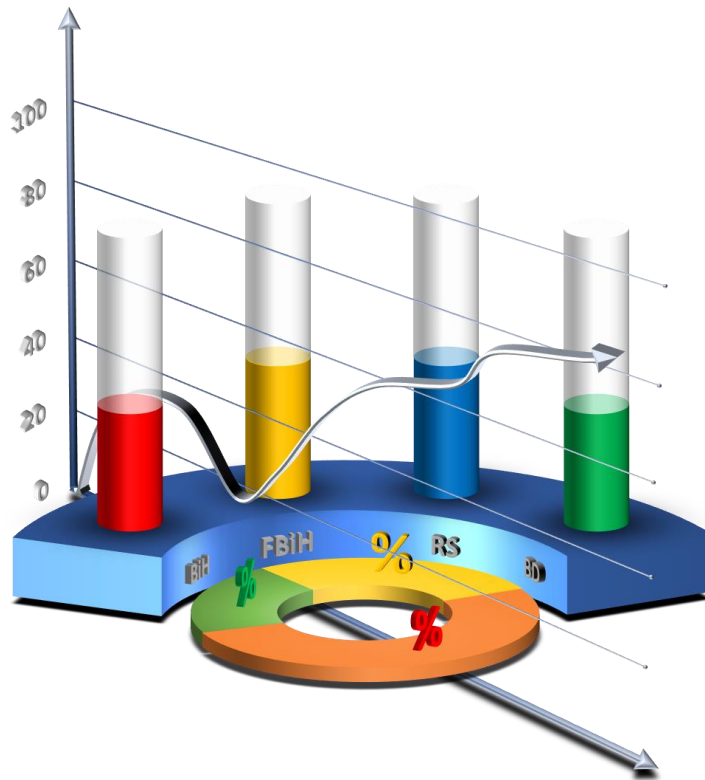


ANNUAL REPORT

2023



ON THE IMPLEMENTATION OF THE STRATEGIC FRAMEWORK ACTION PLAN FOR THE PUBLIC ADMINISTRATION REFORM IN BOSNIA AND HERZEGOVINA 2018-2027

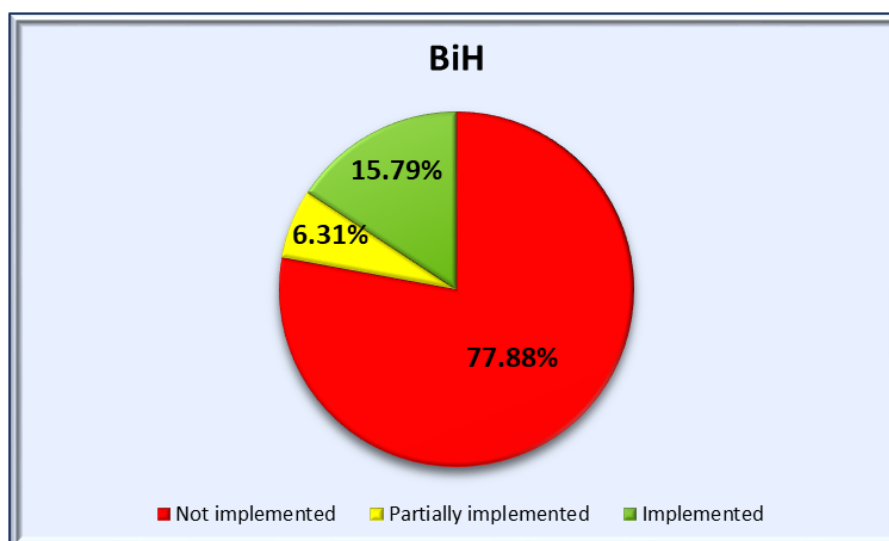
February 2024



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In 2023, BiH made some progress in public administration reform. The measurement of progress in the implementation of the Action Plan for Public Administration Reform shows that by the end of 2023, a total of 15.79% of the Action Plan's activities have been implemented. The progress in 2023 is 1.48% higher compared to the measured progress in the first half of 2023, and 1.79% higher compared to the measured progress at the end of 2022. It is about relative progress, which is calculated as an average of the achieved progress of the administrative levels. Taking into account that the Action Plan contains defined indicators for BiH as a whole, and that, for example, with binary indicators, it is necessary for all levels of government to complete the activity in order for it to be considered fulfilled, observing the achieved progress in relation to the fulfillment of the indicators for the whole of Bosnia and Herzegovina in 2023, 7.35% of the activities were completed in 2018, which represents an improvement of 0.74% compared to the half-yearly reporting period. 9.55% of the activities were partially completed, which represents an improvement of 1.46% compared to the half-yearly reporting period.

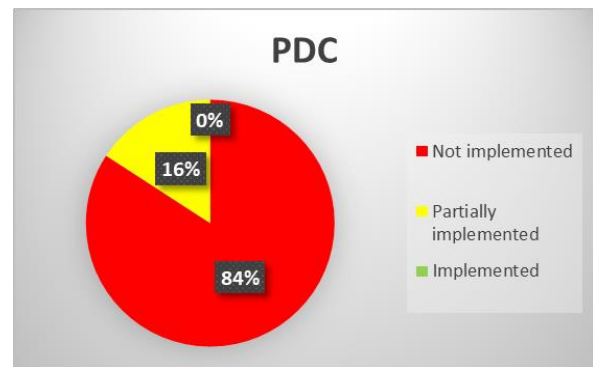


Although in the reporting period the Council of Ministers of BiH, the Government of the Brčko District of BiH, the Government of Republika Srpska and the Government of the Federation of BiH adopted the Common Platform on the principles and method of implementation of the public administration reform, which establishes a structure for the implementation of the reform at the political and technical level, this structure has not yet been operational, because decisions on the appointment of intergovernmental working bodies in the field of reform have not been adopted at all levels. Additionally, the body that should direct the reform of public administration at the political level - the Coordinating Committee for the Public Administration Reform, did not hold a constituent session. The absence of political support and guidance, as well as structures that would work on the implementation of planned places and activities, affected the results of the implementation of the Action Plan during 2023 as well, which realized the assumed risks. During 2023, the Public Administration Reform Coordinator's Office, in cooperation with the Coordinators for Public Administration Reform of the Entities and the Brčko District of BiH, prepared materials for the first session of the Coordination Committee, and the act on the appointment of representatives to intergovernmental bodies for public administration reform was submitted to the Council of Ministers of BiH, but political support was absent, so the risks for the further implementation of the public administration reform remain unchanged.

Observed by levels of administration, in 2023 the institutions of Republika Srpska achieved the best result. They fully implemented 25 activities (19%), partially implemented 7 activities (5%), while 102 activities (76%) remained unfulfilled. State institutions as well as the institutions of the Federation of BiH and BDBiH fully implemented 20 activities each (15%) from the Action Plan. State institutions partially implemented 10 activities (7%), while 106 activities (78%) remained unfulfilled. The Federation of BiH partially implemented 9 activities (7%), while 105 activities (78%) remained unfulfilled. In the BDBiH, 8 activities (6%) were partially implemented, while 106 activities (79%) remained unfulfilled

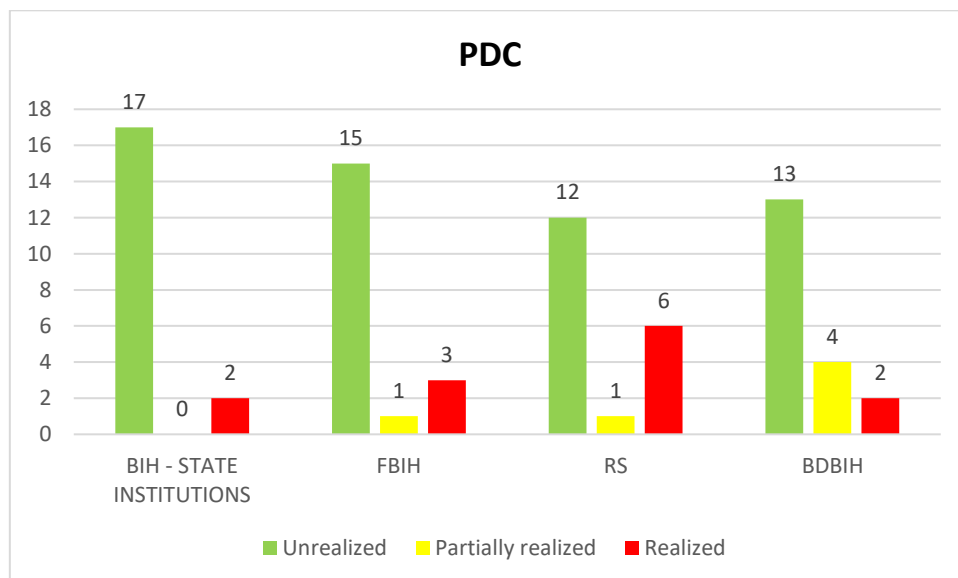
In the field of **Policy development and coordination**, the most important achievements are related to the improvement and simplification of the legal framework for annual planning, monitoring and reporting in the institutions of BiH, the improvement of the legal framework that regulates the area of public consultations and public participation at the level of the institutions of BiH, the improvement of the evidence-based policy creation system in the Republic of Srpska. In this area, not a single activity has been implemented in its entirety, 16% of activities

have been partially implemented, while 84% of activities are still unfulfilled.



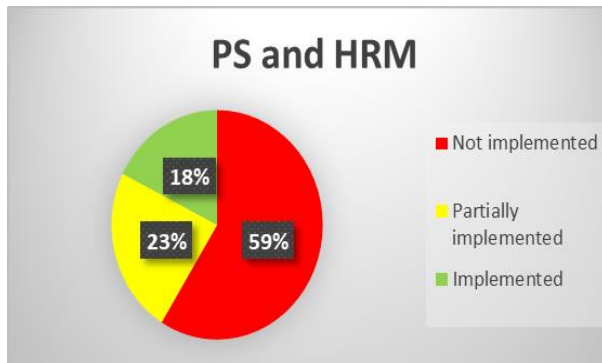
These activities should contribute to the realization of five measures, and as expected, at the end of 2023, none of these measures have been fulfilled. If we look at the performance in this area, the indicators that measure the effectiveness of the government, regulatory quality and availability of information about laws and regulations to companies, the values move on a downward path and are at the level of the initial values determined in 2016 or are even lower than these values.

The fulfillment of activities by levels in the field of policy development and coordination is given below:



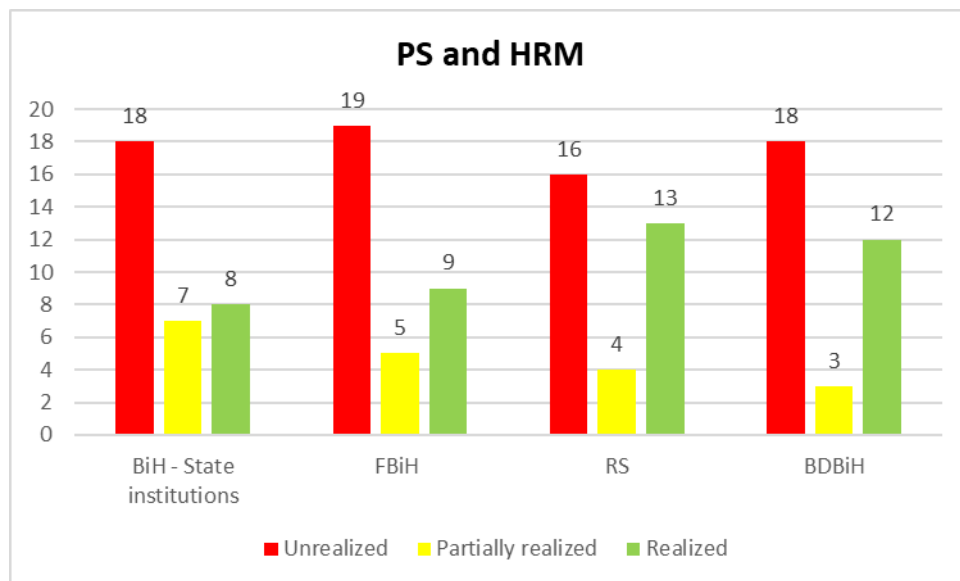
In the field of **Public service and human resources management** at the level of performance, progress was achieved in the previous reporting period in such a way that the target values of the indicators related to the clarity of the legislative framework on the scope of the civil service were reached, thus Bosnia and Herzegovina joined other countries in the region that also have maximum number of points (Serbia, Montenegro, North Macedonia). Although the target value of the indicator related to the adequacy of the horizontal scope of the civil service has been reached, BiH still lags behind all countries in the region. This area contains 6 measures and none of them have been fulfilled at the end of 2023 (out of a total of 16 indicators, only two have been reached). The measurement shows that 18% of

the activities were fulfilled, 23% of the activities were partially fulfilled, while 59% remained unfulfilled.



Despite the prepared materials, the planned regulations have not yet been adopted at any administrative level, and it is still necessary to work on ensuring the consistent application of the principle of merit in all areas of human resources management. The least progress was achieved in the area of integrity and ensuring compliance with the norms of ethical behavior of civil servants.

Progress was achieved in the previous period due to the implementation of detailed analyzes of the law on civil service at all administrative levels and the implementation of activities on the drafting of new regulations, the continuous strengthening of capacities in central units for human resources management, the improvement of the application of employment procedures, and the establishment of information systems for human resources management (with the exception of the level of BiH institutions, where there is still no progress due to legal restrictions). The fulfillment of activities by levels in the field of Public Service and Human Resources Management is given below:



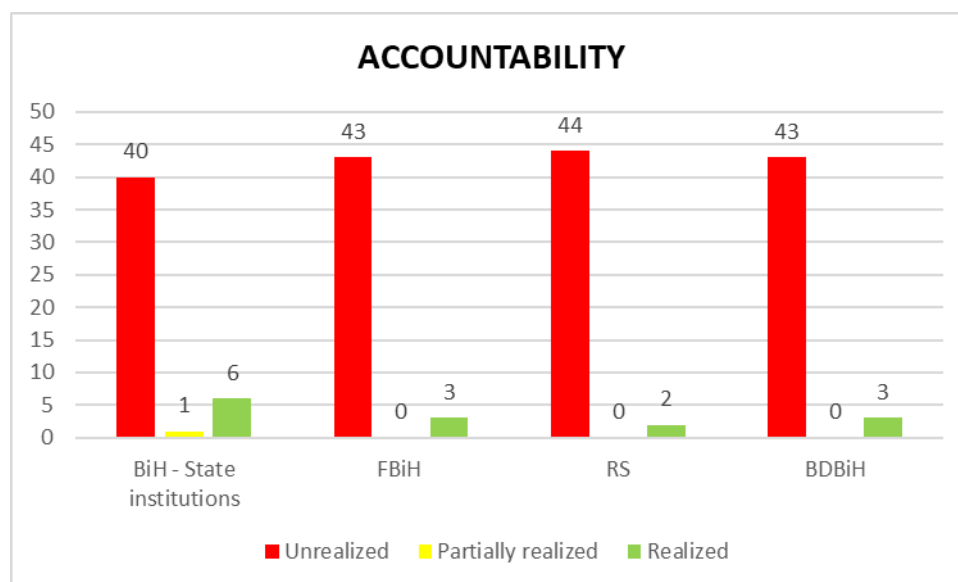
In the area of **Accountability**, a total of 4% of activities have been implemented so far, there are no partially implemented activities, and 96% of activities are still non-implemented.



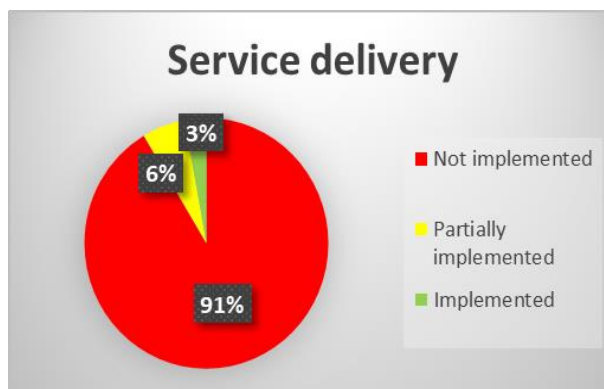
These activities were supposed to contribute to the realization of 3 measures, but, as expected, not a single reform measure was fully implemented in this reporting period. Some progress has been made at the state level with the introduction of the new Law on Freedom of Access to Information in BiH,

which takes over the provisions of Directive (EU) 2019/1024 of the European Parliament and the Council of June 20, 2019 on open data and the reuse of public sector documents, but the law contains and certain shortcomings such as concern for the independence of the second-level body. In 2023, there was a decline in citizens' trust in the work of the government compared to the value of the indicator from 2022. Citizens' trust in 2023 fell to the measurement level recorded in 2018, and the value is lower than the regional average for 2023. Citizens' trust in transparency of government bodies is also on the decline, and it is to be expected that the further postponement of reforms will affect the performance in the area of Accountability and the decline of citizens' trust.

Fulfillment of activities by levels in the area of Accountability is given below:



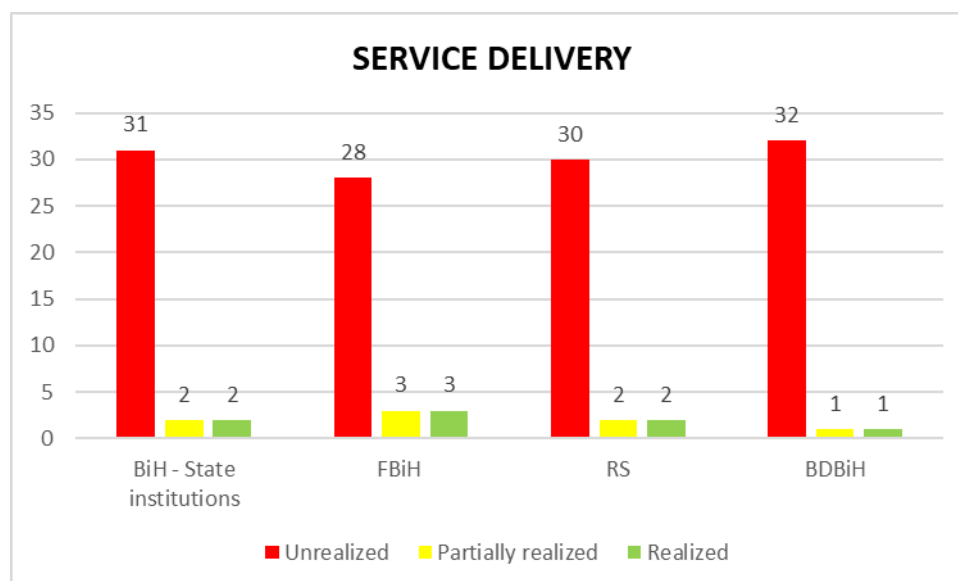
In the area of **Service delivery** in the reporting period, 3% of activities were implemented, 6% were partially implemented, while 91% of activities were non-implemented.



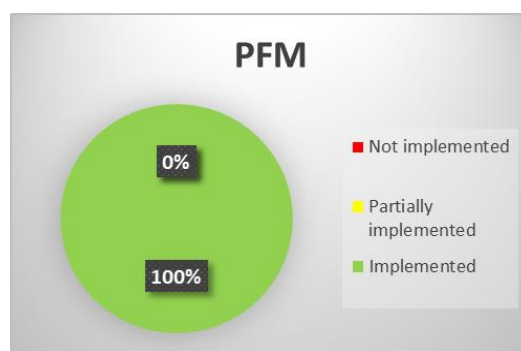
The greatest progress was achieved in the Republika Srpska entity, where it was possible to more easily exercise the right to child protection. The Public Fund for Child Protection of Republika Srpska can electronically obtain the data contained in

extracts from the registers of births, marriages, deaths and citizens, which frees citizens from obtaining these documents. The exchange of data is realized through a web service. Also, e-enrollment of students in the first grade of elementary school is enabled in the RS, and the possibility for registry offices to obtain data on residence is ensured. In the course of one year, this data was accessed in 46,200 cases, which accelerated the process of issuing an identity card by automating data verification. However, these small shifts did not affect the overall performance in the area. The general satisfaction of citizens with public services is 22% and is lower than the value measured in 2017, i.e. the initial year of measurement.

Fulfillment of activities by levels in the area of service delivery is given below:

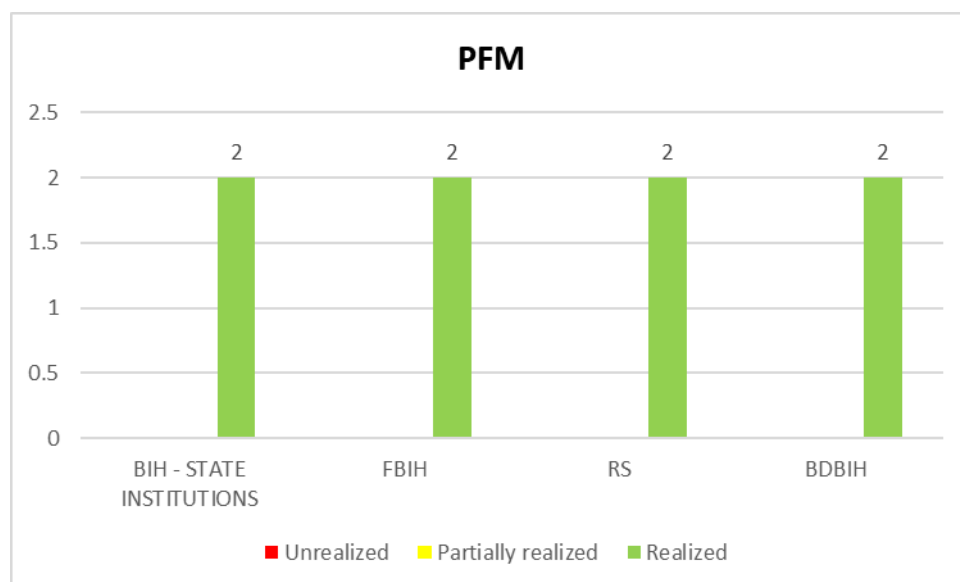


In the area of **Public Finance Management**, in the previous reporting period, all activities foreseen by the Action Plan for Public Administration Reform were fulfilled. These activities entailed the preparation of individual, and the preparation of a comprehensive national public finance management strategy.



This positive development partially influenced the performance in the area. After a significant decline recorded in 2020 (deficit in the value of 5.28% of GDP), BiH recorded an increase in the value of this indicator, i.e. a reduction of the deficit to 0.39% of GDP in 2022. While the trend of debt reduction, which was interrupted in 2020, continued, so in 2022, for the first time, the share of debt in GDP was below 30%. Comparing the scores of the budget transparency index for previous years, Bosnia and Herzegovina in 2021 records the lowest transparency score (32) since 2010 and is far below the world average of 46, and has the lowest transparency score compared to other countries in the region. In the segment of internal audit, the indicators point to necessary improvements at all administrative levels, and especially at the level of BiH institutions, given that, on average, in the last 6 years, the degree of implementation of recommendations is about 27%. It is similar with the recommendations of the external audit. In the field of public procurement, the average number of offers in the European Union is around 5.4 offers per public tender, while in BiH, these values in the last 7 years are around 2.2 offers per tender. During 2022, the legal framework for public procurement¹ was changed, and the share of non-transparent procedures was reduced from 11.87% in 2021 to 6.69% in 2022.

The fulfillment of activities by levels in the area of Public Finance Management is given below:



¹ The Law on Amendments to the Law on Public Procurement was adopted at the 25th session of the House of Peoples of the Parliamentary Assembly of BiH, held on August 29, 2022, and published in the "Official Gazette of Bosnia and Herzegovina", number 59/22. on September 2, 2022.

RISKS

The greatest risk for the implementation of public administration reform in BiH is still the failure to establish structures for the implementation of the measures and activities contained in the strategic document and the accompanying Action Plan for the reform of public administration. The absence of donors, the absence of intergovernmental bodies for the implementation of the reform, as well as the blockage of the Public Administration Reform Fund remain challenges in the coming period.

MEASURES

It is necessary to hold a session of the Coordinating Committee for Public Administration Reform, which, is as a political body composed of the Prime Minister and the respective ministers, that would support the further continuation of the public administration reform. Unblocking the Public Administration Reform Fund, which contains unused money for the implementation of reform activities, is also important, as well as "attracting" new donors in order to secure additional funds for the continuation of the reform. In accordance with the recommendations of the European Commission, in the coming period it is necessary to revise the action document, as well as to finalize essential steps to improve the overall functioning of the public administration by establishing a professional and depoliticized civil service and a coordinated approach to policy making at the level of the entire country.

1. INTRODUCTION

Organizing a modern public administration that will ensure and respect the principles of the European administrative space, contribute to the successful process of accession to the European Union, while respecting the public interest and meeting the needs of citizens and businesses with quality, is the vision of the Strategic Framework for Public Administration Reform in BiH 2018-2027, but this is still not reached.

Although in 2023, according to the assessment of the European Commission, "*certain progress was achieved*" in the reform of public administration, BiH is still in the "*early stage of preparation*", and the priority from the Opinion of the European Commission on the application for EU membership, which points out 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 in creating policies throughout the country*", remains unfulfilled at the end of 2023.

Positive developments according to the assessment of the Commission are first of all the adoption of the Common Platform on the principles and method of implementation of public administration reform in BiH², which formally established coordination in this area, including the body in charge of political coordination. The basis of the mechanism is intergovernmental bodies organized according to the pillars of the reform, which are made up of representatives of key institutions of the state, entities and districts, responsible for the implementation of activities from the Action Plan for RJU, but these bodies have not yet been established and did not meet during the year. The Coordinating Committee for Public Administration Reform, which is supposed to provide political direction, did not hold its first constituent session³. The PAR coordinators continued to meet regularly. In 2023, seven meetings of PAR coordinators⁴ were held, where monitoring, adoption of the Common Platform, preparation of materials for the Coordination Committee session, prioritization and revision of the PAR Action Plan, PARF and other issues were discussed.

Among the positive developments, the European Commission highlights the implementation of comprehensive, nationwide management of public finances, the improvement of capacities for public consultations at the state level and for the regulatory impact assessment in the Republika Srpska, and the adoption of a strategy for human resources management in the FBiH, along with the improvement of professional development and evaluation of work results in FBiH and at the state level, as well as the adoption of the Law on Freedom of Access to Information at the state level, with the aim of proactive publication of information and transparency. However, the recommendations that BiH received through the Stabilization and Association Body - PAR Special Group, were only partially implemented. Laws on civil service are not yet harmonized with each other and principles of merit have not been incorporated into recruitment procedures. The Commission points out that the monitoring of human resources is not effective in detecting irregularities. The political decision-making body on reform has not become operational, and BiH needs to take key steps to improve the overall functioning of public administration by ensuring a professional and depoliticized civil service and a coordinated, nationwide approach to policy making. Taking into account the importance of

² The Common Platform was adopted by: the Council of Ministers of BiH at the 16th session held on 6/26/2023. The Government of Republika Srpska adopted the Platform by Decision No 04/1-012-2-2527/23 of 14/07/2023, the Government of BDBiH at the 5th session of 7/6/2023, while the Government of FBiH adopted the Common Platform at the 10th session of 2/8/2023. (Official Gazette of FBiH, 59/23). The Common Platform was signed by the prime ministers and the mayor of BDBiH.

³ In accordance with the Rules of Procedure, PARCO initiated the holding of the 1st session of the Coordination Committee. The agenda and materials were prepared, which were consulted with SIGMA/DEU in BiH, as well as with the PAR coordinators of the entities and BDBiH during September 2023. Meetings were held with the Cabinet of the Chairperson of CoM of BiH in order to schedule a session, but it has not yet been scheduled.

⁴ Meetings held on 8 February, 2 March, 10 May, 21 June, 17 July, 14 September and 7 December 2023.

fulfilling the priorities from the Commission's Opinion, these obligations in support of public administration reform become even more significant.

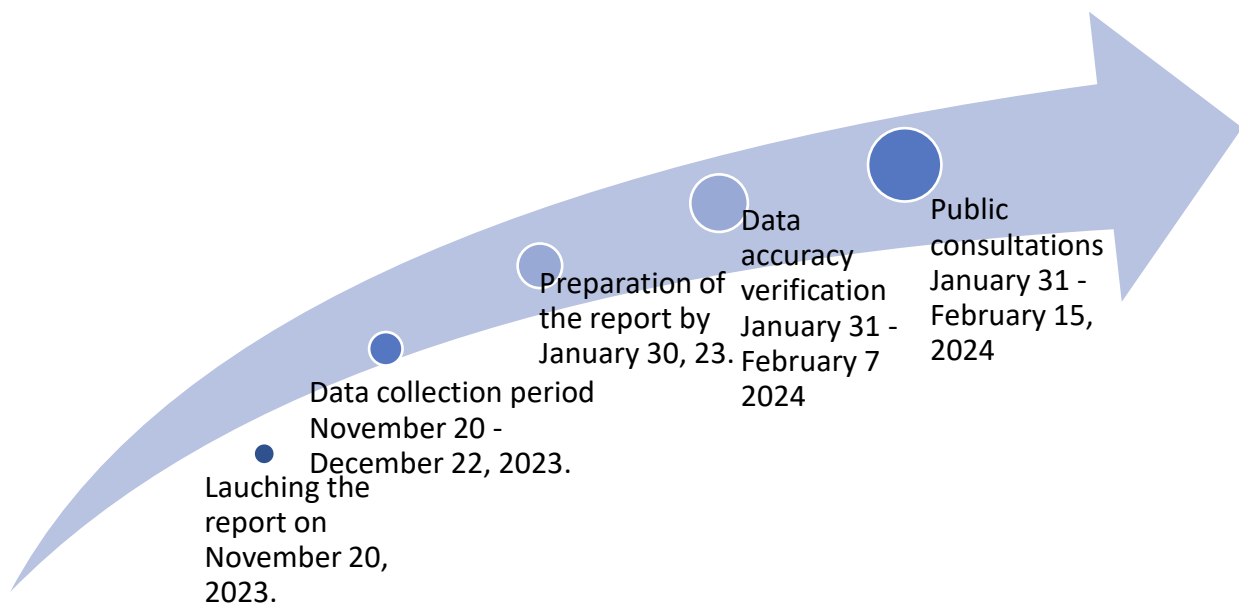
This report aims to show the state of implementation of the PAR Action Plan in 2023, analyze key achievements, identify bottlenecks and problems that hinder the reform process, and propose corrective measures to eliminate them.

Report preparation process

The report covers the period January 1 - December 31, 2023 and shows the progress in the implementation of the goals, measures and activities of the PAR Action Plan. Indicator values in the case of SIGMA indicators are taken from the SIGMA monitoring report for 2022 (measured during 2021 and 2022). For own indicators at the measure level, wherever possible, current values at the end of 2023 were measured.

In the process of preparing the report, the institutions of the state, entity and Brčko District of BiH participated, which, in accordance with the competences and responsibilities for the implementation of the activities, submitted data on the achieved progress in the period January - December 2023. Data collection was carried out through the PAR M&R information system⁵. The report also includes data from the scope of work of the Public Administration Reform Coordinator's Office (PARCO), regular monitoring of the situation and changes in reform areas, and data from other sources, such as reports from non-governmental and international organizations.

Report is on 31st January 2024 submitted for public consultation, with simultaneous publication on the site <https://ekonsultacije.gov.ba/> and PARCO web page, which enabled the broad participation of the non-governmental sector and citizens in the evaluation of the achieved progress.



Presentation of the data collection process

Methodology description

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

⁵ <http://monitoring.parco.gov.ba/ords/parbih/r/par-m-e102102102102/>

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 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 score

When qualifying the progress in the narrative 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 possible, namely the statement that there is no progress, and the statement that progress has been fully achieved.

In addition to descriptive evaluations, 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 (BLV) 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.

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 follows:

- a) as the lowest measured value for binary indicators (yes/no);
- b) as an average value of measured values at individual levels for quantitative absolute⁶ and relative/percentage⁷ indicators;
- c) as the aggregate value of the measured values at individual levels for own scalar⁸ indicators 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

⁶ The values of these indicators are expressed as whole numbers that indicate the quantity of the observed parameter.

⁷ 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%.

⁸ They show achievement by measuring the observed phenomenon on a pre-defined scale, showing it as a ratio of whole numbers.

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, for 113 of them it is planned to measure the realization using one indicator, while for the other 27 it is planned to measure it using two or more indicators. Precisely because of such activities, the need to give a single, summary, 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, that is, at the end of the reporting period for which the measurement is made. 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 evaluation 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 of the target value(s) of the corresponding indicator(s), the red color rating is used. If that range is from 41 to 99 percent, the 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:

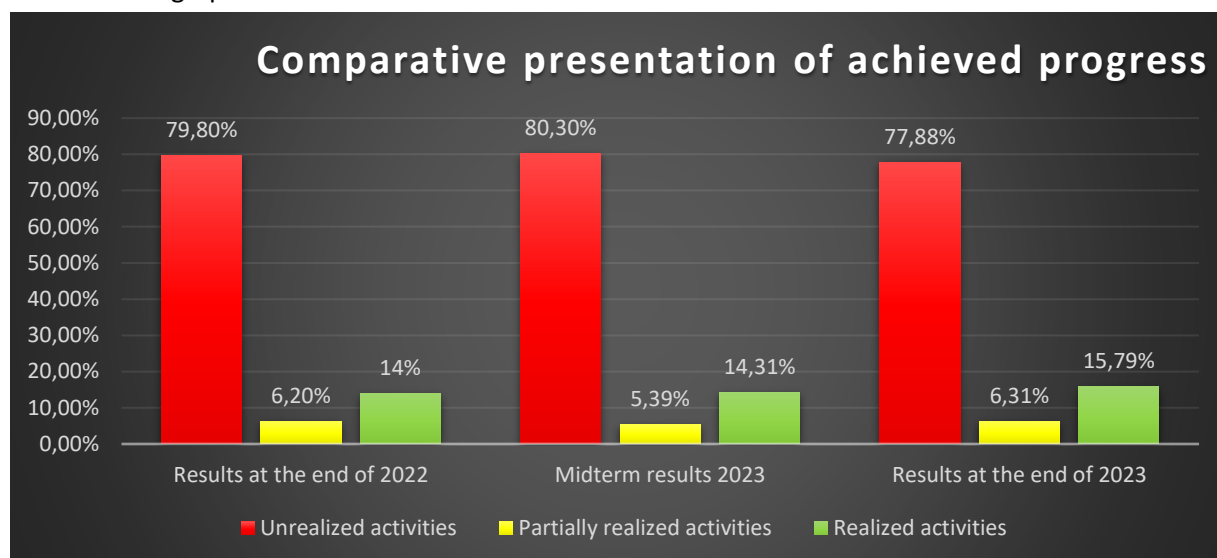
	the meaning of the score	measured value TV
RED	target values were not reached	0 – 40%
YELLOW	the target values were partially achieved	41 – 99%
GREEN	target values are reached	100%

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 envisaged 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 review of the state of achievement of target values at the level of reform activities.

2. PROGRESS IN THE IMPLEMENTATION OF THE STRATEGIC FRAMEWORK ACTIONPLAN

Monitoring of the implementation of the PAR Action Plan shows that in 2023 a total of 15.79% of activities were implemented, which is 1.48% more than the measured progress in the half-year of 2023, and 1.79% more in compared to the measured progress at the end of 2022.

It is about relative progress calculated on the basis of the average achieved progress of administrative levels. In 2023, the percentage of activities that were not implemented is 77.88%, which is 2% less than at the end of 2022 and 2.42% less than at the end of the half-year of 2023. The percentage of partially implemented activities at the end of 2023 is 6.31%, which is 0.92% more compared to the previous reporting period when the percentage of partially implemented activities was 5.39%, as shown in the graph:

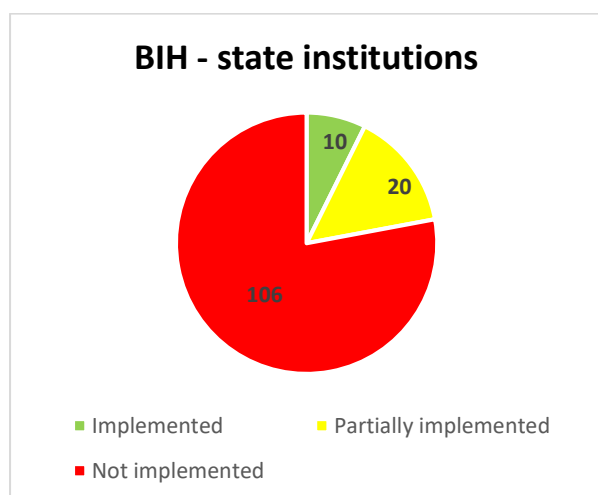
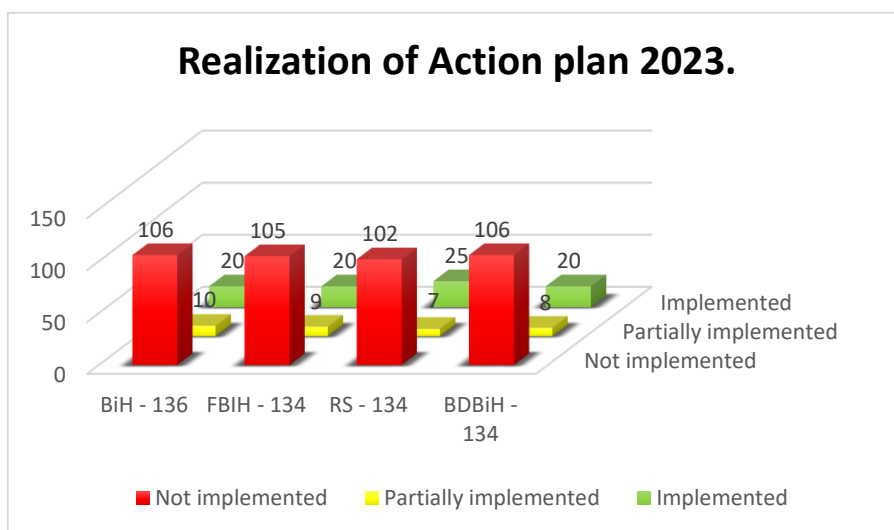


If the achieved progress is observed in relation to the indicators for Bosnia and Herzegovina as a whole, the level of implementation of the Action Plan is significantly lower, because, according to the methodology, the activity can be fulfilled (green light) when all levels have fulfilled it. This means, in the case of binary indicators, that if, for example, three levels have implemented an activity and received the green light, and the fourth has not, the value of the indicator is calculated based on the lowest value and the traffic light for the activity remains red. Viewed in this way, **7.35%** of activities have been completed so far, **9.55%** have been partially completed, while **83.08%** have not been implemented. Compared to the half-yearly reporting period, when **6.61%** of activities were completed, this represents an improvement of **0.74%** compared to fully realized activities. For partially implemented activities, progress of **1.46%** was achieved compared to the previous period when **8.09%** was 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).

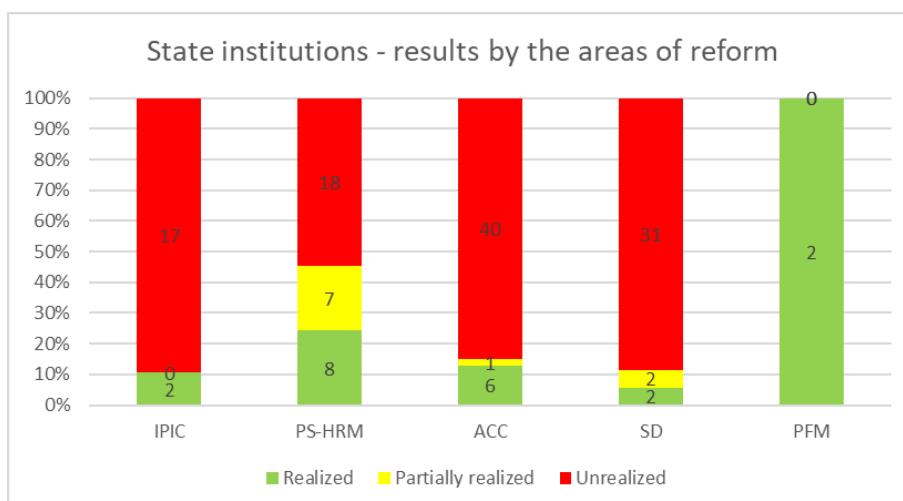
Progress in the implementation of activities by levels of administration

Looking at how many activities have been completed by level of administration, it is evident that the greatest overall progress has been achieved by the institutions of Republika Srpska, which have so far implemented **19%** or 25 activities from the Action Plan. The institutions of BiH, the Federation of BiH and the Brčko District of BiH follow with **15%** or 20 of all activities implemented. The most partially implemented activities in 2023 were recorded by the institutions of BiH (10) and FBiH (9) with **7%**. The institutions of the Brčko District of BiH follow with **6%** or 8 activities, while the least partially realized activities are recorded by the institutions of Republika Srpska - **5%** (7). Most of the unfulfilled activities,

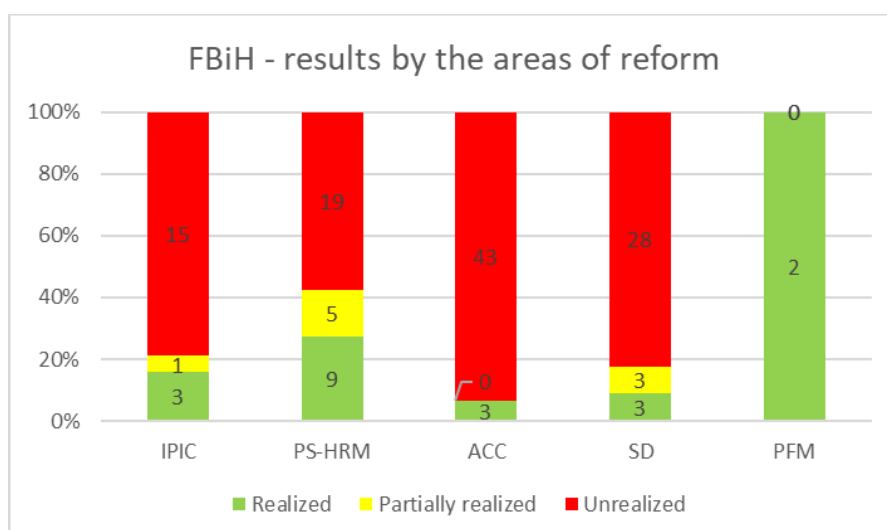
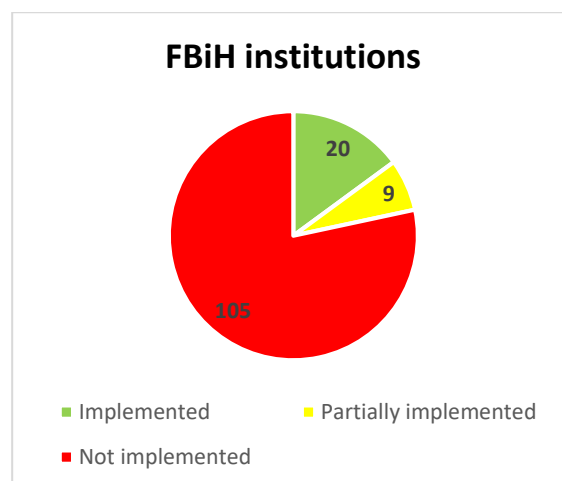
106 of them, remained at the level of institutions of BiH and BD BiH. The chart shows an overview of traffic lights measured at the end of 2023 (activities shown in real numbers).



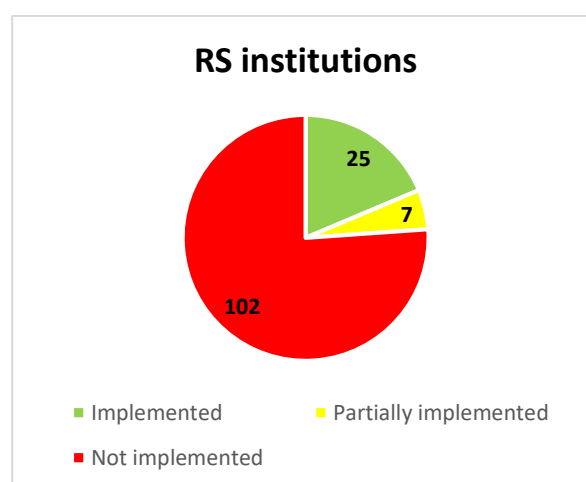
Observed by levels of administration, institutions of Bosnia and Herzegovina fully implemented 20 or **15%** of the total of 136 activities from the Action Plan, and partially implemented 10 or **7%** of the activities, while **78%** remained unfulfilled (106 activities). Observed by areas of reform, 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 at the end of 2022. A significant result was also achieved in the field of Public Service and Human Resources Management, where a total of 8 activities or **24%** were carried out. Total data for state institutions and data on the result of state institutions at the end of 2023 by area are shown in the graph below:

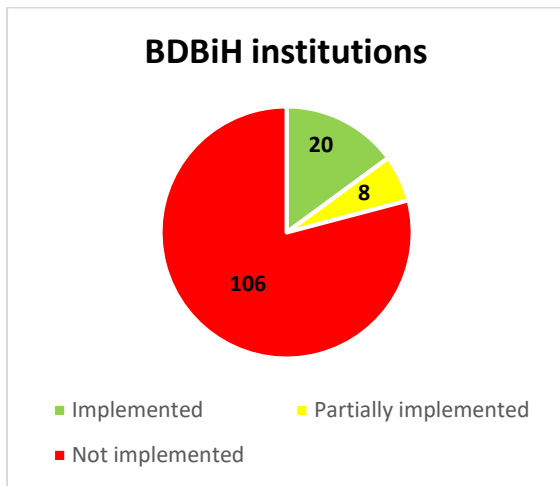
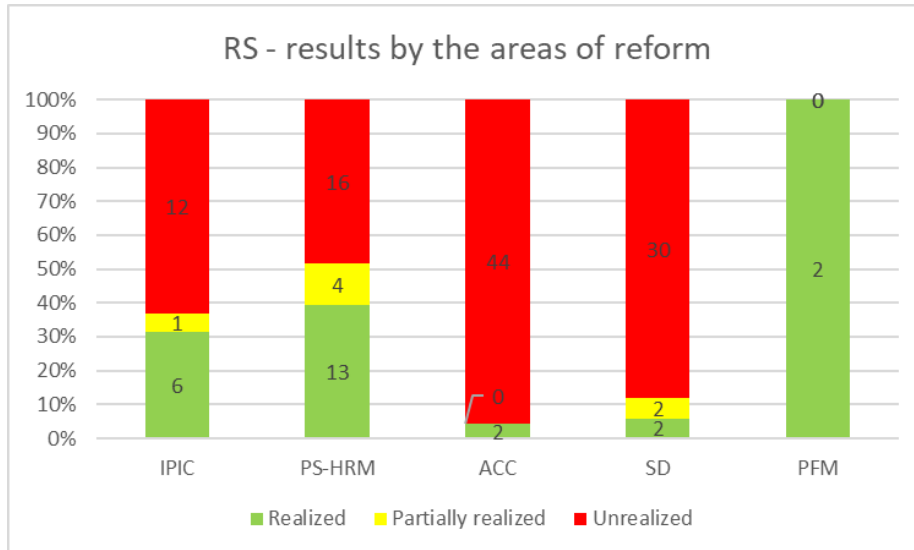


The institutions of the Federation of BiH, out of a total of 134 activities, fully implemented 20 or **15%** of the activities from the Action Plan, which is 1% more than in the previous reporting period. FBiH partially implemented 9 activities or **7%**, while 105 or **78%** of the activities from the Action Plan remained unfulfilled. The highest result (**100%**) was achieved at the end of 2022 in the area of Public Finance Management, followed by the area of Public Service and Human Resource Management, where **27%** of the activities were carried out. Total data for FBiH institutions and data by area are shown in the graph below.

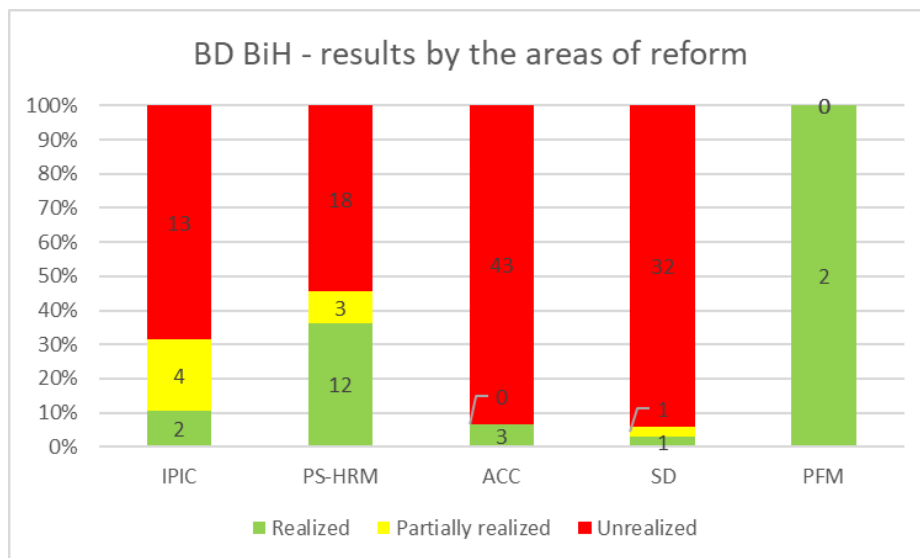


The institutions of Republika Srpska implemented a total of 25 activities or **19%**, which is an increase of **3%** compared to the previous reporting period. 7 activities or **5%** were partially implemented, and 102 activities or **76%** were not implemented. The highest result (**100%**) that was achieved in the previous period was in the area of Public Finance Management, followed by the area of Public Service and Human Resource Management where **39%** of activities were achieved, and the smallest progress was achieved in the area of Accountability where **4%** of activities were achieved. Total data for RS institutions and data by area are shown in the graph below.





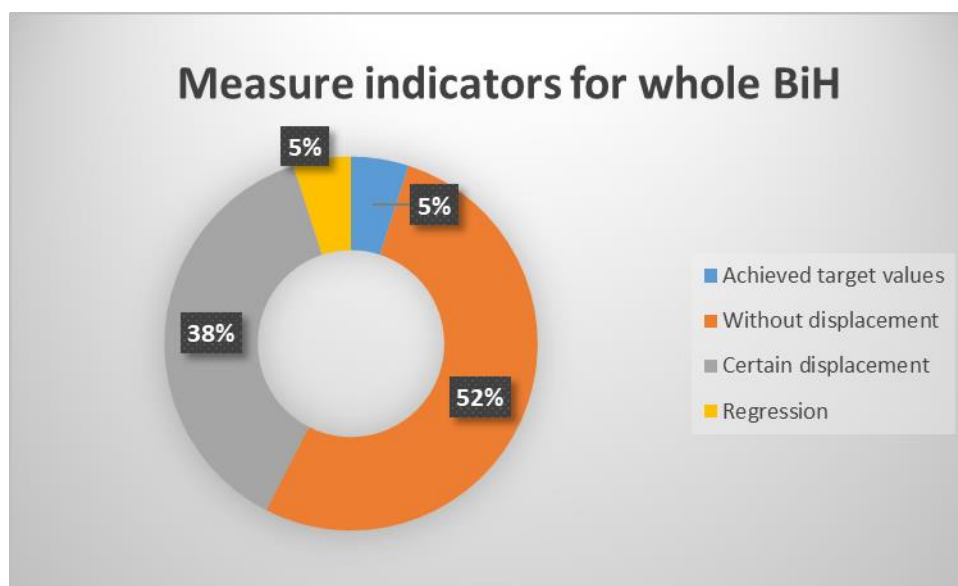
Institutions of the Brčko District of BiH carried out a total of 20 activities or **15%**, which is **1%** more compared to the previous reporting period. 8 or **6%** of activities were partially implemented, while 106 or **79%** of activities remained unfulfilled. As at other levels, the highest result of **100%** was achieved at the end of 2022 in the field of Public Finance Management. This is followed by the field of Public service and Human Resources Management, where **36%** of activities were achieved, while the lowest result of **3%** was achieved in the field of Service Delivery. Total data for BD institutions and data by area are shown in the graphs.



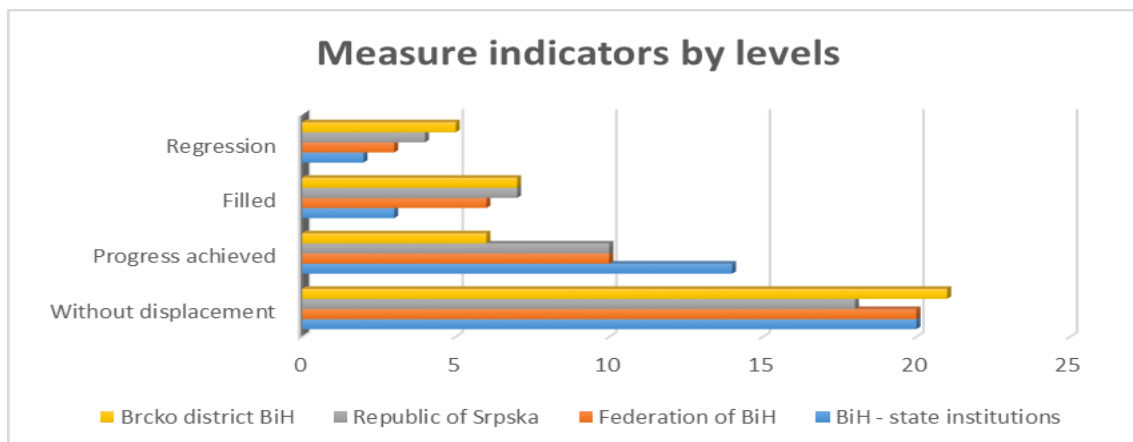
Progress in the implementation of Action Plan measures

The strategic framework contains a total of 17 measures that are distributed in four reform areas (with the exception of the Public Finance Management area, which does not have defined measures) and that are measured using 39 indicators. At the end of 2023, not a single measure has been fully implemented. This is partly the result of the fact that a significant number of indicators were not measured at the end of 2023, because they are SIGMA indicators, and they are measured by SIGMA. For these indicators, the measurement carried out by SIGMA (2022 report for BiH) was used.

Overall, the target value of the indicator was achieved in two cases in the area of Public Service and Human Resources Management, but taking into account that the measure is measured using several indicators, the measure is still not fulfilled. In the area of Accountability, there was regression in two cases, i.e. the current value is less than the baseline value. A certain shift was made for 15 indicators whose values at the end of 2023 are above the baseline value, while no change was recorded for 21 indicators.

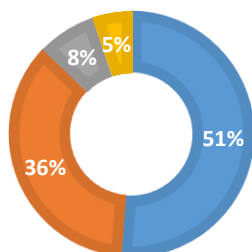


The fulfillment of measures by administrative levels is given in the graphs below:



BIH - STATE INSTITUTIONS

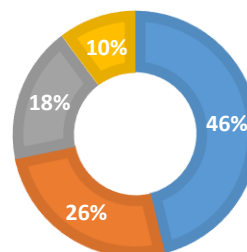
■ Without displacement ■ Progress achieved
■ Filled ■ Regression



At the level of institutions of Bosnia and Herzegovina, the target value was reached for 3 indicators (8%), progress was made in 14 indicators (36%), while 20 indicators showed no progress (51%). In two cases (5%), regression was recorded, i.e. the current value is lower than the baseline value.

REPUBLIKA SRPSKA

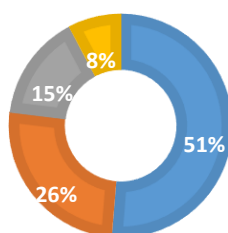
■ Without displacement ■ Progress achieved
■ Filled ■ Regression



At the level of the institutions of Republika Srpska, the target value was reached for 7 indicators (18%), progress was achieved in 10 indicators (26%), while 18 indicators showed no progress (46%). In four cases (10%), regression was recorded, i.e. the current value is lower than the baseline value.

FEDERATION OF BIH

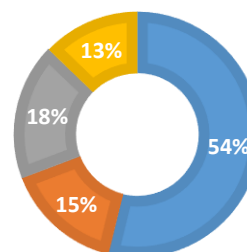
■ Without displacement ■ Progress achieved
■ Filled ■ Regression



At the level of FBiH institutions, the target value has been reached for 6 indicators (15%), progress has been achieved in 10 indicators (26%), while 20 indicators have no progress (51%). In three cases (8%), regression was recorded, i.e. the current value is lower than the baseline value.

BRČKO DISTRICT OF BIH

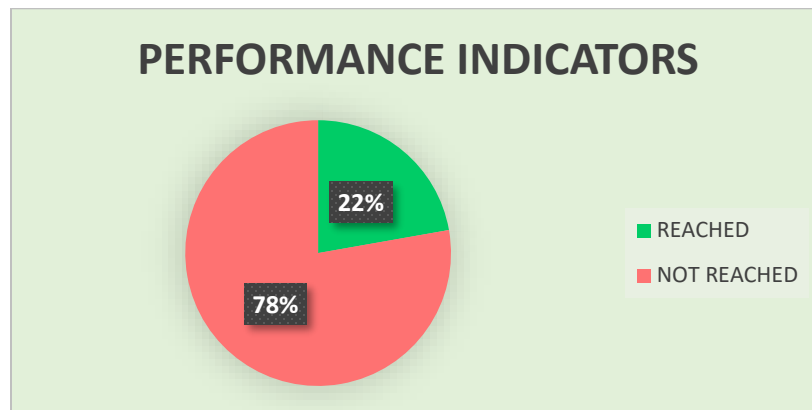
■ Without displacement ■ Progress achieved
■ Filled ■ Regression



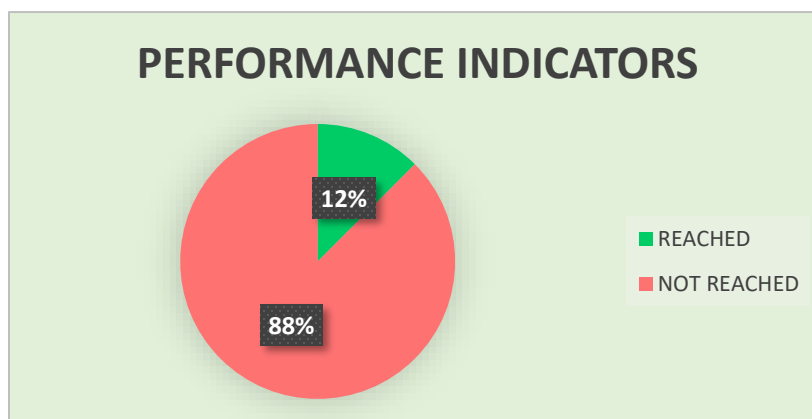
At the level of BDBiH institutions, the target value has been reached for 7 indicators (18%), progress has been achieved in 6 indicators (15%), while 21 indicators have no progress (54%). In five cases (13%), regression was recorded, i.e. the current value is lower than the baseline value.

Achieved performance at the end of 2023.

Although the impact of the reforms on society is expected only after the implementation of the Action Plan, the PAR Coordinator's Office monitors the values of the performance indicators, which were taken from SIGMA, the World Bank or the Balkan Barometer. The PAR Strategic Framework contains a total of 9 performance indicators in five reform areas, of which the target values have been reached for two (22%), while for the remaining seven they have not been (78%). Most of the indicators show a negative trend compared to the values that were measured at the time of preparation of the PAR Strategic Framework.



Seven indicators were subsequently determined in the area of Public Finance Management. If the indicators from the PAR Strategic Framework are added to these indicators, then the total number of performance indicators is 16, of which the target (planned) values for two indicators (12%) have still been reached, while for the other 14 (88%) the target values are still have not been reached.



Examples of success

Under the RIA scrutiny and by-law acts



The regulatory impact assessment (RIA) system was improved in the Republic of Srpska during 2023 with the adoption of a new law that expanded the scope of acts for which there is an obligation to carry out an impact assessment

(including by-laws). The decision defined the regulatory impact assessment that are harmonized with the legal acquis of the European Union, and introduced provisions that foresee the obligation to carry out a cost-benefit analysis, the introduction of standard cost models and ex post analysis. This established a control mechanism for new formalities (for citizens and companies) that are introduced by by-law acts. In addition to laws (for 32 laws RIA was prepared) and by-laws acts adopted by the Government, in 2023 an RIA was implemented for by-law acts adopted by heads of institutions - a total of 12 estimates for the same number of by-laws.

More transparent public consultations - more responsible administration



The process of public consultation in 2023 was enhanced at the state level in 2023. Bosnia and Herzegovina, by amending the Rules for consultations in the drafting of public regulations, obligates, among other things, that institutions, after the end of public consultations, publish a report on the consultations carried out and the final text of the draft or proposal of regulations or the second acts on the web application [eKonsultacije https://ekonsultacije.gov.ba/](https://ekonsultacije.gov.ba/). In this way, the criterion from the SIGMA methodology, which assesses the existence of the obligation to make the report on the outcome of public consultations available to the public, is fulfilled.

e-freshman in Republika Srpska



In Republika Srpska, e-enrollment of students in the first grade of primary school is enabled. With the consent of the parents, the Ministry of Education and Culture obtained the data necessary for the enrollment of children in school, thus overcoming the need for parents to

deliver printed extracts from the registers of birth records to the schools. This was made possible in cooperation with the Ministry of Administration and Local Self-Government of the Republika Srpska, and the effects of establishing a connection between educators and registers of birth records were visible in the first year of use, in which a total of 9,444 requests for enrollment of children in schools were realized. In 2023, it is also ensured that in procedures for the exercise of rights and control of beneficiaries of child protection rights, the Public Fund for Child Protection of the Republika Srpska can electronically obtain the data contained in extracts from the registers of births, marriages, deaths and citizens, which will enable easier exercise of rights from the Child Protection Act.

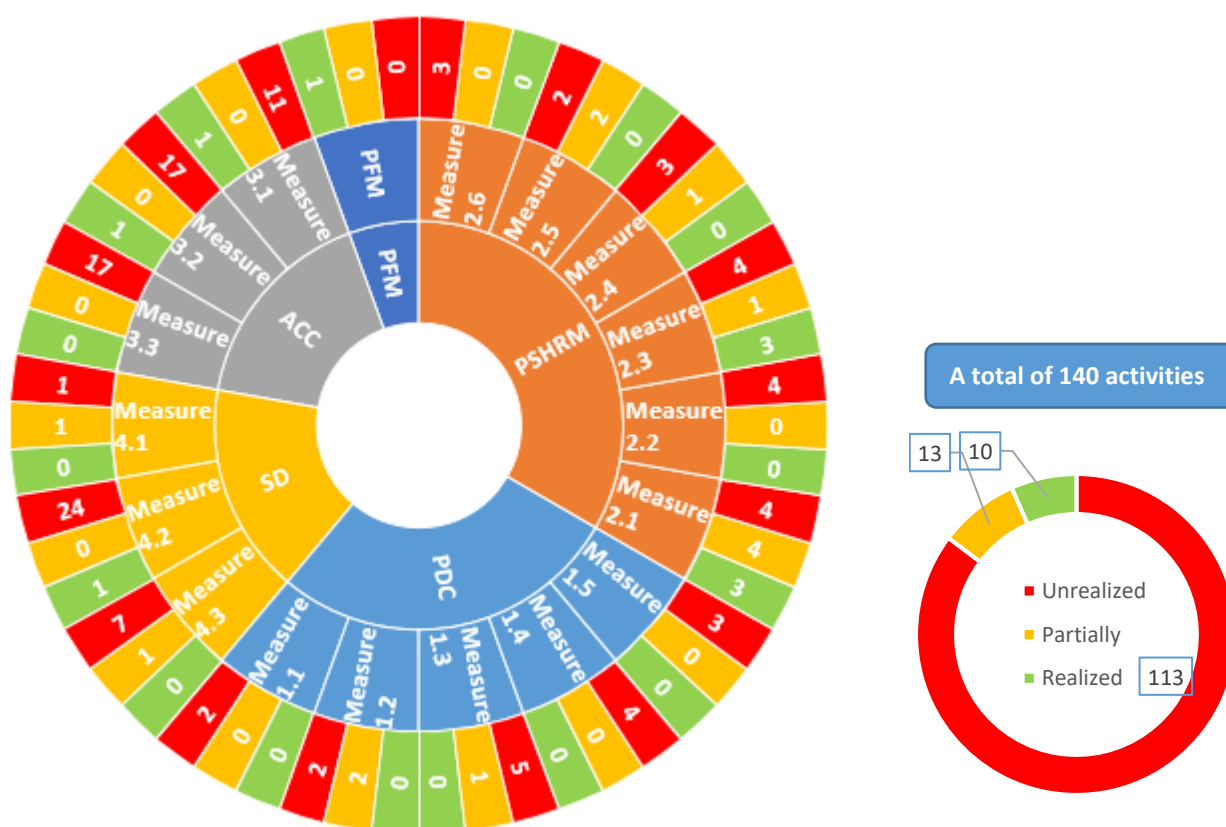
Communication activities

Communication activities in the reporting period were focused on presentations of activities in the field of public administration reform, especially with regard to the results achieved in the areas of Accountability, Service Delivery, Public Service and Human Resources Management, and Policy Development and Coordination. Using various communication tools (electronic newsletter, website, accounts on social networks Facebook and Twitter) and channels (press conferences, interviews, announcements, news) the Public Administration Reform Coordinator's Office promoted activities to improve the delivery of services (e-baby project), quality management in the public sector (CAF) and the improvement of proactive transparency in the institutions of BiH. Towards public communicated activities are related to: adoption of the Joint Platform on the implementation of public administration reform in BiH, maintenance of dialogue at the technical and political level of the Special Group for Public Administration Reform between, organization of meetings with SIGMA, and holding of civil society conferences at which representatives PARCO participated or were co-organizers (such as the Conference entitled "Two decades of public administration reform in Bosnia and Herzegovina - (un)learned lessons". Through communication activities, PARCO also contributed to increasing the visibility of activities from the Action Plan of the Council of Ministers of BiH for the implementation of the Global Partnership Initiative for open government.

Below is an overview of the overall progress in relation to the 6 strategic pillars of the reform at the end of 2023, and then progress by reform area.

Financing the reform

For the purposes of implementing the Strategic Framework and the PAR Action Plan, a cost estimate was made. The total costs were estimated at BAM 61.66 million. Taking into account that the implementation so far was financially supported mainly by the money of donors, it is currently not possible to give credible information about how much these costs amounted to. In the following period, during the revision of the Action Plan, a new estimate of the cost of its implementation will be made, when efforts will be made to determine the sources of financing as precisely as possible so that the costs of the implementation of the activities can be monitored for future reports.



2.1. POLICY DEVELOPMENT AND COORDINATION

Policy making 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.

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

To measure the achievement of this objective, the Strategic Framework for Public Administration Reform foresees the use of three indicators, two of which are indicators from the World Bank and one indicator from the Council for Regional Cooperation (Balkan barometer). The measured values of these indicators in recent years show decreasing trends, which is in complete contrast to what was desired and planned in this area.

Indicator: Government effectiveness (Percentile rank)

"Efficacy or effectiveness of government" is a World Bank indicator and includes perceptions of the quality of public services, the quality of the civil service and its degree of independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policy. The value of the indicator ranges from 0-100 and shows the rank of the country among all countries in the world for which the measurement is made, where 0 corresponds to the worst rank and 100 to the best rank.

Indicator value:

BLV (2016)

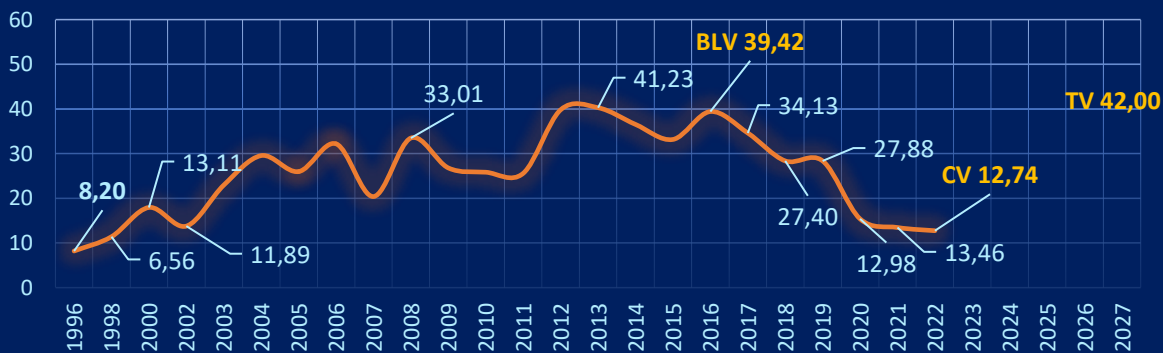
CV (2022)

TV (2027)

39,62

12,74

42,00



Indicator: Regulatory quality (Percentile rank)

"Regulatory quality" is a World Bank indicator and encompasses perceptions of the government's ability to formulate and implement sound policies and regulations that allow and promote private sector development. The value of the indicator ranges from 0-100 and shows the rank of the country among all countries in the world for which the measurement is made, where 0 corresponds to the worst rank and 100 to the best rank.

Indicator value:

BLV (2016)

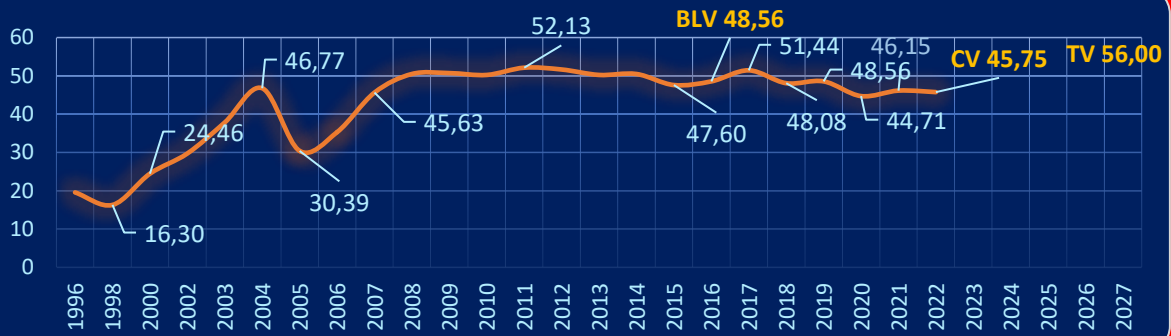
CV (2022)

TV (2027)

48,56

45,75

56,00



Indicator: Information on laws and regulations

The indicator shows the percentage of companies that believe that information is available to them about laws and regulations that are under the control of the authorities and that may have an impact on their business. The measurement is carried out by the Regional Cooperation Council on the basis of specially created questionnaires, and the data is collected on the basis of CAPI (Computer-Assisted Personal Interviewing), and additionally, through interviews, on a determined sample. As part of the measurement, the perception of companies regarding the availability of relevant information on laws and regulations that affect companies is observed.

Indicator value:

BLV (2017)

CV (2022)

TV (2027)

43%

43%

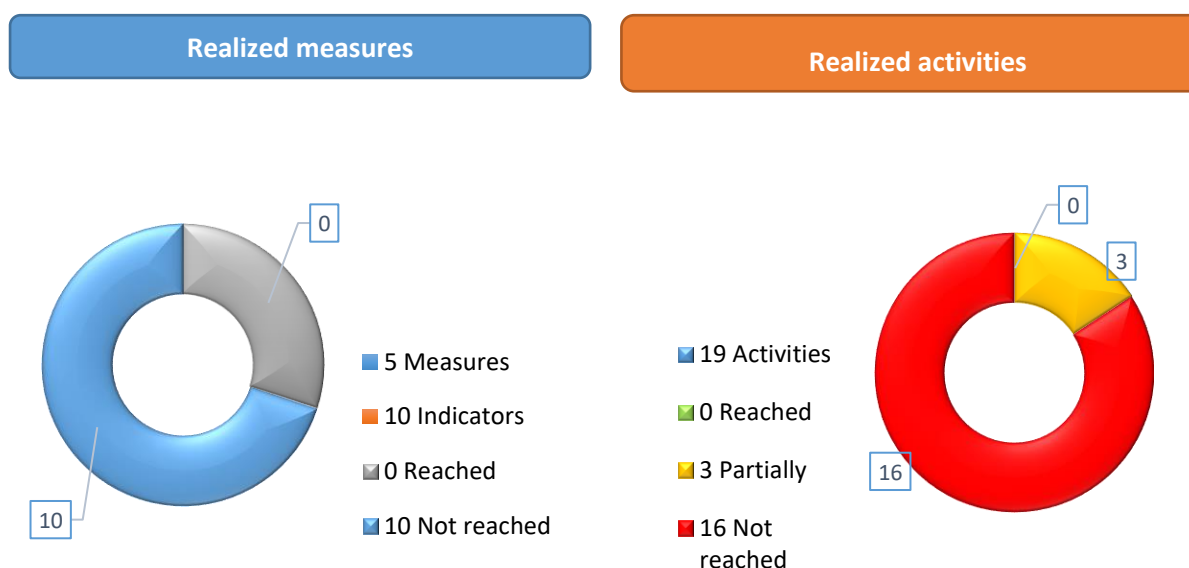
60%



Reforms aimed at achieving a specific goal in this reform area have not been fully implemented. Progress in reaching the specific goal cannot be assessed from the aspect of fulfilling the indicators due to the lack of data on the value of the indicators of the World Bank and the Balkan barometer for the reporting period, and the absence of SIGMA's assessment of the situation and measurements for 2022 and 2023.

Taking into account the activities carried out in the reporting period, some progress has been made in this reform area.

The most important achievements, which contributed to the achievement of this progress, are related to the improvement and simplification of the legal framework for annual planning, monitoring and reporting in the institutions of BiH, the improvement of the legal framework that regulates the area of public consultation and public participation at the level of the institutions of BiH, the improvement of the creation system evidence-based policies in Republika Srpska.



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 16 activities, while target values were partially reached for 3 activities. At the level of the institutions of BiH, the target values were not reached for 17 activities, while the target values were reached for 2 activities. In the Federation of BiH, target values were not reached for 15 activities, target values were partially reached for 1 activity, while target values were reached for 3 activities. In the Republika Srpska, target values were not reached for 12 activities, target values were partially reached for 1 activity, while target values were reached for 6 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	17	15	12	13
The target values were partially reached	0	1	1	4
The target values were reached	2	3	6	2
<i>Total number of activities:</i>	19	19	19	19

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

Indicators	Indicator values				
<p>Number of administrative levels that have established a legal and institutional framework for coordinating the content of policy proposals that are sent to decision makers for adoption</p> <p>BLV: 0/4 - TV: 4/4</p>	0/1	0/1	0/1	0/1	0/4
	Institutions of				
	BiH	FBiH	RS	BD	BiH
<p>Consistency of the CoG in setting and enforcing the procedures (SIGMA)⁹</p> <p>BLV: 1/4 – TV: 4/4</p>	2/4	3/4	1/4	3/4	2/4
	Institutions of				
	BiH	FBiH	RS	BD	BiH

No progress has been made in reaching the target values of the indicators. Activities to establish the function of coordinating the content of policy proposals that are submitted to decision-makers for adoption are related to the EU4PAR project (EU support for public administration reform), which officially began its activities on October 9, 2023. The project was financed from the IPA 2019 funds and will last 30 months. Long-term IPA procedures related to the preparation and approval of this project, including the approval of financial resources, and the implementation of public procurement affected the beginning of the implementation of these activities. The procedure for approving the Initial Report of the EU4PAR project (EU support for public administration reform) is underway.

The key challenge is the long-term IPA procedures related to the preparation and approval of projects, including the approval of financial resources, and the implementation of public procurement have affected the start of the implementation of activities not only within this measure, but in this area in general.

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

Indicators	Indicator values ¹⁰				
<p>Adequacy of the legal Framework for policy planning at each administrative level (SIGMA)</p> <p>BLV: 3/7 – TV: 7/7</p>	4/7	7/7	6/7	7/7	6/7
	Institutions of				
	BiH	FBiH	RS	BD	BiH
<p>The legal framework at each administrative level enables proper monitoring and reporting (SIGMA)</p> <p>BLV: 3/8 – TV: 8/8</p>	3/8	4/8	5/8	4/8	4/8
	Institutions of				
	BiH	FBiH	RS	BD	BiH

⁹ SIGMA did not assess the situation and measure for the 2022 and 2023, so the data on the value of the indicators were taken from the SIGMA monitoring report for BiH from 2021.

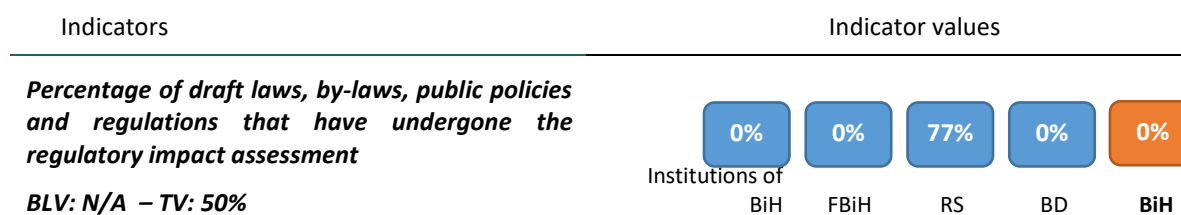
¹⁰ SIGMA did not assess the situation and measure for 2022 and 2023, so the data on the value of the indicators were taken from the SIGMA monitoring report for BiH from 2021.

No progress has been made in reaching the target values of the indicators. However, at the level of the institutions of BiH, certain steps have been taken to improve the system of medium-term and annual planning, monitoring and reporting. 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.¹¹ 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. After the Council of Ministers of BiH adopted the aforementioned Instruction, the Ministry of Justice of BiH conducted two one-day trainings for all ministries and administrative organizations of BiH. The Ministry of Finance and Treasury of BiH, in cooperation with the Directorate for Economic Planning of BiH, prepared a draft of the amended Decision on the procedure for medium-term planning, monitoring and reporting in the institutions of BiH. The changes are to a certain extent harmonized with the recommendations of the Report on the Evaluation of the Medium-Term Planning Process and the Medium-Term Work Program of the Council of Ministers of BiH, which was adopted by the Council of Ministers of BiH. Due to the insufficient support of decision-makers at the level of the institutions of BiH, 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, the legal frameworks for strategic, medium-term and annual planning, monitoring and reporting were improved earlier, and the capacities of institutions for the implementation of new systems for planning, monitoring and reporting were improved. In the Republika Srpska, activities to strengthen the capacity of institutions continued. In the first half of 2023, with the support of UNDP, mentoring support was provided to all ministries in the development of their Mid-Term Work Plans in accordance with the new normative framework. Mentoring involved the engagement of 4 consultants - experts in the field of strategic planning who worked with 4 ministries each, in such a way that at the beginning workshops were held in connection with the new normative framework for medium-term and annual planning, and after that work continued in the ministries on the specific document - Medium-term work plans for the period 2024-2026. The General Secretariat of the Government, as an institution in charge of quality control of these documents and giving opinions, has determined that these medium-term work plans are much better quality and more comprehensive than the previous ones and that the progress of the ministries when it comes to the preparation of these documents is obvious. Initial workshops - trainings were attended by 4 civil servants from each ministry, a total of about 64 civil servants.

The key challenges and risks are insufficient support from decision-makers for the establishment of a system of long-term/sectoral planning, monitoring and reporting at the level of the institutions of BiH, and uncoordinated establishment/improvement of the legal framework for strategic, medium-term and annual planning, monitoring and reporting at the level of the institutions of BiH.

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



¹¹ "Official Gazette of Bosnia and Herzegovina", number 48/23

Use of RIA¹² – SIGMA**BLV: 0/3 – TV: 2/3**

In the Republika Srpska, significant progress has been made in reaching the target value of the indicator that measures the extent of application of the RIA in the process of policy development. The value of this indicator could not be determined for the level of institutions of BiH, the Federation of BiH and Brčko District of BiH, because the necessary data, according to the methodology from the indicator passport, were not submitted for the reporting period. For this reason, in the report, the current value of this indicator is zero for these administrative levels. The value of the indicator for the whole of BiH will be able to be calculated when the data for each administrative level is available.

In the Republika Srpska, the system of creating policies based on evidence has been improved. The new Decision on the regulatory impact assessment¹³ prescribes the obligation to carry out an impact assessment on the by-law acts that elaborate the formalities (permits, certificates, decisions). Provisions related to the RIA that are harmonized with the legal acquis of the European Union are also defined, 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 this way, a control mechanism was established for new formalities that are also introduced by by-law acts and is one of the steps that was adopted after the implementation of the Optimization of Administrative Procedures project. The capacities of civil servants to carry out the RIA have been improved. Planned trainings for civil servants (processors of regulations) and civil servants working in the control body (Ministry of Economy and Entrepreneurship) were implemented. In addition, in Prague, assistance is provided to the processors of regulations by the control authority in implementing the methodology, on specific regulations. In the reporting period, a regulatory impact assessment (RIA) was prepared for all laws, except for emergency procedure laws, and the control body's opinion on the RIA was given. A total of 32 laws were considered and RIA was prepared for all of them and opinions of the control body were given. As of the reporting date, 13 laws have been considered under the urgent procedure (some of them related to technical adjustments). From the beginning of 2023, RIA is also mandatory for rulebooks and regulations that elaborate formalities. Since certain by-law acts of this type are adopted directly by the republic's administrative bodies (without reference to the Government of the Republika Srpska), and with the aim of a control mechanism, the cooperation has been established between the Ministry of Economy and Entrepreneurship (as a control body) and the Secretariat for Legislation, which is a mandatory body in the procedure, of adoption of by-law acts from the middle of 2023. From that moment on, an RIA was made on all by-law acts of this type and an opinion of the control authority was given (a total of 12 by-law acts of this type).

The capacities of civil servants to carry out RIA at the level of the institutions of BiH, in the Federation of BiH and the Brčko District of BiH have been partially improved. In the reporting period, ReSPA and SIGMA provided support to the process of training civil servants who control the implementation of the regulatory impact assessment procedure at all administrative levels.

Due to the lack of human capacity, no methodology, manual, guidelines for regulatory impact assessment at the level of the institutions of BiH and the Brčko District of BiH have been developed. Due to the lack of financial resources, no information system has been developed to support the

¹² SIGMA did not assess the situation and measure for 2022 and 2023, so the data on the value of the indicators were taken from the SIGMA monitoring report for BiH from 2021.

¹³ "Official Gazette of the Republika Srpska", number 8/23.

drafting of regulations, nor a database of all legal regulations adopted by authorities at all administrative levels has been established.

The key challenges are the lack of human capacity, both in terms of the number of civil servants employed, as well as in their training, skills and experience in the preparation and implementation of regulatory impact assessments, as well as the availability of data needed to determine the value of indicators used to measure the scope of application of regulatory impact assessments, but also the extent of public participation and the degree of inter-institutional consultation in the policy development process (indicators for further measures).

Measure 4: Ensuring inclusive approach and involvement of public in the creating, implementing and monitoring of strategic plans, public policies and regulations

Indicators	Indicator values				
Percentage of strategic plans, public policies and regulations in which the rules of public participation have been fully complies with the public consultation process	0%	0%	0%	0%	0%
BLV: N/A – TV: 50%	Institutions of BiH	FBiH	RS	BD	BiH
Quality assurance of the public consultation process¹⁴ - SIGMA	0/3	1/3	0/3	0/3	0/3
BLV: 0/3 – TV: 3/3	Institutions of BiH	FBiH	RS	BD	BiH

No progress has been made in reaching the target values of the indicator that measures the extent of public participation in the policy development process. The value of the indicator could not be determined, because the necessary data, according to the methodology from the passport of the indicator, were not submitted for any administrative level. For this reason, in the report, zero is stated as the current value of this indicator for each administrative level.

Although there was no change in the value of the indicator, certain steps were taken at the level of the institutions of Bosnia and Herzegovina to improve the legal framework that regulates the area of public consultation and public participation. The Council of Ministers of BiH adopted the Rules on Amendments to the Rules for Consultations in the Drafting of Legal Regulations¹⁵ in order to more precisely define certain provisions and to improve the implementation of the consultation process with the interested public. The rules for consultations have been in force since 2017, and practice has shown the need for amendments, in order to enable better cooperation with civil society and to continue harmonizing the legal and institutional framework and the practice of involving citizens and civil society organizations in the process of shaping public policies in BiH. Harmonization of the Rules for consultations in the drafting of legal regulations with the amendments to the Uniform Rules for the drafting of legal regulations in the institutions of BiH in the part of RIA was carried out. There is also an obligation for the institutions of BiH to publish a report on the conducted consultations and the final text of the draft or proposal of a regulation or other act on the eConsultation web application

¹⁴ SIGMA did not assess the situation and measure for 2022 and 2023, so the data on the value of the indicators were taken from the SIGMA monitoring report for BiH from 2021.

¹⁵ "Official Gazette of Bosnia and Herzegovina", number 87/23

after the end of the consultation. In this way, the criterion from the SIGMA methodology, which assesses the existence of the obligation to make the report on the outcome of public consultations available to the public, is fulfilled. The Ministry of Justice of BiH previously established and improved the web portal eKonsultacije. The portal is in operation, and during the year 2023 technical deficiencies were eliminated and an analysis of the portal's work was carried out, which will be an integral part of the Report on the Implementation of the Rules for Consultation in the Drafting of Legal Regulations for the year 2023.

In Republika Srpska, the Government of Republika Srpska adopted the Guidelines for consultations in the drafting of regulations and other general acts¹⁶ in 2022, which achieved some progress in improving the process of public consultations in the process of policy development. The guidelines envisage the monitoring of the public consultation process in the drafting of regulations and through the e-consultation web application, which will further improve the consultation process and its control. The process of selecting the best bidder for the development of this e-consultation software is underway. The signing of the contract and the start of activities on the development of the software is expected at the beginning of 2024.

In the Federation of BiH and Brčko District of BiH, there was no progress in the reporting period.

The key challenges are 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 training of civil servants on the importance and method of conducting public consultations, especially additional public and inter-institutional consultations (horizontal and vertical). In addition, there is a noticeable absence of a civil society development strategy, the capacity of processors to consult on key segments of regulations is insufficient, as well as the capacity of processors to justify the consultations carried out in detail, and on the other hand, there is insufficient public interest in the consultation process.

In order to reach the expected target values of the indicators, i.e. to fully improve the process of public consultations in the policy development process and to establish institutional responsibility for performing the quality control function of the public consultation process, it is necessary to improve the legal framework that regulates the area of public consultations and public participation at every administrative level in accordance with the SIGMA Principles.

¹⁶ "Official Gazette of the Republika Srpska", number 86/22

Measure 5: Increasing efficiency and consistency through inter-institutional functional linkages within the administrative levels and harmonised action in the policy making and implementation between ministries, between "centers of government" and ministries, and between executive and legislative bodies

Indicators	Indicator values				
Test of the interministerial consultation practices - SIGMA ¹⁷	5/12	4/12	4/12	9/12	4/12
BLV: 0/12 – TV: 8/12	Institutions of BiH	FBiH	RS	BD	BiH
Percentage of draft policies, plans and/or regulations returned by government due to incomplete inter-institutional consultations	0%	0%	0%	0%	0%
BLV: N/A – TV: 20%	Institutions of BiH	FBiH	RS	BD	BiH

No progress was made in reaching the target values of the indicator that measures the degree of inter-institutional consultation in the policy development process. The value of the indicator could not be determined, because the necessary data, according to the methodology from the passport of the indicator, were not submitted for any administrative level. For this reason, in the report, zero is stated as the current value of this indicator for each administrative level.

According to the submitted data on the activities implemented within this measure, it is evident that there was no progress in the reporting period at any administrative level.

There remains **the challenge** of 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; as the intensive use of emergency procedures for the adoption of laws proposed by the Council of Ministers/Government, as well as inadequate planning of regulations that need to be passed in one calendar year;

The key challenges and risks that have had an impact and may have an impact in the implementation of reform measures and activities in the area of reform Policy development and coordination are the failure to adopt decisions at the level of the institutions of BiH and Republika Srpska on the appointment of members and deputy members of supervisory teams for the implementation of public reform administration in BiH, which slowed down the implementation of reform measures and activities in this area; as well as the lack of financial resources for the implementation of reform measures and activities.

KEY RECOMMENDATIONS FOR THE FIELD OF POLICY DEVELOPMENT AND COORDINATION

- By the end of 2024, 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 the institutions of BiH;
- By the end of 2024, the Ministry of Finance and Treasury of BiH should, in cooperation with the Directorate for Economic Planning of BiH, prepare amendments to the Decision on the procedure

¹⁷ SIGMA did not assess the situation and measure for the 2022 and 2023, so the data on the value of the indicators were taken from the SIGMA monitoring report for BiH from 2021

for medium-term planning, monitoring and reporting in the institutions of BiH and submit them Council of Ministers of BiH for consideration and adoption;

- By the end of 2024, the Civil Service Agency of BiH, the Civil Service Agency of the Federation of BiH, the State Administration Agency of the Republika Srpska in cooperation with the Ministry of Economy and Entrepreneurship of the Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should plan and organize training for civil servants in the field of regulatory impact assessment;
- By the end of 2024, the Civil Service Agency of BiH should, in cooperation with the Ministry of Justice of BiH, 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 institutions of BiH;
- By the end of 2024, the Federal Ministry of Justice should, in accordance with the SIGMA Principles, prepare amendments to the Regulation on rules for the participation of the interested public in the process of preparing federal legal regulations and other acts and submit it to the Government of the Federation of BiH for consideration and adoption;
- By the end of 2024, the General Secretariat of the Council of Ministers of BiH, the General Secretariat of the Government of the Federation of BiH and the Secretariat of the Government of the Brčko District of BiH should establish a mechanism for collecting and recording the data needed to determine the value of the indicator that measures the extent of application of the regulatory impact assessment in policy development process;
- By the end of 2024, the General Secretariat of the Council of Ministers of BiH, the General Secretariat of the Government of the Federation of BiH, the Republican Secretariat for Legislation of the Government of the Republika Srpska and the Secretariat of the Government of the Brčko District of BiH should establish a mechanism for collecting and recording the data needed to determine the value of indicators which measures the extent of public participation public in the policy development process
- By the end of 2024, the General Secretariat of the Council of Ministers of BiH, the General Secretariat of the Government of the Federation of BiH, the General Secretariat of the Government of Republika Srpska, the Republican Secretariat for Legislation of the Government of Republika Srpska and the Secretariat of the Government of Brčko District of BiH should establish a mechanism for collecting and recording data by needed to determine the value of indicators that measure the degree of inter-institutional consultation in the policy development process;
- By the end of 2024, 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 in order to improve their cooperation in the matter of better coordination of the planning process and adoption of regulations and politics.

2.2. PUBLIC 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 civil service/administration institution. Modern management of human resources in institutions should have the characteristics of transparency, fairness, and especially should be based on the principles of merit, professionalism, and affirming and rewarding efficiency in work. Through the development of the legal framework in the field of civil service and the necessary capacities in administrative institutions/bodies, an attempt is being made to establish an independent, impartial and efficient civil service capable of fulfilling its tasks.

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

To measure the achievement of this objective, the Strategic Framework for Public Administration Reform foresees the use of two indicators developed by SIGMA and measured by SIGMA. According to the established indicators, the specific objective in this area was achieved in the previous reporting period, i.e. the target values for both indicators were reached (given that no measurement was made for the year 2023, the values from the SIGMA report for the year 2022 were taken over).

Indicator: Appropriateness of the scope of senior civil service in legislation (points)-SIGMA

Expert review of the civil service law. The legal basis can be the constitution, law on civil service, law on public service, laws on special types of civil service or laws on independent bodies or other public bodies included in the scope of civil service. Legislation must determine the horizontal scope (ie the institutions that apply the legislation) and the vertical scope (ie the hierarchy of positions to which the law applies). The assessment refers to the clarity of provisions and the level of fragmentation and coherence of the public service.

Indicator values:	BLV (2017)	CV (2022)	TV (2027)
	1/2	2/2	2/2

Indicator: Adequacy of the horizontal scope of the public service in the HRM area at all administrative levels (points) – SIGMA

This indicator focuses on the scope of public administration as defined in the Principles of Public Administration. In some countries, the scope of the civil service is very broad (including teachers, nurses, doctors, etc.), while in other countries it is limited to basic government policy-making functions. As a result, the scope of civil service laws varies considerably from country to country.

Indicator values:	BLV (2017)	CV (2022)	TV (2027)
	0/6	3/6	3/6

By achieving the target value according to these indicators, BiH joined the countries from the region that also have the maximum number of points in terms of the clarity of the legislative framework on the scope of the civil service (Serbia, Montenegro, North Macedonia), while in terms of the adequacy of the horizontal scope of the civil service it still lags behind to all countries in the region.

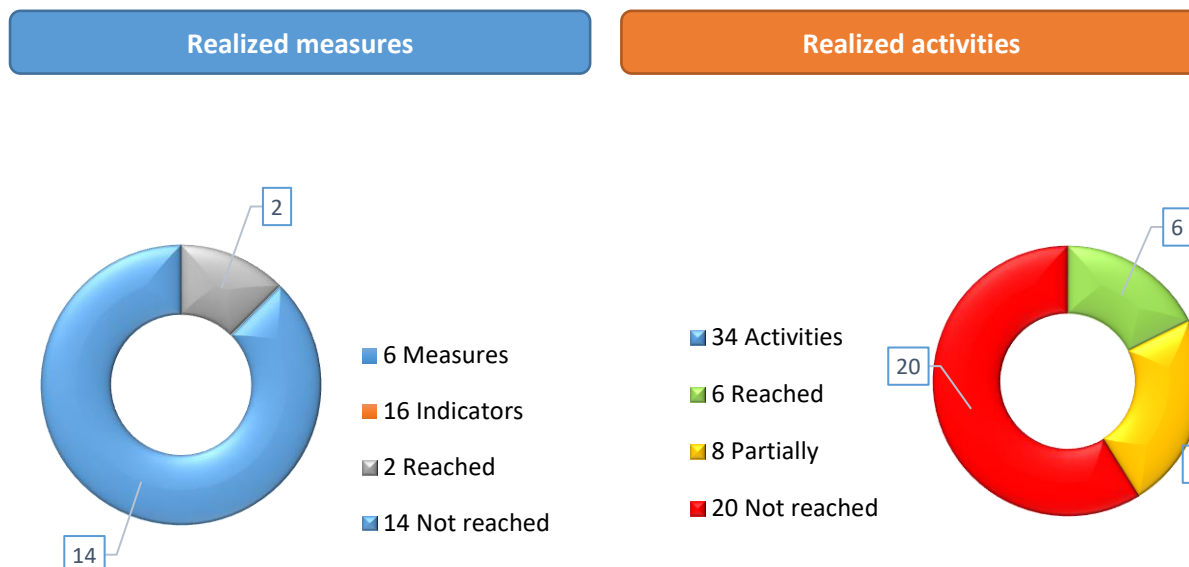
Progress in relation to indicators at the level of a specific objective was described in last year's report, and given that the target values were already achieved, and in the meantime there was no new SIGMA measurement, no further progress was recorded in relation to 2022. The key contributions to the realization of the objective were related to the implementation of detailed analyzes of the law on civil service at all administrative levels and the implementation of activities on the drafting of new regulations, the continuous strengthening of capacities in central units for human resources management, the improvement of the application of employment procedures, and the establishment of information systems for human resources management potentials (with the exception of the level of BiH institutions, where there is still no progress due to legal restrictions).

Unfortunately, the planned regulations have not yet been adopted at any administrative level, and it is still necessary to work on ensuring the consistent application of the principle of merit in all areas of human resources management. The personnel planning function was implemented only at the level of Republika Srpska. Central units for human resources management from the aspect of professional development continue to have the biggest challenge in the lack of funds in the budget, while progress has been made in terms of the analysis of training needs and its connection with the evaluation of the work of civil servants. There was no comprehensive implementation of job analysis as a basis for establishing a fair system of wages and benefits, and there were no changes to the law on wages at any administrative level. However, there have been some developments regarding the transparency of salary data. On the other hand, the least progress has been achieved in the area of integrity and ensuring compliance with the norms of ethical behavior of civil servants. Analyzes of regulations on disciplinary responsibility at all levels were made and recommendations for improvements were made, but they were not implemented. Integrity plans are adopted at all levels except BD BiH. A valid strategy for the fight against corruption exists only at the level of Republika Srpska, while at the level of the FBiH, the implementation of the Action Plan for the fight against corruption is foreseen until the adoption of the new strategy. Competent institutions through training are actively working to

improve the quality of general management in civil service structures (with the exception of Republika Srpska), but the necessary changes to regulations in this domain have also been missing

The main challenge continues to be the securing of political support for legislative changes in accordance with the PAR Action Plan, and the availability of human and material resources necessary for the implementation of the planned measures and activities.

ANALYSIS: REFORM MEASURES



For the six measures defined in this area, 16 indicators were determined, of which the target values were reached for 2 indicators, while the remaining 14 indicators were not. Within the aforementioned 6 measures, 34 activities were determined. Of these, 6 activities were implemented, 8 were partially implemented, and 20 were not implemented.

Looking at the administrative levels, each administrative level is responsible for implementing a total of 33 activities (given that two activities refer to two administrative levels each (activity 2.1.1. only RS and BD; activity 2.3.1 only level of BiH institutions and FBiH) An overview of the implementation of activities by levels is given in the table below:

	Inst.			
	BiH	FBiH	RS	BD
The target values were not reached	18	19	16 ¹⁸	18
The target values were partially reached	7	5	4	3
The target values were reached	8	9	13	12
<i>Total number of activities:</i>	33	33	33	33

¹⁸ This number also includes activity 2.2.1 where one of the two indicators remained unassessed due to the disagreement of the representatives of Republika Srpska with the assessment assigned by SIGMA (see Annex)

Measure 1: Improving human resources management policies and legal framework and building capacities for their efficient implementation

Indicators	Indicator values				
Percentage of administrative bodies/institutions at all levels that have a stand-alone HRM function <i>BLV: n/a – TV: 80%</i>	66	3.3	90.3	100	51.5
	Institutions of BiH	FBiH	RS	BD	BiH
Percentage of administrative bodies/institutions that consistently apply the HRM policy in all HRM areas <i>BLV: n/a – TV: 70%</i>	0	0	0	0	0
	Institutions of BiH	FBiH	RS	BD	BiH

In relation to the percentage of administrative bodies that have an independently determined HRM function in 2023, little progress was made, and the current value is 51.5% compared to the previous 47.4%. This was primarily contributed by more complete data at the level of BiH institutions, on the basis of which the previous value of 56.8% increased to 66%. According to the second indicator, there is still no progress at the level of this measure. There is no information on the engagement of central units for HRM in terms of supporting individual institutions in the establishment of HRM plans, so one of the reasons may be the absence of these activities, as well as the lack and training of human resources, especially problems regarding the establishment of the HRM function in individual institutions. There is no data on progress in individual institutions at the entity level, while according to the data collected for the level of institutions of BiH and BD BiH, there was no progress compared to the previous period.

Part of the activities within this measure was already implemented in the previous reporting period. This refers to activities: 2.1.1. *Adopt a policy framework for the development of HRM in public administration structures in BiH at the level of RS and BD 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 suggest areas that require harmonization between different administrative levels* and 2.1.6. *Build (improve) the capacities of key institutions to support other administrative bodies/institutions in the effective implementation of HRM policies and legal framework*.

Regarding activities 2.1.2. *Establish inter-ministerial working groups (IMWGs) to draft for the necessary reform regulations for each civil service structure in BiH and provide coordination in the work of the IMWGs through information sharing and concrete solutions*. Progress has been made at the level of BiH institutions where, according to information from the BiH Ministry of Justice, a working group was formed to draft the Law on Amendments to the Law on Civil Service in BiH institutions and a draft law was prepared. In terms of coordination, the Ministry of Justice of BiH announced its 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, the proposals of members for the IRG, apart from the Ministry of Justice of BiH, were sent only to the Civil Service

Agency of BiH and FBiH). However, there is no information whether this emergency was sent or is there any feedback on it.

Similarly for activities 2.1.4. *Prepare drafts of the necessary regulations in accordance with the Public Administration Principles, the Policy Framework for the Development of Human Resources Management in Public Administration Structures in BiH and current legislation in BiH (the Law on Prohibition of Discrimination, Gender Equality Law, Labor Laws, etc.) and 2.1. 5 Clearly define by regulations the roles and responsibilities of the institutions in charge of civil service and the HRM policy development, their implementation and supervision*, there were no changes in the indicators, although certain steps were taken towards their implementation at certain administrative levels. At the level of BiH institutions, a draft of the Law on Amendments to the Law on Civil Service of BiH was prepared and sent to the Council of Ministers of BiH. At this level, a methodology was also developed in cooperation with SIGMA for monitoring the implementation of the law on civil service and human resources management, which should contribute to better supervision of the implementation of this regulation. Towards to the Government of the Federation of BiH, a proposal for a Regulation on the conditions, method and program of taking the general knowledge exam and professional exam for candidates for civil service in the Federation of BiH was submitted, the adoption of which would have a significant impact on progress in this domain, but it was not adopted due to the withdrawal of the positive opinions of the Federal Ministry of Justice.

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, as well as other platforms which are directly connected to the employee register and offer information about employees according requested categories. However, at the level of RS and BD BiH, no progress has been recorded in this activity.

By activity 2.1.8. *Identify instruments for better cooperation and coordination between civil service agencies in the development and implementation of effective HRM practices and standardization of HRM tools* after the regression recorded in the semi-annual progress report, the value of the indicator again reached the level from last year's report, considering that on October 11, 2023. a meeting of the Forum of Directors of Agencies for Civil Service/Administration in BiH was held. At the Forum, agreements were reached between representatives of different administrative levels on current issues in the field of HRM improvement (creating strategies for the development of HRM, development of methodology for monitoring the implementation of laws on civil service and HRM), which should lead to a more uniform work of civil service agencies and progress on at all levels.

By activity 2.1.9. *Establish an adequate stand-alone HRM function in administrative bodies/institutions and ensure that key HRM tasks and competencies are incorporated in the job descriptions of staff 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 HRM professionals, that will include all four administrative structures in BiH, no progress has been recorded at any administrative level.

The key challenges that led to the non-realization of the activities as planned: lack of interest of certain administrative levels in BiH for 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, the lack and training of human resources management civil servants, and the lack of harmonization of the system in the Federation of BiH. In this reporting period, it has been shown that the risks identified in the previous report have been realized, and that it is necessary to approach the realization of the given recommendations more actively. Given that the coordination mechanism for the preparation of regulations on the civil service has not yet been agreed upon (and in addition, the Supervisory Team for this area has not yet been appointed), and that a common network of HRM practitioners has not been established that would include representatives of all administrative levels, there is a **risk** of even greater inconsistency of HRH regulations and practices at different levels in the coming period.

Measure 2: Ensuring full compliance with the principles of meritocracy, equal treatment, transparency and political neutrality in all areas of human resource management

Indicators	Indicator values				
<p>Adequacy of the legislative framework for merit based recruitment for civil service positions (points) – SIGMA</p> <p>BLV: 11/18 – TV: 16/18</p>	15/18	11/18	6/18	6/18	11/18
	Institutions of				
	BiH	FBiH	RS	BD	BiH
<p>Application in practice of recruitment procedures for civil service positions (points) – SIGMA</p> <p>BLV: 3/18 – TV: 8/18</p>	10/18	13/18	10/18	2/18	11/18
	Institutions of				
	BiH	FBiH	RS	BD	BiH
<p>Application in practice of recruitment procedures for the senior civil service - SIGMA</p> <p>BLV: 1,5/9 – TV: 5/9</p>	3.5/9	5.5/9	3.5/9	2.5/9	4/9
	Institutions of				
	BiH	FBiH	RS	BD	BiH

There was no progress or changes in the indicator values at the level of this measure. The target value was reached (and exceeded) only by the second indicator.

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 2.2.1. *Amendments to the applicable civil service regulations, which will ensure the consistent application of the principles of meritocracy (selection of the best candidate), equal treatment and transparency*, was 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 candidate for the job*, 2.2.3. *Improve the capacities of*

the appeal board through additional recruitment and training and 2.2.4. Provide the legal framework for compliance with the principle of political neutrality in the work of civil servants, especially those with managerial powers).

The **following key problems** were recorded: insufficient willingness to introduce changes in connection with the conduct of 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 Management human resources in Bosnia and Herzegovina." **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 HR planning and professional development of staff

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

There was no progress related to this measure. All indicators remained at the same values as in the previous reporting period, that is, the target values were not reached for any indicator.

In the reporting period, there was no progress in the implementation of activities related to HR (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 HRM software systems and ensure their interoperability*, 2.3.6. *Intensify inspection and other types of supervisions over the implementation of regulations on performance appraisal of civil servants*, 2.3.7. *Conduct trainings courses for managers (evaluators) on monitoring and appraising the work* and 2.3.8. *Ensure the implementation of enhanced training needs analysis process related to performance appraisal and introduce regular evaluation of the impact of training on performance*, were implemented in the

previous reporting period at three administrative levels: FBiH, RS and BD BiH. Related to activity 2.3.4. for the level of BiH institutions, amendments to the regulations were prepared that would enable the existence of functional databases of human resources with data on civil service and sent to the Council of Ministers of BiH, while for the remaining three activities the problem is the lack of complete data for the assessment of indicators for this administrative level.

Regarding activity 2.3.5. *Revise the existing/prepare new strategic documents for professional development and provide funds in the budget to support the implementation of strategic documents (provide consolidated data on trainings courses finances from the budget of central HRM units and individual institutions at each administrative level)*, the continuity of the existence of strategic professional development documents was maintained training (except at the BD BiH level). In this reporting period, the 2023-2029 Training Strategy for employees in the republican administrative bodies of the Republika Srpska was adopted, which maintains continuity in the planning of civil servant training activities at this level. There was no progress at any administrative level regarding the establishment of unified training records financed from the budget (including all individual institutions).

Problems 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 remuneration system

Indicators	Indicator values				
Fairness in allocation of base salaries in the job classification system (points) - SIGMA <i>BLV: 1/4 – TV: 3/4</i>	1/4	0/4	1/4	1/4	1/4
	Institutions of				
	BiH	FBiH	RS	BD	BiH
Availability of salary information (points) – SIGMA <i>BLV: 0/3 – TV: 2/3</i>	1/3	1/3	0/3	3/3	1/3
	Institutions of				
	BiH	FBiH	RS	BD	BiH

There was no progress or changes in the indicator values at the level of this measure. The target values were not reached.

Activity 2.4.1. *Define by regulation an obligation to carry out an analysis of jobs and make comprehensive analytical assessment of jobs; methodology for analytical assessment, classification and grading of jobs* 2.4.3. *Amend regulations to allow for the establishment of a remuneration system based on the appropriate analytical assessment and classification of jobs*, 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 jobs as a basis for a new remuneration system, and amend acts on the systematization and organization of jobs* and 2.4.4.

Ensure the availability of data on the salary and remuneration system, no progress has been recorded at any administrative level compared to the previous reporting period.

The key problems for the implementation of these activities are the uncertainty of the adoption of regulations governing this area by the competent authorities, and insufficient capacities of civil servants/units for human resources in certain institutions/administration bodies.

Measure 5: Ensuring compliance with the norms of code of ethical conduct for staff in administrative structures

Indicators	Indicator values				
Disciplinary decisions confirmed by the courts (%) – SIGMA <i>BLV: 0/4 – TV: 2/4</i>	4/4	4/4	4/4	4/4	4/4
	Institutions of				
	BiH	FBiH	RS	BD	BiH
Existence of legal frameworks for public sector integrity integrity (points) – SIGMA <i>BLV: 0/5 – TV: 3/5</i>	1/5	0/5	0/5	0/5	0/5
	Institutions of				
	BiH	FBiH	RS	BD	BiH
Established public sector integrity plans (points) <i>BLV: 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. The target value was reached only for the first indicator, while for the other indicators the target values were not reached.

Activity 2.5.1. *Raising the awareness of the managerial staff about the need to sanction any misconduct 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 the improvement of the implementation of disciplinary procedures and ensuring the implementation of the code of ethical conduct for staff* was previously realized 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. Regarding *provide a legal basis for adopting integrity plans and build capacities for the development at the level of individual institutions* (activity 2.5.3.), no changes were recorded in the percentage of institutions that adopted integrity plans (this activity was previously implemented at the level of the RS 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 integrity plans and their better implementation at this administrative level. Regarding *monitoring of 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				
Number of senior civil servants who received training on managerial knowledge and skills at all administrative levels	10	7.8	0	92.2	0
<i>BLV: n/a – TV: 90%</i>	Institutions of				
	BiH	FBiH	RS	BD	BiH ¹⁹
Percentage of managers whose performance was appraised by competent bodies	0	0	80	100	25
<i>BLV: n/a – TV: 90%</i>	Institutions of				
	BiH	FBiH	RS	BD	BiH

There was no progress in the implementation of this measure. A correction of the aggregate value for BiH for the first indicator was made in accordance with the established assessment methodology (see footnote). The target value was reached only at the level of BD BiH, while overall for BiH the target value was not reached by any indicator.

Activity 2.6.1. which refers to *the training for senior civil servants on basic managerial knowledge and skills*, was implemented at the level of BD BiH in the previous reporting period, and its implementation began at the level of the institutions of BiH and FBiH. In this reporting period, there was an increase in the number of civil servants who underwent training (with the fact that the number of civil servants who underwent all the planned training modules is still small, (see Annex). Activity 2.6.2 is similar *Amend the existing/adopt new provisions of the regulations governing the performance appraisal of senior 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/adopt new provisions of regulations governing the monitoring and evaluation of the work of heads institutons/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. The low level of training of senior civil servants opens up the risk of bad management in the civil service, which can have major consequences on its work and efficiency. The risk is even greater considering the failure to evaluate senior civil servants at the level of the institutions of BiH and FBiH.

KEY RECOMMENDATIONS FOR THE FIELD OF PUBLIC 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 Human Resources Subdivision of BD BiH) should intensify activities on the preparation and adoption of relevant regulations. It is necessary to strengthen

¹⁹ According to the methodology established by the indicator passport, the value of the level with the lowest percentage of trained senior civil servants is taken as the total value for BiH (unless it is Brčko District of BiH)

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).

- 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 using available budget and donor funds.
- In the field of personnel planning, when amending regulations, the competent institutions should take into account the requirements of the PAR Strategic Framework and recommendations from previously prepared analyses. 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 conducted analyzes 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 PAR Strategic Framework, and it is necessary to include all competent institutions in this matter). At the BiH level, the institution should initiate amendments to the Law on the Agency for the Prevention of Corruption and Coordination of the Fight Against Corruption in terms of including a provision that will envisage the obligation to develop strategic plans, as well as prepare and adopt a 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.

2.3. ACCOUNTABILITY

The field of accountability requires the existence of adequate mechanisms that ensure the accountability of management. The planned measures and activities are based on the SIGMA principle, according to which the entire management organization 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.

Specific objective: Organizationally and functionally aligned and transparent public administration system with improved internal and external supervision over the work of public administration

Indicator: *Public trust in administration*

A regionally set indicator that measures citizens' trust in the administration by measuring the citizens' perception of the work of the government, i.e. trust in the government, in accordance with the set methodology of the Balkan Barometer. The indicator measures the percentage of citizens who show complete trust and citizens who tend to trust the government.

Indicator values:

BLV (2017)

CV (2023)

TV (2027)

15%

21%

40%



According to the measurement carried out by the Balkan Barometer in 2023, a decrease in citizens' trust in the work of the government was recorded compared to the value of the indicator from 2022. Citizens' trust in this year fell to the measurement level recorded for 2018, which indicates an unstable growth trend of the indicator.

The value of the indicator is lower than the regional average for 2023, which is 35%.

Indicator: Requests for access to information in the possession of government agency (institution) are accommodated in a timely manner(% of those who agree and those who fully agree) Balkans Barometer

The data indicate the percentage of citizens who believe that information under the control of public institutions, i.e. government agencies, is provided to citizens in a timely manner upon their request.

As part of the measurement, citizens' perception of the provision of information under the control of public authorities, i.e. government agencies, is observed. The perception is determined in the part that refers to the timeliness of the actions of government institutions in terms of the law on freedom of access to information. The indicator measures whether institutions provide information that is under their control in accordance with the deadlines of the law on freedom of access to information at all administrative levels in Bosnia and Herzegovina. Citizens' trust is measured on a scale with five values.

Indicator values:

BLV (2017)

CV (2023)

TV (2027)

30%

-

55%



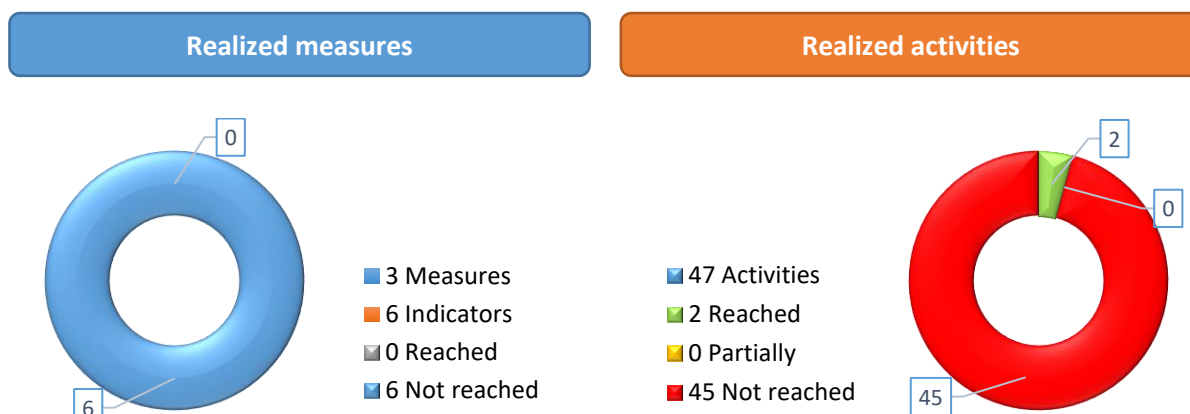
The current value of the indicator related to citizens' perception of the transparency of government bodies cannot be measured for 2023, because the Balkan Barometer measurement does not contain a value for this indicator.

However, if we look at the values of this indicator from previous years (45% in 2018; 48% in 2019 and 40% in 2021), there is a noticeable decline in citizens' trust in the transparency of government bodies.

Overall, the slow implementation and delay of reforms affected the performance in the area of Accountability. A small number of activities in this area were carried out, and it was expected that citizens' trust in the work of the government and the perception of transparency would continue to be low. The key risk for further progress in the area is slowness, and it is necessary to speed up the

formation of PAR structures for the implementation of the reform, but also to promote the achieved progress, so that citizens can see the benefits of the implementation of reform activities.

ANALYSIS: REFORM MEASURES



The reform in this area is planned through three reform measures and 47 activities, and all these activities refer to the institutions of the state, entity and Brčko District of BiH (except one, which is for the state level). Not a single reform measure was fully implemented in this reporting period. Out of 47 activities, two activities were completely fulfilled (at all levels of government). At the state level, 6 activities have been completed, in FBiH 3, in BDBiH 3, while in RS only two activities have been completed (green light). One activity at the state level has been partially implemented.

	Inst. BiH	FBiH	RS	BD
The target values were not reached	40	43	44	43
The target values were partially reached	1	0	0	0
The target values were reached	6	3	2	3
<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 the policy and regulatory framework to manage central government institutions at administrative levels (points) – SIGMA <i>BLV: 1/5 – TV: 3/5</i>	2	2	2	2	2/5
	Institutions of BiH	FBiH	RS	BD	BiH
Accountability in reporting between central government bodies and parent ministry at administrative levels (points) – SIGMA <i>BLV: 0/4 – TV: 2/4</i>	0	0	0	0	0/4
	Institutions of BiH	FBiH	RS	BD	BiH

The organizational structure of public administration in Bosnia and Herzegovina was not improved in the previous period, because most of the activities from the PAR Action Plan were not implemented. 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. For the purposes of this report, the SIGMA measurement was used, which detects deficiencies in the legislative framework at all levels.

The displayed value of the indicator of the measure 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 any progress made in the implementation that would contribute to the fulfillment of the indicators. Taking into account the lack of capacity in some of the key institutions accountable for the implementation of the reform in this area, part of the activities envisaged is the 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 the organizational structure improvement plan and its implementation (3.1.3) and the development of tools for planning further changes in the organization of the administration (3.1.4) is planned through a technical assistance project financed from IPA 2019. The same project includes activities that lead to further strengthening and promotion of managerial accountability (3.1.11 and 3.1.12). The project is in the initial phase of implementation (implementation started in September 2023). In the previous reporting period, progress was made in the development of managerial accountability through the PAR IPA 2015 project, in which a discussion was organized and initial analyzes were prepared, as well as through the PIFC IPA 2015 project, in which Guidelines for the development of managerial accountability in BiH institutions were prepared at the state level, which provide 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, information was submitted from the level of Republika Srpska that 25 public administration bodies adopted a rules of procedure on the internal organization and systematization of workplaces (3.1.6). However, no information was provided that the institutions worked on improving the acts on internal organization (3.1.5). Although the methodology for the development of electronic registers of administrative bodies and organizations 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 on all levels, which will also regulate the obligation to regularly update registers (3.1.8) in the reporting period, the activities did not continue, including activity 3.1.10. - ensuring the availability of registers to the public.

RISKS AND NEXT STEPS

Further postponement of reforms and lack of capacity in competent ministries (justice/administration), as well as lack of knowledge about EU concepts (managerial accountability) represent a risk for the implementation of activities in the next period. It is necessary to ensure the support of governments for the implementation of planned activities, to further strengthen the capacities of civil servants at all levels, especially in the competent ministries of justice/administration,

as well as to ensure the full participation of representatives of these ministries in the implementation of the technical assistance project financed from IPA 2019 in order to achieve the planned results.

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

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

The reform efforts planned within this measure are aimed at ensuring a legal and institutional framework for freedom of access to information that is in line with the highest international standards, and the promotion of proactive publication of information. This implies the adoption of a legal framework that will oblige institutions to publish information themselves, without citizens asking them to do so, which should ultimately increase the transparency of institutions, as well as the public's trust in their work.

The values of the indicators of the measure represent the values from the Report on the implementation of the PAR Action Plan, for the period 2020-2022, which was carried out by SIGMA in its Report from 2021.

Although certain developments were recorded in the realization of certain activities in the reporting period, they did not affect to a greater extent the change in the achievement of the set goals or the values of the indicators of the measure. In the previous period, progress was recorded at all levels in the fulfillment of activity 3.2.1. which refers to the preparation of the analysis of the legislation on freedom of access to information. At the state level, through the TAIEX project financed by the European Commission, the Expert Report "Improving the right to access to information in Bosnia and Herzegovina" was prepared on February 19, 2018. Also, SIGMA prepared the document "Improving the legislative framework for access to public information in Bosnia and Herzegovina", which contains a comprehensive analysis of the legislation on access to public information in Bosnia and Herzegovina at all levels.²⁰ In its document, SIGMA focused on the comparison with international standards and best international practices in this area, and on those grounds, a "model law on freedom of access to information" based on PAR principles was prepared and offered to all levels as a guide in the preparation of new laws. In the Federation of BiH in the previous reporting period, based on the

²⁰ Considering that the Law on Freedom of Access to Information of BiH was in force in the Brčko District of BiH at that time, this analysis applies analogously to the level of BD BiH (representatives of competent institutions of BD BiH were involved in the activities and prepared documents were delivered to them).

SIGMA analysis, the text of the new Law on Freedom of Access to Information of the FBiH was prepared, which is harmonized with the SIGMA PAR principles, however, the law has not yet been submitted to the adoption procedure.

Some progress was made at the state level with the introduction of the new Law on Freedom of Access to Information in BiH²¹ (activity 3.2.2). The law adopts the provisions of Directive (EU) 2019/1024 of the European Parliament and the Council from June 20, 2019 on open data and the reuse of public sector documents. The principles on which the proposed law is based are aimed, among other things, at strengthening the transparency and openness of public authorities, available and free access to information with timeliness and accuracy in its publication, and increased accountability of BiH institutions in this process. The novelty in the proposed law is the electronic submission of requests and the introduction of a completely new model of proactive publication of certain information important for the work, organization, decision-making and financing of BiH institutions. However, the law also contains certain shortcomings that the Human Rights Ombudsman Institution of BiH previously pointed out and expressed concern that the law did not ensure the independence of the second-level body, and the reaction of the DEU in BiH is in accordance with the position of the Ombudsman Institution and indicates that the law did not take into account the messages from previously prepared analyses. In the Republika Srpska, there were no changes aimed at amending the existing law or adopting a new law.

At the state level, a proactive transparency monitoring system was established in the previous period (activity 3.2.4), and in this reporting period, a new survey was conducted among 65 state institutions, which showed that the average fulfillment of proactive transparency standards was 72.27%. In accordance with the conclusion of the BiH Council of Ministers from 2022, out of 65 institutions, 30 institutions adopted internal acts on proactive transparency.

The Public Relations Office of the Government of FBiH continued, in accordance with the "Communication Plan of the Government of FBiH for 2023 with the Communication Action Plan", the publication of important documents, including the Work Program of the Government of FBiH for 2023, 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 the year 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.

RISKS AND NEXT STEPS

Most of the activities within this measure are related to the preparation and adoption of new/amended legislation on freedom of access to information, and it is necessary in the following period to primarily ensure the implementation of activities (3 3.2.2) at the levels of FBiH, RS and BD BiH, with the provision of appropriate support for its implementation. Further postponement of the work on drafting the law on freedom of access to information is a risk for additional delay in the

²¹ "Official Gazette of BiH" number: 61/23

implementation of other activities. It is necessary to carry out an analysis of the readiness for open data for the Republic of Srpska and the Brčko District of BiH, in order to prepare an open data policy. It is necessary to ensure cooperation between the key bearers of activities at all levels, in order to achieve harmonized solutions in this area.

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

Indicators	Indicator values				
Rate of implementation of Ombudsman recommendations <i>BLV: 45,12% – TV: 55%</i>	-	-	-	-	36,54
	Institutions of				
	BiH	FBiH	RS	BD	BiH
Number of public administration cases (administrative acts) confirmed by the competent court <i>BLV: 53% – TV: 61%</i>	-	-	-	-	47
	Institutions of				
	BiH	FBiH	RS	BD	BiH

As part of measure 3, the aim of which is the establishment of functional mechanisms for the protection of the individual's right to good administration and public interest, a noticeable drop is visible in the value of the indicators in 2023 compared to their initial values. This value is measured by the rate of implementation of the recommendations of the Ombudsman Institution for Human Rights in BiH, as well as by the number of administrative acts confirmed by the competent courts in the country.

Although the Institution of the 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, the analysis of the reasons for the low fulfillment of the recommendations of supervisory bodies have 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 (the Audit Office of Institutions of BiH, The Audit Office in the Federation of BiH, the Main Audit Service of the Republika Srpska and 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 Law on Amendments to the Law on Human Rights Ombudsman of Bosnia and Herzegovina was adopted.²² However, the law does not ensure the complete financial independence of the Ombudsman Institution, but rather the functional independence of the Institution is guaranteed. Article 39 was amended by the law, which stipulates that the Institution prepares a draft budget that it submits to the Ministry of Finance and Treasury of Bosnia and Herzegovina for an

²² "Official Gazette of BiH" number 61/23

opinion, and then, together with the opinion of the MFT BiH, submits its budget request to the Commission for Finance and Budget of the House of Representatives of the Parliamentary Assembly of Bosnia and Herzegovina and to the Joint Commission for human rights of the Parliamentary Assembly of Bosnia and Herzegovina. In accordance with the recommendations of the commissions, the MFT of BiH is obliged to include the budget of the Institution in the draft law on the budget of the institutions of BiH for the following year. Paragraph 5 of the Law states that "the approved budget must ensure the functional independence of the Institution and its functioning without additional conditions."

In this reporting period, no progress was made and no activities were conducted that contributed to the strengthening of inspection supervision over the work of public administration (from 3.1.6 to 3.1.9). Also, there was no change in the part of activities related to the improvement of 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), as well as the improvement of the legislation that prescribes the payment of severance pay in case of wrongful administration work (3.3.16 and 3.3.17).

According to the data of the High Judicial and Prosecutorial Council (HJPC), in 2023, 47% of judgments conducted in accordance with the laws on administrative procedure were confirmed, which practically confirmed the quality of administrative decision-making by administrative bodies at all levels in BiH. However, the measured value of the indicator is lower than the initial value from 2017, when the value of the indicator was 53%.

CHALLENGES AND NEXT STEPS

The key challenges remain the slow implementation of activities and insufficient capacities in competent institutions for the implementation of activities. It is necessary to speed up the reform process, ensure financial and expert support for the implementation of activities and foresee further strengthening of capacities in institutions implementing reform activities - ministries accountable for justice/administration.

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 the Republika Srpska and the competent institution of the Brčko District of BiH should ensure the full participation of their representatives in the technical assistance project from the IPA 2019 funded by the EU in order to improve the legislative framework on the organization of administration and promote managerial accountability in public administration.
- The Ministry 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 of 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 for 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 to establish an effective system of monitoring administrative and judicial practice in administrative matters, with reliable statistics 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 the levels of FBiH, RS and the competent institution in BD BiH should complete the drafting of the law on freedom of access to information that will be harmonized with the requirements for proactive transparency and openness of data and refer them to the adoption procedure.

2.4. SERVICE DELIVERY

The challenges that public administration is increasingly facing is how to offer better services to end users. The service delivery has traditionally been viewed as a passive means of 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 and change in citizens' expectations, 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 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 coverage. 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.

Specific objective: Public administration in BiH is user-oriented and it professionally follows and understands their needs and expectations, based on which it improves its business processes and administrative procedures, reduces the administrative burdens, provides access to services through various communication channels, while ensuring high quality service at a reduced costs

Indicator: General satisfaction with public services

This indicator reflects the percentage of respondents who assess that they are completely or mostly satisfied with public services.

Indicator values:

BLV (2017)

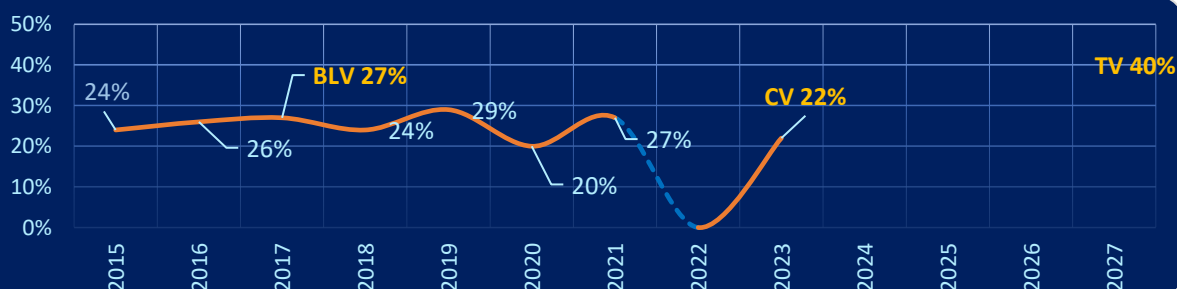
27%

CV (2023)

22%

TV (2027)

40%



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.

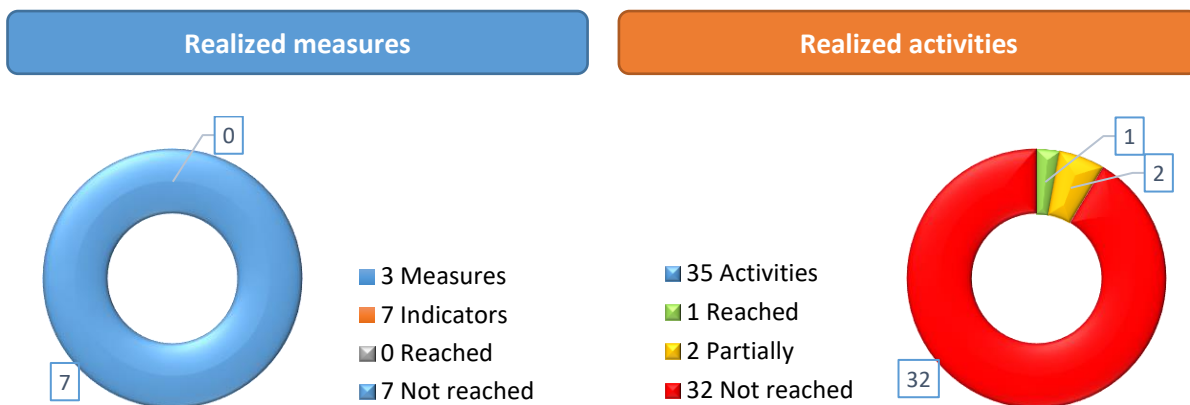
In order to achieve the defined goals and undertake the envisaged measures, there are many preconditions regarding the establishment of the necessary service and data IT infrastructure that need to be met. This infrastructure, if established in a systematized way, will enable more lasting effects, reduce subsequent costs, facilitate digitalization of public administration and its services offered by public administration. 8 priorities have been defined that need to be fully implemented in the initial phase of AP1 implementation:

Established catalog of services

1. Established and strengthened the Shared Services Center center at each administrative level
2. The following services have been established:
 - a) E-Payments
 - b) CA
 - c) GSB – government service bus
 - d) E-mail box
 - e) Cloud (data classification)

In the reporting period, there was a decrease in the value of the indicator of the specific goal, so the value of the indicator is lower than the initial value of the indicator (the initial value of the indicator was measured in 2017). Such a downward trend in the value of the target indicator is in accordance with the value of the measure indicator, where there was no positive change in the value of the indicator at the level of the measure in the reporting period. This phenomenon also corresponds to the almost non-existent progress regarding the implementation of certain activities. All parameters indicate an extremely small scope of implementation of the Action Plan in this area.

There is no difference in the changes in the value of the indicator of measures for Bosnia and Herzegovina and the changes in the value of the indicator of measures by individual administrative levels.



In the field of service delivery, at the end of 2023, only one out of a total of 35 activities was implemented (2.85%), while two were partially achieved (5.7%). The largest number of activities remains unimplemented - 91.4%. Observed by levels, the greatest progress was achieved in the Federation of BiH, where the target values of the indicators were reached for 3 activities (at the state level and in the RS it was for two activities), and 3 activities were also partially fulfilled (at the state level and in the RS the target values were partially reached for two activities). The lowest result in the area is in Brčko District of BiH. The area also contains three measures that are measured using a total of 7 indicators and these measures remain unfulfilled at the end of 2023.

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

Measure 1: Identifying service quality instruments provided by public administration and service-user orientation

Indicators	Indicator values				
There is a policy framework for quality management at each administrative level in BiH <i>BLV: 0/3 – TV: 0/3</i>	0	0	0	0	0
	Institutions of				
	BiH	FBiH	RS	BD	BiH
% of services measured using customer satisfaction measurement tools at each administrative level <i>BLV: 0% – TV: 50%</i>	0	0	0	0	0
	Institutions of				
	BiH	FBiH	RS	BD	BiH
% of institutions that have developed and apply a customer relationship management system (CRM) at each administrative level <i>BLV: 0% – TV: 40%</i>	0	0	0	0	0
	Institutions of				
	BiH	FBiH	RS	BD	BiH

In the reporting period, progress was made in the implementation of individual activities at the level of the institutions of the Council of Ministers of BiH, Federation of BiH and Republika Srpska, but there was no progress in reaching the target value of the indicator at the level of the measure.

At the level of institutions of BiH, activities were recorded on the implementation and promotion of the CAF quality management tool organized by PARCO and ReSPA. The process of certification of the CAF mark in the Ministry of Civil Affairs of BiH has also started. Also, PARCO contributed to the realization of CAF training for civil servants organized by the BiH Civil Service Agency. As part of the UNDP project of implementing the CAF tool in local self-government units throughout BiH, the Office The Public Administration Reform Coordinator's Office and the Agency for State Administration of the Republika Srpska contributed and supported the preparation of materials for the implementation of the project.

At the level of the Federation of BiH, activities were recorded on the implementation of the Planning Document on the introduction of CAF standards for quality management in civil service bodies in the Federation of BiH, based on the decision of the FBiH Government from November 3, 2022.

The Agency for State Administration of Republika Srpska worked on the promotion and implementation of the CAF tool. With the mentoring support of the Agency for State Administration, and as part of the UNDP project, the CAF tool was implemented in two local self-government units, the City of Prijedor and the City of Prnjavor. The representative of the Agency for State Administration, the effective user of the Civil Service Agency of FBiH, the Agency for Peaceful Resolution of Labor Disputes of Serbia and the Ministry of Civil Affairs of BiH participated in the CAF certification process.

RISKS AND CHALLENGES

- Lack of financial support for tools such as information systems - procurement, training and maintenance), and human resources, that is, the capacities of institutions for the implementation of quality management policy;
- Ignoring proposals for taking the initial steps of preparing and adopting policies and plans, and defining the leading institution for quality management (in this case at the level of Brčko District of BiH) and its capacities can stop or significantly slow down the whole process.
- The long wait for the adoption of documents for the implementation of the public administration reform leads to inactivity and delays in the implementation of activities in the reporting period.
- The lack of financial resources and human resources for the implementation of activities indicates the need for the functioning of the Public Administration Reform Fund and the activation of donor funds.

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

Indicators	Indicator values				
% of priority services provided through several channels (3rd or 4th²³ level transactions) at each administrative level BLV: 0% – TV: 15%	0	0	0	0	0
	Institutions of BiH	FBiH	RS	BD	BiH
% of time reduction for service delivery (registration of business entities, building permit, renewal of personal documents, taxes for companies, tax) at each administrative level BLV: 0% – TV: 40%	0	0	0	0	0
	Institutions of BiH	FBiH	RS	BD	BiH
The number of services offered through one-stop shop at each administrative level BLV: 4 – TV: 8	0	2	2	0	2
	Institutions of BiH	FBiH	RS	BD	BiH

There is no progress in the implementation of Measure 2. The provided information on the implementation of the activities does not indicate that preparatory steps have been initiated on a significant scale that would contribute to the implementation of Measure 2. This indicates that the activities that contribute to the implementation of the measure in question will not be implemented or will be implemented with a significant delay in relation to the planned dynamics. The level of intensity of activities that would result in the establishment of an overall system of providing services in electronic form is very low.

The target values of the indicators of this measure were not reached and there were no changes in the values of the indicators compared to the previous period.

Although there is no significant progress in the implementation of this measure at the level of Bosnia and Herzegovina or at individual levels, there are examples of several activities specific to individual administrative levels that indicate changes in terms of the dynamics of the implementation of activities.

For the implementation of key building blocks for electronic services, which are also prerequisites for the delivery of services, prior to the implementation of the building blocks, technical assistance was approved as support for the implementation of the building blocks, which will be financed through the EU IF mechanism, and it is expected that the technical assistance will begin with the implementation in 2024.

In this reporting period, the Ministry of Transport and Communications of BiH prepared a draft decision on the adoption of a Strategy for the development of eGovernment in the institutions of BiH with the accompanying Action Plan, for the period 2024–2028. The draft decision is currently in the stage of inter-institutional coordination. The adoption of the aforementioned Strategy and Action Plan will improve the strategic focus on digitalization of services at this administrative level.

²³ Level 3 or 4 implies that the services are at the interaction or transaction maturity level

In this period, the Ministry of Transport and Communications of BiH also prepared a Proposal for a Decision on the Adoption of the Strategy for Cloud Computing in the Institutions of BiH for the period 2024-2028, of which the Action Plan for the implementation of the strategy is an integral part. The draft decision is currently in the stage of inter-institutional coordination.

Both of the aforementioned strategic documents represent a contribution to the realization of the basic building blocks that are foreseen and necessary for the digitization of services, and strengthens the strategic position of key activities in the field of service delivery.

Regarding the issue of interoperability, several pieces of information have been submitted from the level of the Institutions of BiH, which indicate that more activities related to the operationalization of the Interoperability Framework are planned next year, and they are referred to: Strengthening the capacity of the e-Government Sector of the General Secretariat of the Council of Ministers of BiH in terms of fulfillment of obligations from the Decision on Interoperability; Decision on amending the Decision on the establishment of an interdepartmental working group for interoperability in BiH (Published in the Official Gazette of Bosnia and Herzegovina No. 66/2023); Legally define the competencies for approving and monitoring ICT projects that are implemented in BiH institutions; complete the adoption of the remaining documents required for semantic and technical interoperability;

At the entity level of the Federation of BiH, amendments to the Law on Administrative Procedure created prerequisites for the establishment of a single administrative place. The Federal Ministry of Justice initiated the drafting of the Rulebook on the Single Administrative Place.

In the mentioned period, at the level of the Republika Srpska entity, the Ministry of Administration and Local Self-Government of the Republika Srpska implemented an activity, so that in the procedures for exercising the rights and control of the beneficiaries of child protection rights, the Public Fund for Child Protection of the Republika Srpska can electronically obtain the data contained in extracts from the registers of births, marriages, deaths and citizens. The aforementioned will contribute to greater efficiency and economy of the procedure conducted by the Fund, and at the same time to easier exercise of the rights established by the Law on Child Protection, because citizens will be free from obtaining the aforementioned documents. The exchange of data is realized through a web service.


The mentioned ministry also made a connection through the web service with the records with which it has the Ministry of Interior of the RS, and they refer to the possibility that the Registry Offices in this entity can obtain data on residence, and thus, in the course of one year, access to the said data was made in 46,200 cases. The procedure for issuing an ID card was improved and accelerated by automating data verification, which led to the shortening of the procedure for issuing an ID card. Likewise, the aforementioned ministry, in cooperation with the Ministry of Education and Culture, enabled e-enrollment of students in the first grade of elementary school in a way that enabled schools to obtain the data necessary for enrolling a child in school with the consent of the parents and through the Ministry of Education and Culture of the Republika Srpska, thus overcoming the need for parents to deliver printed extracts from registers to schools. The effects of the aforementioned connection on the registers of birth books are visible in the first year of use, where a total of 9,444 requests were made.

Brčko District of BiH reported that there was no progress in the implementation of activities.

RISKS AND CHALLENGES

- The key building blocks, at the same time the prerequisites of the entire area, which should be the basis of an interoperable infrastructure, have not been established. Building blocks (1. Established catalog of services; 2. Established and strengthened center of shared services at each administrative level; 3. Established the following services: a) E-payment; b) CA; c) GSB – government service bus; d) E-mail box; e) Cloud (classification of data)) were nominated for funding through the IPA III mechanism, in consultation with all relevant institutions, but funds for implementation were not approved.
- Administrative levels have not identified priority electronic services for citizens and business entities and started their digitalization, there is no information about shortening the time for the realization of the selected set of services, also the number of services offered on the principle of all in one place has not changed.
- In the absence of basic blocks for the provision of electronic services, without strategic priorities regarding the digitization of individual registers and public administration services, the consequence of the lack of essential progress is evident.
- There is a constant problem of a lack of finances for the implementation of digitalization activities, as well as a limited institutional framework for the integrative delivery of services. With the exception of the Republika Srpska entity, there are no clear institutional capacities for digitization in public administration and further towards digital transformation.
- In relation to activities related to a safe environment for the delivery of public administration services, there were no significant activities implemented. At the entity level of the Federation of BiH, the Federal Ministry of Transport and Communications has prepared the Law on Information Security of the Federation of BiH, which is fully harmonized with the NIS2 Directive of the European Union.
- The Government of the Federation of BiH initially determined, referred and then withdrew the aforementioned draft of the Law from further parliamentary procedure. The aforementioned Law would regulate the issue of cyber security at this administrative level and define the competences, protection control, coordination and operation of the CERT team of this entity.

Measure 3: Harmonized improvement of the administrative and legal framework

Indicators	Indicator values
<p>% of reduced special procedural norms that proved to be unjustified and complicated the for end users of services at each administrative level</p> <p>BLV: 0% – TV: 3%</p>	 <p>Institutions of BiH FBiH RS BD BiH</p>

There was no progress in reaching the target value of the indicator. To define the baseline value of the indicators of this measure and the possibility of monitoring administrative simplification, it will be necessary to conduct 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.

In order to provide support for the implementation of the activities of this measure, in cooperation with SIGMA and the competent institutions of the Council of Ministers of BiH, the Federation of BiH, Republika Srpska and Brčko District of BiH, on June 8, 2023 PARCO organized a round table for support in realization of *the activities of measure 4.3. Harmonized improvement of the administrative and legal framework*. The round table resulted in the conclusions that all four levels of government are committed to creating a catalog of services and simplifying administrative procedures, including eliminating unnecessary formalities and digitization. PARCO and SIGMA then held bilateral online meetings with representatives of all levels of government where the planned next steps and corresponding needs for support in their implementation were discussed in more detail. Meetings were also held with the USAID e-Government project and UNDP representatives. One of the agreements from the bilateral meetings referred to the need for SIGMA to analyze one of the more complex administrative procedures, in order to identify ways for its possible simplification. Land registration and vehicle registration procedures were discussed, and the vehicle registration procedure (initial registration and registration that is mandatory every year) was taken as an example of an administrative procedure that SIGMA will analyze in detail, and offer suggestions for possible simplifications. It was also agreed that SIGMA will prepare a note on catalogs of administrative services, including structure, establishment process, updating, etc. After the note on the catalogs is completed, it will be shared with the competent institutions of all four administrative levels.

Although there was no progress in reaching the target value of the indicator, in the reporting period, at the level of Republika Srpska, the implementation of activities leading to the improvement and simplification of administrative procedures was recorded.

The Government of the Republic of 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.²⁴ The project for the optimization of administrative procedures at the republican level includes an analysis of the procedures identified in the unified register of all permits, certificates, decisions (so-called formalities) issued by republican administrative bodies (publicly available on the portal pccsrpska.vladars.net), from the point of view of their justification, the justification of necessary requests documentation, analysis of costs and time in obtaining them. The goal of the project is to simplify certain administrative procedures, and to reduce costs and time for the business community. In accordance with the adopted methodology and dynamic plan, which also includes a wider invitation to the business community to join the project with concrete comments, the Government of the Republika Srpska adopted an Action Plan, which states which formalities (permits, certificates, solutions) will be abolished or simplified. The number of formalities proposed for abolition is 42, which is 4.40%, the number of formalities proposed for simplification is 243, which is 25.47%, other formalities do not need to be changed. 95% of the abolition plan has been

²⁴ Conclusion of the Government of the Republika Srpska, number: 04/1-012-2-1335/23 from 04/20/2023

implemented, and the simplification of procedures is proceeding according to the dynamics of changes in regulations.

RISKS AND CHALLENGES

- Inactivity and delays in the implementation of many activities of this measure indicate a direct and negative impact of the long wait for the adoption of documents for the implementation of the public administration reform.
- The lack of financial resources and human resources for the implementation of activities also indicates the need for the functioning of the PARF and the activation of donor funds.
- Consistent application of regulations in practice and insufficient number of trainings for specific topics at certain administrative levels (Republika Srpska and Brčko District of BiH), and insufficient availability of civil servants to attend the required number of trainings.

KEY RECOMMENDATIONS FOR THE FIELD OF SERVICE DELIVERY

- The Public Administration Reform Coordinator's Office, in cooperation with the BiH Civil Service Agency, should prepare a Quality Management Policy for institutions in BiH, and send it to the BiH Council of Ministers for adoption by the end of 2024.
- For the period 2024-2028 the Ministry of Communications and Transport of BiH should submit the Strategy for the Development of e-Governance in the Institutions of BiH, to the Council of Ministers of BiH for adoption;
- For the period 2024-2028 the Ministry of Communications and Transport of BiH should send the Strategy of cloud computing in the institutions of BiH to the Council of Ministers of BiH for adoption;
- 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;
- 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;
- It is necessary for the BiH Cabinet of Ministers 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 appointment of a computer incident response team for the institutions of Bosnia and Herzegovina;
- Institutions that in their annual or three-year plans have planned activities related to 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;
- The Federal Geodetic Administration, the Republic Geodetic Administration and the Sub-Department for Cadastre and Books of the Brčko District of BiH 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 FBiH Government appoints representatives of the Federal Information Agency FIA to the Digitalization Supervisory Team in the field of service delivery.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of the RS and the Legislative Office of the Government of BD BiH should continue to work during 2024 on determining the structure of the catalog of services, forming registers/catalogues of special administrative procedures and assessing the necessity/justification of special procedural provisions.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Federal Ministry of Transport and Communications, the Ministry of Administration and Local Self-Government of the RS, the Ministry of Science and Technology of the RS, and the Government of the BD BiH Mayor's Office, Legislative Office, Administrative Inspection and the Department for Professional and Administrative Affairs should during 2024, work on the implementation of an IT platform for monitoring the implementation of the law on administrative procedure.
- The Ministry of Justice of BiH, the Federal Ministry of Justice and the Legislative Office of the Government of BiH should take appropriate steps during 2024, in order to establish a unique methodology for reducing formalities and burdens, and establish a continuous process of simplifying certain administrative procedures, i.e. procedural provisions, and the continuous improvement of the law on administrative procedure in accordance with the results of user needs and best practices, including digital transformation.
- Competent institutions at each administrative level should update existing/enact new strategies for eGovernment including prioritization of eServices;
- Institutions responsible for interoperability at each administrative level should update implementation plans for interoperability;
- It is necessary for the MCT BiH to draft and refer to the further procedure the Law on Cyber Security;
- MCT BiH should initiate and refer the Proposal of the Law on Electronic Identification and Trust Services for Electronic Transactions to the re-procedure;
- Inter-departmental working group for Interoperability should create a standard of the common structure of the catalog of registers with the definition of the mandatory content of each register;
- 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 Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should, during 2024, include in their regular training programs specialized training on the topic of improving administrative and legal framework and digital transformation.

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 system of financial responsibility.

The strategic framework for the public administration reform in BiH does not specify specific reform goals and reform measures in the field of public finance management, but they are the same subject of the strategic framework for the reform of public finance management. Nevertheless, the Thematic Working Group (TRG) for the area of public finance management, during the preparation of the Strategic Framework for Public Administration Reform 2018-2022, defined seven indicators for the purpose of monitoring the general progress in the reform of public finance management in BiH.

Indicators *Share of deficit in GDP* and *Share of debt in GDP* are economic indicators and are subject to external influences in times of crisis in open market economies, such as the economy of BiH. The pandemic of the COVID-19 virus, and the general geopolitical situation caused by the relations between Russia and Ukraine, in the last 2-3 years have caused significant turbulence and a financial crisis atypical for the previous decade and significantly affected the values of the mentioned indicators, which is why the comparison with the values of the same indicators in the previous period in the context of planned reforms is meaningless. Nevertheless, the measured values will serve as new starting values for monitoring the effects of public finance management reforms in the coming period, given that the period of implementation of the strategic framework for the reform of public finance management for the period up to 2025 is ahead of us.

Indicator: Share of deficit in GDP

This indicator is measured as a percentage of the deficit in GDP, and one value of the indicator is determined for the entire country. A deficit is defined as a negative balance of income and expenditure, including capital receipts and capital expenditure. The calculation does not include repayment of loan principals and borrowing.

Indicator values:	BLV (2018)	CV (2022)	TV (2027)
	2,20%	-0,39	n/a



Given that the general government deficit represents a negative balance of income and expenditure, including capital receipts and capital expenditures, a negative value of this indicator means that the government has a deficit and requires financial resources from other sectors, which is interpreted as "net borrowing". Contrary to this, "net lending" means that the government has a surplus and provides financial resources to other sectors, and the value of the indicator in that case is positive.

For the sake of comparison with other countries, the corresponding indicator values for Slovenia, Austria and Switzerland, as well as for the European Union, which are available on the OECD website,²⁵ are also shown on the graph. It is evident that the measured values for BiH do not deviate from the values of European countries and are within the expected limits and in accordance with the expected trends. After a significant decline recorded in 2020 (deficit in the value of 5.28% of GDP), BiH recorded an increase in the value of this indicator, i.e. a reduction of the deficit to 0.39% of GDP in 2022.

Indicator: Share of debt in GDP

The debt-to-GDP ratio measures the collective debt of the four administrative levels as a percentage of total GDP. It is a key indicator for the sustainability of government finances, given that changes in the state debt over time primarily reflect the impact of state deficits from the past, and one value of the indicator is determined for the entire state.

Indicator values:

BLV (2018)

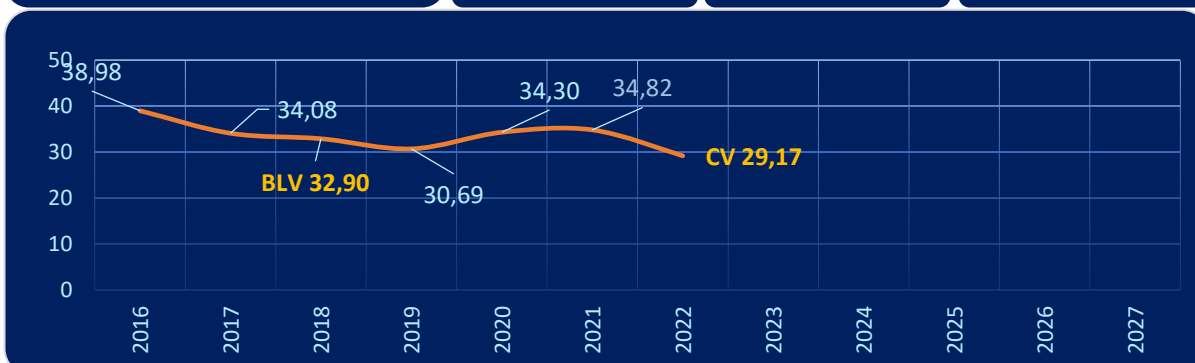
CV (2022)

TV (2027)

32,90%

29,17

n/a



²⁵ <https://data.oecd.org/gga/general-government-deficit.htm>

Although in the period from 2016 to 2019 there was a trend of decreasing debt in relation to GDP, since 2020 the value of this indicator has increased, and its values are at the level of 5 years ago. However, in the last year, the debt reduction trend continued, which was interrupted in 2020, so in 2022, and for the first time, the share of debt in GDP is below 30%. Structure of public indebtedness of BiH as of December 31, 2022. shows that external debt accounts for 75.35% and internal debt accounts for 24.65% of public indebtedness. In the total state of public indebtedness, the Federation of BiH participates with 50.16%, the Republika Srpska with 48.86%, the Institutions of BiH with 0.61% and the District with 0.37%. The share of BiH public debt in the Gross Domestic Product (GDP) in 2022 was 29.17%.

Indicator: Budget openness index

The Budget Openness Index is a worldwide, independent, comparable measure of government budget transparency that uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organization for Economic Co-operation and Development (OECD), the International Organization of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

Indicator values:

BLV (2017)

CV (2022)

TV (2027)

35

n/a

n/a



The countries included in this survey are assigned an openness index on a scale of 0 to 100 points, using a series of questions that assess the amount and timeliness of budget information that governments make publicly available in eight key budget documents in accordance with international standards of good practice. In 2021, according to the Budget Transparency Index, BiH received a score of 32, on a scale from 0 to 100, where 0 indicates the lowest level of budget transparency, and 100 the highest level of budget transparency. Comparing the scores of the budget transparency index for previous years, BiH in 2021 recorded the lowest transparency score (32) since 2010. BiH had the highest transparency rating in 2012 (50), since then it has been constantly recording a downward trend in budget transparency. It is far below the world average of 46, and has the lowest transparency rating compared to other countries in the region: Slovenia (66), Croatia (64), Albania (52), Serbia (46), Macedonia (36). The results of the budget openness survey for 2022 are not available.

Indicator: Degree of implementation of internal audit recommendations

The degree of implementation of internal audit recommendations shows how many recommendations made by internal audit were implemented during the following calendar year. All recommendations from all areas of auditing that the internal audit has given in its reports during one calendar year are taken into account.

Indicator values:	BLV (2018)	CV (2022)	TV (2027)
	BiH 22% FBiH 42% RS 28%	BiH: 12,69 FBiH: 34,52% RS: 31,23%	n/a

	2016	2017	2018	2019	2020	2021	2022
Institutions of BiH	59%	49%	22%	9%	15%	21%	13%
Federation of BiH	48%	39%	42%	n/a	42%	43%	35%
Republika Srpska	n/a	53%	28%	54%	54%	53%	31%

Considering that internal audit is an independent, objective assurance and consulting activity created with the aim of adding value and improving the organization's operations, with the aim of helping the organization achieve its goals by ensuring a systematic, disciplined approach to assessing and improving the effectiveness of risk management, controls and management processes, and as such is part of the comprehensive system of internal financial control in the public sector, the importance of the implementation of the recommendations given by the internal audit is very important. There is room for improvement in this segment at all administrative levels, and especially at the level of BiH institutions, considering that, on average, in the last 6 years, the degree of implementation of recommendations is about 27%. The negative trend is especially worrying, where the degree of implementation has decreased from 59% in 2016 to 9% in 2019, i.e. 13% in 2020 at the level of BiH institutions. In the Federation of BiH, that average is around 41% in the last 7 years, while in the Republika Srpska it is around 37%, with the fact that in the penultimate 3 years the average is as high as 54%, but in the last year still a modest 31%. Indicator values for the Brčko District of BiH will be determined after the establishment of an internal audit at this administrative level.

Indicator: Average number of offers per tender

This indicator measures the increase or decrease in the level of competition in the public procurement process by calculating and monitoring the change in the average number of bids received in public procurement procedures in relation to the number of procedures. An increase in this number, observed over a large sample, reflects an increase in the level of competition, while a decrease in the number reflects a decrease in the level of competition.

Indicator values:

BLV (2018)

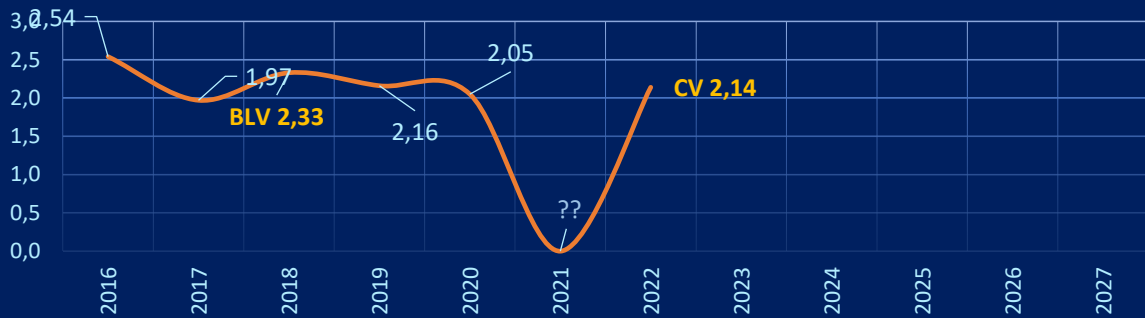
CV (2022)

TV (2027)

2,33

2,14

n/a



Insufficient competition in public procurement procedures is often an indicator of insufficiently good anti-corruption measures, and as a result, public buyers - contracting authorities, get less for their money or pay more compared to what they get, given that public procurement is defined as a process of purchasing goods or service by the public sector, the aim of which is to ensure the best value for public money. Corruption weakens the rule of law, leads to vulnerable public institutions in which citizens do not trust, inefficient use of resources and insufficient quality of public services. The average number of offers in the European Union is around 5.4 offers per public tender, while in BiH these values in the last 7 years are around 2.2 offers per tender, on the basis of which it can be concluded that BiH continues to have very poor competition indicators in public procurement which confirm that, despite increasing transparency, the public procurement system is unable to ensure value for money.

Indicator: Share of non-transparent procedures in public procurement

This indicator measures the transparency and openness of the public procurement system by calculating the share of the value of all contracts awarded to the so-called non-transparent procedures (procurement from one source) in the total value of the contract during the year. A decrease in this number reflects an increase in transparency and openness, while an increase in the number reflects a decrease in transparency and openness.

Indicator values:

BLV (2018)

CV (2022)

TV (2027)

11,47%

6,69%

n/a



The transparency of public procurement is important for gaining the trust of taxpayers, so that they know how contracting authorities use public funds. In the last few years, there has been a noticeable increase in the transparency of the public procurement system, taking into account the fact that there has been a trend of decreasing the share of the so-called non-transparent procedures in public procurement in the last few years.

During 2022, the legal framework for public procurement was changed, the application of which should ensure even greater transparency and openness of the public procurement system. This is supported by the fact that the share of non-transparent procedures decreased from 11.87% in 2021 to 6.69% in 2022. Nevertheless, it is necessary to maintain this trend of reduction in order to be able to state the continuity of transparent and open public procurement procedures.

Indicator: Degree of implementation of external audit recommendations

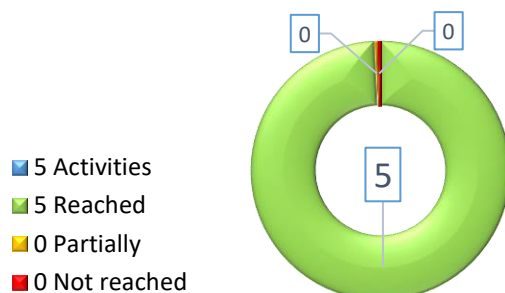
The degree of implementation of external audit recommendations shows how many recommendations made by the external audit were implemented during the following calendar year. The indicator takes into account all recommendations of financial audits, performance audits and special audits that the audit made in its reports during one calendar year, for which an implementation check was carried out.

Indicator values:	BLV (2015-2018)	CV (2022)	TV (2027)
	I.BiH 29% FBiH 25% RS 68% BD 30%	n/a n/a n/a n/a	n/a

	2015-2018	2019	2020	2021	2022
Institutions of BiH	29%	29%	33%	31%	n/a
Federation of BiH	25%	21%	28%	34%	n/a
Republika Srpska	68%	45%	58%	59%	n/a
Brčko district BiH	30%	24%	23%	21%	n/a

Based on the audits, the Supreme Audit Institutions compile reports in which they present findings and observations, point out irregularities, draw audit conclusions and present recommendations for eliminating deficiencies. These recommendations are an important element of every audit report because they serve as valuable guidelines for decision makers. They can help them increase the effectiveness, efficiency and economy of public expenditure management and the compliance of that management with applicable rules can contribute to the prevention of errors, irregularities and wasteful spending. The degree of implementation of the recommendations shows that in the last 6-7 years, the institutions of BiH implement less than a third of the given recommendations. It is similar in the Federation of BiH, with the difference that there is a growing trend in their realization, and in the last three years the degree of realization has increased from 21% to 34%. On the contrary, there is an evident decline in the implementation of recommendations in the Brčko District, where from 30%, as recorded in the period 2015-2018, in the last year only about a fifth of the given recommendations were implemented (21%). In the Republika Srpska, in the last 6-7 years, the degree of realization of recommendations is at an enviable 60%, with the exception of 2019, when 45% of the implementation of audit recommendations was recorded, which, by the standard in this entity, is a slightly worse degree of realization. Indicator values for 2022 are not available at the time of writing this report.

Realized activities



The Action Plan for the public administration reform in the area of public finance management maps key steps, and defines deadlines and activity carriers, the implementation of which ensures the establishment of a strategic framework for public finance management in Bosnia and Herzegovina

Therefore, the Action Plan in this area envisages only a few activities, which, although few, should support a coherent approach to the reform of public finance management and ensure that it is not isolated from other areas of public administration reform.

The Action Plan plans the development of a nationwide strategic framework for the reform of public finance management until 2026, through the provision of expert support, the formation of an intergovernmental body that will prepare this document, the definition of coordination mechanisms for its preparation, implementation and monitoring, respecting the principles of the existing system of coordination of the European integration process, and the development of the monitoring and evaluation system. As a final result, the adoption of a nationwide strategic framework for managing public finances is planned, which includes a strategy and accompanying Action Plan. However, before this document, the development and adoption of public finance management strategies at individual administrative levels were planned, and also valid until 2026.

All the mentioned activities were implemented in the period from 2020 to 2022, and during 2023, the implementation of the activities defined by the adopted strategic documents continued.

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

During 2020 and 2021, with the aim of increasing transparency and harmonization with international and European Union standards, the ²⁶Strategy for the Improvement of Public Finance Management in BiH Institutions for the period 2021 - 2025 was prepared and adopted.

Also, during 2020 and 2021, Public Finance Management Reform Strategy the 2021-2025 was prepared and adopted²⁷ for the Federation of BiH, which is aimed at strengthening the public finance management system by promoting transparency, responsibility, fiscal discipline and efficiency in the management and use of public resources for economic development and improved service delivery.

²⁶ The strategy for improving the management of public finances in the institutions of BiH for the period 2021 - 2025 was adopted by the Council of Ministers of BiH at the 27th regular session, held on February 18, 2021.

²⁷ Public Finance Management Reform Strategy 2021-2025 was adopted by the Government of the Federation of BiH at the 260th Government Session held in March 2021 (Conclusion of the Government of FBiH V. No. 504/2021 from March 25, 2021).

In the same period, that is, during 2020 and 2021, as the main guideline for strengthening the legal and institutional framework and system for managing public finances of the Republika Srpska, the Strategy of Public Finance Management of the Republika Srpska for the period 2021-2025 was prepared and adopted²⁸ with the accompanying Action Plan.

In Brčko, during 2020, the Public Finance Management Reform Strategy of the Brčko District of BiH for the period 2021-2025 was prepared and adopted.²⁹

All the listed individual strategies are organized into six pillars that cover all the key functions of the public finance management system (fiscal framework, public revenues, planning and budgeting, budget execution, internal control and external audit).

After the adoption of the mentioned strategies by individual administrative levels, with the technical support of the Department for Fiscal Affairs of the International Monetary Fund (IMF) through the project Reform of Tax Administration and Public Finance Management in Southeast Europe financed by the European Union (EU) and the State Secretariat for Economic Affairs of Switzerland (SECO), the Comprehensive Strategy for the *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. Also, in this way, BiH fulfills the obligations assumed in the EU accession process and follows international recommendations regarding the fulfillment of 14 priorities in the parts related to public procurement and public finances.

The implementation of the activities defined by the aforementioned public finance management strategies and their accompanying Action Plans continued during 2023, and annual reports on their implementation were prepared.³⁰

RECOMMENDATIONS FOR THE FIELD OF PUBLIC FINANCE MANAGEMENT

- In the following period, it will be necessary to revise, both comprehensive and individual, public finance management strategies with the extension of deadlines until the end of 2027, while taking into account PEFA, PIMA and SIGMA recommendations.
- Also, there is room for improvement of the system for reporting on the implementation of the Comprehensive Strategy for the Public Finances Management of BiH, especially in its technical part.

²⁸ At the 124th regular session held on June 3, 2021, the Government of the Republika Srpska adopted the Strategy for the Management of Public Finances of the Republika Srpska for the period 2021-2025.

²⁹ At December 17, 2020 the Government of the Brčko District of BiH adopted the Strategy for the Reform of Public Finance Management of the Brčko District of BiH for the period 2021-2025

³⁰ The Annual Report on the Implementation of the Strategy for the Improvement of Public Finance Management in BiH Institutions for 2022, with the Action Plan for 2023, was adopted by the Council of Ministers of BiH at the 23rd session held on September 14, 2023.

- The Report on the implementation of the Public Finance Management Strategy of the Republika Srpska for the period 2021-

2025, for the year 2022, was adopted by the Government of the Republika Srpska at the 27th session, held on June 29, 2023.

- The report on the implementation of the Public Finance Management Strategy of Brčko District BiH (2021-2025) for 2022 with the Annual Action Plan for 2023 was adopted by the Government of Brčko District BiH at its 25th session, held on November 3, 2023.

- The consolidated report on the implementation of the Comprehensive Strategy of Public Finance Management in BiH for 2022 with the Consolidated Action Plan for 2023 has been prepared and sent to the Council of Ministers of BiH for adoption in December 2023.

3. CONCLUSIONS

Although public administration reform is one of the 14 priorities from the European Commission's Opinion, the results of monitoring the implementation of the Action Plan for Public Administration Reform do not indicate the country's commitment to creating a modern public administration harmonized with the principles of the European administrative space and aimed at ensuring the well-being of citizens.

The reporting year ended without the establishment of structures for the implementation of agreed measures and activities, including bodies for political coordination, which is one of the key requirements of the European Commission in the field of public administration reform. The postponement of the reform affected the decline in the value of indicators on the regional and international scales, which record a decline in the confidence of citizens in various segments of the work of governments and administrations. If the absence of structures that would implement the reform is added to the fact that the Public Administration Reform Fund continued to be blocked during 2023, it is clear that without political support, functional capacities for the implementation of the reform and money, it was not even possible to expect greater results at the end of 2023.

Key tasks of the public administration reform, such as ensuring 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 a strengthened control and supervision and functional mechanisms to protect the rights of individuals to good administration and public interest, as well as improved and electronic services that the administration provides to citizens, while ensuring interoperability throughout the country remained unimplemented.

Although there are examples of success in various areas, these examples failed to significantly influence the result of the implementation of the Action Plan for Public Administration Reform. Thus, at the end of 2023, an average of **15.79%** of the activities from the Action Plan were implemented, which is **1.48%** more than the measured progress in the first half of 2023, and **1.79%** more than the measured progress at the end of 2022. Initial momentum achieved during 2020-2022 is the result of the joint efforts of institutions that coordinate and implement public administration reform and donors. The absence of donors, the blockade of the PAR Fund and the absence of inter-governmental bodies for the implementation of the reform, which with common knowledge and efforts work on changes and harmonization within the country, affected the reduction of results. If we add to this the lack of political support and guidance, it is clear that the next momentum of the reform can only be achieved through the joint, harmonized efforts of all domestic institutions and donors.

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 Reports on progress in the implementation of the Action Plan are still unfulfilled. The Public Administration Reform Coordinator's Office therefore once again repeats some of the earlier ones and makes several new recommendations that can

influence the acceleration of changes. In 2024, it is necessary to hold a session of the Coordinating Committee for Public Administration Reform - a political body composed of the Prime Minister and the respective ministers, which would support the further continuation and give new momentum to public administration reforms.

4. RECOMMENDATIONS

RECOMMENDATIONS TO THE COUNCIL OF MINISTERS OF BIH AND TO THE GOVERNMENTS OF ENTITIES AND DISTRICT

- The BiH Council of Ministers 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.
- By the end of 2024, 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 the institutions of BiH.
- 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 Action Plan for Public Administration Reform, which are aimed at strengthening accountability in public administration.
- The Council of Ministers of BiH should adopt decision on the appointment of members of supervisory teams in order to enable the functioning of structures for the implementation of public administration reform. It is recommended that the FBiH Government appoint representatives of the Federal Information Agency FIA to the Digitalization Supervisory Team in the field of service delivery.
- Representatives of the BiH Council of Ministers and governments at all levels should ensure that the session of the Coordinating Committee for Public Administration Reform is held in accordance with the Common Platform on the principles and method of Implementation of Public Administration Reform.
- The Council of Ministers of BiH and the governments of the entities and Brčko District of BiH should provide full support to the work of public administration reform bodies through regular consideration and adoption of reports on the implementation of the reform.

RECOMMENDATIONS TO STATE INSTITUTIONS

- The Ministry of Communications and Transport of BiH needs a Strategy for the development of e-Governance in the institutions of BiH for the period 2024-2028 and the Strategy of cloud computing in the institutions of BiH for the period 2024-2028 to be sent to the Council of Ministers of BiH for adoption, and to 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 Ministry of Finance and Treasury of BiH should, in cooperation with the Directorate for Economic Planning of BiH, by the end of 2024, prepare amendments to the Decision on the procedure for medium-term planning, monitoring and reporting in the institutions of BiH and submit them Council of Ministers of BiH for consideration and adoption.

- The Civil Service Agency of BiH should, in cooperation with the Ministry of Justice of BiH, by the end of 2024, 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.
- It is necessary for the Ministry of Communications and Transport of BiH to draft and send the Law on Cyber Security and the Proposal for the Law on Electronic Identification and Trust Services for Electronic Transactions to the next procedure.
- Interdepartmental Working Group for Interoperability should create a standard for the common structure of the registry catalog, defining the mandatory content of each registry.

RECOMMENDATIONS TO THE INSTITUTIONS OF THE FEDERATION OF BIH

- By the end of 2024, the Federal Ministry of Justice should, in accordance with the SIGMA Principles, prepare amendments to the Regulation on rules for the participation of the interested public in the process of preparing federal legal regulations and other acts and submit it to the Government of the Federation of BiH for consideration and adoption.

INSTITUTIONS AT ALL LEVELS

- 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 the BD BiH) should intensify activities on the preparation and adoption of regulations on civil service, taking 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". 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.
- Agencies for the civil service/administration of the state and entities, as well as the Human Resources Subdivision of BD BiH should increase the application of information technologies in the recruitment process using available budget and donor funds. Agencies for the civil service/administration of the state and entities, as well as 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.
- It is necessary to improve the legal framework on integrity in accordance with the findings of the conducted analyses and the SIGMA monitoring report from 2022. At the BiH level, the institution should initiate amendments to the Law on the Agency for the Prevention of Corruption and Coordination of the Fight Against Corruption in terms of including a provision that will foresee the obligation to prepare integrity plans, as well as prepare and adopt a 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 bodies 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/Administration in cooperation with PARCO, the Ombudsman Institution of BiH and audit offices should analyse the reasons for the low degree of fulfilment of the recommendations of these supervisory bodies, and adopt and implement a set of measures that will strengthen the independent supervision of the administration.
- It is necessary for 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 to establish an effective system of monitoring administrative and judicial practice in administrative matters, with reliable statistics 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 the levels of FBiH, RS and the competent institution in BD BiH should complete the drafting of the law on freedom of access to information that will be harmonized with the requirements for proactive transparency and openness of data and refer them to the adoption procedure.
- The General Secretariat of the Council of Ministers of BiH, the General Secretariat of the Government of the FBiH and the Secretariat of the Government of the BDBiH should by the end of 2024 establish a mechanism for collecting and recording the data needed to determine the value of indicators that measure the extent of application of the impact assessment of regulations in the policy development process, the extent of public participation in to the policy development process and the degree of inter-institutional consultation in the policy development process.
- The Civil Service Agency of BiH, the Civil Service Agency of the Federation of BiH, the State Administration Agency of the Republika Srpska in cooperation with the Ministry of Economy and Entrepreneurship of the Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should plan and organize by the end of 2024 training for civil servants in the field of RIA.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of the RS and the Legislative Office of the Government of BD BiH should continue to work during 2024 on determining the structure of the catalogue of services, forming registers/catalogues of special administrative procedures and assessing the necessity/justification of special procedural provisions.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Federal Ministry of Transport and Communications, the Ministry of Administration and Local Self-Government of the RS, the Ministry of Science and Technology of the RS, and the Government of the BD BiH Mayor's Office, Legislative Office, Administrative Inspection and the Department for Professional and Administrative Affairs should during 2024, work on the implementation of an IT platform for monitoring the implementation of the law on administrative procedure.
- The Ministry of Justice of BiH, the Federal Ministry of Justice and the Legislative Office of the Government of BiH should take appropriate steps during 2024 in order to establish a unique methodology for reducing formalities and burdens, and establish a continuous process of simplifying certain administrative procedures, i.e. procedural provisions, and the continuous improvement of the law on administrative procedure in accordance with the results of user needs and best practices, including digital transformation.
- The Federal Geodetic Administration, the Republic Geodetic Administration and the Sub-Department for Cadastre and Books of the Brčko District of BiH 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

- Competent institutions at each administrative level should update existing/enact new strategies for eGovernment, including the prioritization of eServices.
- Institutions responsible for interoperability at each administrative level should update implementation plans for interoperability.

RECOMMENDATIONS TO LEGISLATIVE BODIES

- 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
- 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/entity governments and the Brčko District of BiH should plan and organize meetings by the end of 2024 in order to improve cooperation for better coordination of the planning process and the adoption of regulations and policies.

5. ANNEX

Annex: Tabular overview of the implementation of the Action Plan for the reporting period (in a separate document)