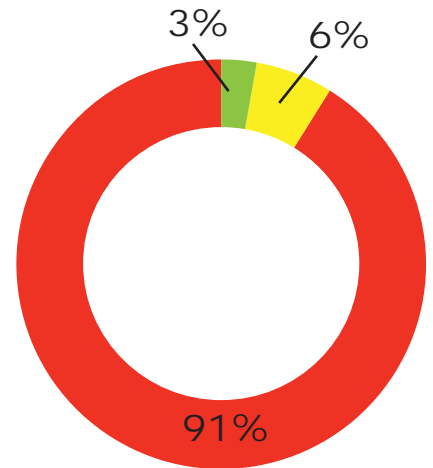
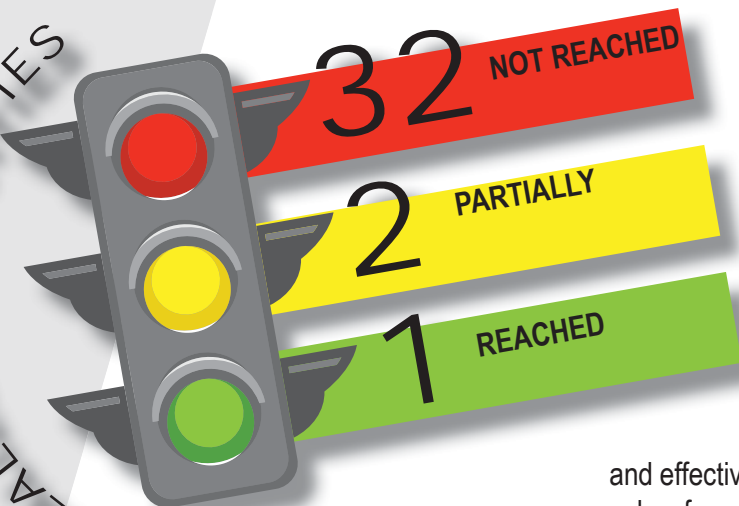
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REACHED INDICATORS IN AREA

2.4. SERVICE DELIVERY

The challenges that public administration is increasingly facing is how to offer better services to end users. The delivery of services has traditionally been viewed as a passive means for executing policies that are defined by laws. However, as citizens increasingly get used to better and digital services from the private sector, the public sector is also seen as another sector - service delivers for which citizens and business entities pay taxes. Global trends, new technologies, constant growth, change in citizens' expectations, and budget restrictions create a new environment for public administration work. In order for the public administration to be able to meet these challenges, it is necessary to implement new ways to improve the efficiency

REALIZED ACTIVITIES



and effectiveness of service delivery. This implies providing value for money (tax) by improving the quality of services, reducing the costs of those services, automating and digitizing processes performed by public administration. At the same time, there is a requirement for services to be highly available to end users through various (acceptable to them) channels, while currently mobile applications and platforms enable a high level of user scope. It is essential to transform and constantly adapt the process and change the paradigm from a sectoral and silo-oriented organization to a process-oriented and service-integrated public administration organization formed according to the users' life events.

ANALYSIS: REFORM MEASURES

Specific goal: Public administration in BiH is user-oriented in that it professionally monitors and understands users' needs and expectations and, based on them, improves its operational processes and administrative operations, reduces administrative burden, enables accessibility of services through various communication channels, while ensuring high quality and reduction of the costs of services.

The specific goal of this area is focused on reform processes that will transform, that is, orient public administration towards users, by expertly monitoring and understanding their needs and expectations, and based

on that, improving business processes and administrative procedures, reducing the administrative burden, enabling the availability of services through different communication channels, while ensuring high quality and reducing the price of the service. In the reporting period, no progress was made in this area, and the activity indicator values remain unchanged. Out of a total of 35 activities, only one activity was fully implemented (4.2.1.2) in the previous reporting period, while two activities were partially implemented (4.1.1.1 and 4.3.3.2). For the purposes of preparing the semi-annual report, no measurement of the indicators of the measures was carried out. Three measures are planned in the area, which are measured using a total of seven indicators, and the values stated in the report represent assumed values measured at the end of 2022. Below are the results of implementation by level:

	Inst. BiH	FBiH	RS	BD
The target values were not reached	31	28	30	32
The target values were partially achieved	1	3	1	1
The target values were reached	3	3	2	1
<i>Total number of activities:</i>	35	34	34	34

Measure 1: Determination of quality instruments of services provided by public administration and focus on service users

Indicators	Indicator values				
<p><i>There is a policy framework for quality management at every administrative level in BiH</i></p> <p><i>BV: 0/4 – TV: 4/4</i></p>	0	0	0	0	0
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>% of services measured by using customer satisfaction measurement tools at each administrative level</i></p> <p><i>BV: 0% – TV: 20%</i></p>	0	0	0	0	0
	Institutions of BiH	FBiH	RS	BD	BiH
<p><i>% of institutions that have developed and apply a customer relationship management system (CRM) at each administrative level</i></p> <p><i>BV: 0% – TV: 20%</i></p>	0	0	0	0	0
	Institutions of BiH	FBiH	RS	BD	BiH

In the reporting period, no progress was made in the implementation of the activities of this measure, which is a direct result of waiting for the adoption of documents for the implementation of public administration reform and the non-functioning of the PAR Fund, i.e. the lack of financial resources

and human resources for the implementation of the activities of this measure. The values of the indicators at the activity level remain the same, considering that in this reporting period, according to the submitted information, there was no realization of activities.

When drafting and referring to the adoption of the quality management policy and accompanying tools, such as measuring user satisfaction and examining user needs, a high level of readiness for cooperation is required from all institutions to which these issues relate, especially Public Administration Reform Coordinator's Office, the Civil Service Agency of BiH, the Civil Service Agency of the Federation of BiH, the Agen-

cy for State Administration of the Republika Srpska and the Ministry of Science and Technology Development, Higher Education and Information Society, and institutions that will be subsequently determined by the Government of Brčko District of BiH. This additionally indicates the need for urgent adoption of documents that have a direct impact on the implementation of public administration reform.

Measure 2: Improving the availability of services through different communication channels

Indicators

Indicator values

% of priority services provided through multiple channels (3rd or 4th²⁹ transaction level) at each administrative level

BV: 0% – TV: 15%



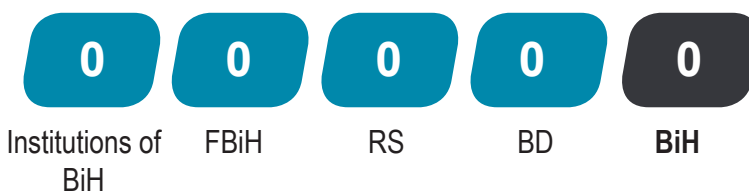
% reduction of time for the realization of services (registration of business entities, construction permit, renewal of personal documents, taxes for companies, tax...) at each administrative level

BV: 3/18 – TV: 8/18



Number of services offered on a "one-stop basis" principle at each administrative level

BV: 4 – TV: 8



No data was submitted on the basis of which it is possible to record progress in the implementation of the measure, and on that basis the values of the indicators were not changed. The institutions that are the key bearers of the activities to this extent did not submit any data on the activities carried out.

Due to missing information, the realization of activities belonging to this measure was not recorded. Therefore, it is not possible to evaluate the dynamics of activities and give suggestions and recommendations for individual activities, because it is not possible to determine the influence of various factors and risks, and what are the challenges during implementation.

The relevant activities which were initiated, participated in and coordinated by PARCO relate to the issues of the interoperability framework, and thus the activity on improving the capacity for the implementation of the Interoperability framework in BiH has been completed. The focus of the support, which was implemented with the support of the RCC Regional Cooperation Council, was related to semantic interoperability and the establishment of a service catalog. All relevant representatives of institutions participating in the interoperability implementation process participated. At the held workshops, the best practices in the EU and the region were presented, conclusions and directions for fur-

ther activities on the introduction of the CPSV-AP semantic standard and the method of introducing the service catalog were defined with the participants.

Of the relevant activities essential for this measure, it refers to the preconditions defined by the AP and it concern the establishment of the following building blocks:

1. Catalog of services
2. Center of shared services at each administrative level
3. Services:
 - a) E-payment
 - b) CA
 - c) GSB – government service bus
 - d) E-mail box
 - e) Cloud (data classification)

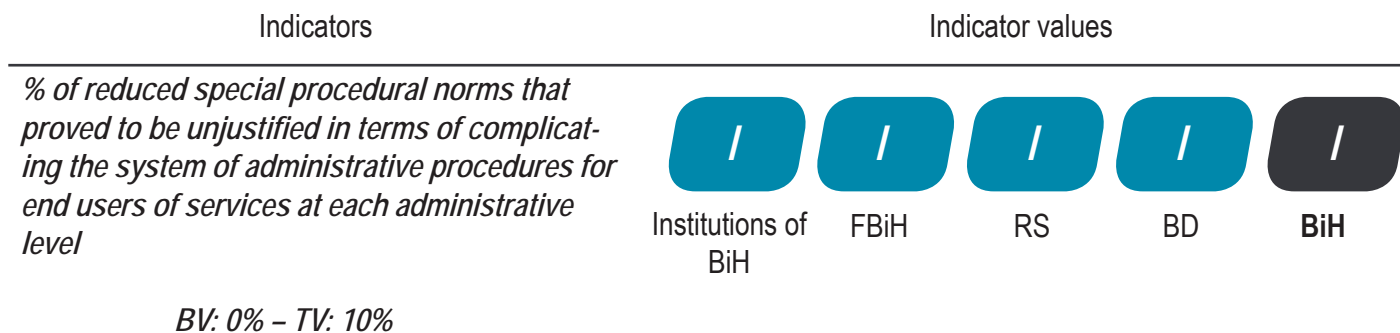
In the reporting period, the implementation of the mentioned building blocks through IPA III was proposed. Several consultations were held both with the representatives of the EU Delegation in BiH and their experts with the aim of harmonizing the implementation of these services. Relevant experts from institutions from all administrative levels were also consulted. The appropriate framework was defined and the documentation was created, which made this project a candidate for funding IPA III 2024. The EU Delegation's response to the submitted proposal and at the same time the possibility of supporting the preparatory activities required for this extensive project are expected.

²⁹ Level 3 or 4 means that the services are at the interaction or transaction maturity level

Risks and next steps: Taking into account the risk of delaying the establishment of electronic services due to the slow establishment of building blocks (preconditions for e-services), in the coming period it is a priority to establish a higher degree of coordination through the appointment of supervisory teams, but also more operational work of all other working groups planned by the Action plan. It is necessary to gain the opinion of the EU Delegation on the

status of the candidate prerequisite activities for the area and the possibility of supporting preparatory activities for the implementation of the prerequisites: building blocks. In the context of the fact of missing information, i.e. that there was no realization of activities in the reporting period, all recommendations from the previous report are also relevant for the current report.

Measure 3: Coordinated improvement of the administrative-legal framework



In order to define the initial value of the indicators of this measure and the possibility of monitoring administrative simplification, it will be necessary to carry out an analysis and determine the total number of all special procedural norms. Also, it will be possible to calculate individual indicators at the level of activities only after the criteria for their measurement have been established and agreed upon at the level of the Supervisory team for better service delivery and quality, which additionally indicates the urgency of adopting documents that have a direct impact on the implementation of public administration reform.

According to the available data, in the reporting period progress was recorded in the implementation of the activities of this measure at the level of Republika Srpska, while at the level of the Council of Ministers of BiH and Brčko District of BiH there was no implementation of activities. Information on the implementation of activities for the Federation of BiH has not been submitted.

The Government of the Republika Srpska at its 17th session, held on April 20, 2023 adopted the Information on the implementation of the project for the optimization of administrative procedures and formalities at the republic level (Conclusion of the Government of the Republika Srpska, number: 04/1-012-2-1335/23 from April 20, 2023). During the analysis of procedures and formalities which are issued by the republic's administrative bodies, and according to the adopted Action plan, the number of formalities proposed for abolition is 42 (4.40%), the number of formalities proposed for simplification is 243 (25.47%). Almost all planned formalities for abolition have been abolished, and formalities planned for simpli-

fication are ongoing.

At the level of competent institutions of all four administrative levels, in the reporting period, the implementation of activities was recorded, which represents the initiation and support of the implementation of the activities of this measure, but does not change the value of the indicator at the level of individual activities. On June 6, 2023, the Public Administration Reform Coordinator's Office, in cooperation with SIGMA, organized a round table in Sarajevo to support the implementation of the activities of this measure. Experts from SIGMA and participants from the administrative bodies in BiH had the opportunity to exchange experiences in creating a catalog of services and simplifying administrative procedures. The exchange of information about realized, planned and ongoing activities in this area was the basis for discussion and for making proposals about the way in which the work on the realization of these activities will continue. It was concluded that all four administrative levels are dedicated to creating a catalog of services and simplifying administrative procedures, including eliminating unnecessary formalities and digitalization. As a next step, it was agreed that SIGMA and PARCO will organize a new round of bilateral online meetings with representatives of all four administrative levels, where the planned next steps and corresponding support needs in their implementation will be discussed in more detail. The organization of the next round table with the same topic has been announced for September, all with the aim of further supporting the implementation of the activities of this measure.

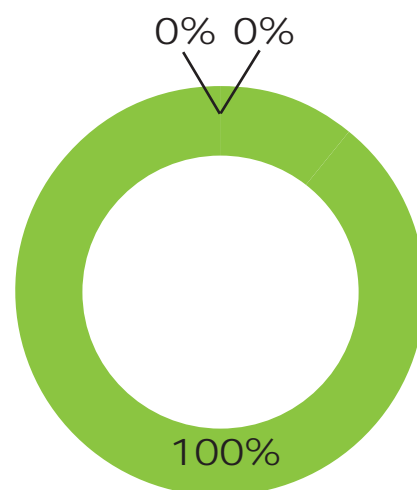
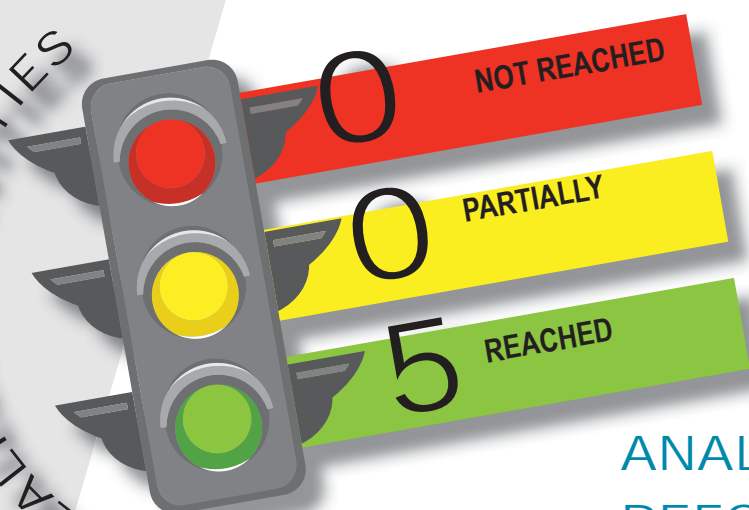
KEY RECOMMENDATIONS FOR THE AREA OF SERVICE DELIVERY

- Public Administration Reform Coordinator's Office, Agency for Civil Service of BiH, Agency for Civil Service of the Federation of BiH, Agency for State Administration of Republika Srpska and the Ministry of Science and Technology Development, Higher Education and Information Society, and an institution which will be determined later by the Brčko Districts Government of BiH, should by the end of 2023 begin to actively work on the implementation of activities from the Quality Management Planning Document, the promotion of quality management tools in public administration organizations, capacity building for the use of various quality management tools, and the identification of possible donors and lobbying for supporting activities on the introduction of quality management in public administration.
- Competent institutions of the Council of Ministers of BiH, Republika Srpska and Brčko District of BiH should continue to work on determining the structure of the catalog of services until the end of 2023, based on the pre-established methodology for creating the catalog of services.
- Competent institutions at the level of the Council of Ministers of BiH and Brčko District of BiH should take appropriate steps by the end of 2023 for the purpose of establishing a unique methodology for reducing formalities and burdens.
- By the end of 2023, it is necessary to start work on ensuring the entry of all competent institutions at the level of Republika Srpska that conduct administrative procedures and issue formalities in the procedure of obtaining documentation related to registration and settlement of tax obligations, through the provided applications.
- Institutions at the republic level, which are responsible for issuing formalities, are obliged, by the end of 2023, to start working on adapting (amending or supplementing) the regulations under their jurisdiction with the Action plan for the optimization of procedures and formalities adopted by the Government of the Republika Srpska.
- By the end of 2023, it is necessary to carry out a detailed financial projection of the necessary funds for the implementation of activities within the competent institutions at the level of the Council of Ministers of BiH, Republika Srpska and Brčko District of BiH, and accordingly plan funds in the budget and, if necessary, do funding from other sources (donations).
- It is necessary that the Council of Ministers of BiH and the Government of the Republika Srpska adopt documents for the implementation of public administration reform by the end of 2023.
- If they do not currently exist, the Agency for the Civil Service of BiH, the Agency for the Civil Service of the Federation of BiH, the Agency for State Administration of the Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should by the end of 2023 include in their regular training programs training specialized in the topic of improving administrative-legal framework and digital transformation.
- PARCO in cooperation with DEI, should coordinate the programming and preparation of documentation required for IPA III, related to the proposed financing of prerequisites defined by AP (service catalog, shared service centers, ePayment, CA, GSB-Government service bus, e-boxes, Cloud (classification of data):
- MCT BiH should initiate the work of the Interdepartmental working group for interoperability and offer a proposal for the Rules of Procedure and a proposal for the calendar of the group's meetings;
- Establish the coordination of the implementation of the activities foreseen in the Action plan by appointing the missing ST members at the level of the Council of Ministers of BiH and the Republika Srpska entity;
- It is necessary for the Council of Ministers of BiH to adopt the Rules of Procedure on the internal organization and systematization of workplaces in the Ministry of Security of BiH in accordance with the provisions of the Decision of the Council of Ministers of BiH on the designation of the computer incident response team for the institutions of BiH;
- Institutions that have foreseen in their annual or three-year plans activities concerning services provided through modern channels, should also plan funds for their promotion;
- The BiH Council of Ministers should adopt the Proposal for a decision on the amount of the fee for issuing a qualified certificate that will enable the use of a secure electronic signature;
- Institutions that are responsible for spatial data should initiate and apply for projects according to the available funding sources that will further develop the technological architecture of spatial data; increase the availability of spatial data through e-services; continuously improve capacities and project management needs for successful implementation of activities;
- It is recommended that the Federation of BiH Government appoints representatives of the Federal Information Agency FIA to the Digitalization Supervisory team in the field of service delivery.

2.5. PUBLIC FINANCE MANAGEMENT

One of the key areas of the Strategic framework for Public Administration Reform 2018–2022 requires the public administration to carefully manage public money, by building a functional public finance management system. This system should encompass all phases of the budget cycle - from formulation to execution, including procurement, financial management, control and internal audit, and to ensure the existence and effective work of independent external audit supervision over the management of public funds, which is a crucial feature of any democratic responsible financial system.

REALIZED ACTIVITIES



ANALYSIS: REFORM MEASURES

In the previous reporting period, all planned activities in this area were implemented. After the adoption of individual PFM strategies at all levels, the Comprehensive Strategy of Public Finance Management in BiH 2021-2025 was prepared, to which the Council of Ministers of BiH, the Government of the Federation of BiH, the Government of Republika Srpska and the Government of Brčko District

of BiH, during 2022, gave their consent. This created a precondition for coordinated implementation of reforms in the field of public finance management. Implementation results by level:

	Inst. BiH	FBiH	RS	BD
The target values were not reached	0	0	0	0
The target values were partially achieved	0	0	0	0
The target values were reached	2	2	2	2
<i>Total number of activities:</i>	2	2	2	2

KEY RECOMMENDATIONS FOR THE AREA OF PFM

- At all levels, continue the implementation of strategic documents in the area of improving public finance management, and regular monitoring and reporting on the same.

3. CONCLUSIONS

The reform of public administration should ensure a consistent policy-making system, medium-term planning with clear goals for the entire government and coordinated with financial possibilities, professionalization of the civil service and promotion of the meritorious principle of civil servants, creation of a modern human resource management system in the civil service, rational organization of the administration with strengthened control and supervision and functional mechanisms to protect the rights of individuals to good administration and public interest. The key reform requirements remain improved services that the administration provides to citizens, while ensuring interoperability throughout the country, implementing e-signatures and creating a series of assumptions for efficient service delivery and their digitization. These are just some of the requirements of the accession process and the measures included in the Strategic framework for public administration reform and the Action plan, but according to the measurement made in July this year, little progress has been made in their implementation, compared to the period 2020-2022 when the previous measurement was made.

Although public administration reform is one of the 14 priorities from the European Commission's Opinion, the long-term harmonization and non-establishment of structures for the implementation of agreed measures and activities, including bodies for political coordination as required by the Commission's documents, the blocking of the PAR Fund and the absence of support for the key actors of the reform process had the effect that in two and a half years, only 14.29 percent of the activities from the Action plan were implemented, or 0.29 percent in the first half of this year.

In the area of public administration reform, BiH often acted as a model for other countries in the previous period, but in the period after the publication of the new conditions of the European Commission and the publication of the SIGMA

Principles of Public Administration, only small advances were made. Not a single measure from the Strategic framework for public administration reform has yet been implemented, and about the effects of the reform - increased citizen satisfaction with the work and services provided by administration of BiH at all levels, as well as better management of BiH administration on international scales- it is still too early to say.

The establishment of clear political leadership and technical coordination, which are the requirements of the accession process, securing investment by donors and increased investment by domestic governments, and the capacity to implement planned activities and promote achieved results remain challenges that will affect the continuation of the implementation of planned reform measures.

Turning to new technologies, encouraging innovation and the willingness of management to adapt to growing social changes and user demands, as well as the adoption of a culture that will put the citizen first, not the employee, remain priorities in the future that require a strong political will and the willingness of all participants in the process to change.

Most of the recommendations contained in the previous Report on progress in the implementation of the Action plan for the period 2020-2022 remained unfulfilled. The Public Administration Reform Coordinator's Office below repeats some of the earlier ones and makes several new recommendations that can influence the acceleration of changes. And in this report, detailed recommendations are given for reform areas, the implementation of which can contribute to a faster transformation of BiH administration and achieving the planned results.

4.

RECOMMENDATIONS

RECOMMENDATIONS TO COUNCIL OF MINISTERS AND GOVERNMENTS:

- **The Government of the Federation of BiH** should provide support for the establishment of a body for political and technical coordination of the public administration reform process by adopting the Common Platform on the principles and method of implementing public administration reform in BiH, and the **Council of Ministers of BiH** and the **Government of the Republika Srpska** should adopt decisions on the appointment of representatives of institutions to supervisory teams for public administration reform.
- **The Council of Ministers of BiH, entity governments and Brčko District of BiH** should ensure adequate financial, administrative and human resources for the implementation of public administration reform, including planning further investments in the PAR Fund.
- By the end of 2023, the BiH **Council of Ministers** should choose the best solution/option for regulating the system of long-term/sectoral planning, monitoring and reporting at the level of BiH institutions;
- **The Council of Ministers of BiH** should adopt the proposal for a Decision on the amount of fees for issuing a qualified certificate, which will enable the use of a secure electronic signature;
- It is necessary for the **Council of Ministers of BiH** to adopt the rulebook on the internal organization and systematization of workplaces in the Ministry of Security of BiH in accordance with the provisions of the Decision of the Council of Ministers of BiH on the designation of the computer incident response team for the institutions of BiH.

RECOMMENDATIONS TO STATE INSTITUTIONS:

- The Ministry of Finance and Treasury of BiH should, in cooperation with the Directorate for Economic Planning of BiH, by the end of 2023, prepare amendments to the

Decision on the procedure of medium-term planning, monitoring and reporting in the institutions of BiH and amendments to the Instructions on methodology in the procedure of medium-term planning, monitoring and reporting in the institutions of BiH and to submit them to the Council of Ministers of BiH for consideration and adoption;

- Parliamentary Assembly of BiH should amend the Law on the Ombudsman in order to eliminate the direct intervention of the executive power in approving the budget of the Ombudsman Institution and to ensure the financial independence of this institution.
- The Ministry of Communications and Transport of BiH should initiate the work of the interdepartmental working group for interoperability and offer a proposal for the rules of procedure and a proposal for the calendar of the group's meetings;
- The Civil Service Agency of BiH should, in cooperation with the Ministry of Justice of BiH, by the end of 2023, plan and organize training for civil servants with the aim of properly implementing the new legal framework for annual planning, monitoring and reporting at the level of BiH institutions;
- By the end of 2023, the Ministry of Justice of BiH should, in accordance with the SIGMA Principles, prepare amendments to the Rules for consultations in the drafting of legal regulations and submit them to the Council of Ministers of BiH for consideration and adoption.

RECOMMENDATIONS TO INSTITUTIONS AT ALL LEVELS:

- It is necessary that PARCO, in cooperation with the European Commission and coordinators for public administration reform of entities and Brčko District of BiH, ensure a way to unblock the PAR Fund, so that the money of donors and local governments, which is in the PAR Fund, can be used.
- Competent institutions at all levels (the Ministries of Justice of BiH and FBiH, the Ministry of Administration and Local Self-Government of the RS, in cooperation with agencies for civil service/administration, and the Sub-Department for Human Resources of BD BiH) should intensify activities on the preparation and adoption of regulations in the field of civil service, taking into account the recommendations from the SIGMA Monitoring Report for BiH from 2022, and the recommendations established through the project "Strengthening Human Resources Management in BiH".
- It is necessary to strengthen the personnel capacities of the institutions responsible for drafting regulations in the field of civil service, as well as the capacities for managing human resources in individual institutions. It

is necessary to improve cooperation and coordination mechanisms in the area between and within individual administrative levels (it is necessary for the Supervisory team for HRM to start work, to ensure the continuous sustainability of the work of the Forum of Directors, and the sustainability of the work of practitioner networks and their mutual interaction).

- Civil service/administration agencies and the Human Resources Subdivision of the BD BiH should increase the application of information technologies in the recruitment process using available budget and donor funds, and take steps to ensure the interoperability of information systems from the HRM domain as well as the establishment of unique training records financed from the budget for each administrative level.
- In terms of integrity, it is necessary to improve the legal framework in accordance with the findings of the conducted analyzes and the SIGMA monitoring report from 2022. At the level of BiH, institutions should initiate amendments to the law on the Agency for the Prevention of Corruption and Coordination of the Fight Against Corruption in terms of the inclusion of a provision that will provide the obligation to develop strategic plans, as well as the adoption of the strategy for the fight against corruption. At the FBiH level, it is necessary to ensure coordination in the field of the fight against corruption. The Agency for the Prevention of Corruption and the Coordination of the Fight Against Corruption of BiH, the Ministry of Justice of the RS, the anti-corruption authorities of the FBiH and BD BiH should intensify their activities to monitor the implementation of integrity plans in individual institutions at all administrative levels.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of Republika Srpska and the competent institution of the Brčko District of BiH should ensure the full participation of their representatives in projects funded by the EU or other donors in order to improve the legislative framework on the organization of administration and promote managerial responsibility in public administration.
- The Ministries of Justice at all levels should prepare harmonized laws on freedom of access to information, aligned with requirements for strengthening proactive transparency and openness of data, and send them to the adoption procedure, while organizing consultations with civil society and citizens.
- Competent institutions at all levels should comply with constitutional and legal competences enable the use of a qualified electronic signature.

5. ANNEX

ANNEX: TABULAR OVERVIEW OF THE IMPLEMENTATION OF THE ACTION PLAN FOR THE REPORTING PERIOD