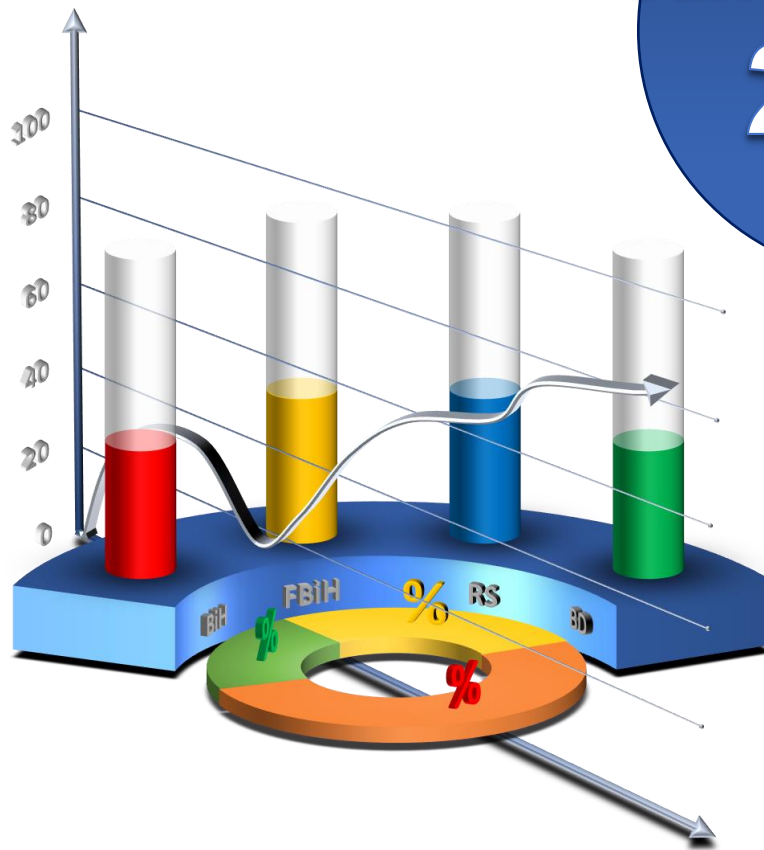


SEMI-ANNUAL REPORT

January-June
2024



**ON THE IMPLEMENTATION OF THE STRATEGIC FRAMEWORK
ACTION PLAN FOR PUBLIC ADMINISTRATION REFORM IN BIH
2018-2027**

September 2024

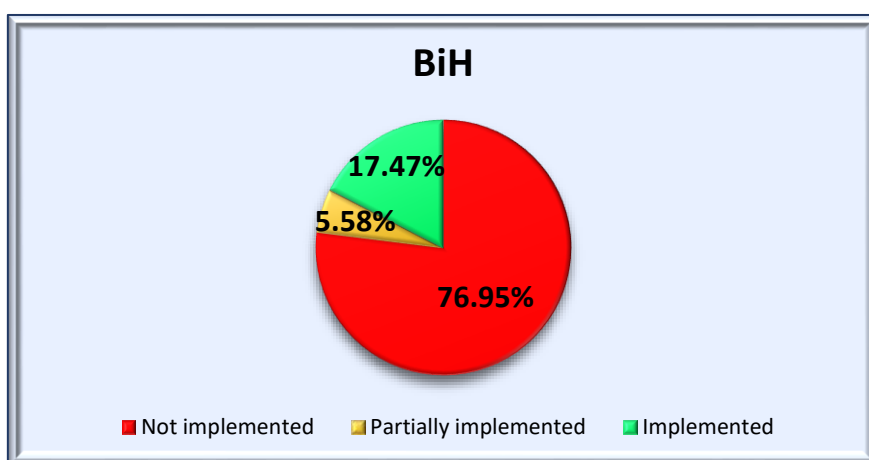


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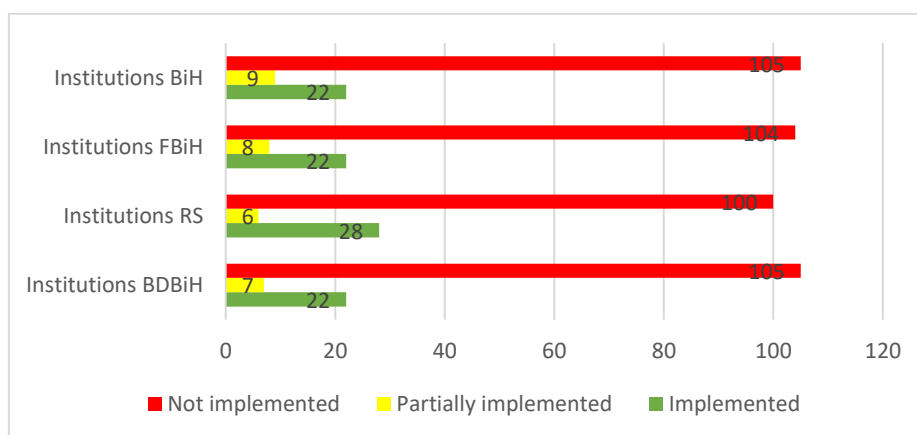
RESUME

In the first half of 2024, Bosnia and Herzegovina did not make significant progress towards creating a modern public administration. The semi-annual measurement of the progress achieved in the implementation of the Action plan for Public Administration Reform shows that by the beginning of July 2024, a total of **17.47%** of the Action plan's activities have been implemented, which is **1.68%** more than at the end of 2023. 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 Bosnia and Herzegovina as a whole, and that, for example, in the case of 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 BiH at the half-year **8.82%** of activities were completed, which represents an improvement of **1.47%** compared to the previous reporting period. In the first half of the year, **5.58%** of activities were partially implemented, while the percentage of activities that were not implemented was 76.95% and decreased by **0.93%** compared to the previous reporting period.



Graph: Presentation of the overall progress achieved in the implementation of the Action plan for PAR

Observed by levels of administration, the institutions of Republika Srpska achieved the best result. They fully implemented 28 activities (21%), partially implemented 6 activities (4%), while 100 activities (75%) remained unfulfilled. State institutions as well as the institutions of the Federation of BiH and BDBiH fully implemented 22 activities (16%) from the Action plan. State institutions partially implemented 9 activities (7%), while 105 activities (77%) remained unfulfilled. The Federation of BiH partially implemented 8 activities (6%), while 104 activities (78%) remained unfulfilled. In the BDBiH, 7 activities (5%) were partially implemented, while 105 activities (77%) remained unfulfilled.



Graph: Presentation of the total achieved progress by levels of administration

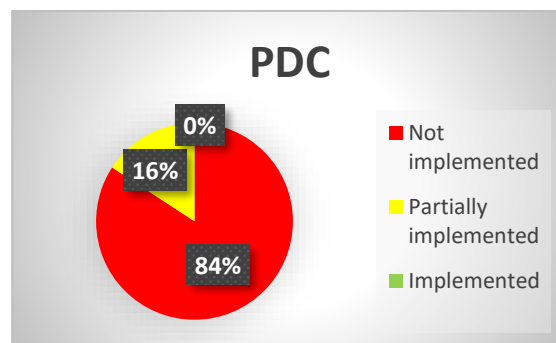
After the adoption in the previous reporting period of the Common Platform on the Principles and Method of Implementation of Public Administration Reform, which represents the political and legal framework for cooperation and the implementation of the Strategic Framework for Public Administration Reform in BiH, in February 2024, a body for the political coordination of the reform was formally established, which fulfilled the recommendations from the Analytical Report with the Opinion of the European Commission on Bosnia and Herzegovina's application for membership in the European Union, recommendations from the PAR Special Group meetings, as well as the European Commission's report for BiH. In the reporting period, interdepartmental monitoring teams were also established, which during the reporting period prepared the revised Action plan for the public administration reform. The key risk for the implementation of the reform remains the non-functioning of the Public Administration Reform Fund, as well as insufficient funds for the implementation of the Action plan for Public Administration Reform.

It is necessary to complete and adopt the Revised Action plan for Public Administration Reform as soon as possible and start its implementation. In addition, it is necessary to ensure the unblocking of the Public Administration Reform Fund, which contains unused money for the implementation of reform activities, and to ensure greater participation in the PAR Fund from donations and domestic funds in order to implement the revised Action plan for Public Administration Reform when the document is adopted.

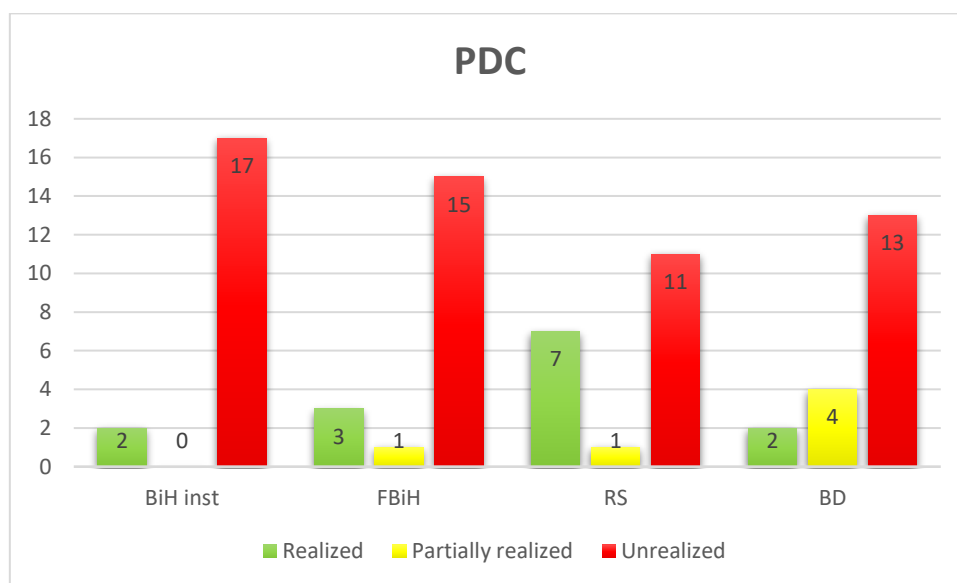
Observing the progress by the pillars of the reform in the first half of 2024, it is evident that the area of Public Finance Management, in which 100 percent of the activities were completed, continues to record the best result. It is the smallest area in which activities are focused on the preparation of a separate strategic and planning document on the public finance management, as well as strategies for individual administrative levels. A brief overview of the results in the reform areas is given below.

In the area of **Policy Development** and **Coordination** in the reporting period, the Council of Ministers of Bosnia and Herzegovina adopted the Decision on the procedure for medium-term planning, monitoring and reporting in the institutions of Bosnia and Herzegovina ("Official Gazette of Bosnia and Herzegovina", number 48/24), which improved the process of medium-term planning in the institutions of Bosnia and Herzegovina and secured planning basis for quality development management. In the Republika Srpska, a new methodological manual for assessing the impact of regulations was adopted in March 2024. Also, an e-

consultation portal was created and the first training for its application was held. 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.

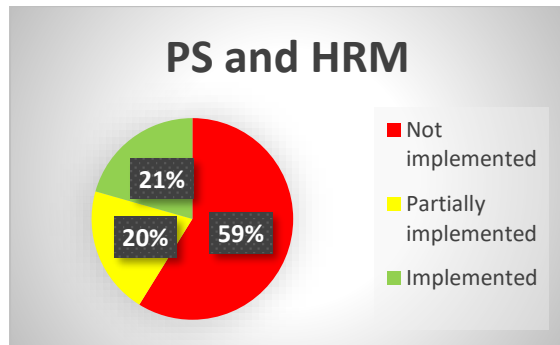


The fulfillment of activities by levels in the field of policy development and coordination is given below:



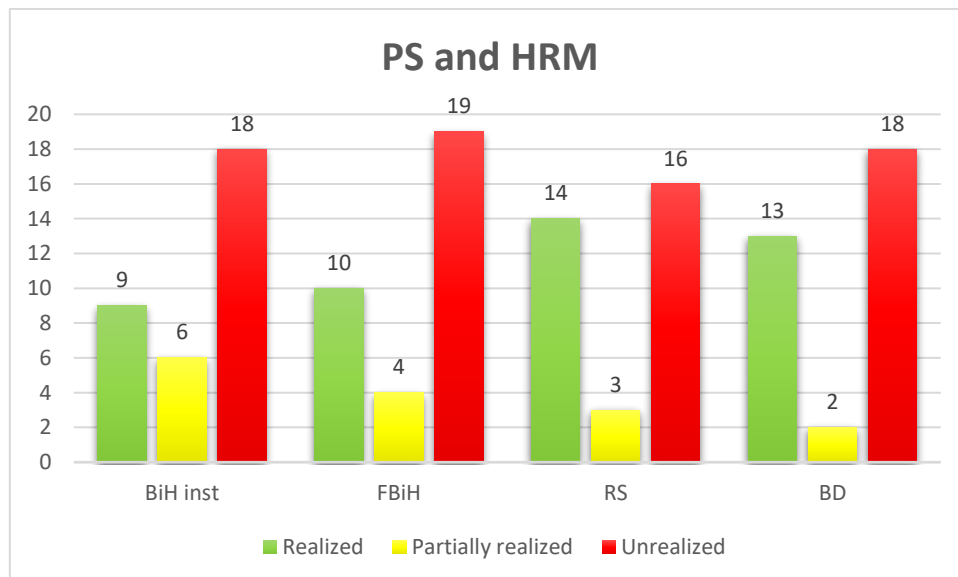
In the field of **Public Service** and **Human Resources Management**, the Law on amendments and amendments to the Law on Public Service in the Institutions of Bosnia and Herzegovina ("Official Gazette of Bosnia and Herzegovina", 18/24 of March 15, 2024) was adopted in the reporting period. The Council of Ministers of Bosnia and Herzegovina at its 52nd session held on June 18, 2024, adopted the Strategy for the fight against corruption 2024-2028 and Action plan for its implementation. The Agency for State Administration of the Republika Srpska has started activities on the development of the Methodology for the collection and publication of data on HRM. In the RS, from February 1, 2024 when announcing the competition, they also submit data on the amount of salary for the position to which the competition applies. On July 5, the Federal Ministry of Justice, together with CSA FBiH, held a joint meeting with relevant cantonal ministries in which agreement was reached regarding the initiation of the process of harmonizing regulations on public service in the FBiH. The FBiH Government

at its 35th session held on June 5, 2024 adopted the Methodology for monitoring Human Resources in civil service bodies in FBiH.



In the field of civil service and Human Resources Management, a total of 21% of activities have been implemented so far, 20% of them have been partially implemented, while 59% of activities have not been completed.

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 6% of activities have been implemented so far, there are no partially implemented activities, and 94% of activities are still unfulfilled.



In the reporting period, one activity was fully completed through the preparation of the "Methodology of Deficiency Analysis". At its

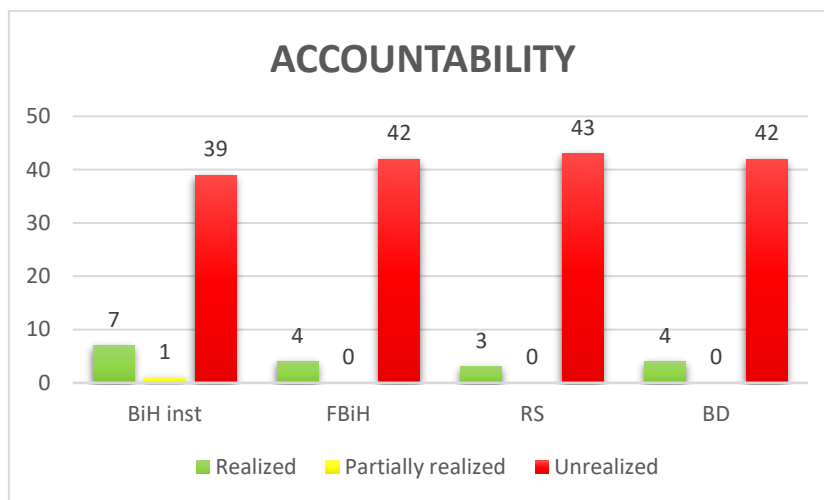
42nd session, held on March 12, 2024, the Council of Ministers of BiH passed a Decision on amending the Decision on the Formation of the Appeals Council at the Council of Ministers of BiH (Official Gazette of BiH, 24/24), which prescribes the conditions for appointing a member of the Appeals Council.

The Council of Ministers of Bosnia and Herzegovina, in accordance with the Law on Freedom of Access to Information in the Institutions of Bosnia and Herzegovina, adopted the Guide for Access to Information

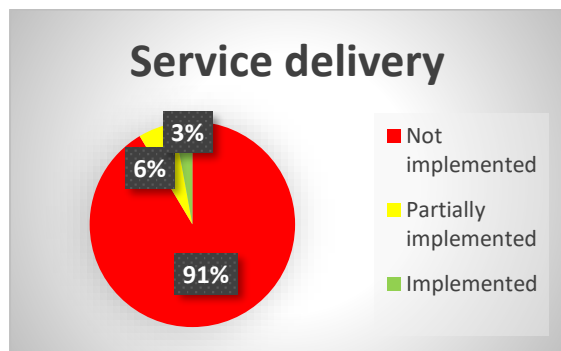
(44th Session of April 4, 2024), and the Minister of Justice of Bosnia and Herzegovina adopted the Rulebook on the Content and Method of Keeping the Register of Requests for Access to Information (Official Gazette BiH, 35/24),

which stipulates that the institutions of Bosnia and Herzegovina are obliged to establish a Register of Requests for Freedom of Access to Information.

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



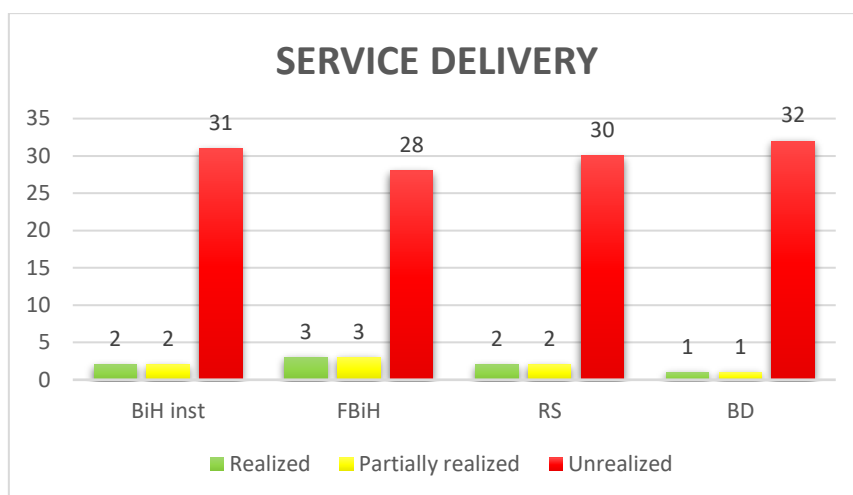
In the area of **Service Delivery** in the reporting period, 3% of activities were implemented, 6% were partially implemented, while 91% of activities were unfulfilled.



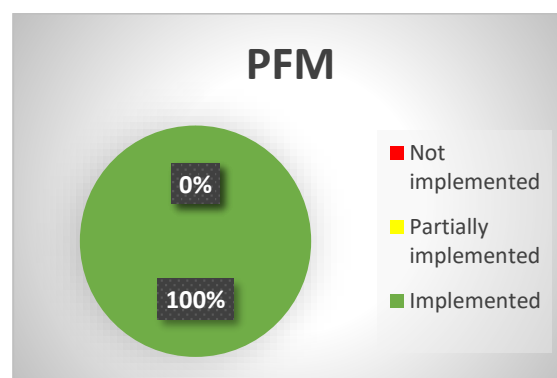
In the area of Service Delivery in the reporting period, the Ministry of Civil Affairs was awarded the CAF Label certificate, and the CAF certification process is underway for the Public Administration Reform Coordinator's Office. At the level of the Federation of BiH, activities were recorded on the implementation of the Planning Document on the introduction of CAF standards for quality management in civil service bodies in the Federation of BiH. At the level of the Republika Srpska, the Agency for State Administration of the RS is in the process

of obtaining the CAF Label certificate from the Regional School for Public Administration (ReSPA), and the most important electronic services that have been established so far are "e-baby", "online registration of business entities", tax reporting services at the Tax Administration of the Republika Srpska, as well as services provided by the Ministry of Internal Affairs of the Republika Srpska. By establishing the PCI infrastructure, the ITA enabled the use of qualified electronic certificates. It is possible to submit KID and KUF electronically. The functionality of the e-mail box for exchanging and submitting data with users has been established. At the level of the institutions of the Council of Ministers of BiH, the Federation of BiH, Republika Srpska and Brčko District of BiH, activities that contribute to the establishment of a continuous process of simplification of administrative procedures have been recorded.

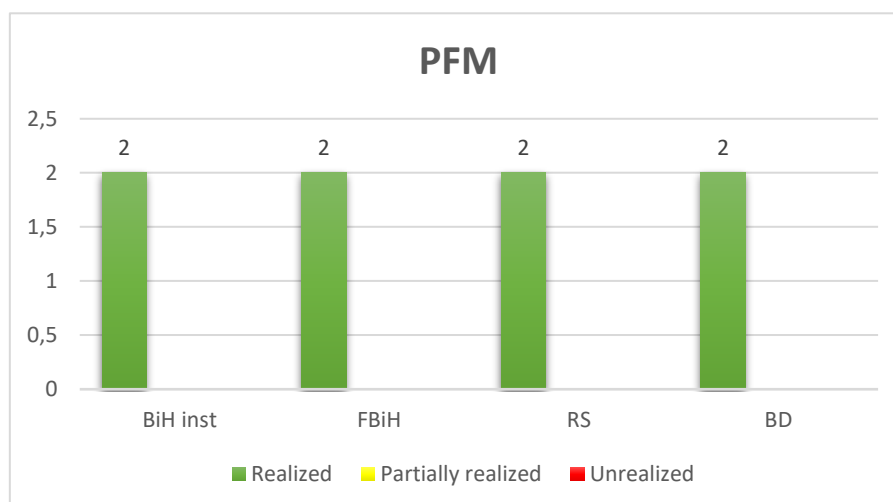
Fulfillment of activities by levels in the area of Service Delivery is given below:



In the area of **Public Finance Management**, in the previous reporting period, all activities foreseen in 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.



The fulfillment of activities by levels in the area of public finance management is given below:



1. INTRODUCTION

In the March 2024 progress report, which was prepared before the decision to open negotiations with Bosnia and Herzegovina, the European Commission reported that "all levels of government are implementing an Action plan for the public administration reform, a comprehensive strategy for managing public finances at the state level and their own individual public finance management strategies, and prepare a new Action plan for the public administration reform for the period 2022 - 2027¹".

The progress achieved in the implementation of reforms in various areas, including the reform of public administration, contributed to the European Council's decision to open accession negotiations with Bosnia and Herzegovina on March 21, 2024. Previously, in the Opinion on Bosnia and Herzegovina's application for EU membership, the Commission noted that negotiations on accession to the European Union should be opened when Bosnia and Herzegovina achieves the necessary level of compliance with the criteria for membership, especially with the Copenhagen political criteria, which require the stability of institutions that guarantee democracy and the rule of law. In this Opinion, 14 priorities are highlighted, among which is the one that states that it is necessary to "complete the necessary steps in the reform of public administration with the aim of improving the overall functioning of public administration by ensuring a professional and depoliticized civil service and a coordinated approach to creating policies throughout the country". Although some progress has been made, this priority has not yet been met.

After the adoption in the previous reporting period of the Common Platform on the principles and method of implementation of public administration reform, which represents the political and legal framework for cooperation and the implementation of the Strategic Framework for Public Administration Reform in BiH, in February a body for the political coordination of the reform was formally established, which fulfilled recommendations from the Analytical Report with the Opinion of the European Commission on Bosnia and Herzegovina's request for membership in the European Union, recommendations from the PAR Special Group meetings, as well as the European Commission's report for BiH. The Coordinating Committee for Public Administration Reform (at the level of the Prime Minister) met for the first time in February 2024 as the main political decision-making body in charge of guiding the reforms, as stated in the Commission's report from March 2024.

The meeting of the Coordinating Committee for Public Administration Reform was held on February 12, and in addition to providing support for the implementation of the Strategic Framework for Public Administration Reform, the 14th priority from the Opinion of the European Commission on the application for membership, as well as the implementation of the recommendations of the Special Group for Public Administration Reform, the Coordinating Committee tasked the implementing structures for public administration reform to revise the Action plan for public administration reform by the end of the second quarter of 2024.

In addition to the body for political coordination, in the reporting period, interdepartmental monitoring teams were also formally established as a key part of the structure for the implementation

¹ https://www.dei.gov.ba/uploads/documents/izvjesce-o-napretku-bosne-i-hercegovine-ozujak-2024_1716291732.pdf

of the public administration reform. The process of establishing intergovernmental supervisory teams for the public administration reform has been completed, after the Council of Ministers of Bosnia and Herzegovina at its 43rd session held on March 19, 2024 adopted the Decision on the appointment of members and deputy members of supervisory teams for the implementation of public administration reform in Bosnia and Herzegovina on behalf of the Council of Ministers of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina 32/24). This process started much earlier, with the adoption of the decision on the appointment of supervisory teams made by the Government of the Brčko District of BiH (30th regular session of October 27, 2021) and the Government of the Federation of BiH (308th session on March 17, 2022), and then by the Government of the Republika Srpska, which appointed representatives of the institutions of this entity by the Decision on the appointment of members and deputy members of supervisory teams for the implementation of the public administration reform process in the RS, no. 04/1-012-2-4251/23 adopted at the 49th session held on December 14, 2023.

Representatives of the supervisory teams held four sets of thematic workshops in the first half of 2024 and worked on the preparation of the revised Action plan for Public Administration Reform, in accordance with the conclusion of the PAR Coordinating Committee and the recommendation of the PAR Special Group. The revised plan should be completed in the next quarter of 2024, thus continuing progress on the road to meeting membership criteria.

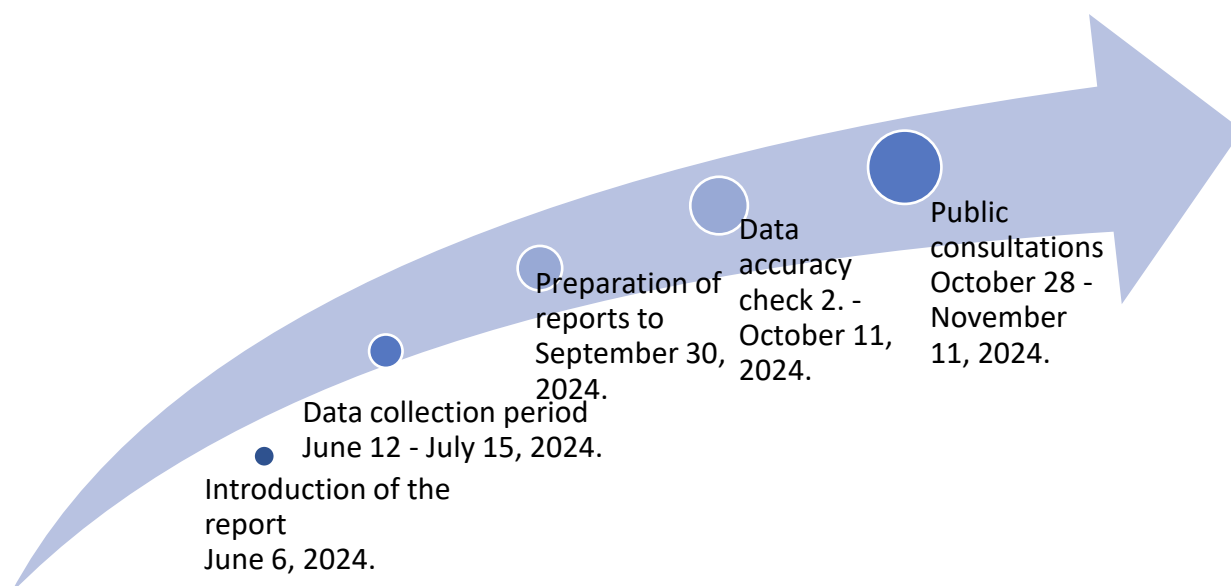
Report preparation process

The report covers the period January 1 - June 30, 2024 and shows the progress in implementing the activities of the Action plan for Public Administration Reform. 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 were measured in the middle of 2024.

In the process of preparing the report, the institutions of the state, entities 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 - June 2024. Data collection was carried out through the PAR M&R information system². The report also includes data from the scope of work of the Public Administration Reform Coordinator's Office (PARCO), regular monitoring of conditions and changes in reform areas, and data from other sources, such as reports from non-governmental and international organizations.

The report was submitted for public consultation in October 28, 2024, with simultaneous publication on the page <https://ekonsultacije.gov.ba/> and the website of the Public Administration Reform Coordinator's Office, which enabled the broad participation of the non-governmental sector and citizens in the evaluation of the achieved progress.

² <http://monitoring.parco.gov.ba/ords/parbih/tr/par-m-e102102102102102/>



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 Union with money from the IPA 2015 fund. The report consists of two parts, whereby in the first part, in addition to a summary review of progress in reforms at the overall level of the Action plan and individually by reform area, the focus is on the achievement of planned results, and then on potential problems and risks in the process of the implementation of planned reforms, and concrete recommendations for improving the reform process in the coming period. The second part of the report forms 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 collected in the monitoring process.

Indicator values and progress assessment

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 extent 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 values are attached to each indicator that enable the 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 indicator value 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 absolute³ and relative/percentage⁴ indicators;
- c) as a collective value of measured values at individual levels for own scalar⁵ indicators in cases where a certain change at administrative levels is foreseen, i.e. the target value represents the sum of values/changes at different levels;
- d) in accordance with the intended original methodology for SIGMA's indicators.

Score in the form of a traffic light

There are three levels at which indicator values are measured, namely the level of a specific goal, the level of a reform measure, and the level of a reform activity. Individual reform activities are covered in the annex and narrative part of the report, and at least one indicator is attached to each of them. Out of a total of 140 activities (with the fact that some activities do not apply to all levels of government) as defined by the Action plan, 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. It is precisely because of such activities that the need to give a single, collective assessment of the realization at the level of the activity as a whole was imposed. For this purpose, and with the goal of visual interpretation of the realization 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 realization, that is, 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 (most often 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 ratings 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 associated indicators.

³ The values of these indicators are expressed as whole numbers that indicate the quantity of the observed parameter.

⁴ 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%.

⁵ They show the realization by measuring the observed phenomenon on a pre-defined scale, showing it as a ratio of whole numbers.

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 this 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 grades in the form of a traffic light

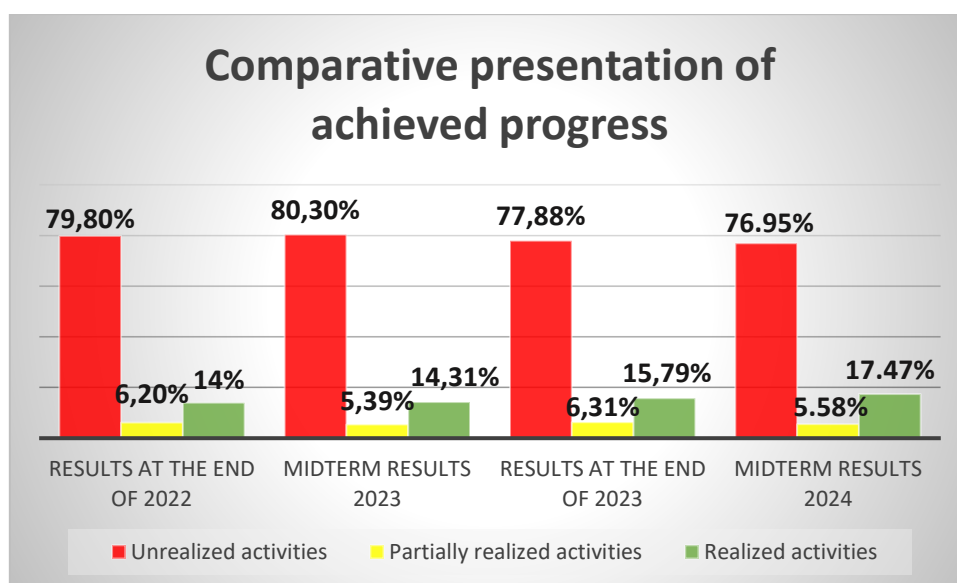
Given that the goal of monitoring is to determine whether the planned target values of the observed changes have been achieved through the implementation of the activity, the meaning of the traffic light colors used corresponds to that goal. Regardless of whether two or three traffic light colors are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

	the meaning of the grade	measured value CV
RED	the target values were not reached	0 – 40%
YELLOW	the target values were partially reached	41 – 99%
GREEN	target values were 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 in correlation with the established monitoring model of the Action Plan and Guidelines. In addition, with the use of a traffic light system for evaluating the implementation of activities, an inseparable and key part is a detailed textual description that is provided for each activity and which more closely reflects the state of implementation of the reform activity. The traffic light system is only a tool for a quick overview of the state of achievement of target values at the level of reform activities.

2. DETAILED INFORMATION ON THE IMPLEMENTATION OF ACTIVITIES

Monitoring of the implementation of the Action plan for Public Administration Reform shows that by July 2024, a total of **17.47%** of activities have been implemented, which is **1.68%** more than the measured progress at the end of 2023. It is about relative progress calculated on the basis of the average achieved progress of administrative levels. In the first half of 2024, **5.58%** of activities were partially implemented, which is **0.73%** less than at the end of 2023. The percentage of activities that have not been implemented is **76.95%**, which is **0.93%** less than at the end of 2023, as shown in the chart:



If the achieved progress is observed in relation to the indicators for Bosnia and Herzegovina as a whole, the degree 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 realized the activity and got the green light, and the fourth did 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, **8.82%** of the activities have been completed so far, **8.82%** have been partially completed, while **82.35%** of the activities have not been implemented. Compared to the previous reporting period, when **7.35%** of activities were completed, this represents an improvement of **1.47%** in relation to fully realized activities. In relation to partially implemented activities, there was a setback of **0.73%** compared to the previous period when **9.55%** of activities were partially implemented. The number of unfulfilled activities in the half-year of 2024 was reduced by **0.73%** compared to the previous reporting period. 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 was achieved by the institutions of the Republika Srpska, which have implemented so far **21%** or 28 activities from the Action plan. The institutions of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina and the Brčko District of Bosnia and Herzegovina follow with **16%** or 22 fully implemented activities. The most partially implemented activities in July 2024 were recorded by the institutions of Bosnia and Herzegovina with **7%** or 9 activities. They are followed by the institutions of the Federation of BiH with **6%** or 8 activities, the institutions of the Brčko District of BiH with **5%** or 7 activities, while the least partially realized activities are recorded by the institutions of the Republic of Srpska - **4%** or 6 activities. Most of the unfulfilled activities, 105 of them, remained at the level of the institutions of BiH and BD BiH. The chart shows an overview of traffic lights measured in July 2024 (activities shown in real numbers).

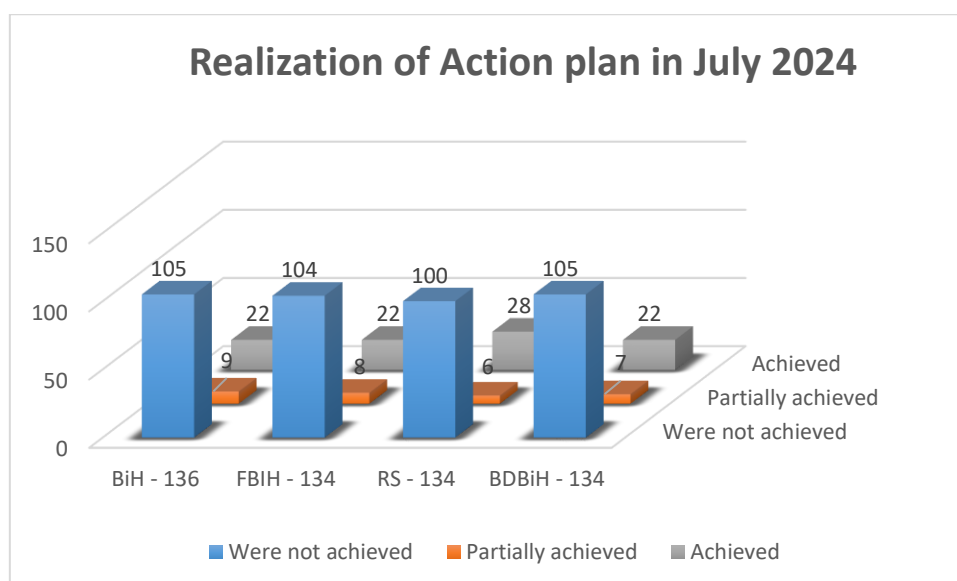
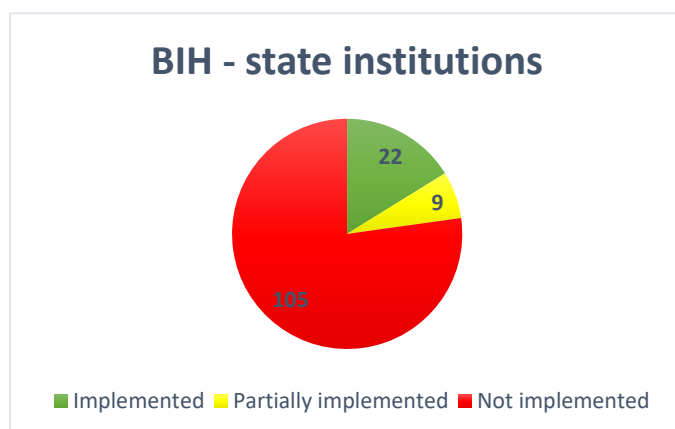


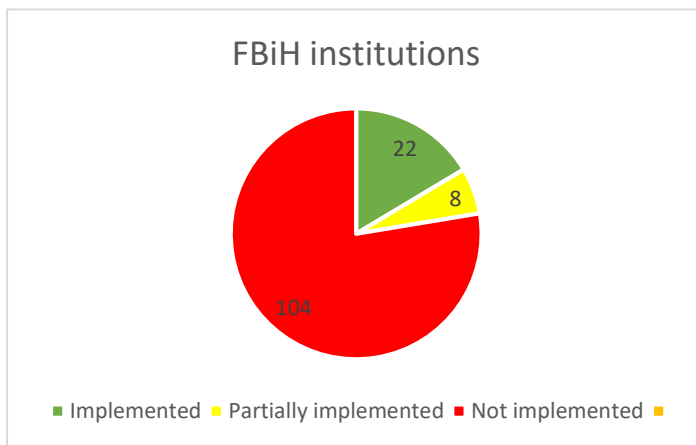
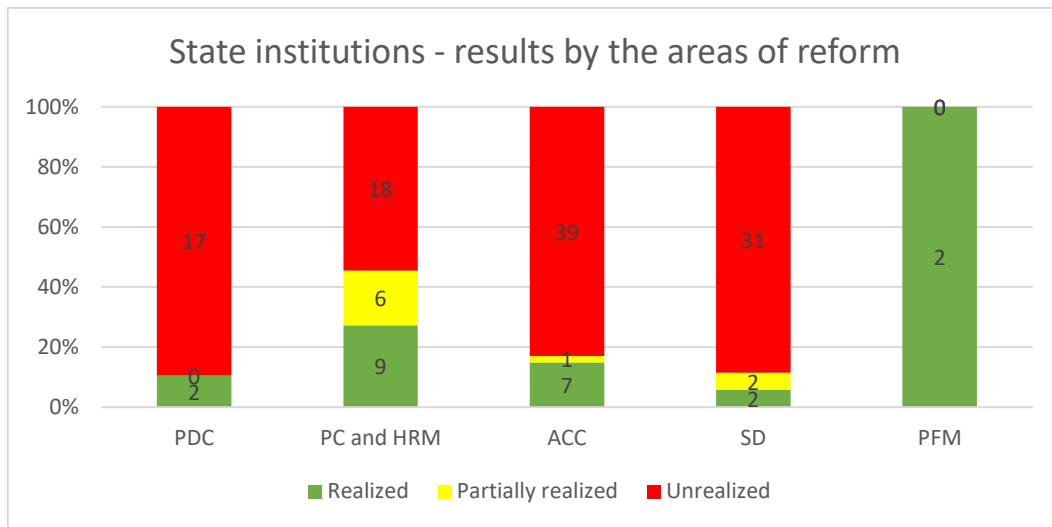
Chart: Comparative presentation of achieved results by levels of administration



Observed by the levels of administration, the institutions of Bosnia and Herzegovina fully implemented 22 or **16%** of the total of 136 activities from the Action Plan, and partially implemented 9 or **7%** of the activities, while **77%** remained unfulfilled (105 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 9 activities or **27%** were carried out. Total data for state institutions and data on the result of state institutions in the semester of 2024 by area are shown in the graph below:



The institutions of the Federation of BiH, out of a total of 134 activities, fully implemented 22 or **16%** of the activities from the Action Plan, which is **1%** more than in the previous reporting period. FBIH partially implemented 8 activities or **6%**, while 104 or **78%** of the activities from the Action Plan remained unfulfilled.

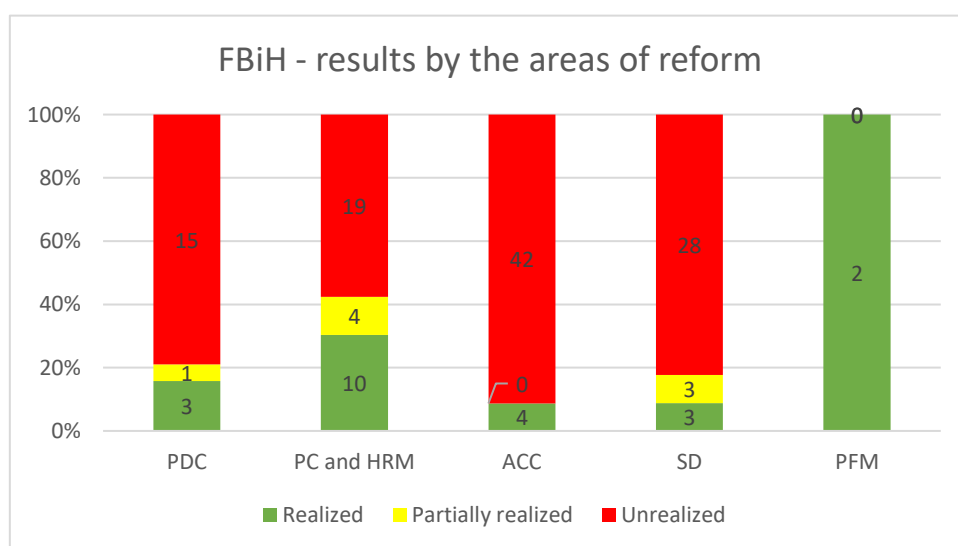
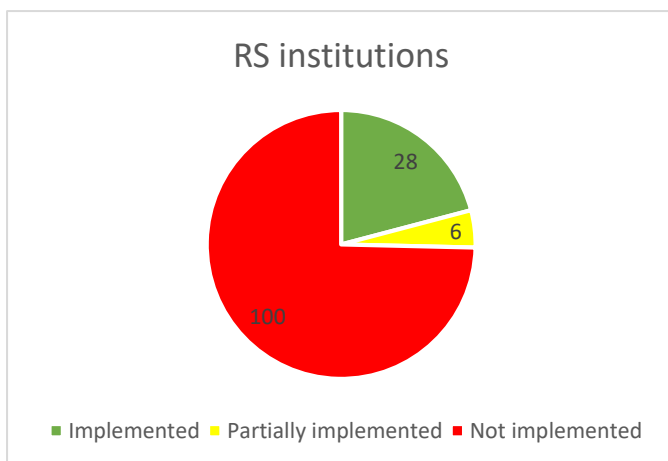
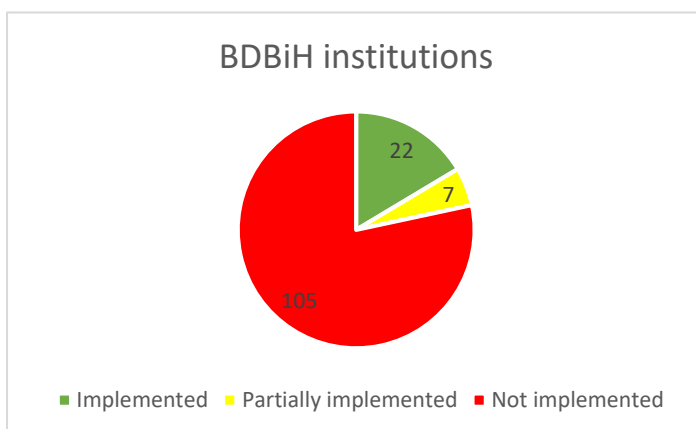
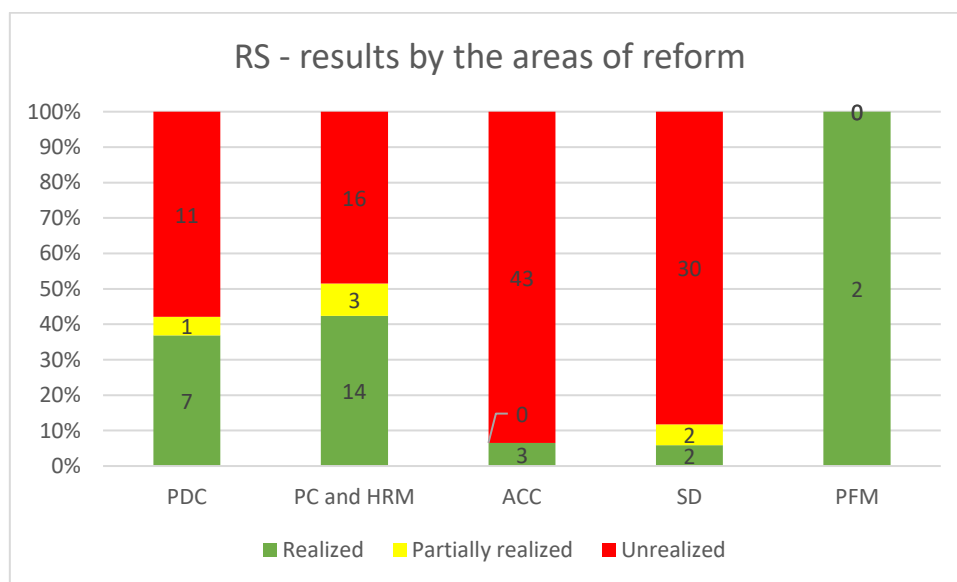


Chart: Results for the Federation of Bosnia and Herzegovina by areas of reform



The institutions of Republika Srpska implemented a total of 28 activities or **21%**, which is an increase of **2%** compared to the previous reporting period. 6 activities or **4%** were partially implemented, and 100 activities or **75%** were not fulfilled. The highest result (**100%**) achieved in the previous period was in the area of Public Finance Management, followed by the area of Service Delivery and Human Resource Management where **42%** of activities were achieved, and the smallest progress was achieved in the area of Service Delivery

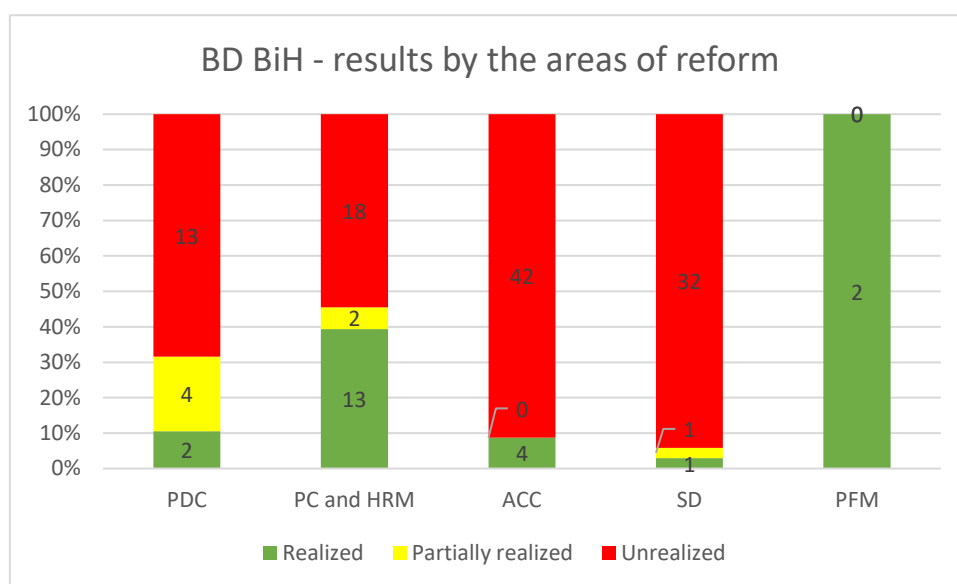
where **6%** of activities were achieved. Total data for RS institutions and data by area are shown on chart below:



Institutions of the Brčko District of Bosnia and Herzegovina conducted a total of 22 activities or **16%**, which is **1%** more compared to the previous reporting period. 7 or **5%** of the activities were partially implemented, while 105 or **78%** of the 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. It is followed by the field of public service and human resources

management, where **39%** 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 chart below:

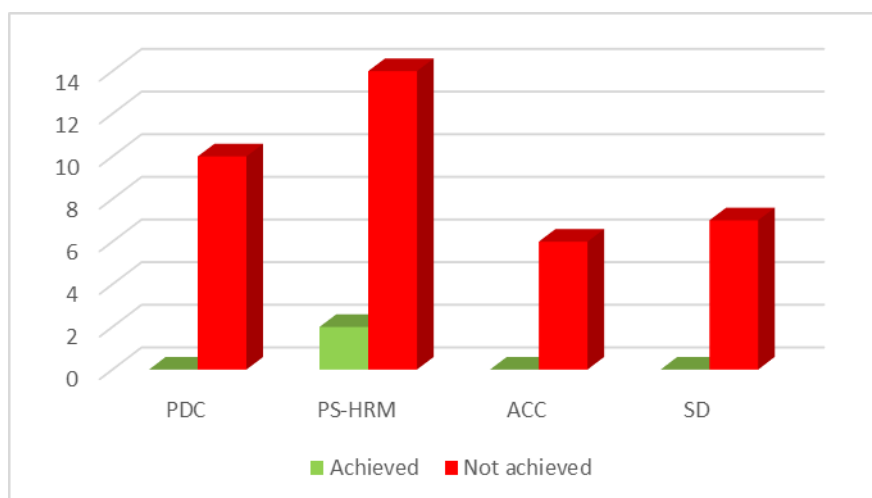


Progress in the implementation of Action plan measures

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 the first half of 2024, not a single measure has been fully fulfilled, which is mostly the result of the fact that the indicators, mostly taken from SIGMA, rely on the measurement that was carried out in 2022 through the Monitoring report for Bosnia and Herzegovina.

Overall, the target value of the indicators was achieved only for 2 indicators in the area of public service and human resources management, while not a single indicator was achieved in the areas of policy development and coordination, accountability and service delivery.

An overview of the fulfillment of indicators by areas is given in the chart below:



Examples of success

Indirect taxes - new services

The Directorate for Indirect Taxation has established an e-mailbox for data exchange with users. Accounting records of KiD and KUF can now be submitted electronically. Through the ePortal, in addition to access to materials, indirect tax payers are provided with several services - registration of taxpayers, electronic submission of VAT and excise returns, and requests decided by the Administration. Indirect tax declarations are made using a digital qualified certificate. The administration also started the implementation of the new version of the transit system - **NCTS phase 5**,

which is harmonized with the EU customs legislation and the Convention on the common transit procedure.



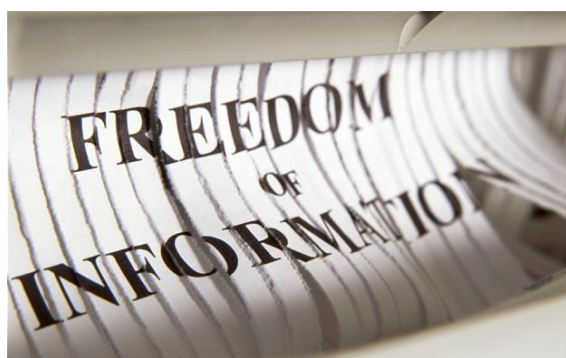
New simplifications in RS

In Republika Srpska, two procedures regulated by the Rulebook on the conditions for issuing a license have been simplified, namely: Decision on issuing a license to a legal entity for the performance of occupational health and safety activities, inspection and testing of work equipment and equipment for personal protection at work, and Decision on issuance of a license to a legal entity for the performance of testing of working environment conditions, i.e. chemical, biological and physical hazards (except for ionizing radiation) and microclimate. These decisions are issued by the Ministry of Labor and Veterans-Disability Protection of the RS, and the procedures are simplified in such a way that it is no longer

necessary to submit a certified copy of the decision on the registration of a legal entity in the appropriate register, as part of the mandatory documentation.



Mandatory electronic registers



After the adoption of the new Law on Freedom of Access to Information in the Institutions of BiH at the level of state institutions, the adoption of additional legal acts began. The Decision on the formation of the Appeals Council at the Council of Ministers of Bosnia and Herzegovina has been amended, which prescribes the conditions for appointing a member of the Appeals Council. Otherwise, this body is in charge of resolving appeals in the second instance procedure under this Law on

Freedom of Access to Information. The Council of Ministers of Bosnia and Herzegovina adopted the Guide for Access to Information, and the Minister of Justice of Bosnia and Herzegovina the Rulebook on the Content and

Method of Keeping the Register of Requests for Access to Information, which stipulates that the institutions of BiH are obliged to establish a Register of Requests for Freedom of Access to Information in electronic form.

Register of employees in state institutions regulated



In this period, the Law on Amendments to the Law on Civil Service in the Institutions of Bosnia and Herzegovina was adopted, which introduced a new category of civil servants - inspector, facilitated the process of submitting documentation at competitions, and the promotion of civil servants by not going through a probationary period. By amending this law, the competence of the BiH Civil Service Agency for the establishment and management of the register of employees in the institutions of BiH was simultaneously regulated.

Communication activities

Communication activities in the reporting period were focused on informing the public about the preparation of the new Revised Action Plan for the reform of public administration, workshops, and meetings held with representatives of supervisory teams.

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 a series of activities in the field of public administration reform: from holding meetings with PAR coordinators, the participation of the management of the Office in the work of several conferences ("MoStart" conference dedicated to digitization in education and the application of artificial intelligence methods, a conference organized by the Union of Administration and Local Self-Government of the Republic of Srpska, Localization of the system for measuring work results, etc.), cooperation with civil society through involvement in the preparation of the Revised Action Plan for Public Administration Reform and the participation of representatives of the Office in the training, which, with the support of the regional project "SMART Balkans - Civil Society for a Connected Society in the Western Balkans, was organized by the Foreign Policy Initiative of BH. The public was also informed about the 7th meeting of the special PAR group and the 7th meeting of the EU-BiH Stabilization and Association Committee. The Office responded to media and citizen inquiries in accordance with the Law on Freedom of Access to Information at the Institutional level of BiH.

Also, in the first half of 2024, the Office actively worked with representatives of public relations services in the Council of Ministers of BiH, the Government of the Republika Srpska, the Government

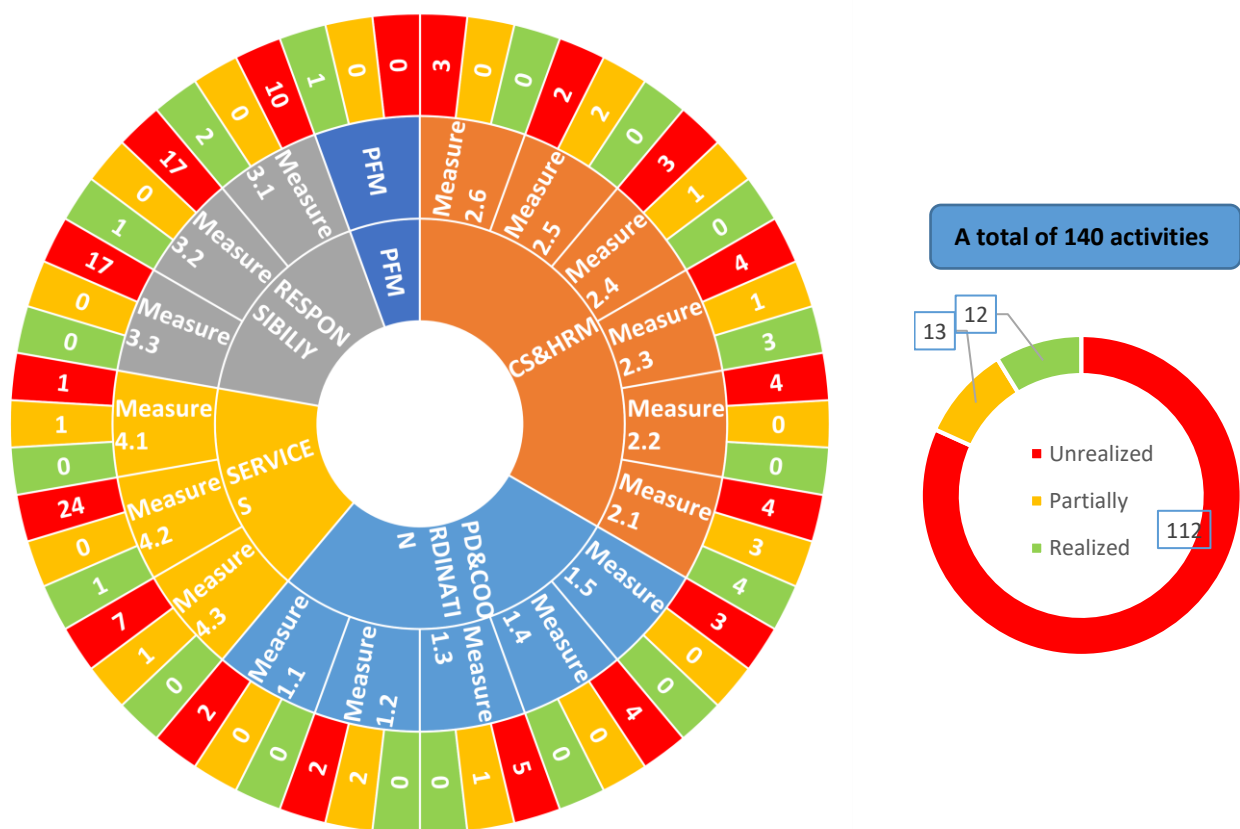
of the Federation of BiH and the Government of the Brčko District of BiH on the preparation of an innovative communication strategy for informing the public about the process of public administration reform and of the accompanying Action plan, about which the public was also informed through the website of the Office.

Through communication activities, PARCO also contributed to increasing the visibility of activities from the Action plan of the BiH Council of Ministers for the implementation of the global Partnership for Open Government Initiative.

Financing the reform

For the purposes of implementing the Strategic Framework and the Action plan for Public Administration Reform, 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 a 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 done, 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.

Overall overview of the implementation of activities by measures and reform areas:

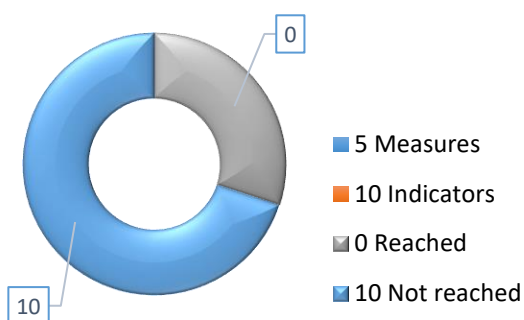


2.1 POLICY DEVELOPMENT AND COORDINATION

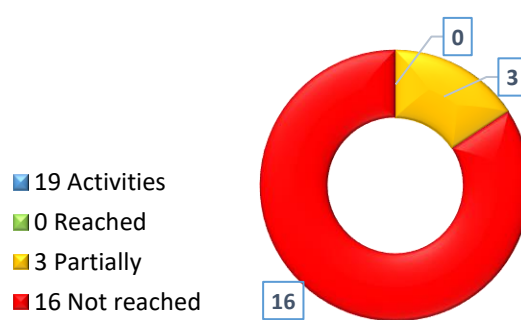
Policy making and coordination are among the key functions of public administration, which ensure responsible, effective and efficient management of public affairs. The management of public affairs is carried out through a system of policy development and implementation that should ensure informed, inclusive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

ANALYSIS: REFORM MEASURES

Realized measures



Realized activities



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

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 Bosnia and Herzegovina, target values were not reached for 16 activities, and target values were partially reached for 3 activities. At the level of BiH institutions, the target values were not reached for 17 activities, while the target value was 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, target values were reached for 3 activities. In the Republika Srpska, target values were not reached for 11 activities, target values were partially reached for 1 activity, and target values were reached for 7 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	11	13
The target values were partially reached	0	1	1	4
The target values were reached	2	3	7	2

Total number of activities: 19 19 19 19

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

Indicators	Indicator values				
<p>Number of administrative levels that have been established a legal and institutional framework for coordinating the contents of the 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)</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 was made in the implementation of the measure. No progress was made in the implementation of activity 1.1.1. and 1.1.2. The realization of these activities is planned through the EU project for the public administration reform of Bosnia and Herzegovina (EU4PAR), which is being implemented. The project is financed from IPA II funds. The project team started activities on the preparation of an analytical report and recommendations for improving the quality control function and coordination of policy proposals. The risk is related to the resources and capacities for the implementation of the mentioned activities. The next steps are aimed at creating a plan for the realization of the steps in the implementation of the activities, and with the support of the EU4PAR project, the implementation of the steps is planned for 2024.

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

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 harmonization 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				
<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

The legal framework at each administrative level enables proper monitoring and reporting (SIGMA)

BLV: 3/8 – TV: 8/8



In the reporting period, the Council of Ministers of Bosnia and Herzegovina adopted the Decision on the procedure of medium-term planning, monitoring and reporting in the institutions of Bosnia and Herzegovina ("Official Gazette of Bosnia and Herzegovina", number 48/24), which improved the process of medium-term planning in the institutions of Bosnia and Herzegovina and ensured the planning basis for quality development management. By adopting this decision, harmonization and coordination of the planning process in the Council of Ministers and institutions of BiH and the optimal distribution of resources are carried out, and the process of monitoring and reporting on the implementation of this decision is improved. The new decision on the medium-term planning procedure was prepared based on the analysis of the application of the previous decision in this area, with the aim of improving and simplifying the process of medium-term planning and harmonizing it with other regulations on planning, as well as improving the effects of planning in institutions at the BiH level. The risks are related to the inconsistency of this decision with the decision that regulates annual planning, monitoring and reporting in the institutions of BiH, lack of resources and capacity to carry out activities, political instability required for the adoption of regulations and multi-institutional cooperation. The next steps are aimed at harmonizing the regulation on annual planning with the new regulation for medium-term work planning in BiH institutions.

At the level of BiH institutions, no long-term/sectoral planning, monitoring and reporting system has been established. In the Federation of BiH, Republika Srpska and Brčko District of BiH, there was no progress in the reporting period.

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

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

Indicators

Indicator values

Percentage of draft laws, by-laws, public policies and regulations that have undergone regulatory impact assessment⁶

BLV: N/A – TV: 50%



⁶ To determine the value of the indicator in question, data for the entire calendar year is taken into account, so there was no change in the value of this indicator.

Use of RIA – SIGMA

BLV: 0/3 – TV: 2/3



At the level of BiH institutions, no progress has been achieved in the implementation of measures and activities. Due to the lack of resources and capacity, no methodology, manual, guidelines for assessing the impact of regulations, nor rules for the development of public policies and other general acts have been developed. Due to the lack of financial resources, no information system has been developed to support the drafting of regulations, nor a database of all legal regulations adopted by authorities at all administrative levels has been established. In the Republika Srpska, a new methodological manual for assessing the impact of regulations was adopted in March 2024. It was published on the Single point of contact for business portal, on the Regulatory Impact Assessment page. In the development of the methodological manual, documents of the European Commission were used, such as the Guide for better regulation, the set of tools for better regulation, as well as a number of other documents that were adopted in the previous period within this area, both in neighboring countries and by international organizations.

During the preparation of the manual, the emphasis was also placed on the experience in applying the regulatory impact assessment in the Republika Srpska from the previous period, as well as the experience and coverage of the application of regulatory impact assessment in neighboring countries.

At the level of institutions of BiH, in the Federation of BiH and Republika Srpska, in the reporting period, activities to strengthen the capacity of civil servants who carry out regulatory impact assessment and civil servants who control the carried out procedure of assessing regulatory impact of assessment continued.

In the Federation of BiH and the Brčko District of BiH, no progress was made in the implementation of measures and activities.

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

The risk and challenge that may have an impact on the achievement of results within this measure is related to the lack of financial resources for the implementation of activities and human capacities for the preparation and implementation of the regulatory impact assessment.

Measure 4: Ensuring inclusive approach and involvement of public in creating, implementing and monitoring 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 complied with the



public consultation process⁷

BLV: N/A – TV: 50%

Quality assurance of the public consultation process

BLV: 0/3 – TV: 3/3

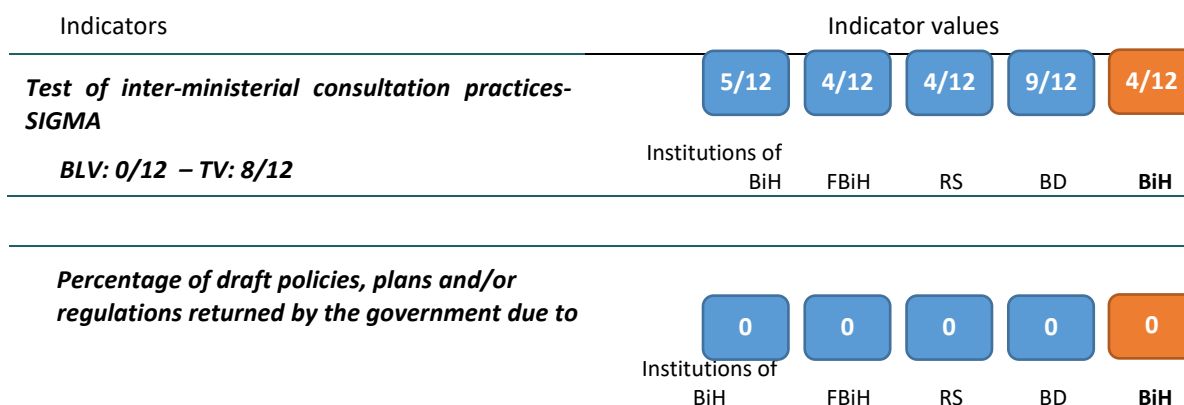


At the level of the institutions of BiH, in the Federation of BiH and in the Brčko District of BiH, no progress has been achieved in the implementation of measures and activities. In the Republika Srpska, some progress was made in the reporting period. After the Government of the Republika Srpska adopted the Guidelines for consultations in the drafting of regulations and other general acts ("Official Gazette of the Republika Srpska", number 86/22) on the basis of which it is envisaged to conduct consultations through the e-consultation portal, the creation of this portal was started. In mid-July 2024, the portal was created and the first training for its application was held. This will enable more transparent consultations and public participation in the drafting of regulations.

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

Risks and challenges that may have an impact on the achievement of results within this measure are related to the improvement of the legal framework at each administrative level that regulates the area of public consultations and public participation in accordance with the SIGMA Principles, the underdeveloped legal framework and the systemic organization of civil society organizations that would cooperate on the same issue, insufficient public interest in the consultation process, lack of financial resources for the establishment/upgrading and functioning of the e-consultation portal, insufficient training of officials in the use of the e-consultation portal.

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



⁷ To determine the value of the indicator in question, data for the entire calendar year is taken into account, so there was no change in the value of this indicator.

incomplete inter-institutional consultations⁸

BLV: N/A – TV: 20%

At the level of the institutions of BiH, in the Federation of BiH, Republika Srpska and in the Brčko District of BiH, no progress has been achieved in the implementation of measures and activities.

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

Risks and challenges that may have an impact on the achievement of results within this measure are related to inadequate planning of regulations that need to be adopted in one calendar year, untimely preparation of the draft law by the Council of Ministers/Governments, and non-compliance with the planned deadlines for submitting the draft law to the parliamentary procedure, intensive use of urgent procedures for the adoption of laws proposed by the Council of Ministers/Government.

CHALLENGES AND RISKS:

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

- Lack of financial resources for the implementation of reform measures and activities;
- Lack of human capacity to implement reform measures and activities;
- Improving the legal framework at each administrative level that regulates the area of public consultation and public participation in accordance with the SIGMA Principles;
- Insufficient public interest in the consultation process;
- Inadequate planning of regulations that need to be passed in one calendar year;
- Untimely preparation of the draft law by the Council of Ministers/Governments, and non-compliance with the planned deadlines for submitting the draft law to the parliamentary procedure;
- Intensive use of emergency procedures for the adoption of laws proposed by the Council of Ministers/Government;

KEY RECOMMENDATIONS FOR THE FIELD OF POLICY DEVELOPMENT AND COORDINATION

- The Agency for the Public Service of BiH, the Agency for the Public Service of the Federation of BiH and the Human Resources Subdivision of the Brčko District of BiH should plan and organize training for civil servants in the area of regulatory impact assessment by the end of 2024;

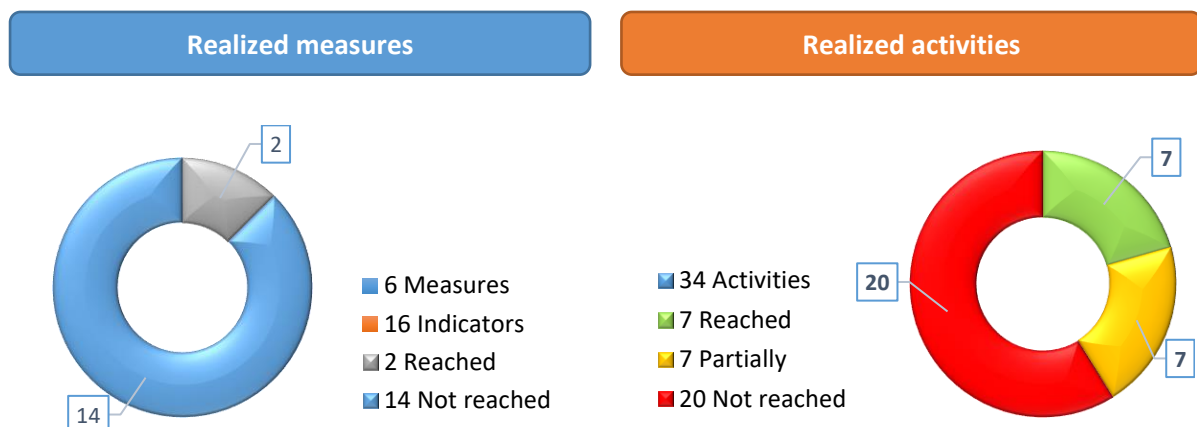
⁸ To determine the value of the indicator in question, data for the entire calendar year is taken into account, so there was no change in the value of this indicator.

- The BiH Civil Service Agency should, in cooperation with the BiH Ministry of Finance and Treasury and the BiH Ministry of Justice, plan and organize training for civil servants with the aim of properly implementing the new legal framework for medium-term planning, monitoring and reporting at the level of institutions BiH and the legal framework for annual planning, monitoring and reporting at the level of BiH institutions;
- Competent bodies of the Parliamentary Assembly of BiH/Parliament of the Federation of BiH/National Assembly of the Republika Srpska/Assembly of the Brčko District of BiH and the Council of Ministers of BiH/the government should plan and organize meetings by the end of 2024 in order to improve their cooperation in the matter of better coordination of the planning process and the 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 institution of civil service/administration, as well as public administration as a whole. Modern management of human resources in public administration should have the characteristics of transparency, fairness, and especially should be based on the principles of merit, professionalism, and affirming and rewarding efficiency in work. Through the development of the legal framework and the necessary capacities in this area, an attempt is being made to establish an independent, impartial and efficient public administration capable of fulfilling its tasks.

ANALYSIS: REFORM MEASURES



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

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

For the six measures defined in this area, 16 indicators were determined, of which the target values were reached for 2 indicators, while the remaining 12 indicators were not. Within the aforementioned 6 measures, 34 activities were determined. Of these, 7 activities were implemented, 7 were partially implemented, and 20 were not implemented.

	Inst. BiH	FBiH	RS	BD
The target values were not reached	18	19	16 ⁹	18
The target values were partially reached	6	4	3	2
The target values were reached	9	10	14	13
<i>Total number of activities:</i>	33	33	33	33

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

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

There were no changes in the value of the indicator at the level of this measure. Part of the activities within the framework of this measure were realized in the previous reporting periods. 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 in order 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 to 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 the necessary reform regulations for each civil service structures in BiH and provide coordination in the work of the IMWGs through information sharing and concrete solutions, there were no changes in the reporting period that would affect the indicator, but it is the work program of the National Assembly of the Republika Srpska for 2024. ("Official Gazette of the Republika Srpska", number: 24/24) envisages the adoption of the new Law on Civil Servants.

Related to activities 2.1.4. *Prepare drafts of necessary regulations in accordance with Public Administration Principles, the Policy Framework for the Development of Human Resources*

⁹ This number also includes activity 2.2.1 where one of the two indicators remained unassessed in this report due to the disagreement of the representatives of Republika Srpska with the assessment assigned by SIGMA (see Annex, p. 71).

Management in Public Administration Structures in BiH and current legislation in BiH (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 HRM policy development, their implementation and supervision, At the level of institutions of Bosnia and Herzegovina, the Law on Amendments to the Law on Civil Service in the Institutions of Bosnia and Herzegovina was adopted ("Official Gazette of Bosnia and Herzegovina", 18/24 of March 15, 2024). The reasons for the adoption of this law are the harmonization of the provisions with the Law on Salaries and Remunerations in the Institutions of BiH, which invalidated certain provisions of the Law on Civil Service in the Institutions of BiH. This law introduces a new category of civil servants - inspectors, and tries to enable a greater number of interested persons to apply for competitions by making it easier for them to submit documents, access the list of experts and speed up the employment process. It is easier for certain civil servants to advance by not having to go through the probationary period again, and it is also easier to advance to a higher pay grade based on positive grades in the event that they did not work for a certain period due to the listed justified circumstances. At the same time, the jurisdiction of CSA BiH regarding the establishment and maintenance of the register of employees in BiH institutions is regulated. On May 7, at the FBiH level, the Federal Ministry of Justice together with the CSA FBiH held a joint meeting with relevant cantonal ministries in which agreement was reached regarding the initiation of the process of harmonization of civil service regulations in FBiH.

Public availability of official data and reports on civil service is, as foreseen through activity 2.1.7, *ensured* in the previous reporting period at the level of institutions of BiH and FBiH. Additionally, Methodology for monitoring human resources in civil service bodies in FBiH is adopted at the FBiH level, at the 35th session of the FBiH Government held on June 5, 2024. At the RS level, the Agency for State Administration of the Republika Srpska has started activities on the development of the Methodology for the collection and publication of data on HRM. As part of this activity, a request was sent to ReSPA for technical assistance in the development of the aforementioned Methodology.

In this reporting period, two meetings of the Forum of Directors were held (February 29, 2024 in Sarajevo and June 12, 2024 in Banja Luka), which implemented activity 2.1.8 *Determine instruments for better cooperation and coordination between civil service agencies in the development and implementation of effective HRM practices and standardization of HRM tools.*

Also, related to activity 2.1.10. *which refers to the monitor and improve the consistency of HRM policy implementation in institutions,* the application was submitted to the Regional School for the Public Administration Reform (ReSPA) for the development of a human resources management strategy at the level of the institutions of BiH, RS, and BD BiH. The Agency for State Administration of the RS initiated activities related to the development of the strategy in question, and the Government of the Republika Srpska approved its development by conclusion.

For activities 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 job descriptions of staff in HRM units and 2.1.11. Establish and provide continuous support to the work of

the network of HRM professionals that will include all four administrative structures in BiH, no progress was recorded in this reporting period.

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

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

There were no changes in the indicator values at the level of this measure. Also, for none of the four activities determined as part of this measure, no progress was recorded compared to the previous reporting period at any administrative level, with the fact that the activity 2.2.1. (*Amendments to the applicable civil service regulations, which will ensure consistent application of the principles of meritocracy (selection of the best candidate), equal treatment and transparency*) realized 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 capacity of the appeal board through additional recruitment and training* and 2.2.4. *Provide a legal framework for compliance with the principle of political neutrality in the work of civil servants, especially those with managerial powers*).

Measure 3: Establishing modern HR planning and professional development of staff

Indicators	Indicator values				
Percentage of institutions that effectively established and use one-year staffing plans relative to the total number of institutions at all administrative levels <i>BLV: n/a – TV: 70%</i>	0	0	100	0	24.1
	Institutions of BiH	FBiH	RS	BD	BiH

Development, implementation and monitoring of training plans (points) – SIGMA	3/3	3/3	2/3	0/3	2/3
BLV: 1/3 – TV: 3/3	Institutions of				
	BiH	FBiH	RS	BD	BiH
Training expenditures in proportion to the annual salary budget (%) – SIGMA	0/4	0/4	0/4	0/4	0/4
BLV: 0/4 – TV: 4/4	Institutions of				
	BiH	FBiH	RS	BD	BiH
Existence of functional HR databases with data on civil service (points) – SIGMA	0.5/4	2/4	1.5/4	0.5/4	1.5/4
BLV: 0/4 – TV: 3/4	Institutions of				
	BiH	FBiH	RS	BD	BiH

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

In the reporting period, there was no progress in relation to the indicators for activities related to personnel planning (2.3.1., 2.3.2. and 2.3.3.), with the fact that these activities at the RS level were marked as realized in the previous reporting period. At the level of BiH institutions, trainings on the topic "Human Resource Management" (for leading civil servants) were implemented; and the module " Human Resource Management " as part of mandatory training for newly employed civil servants.

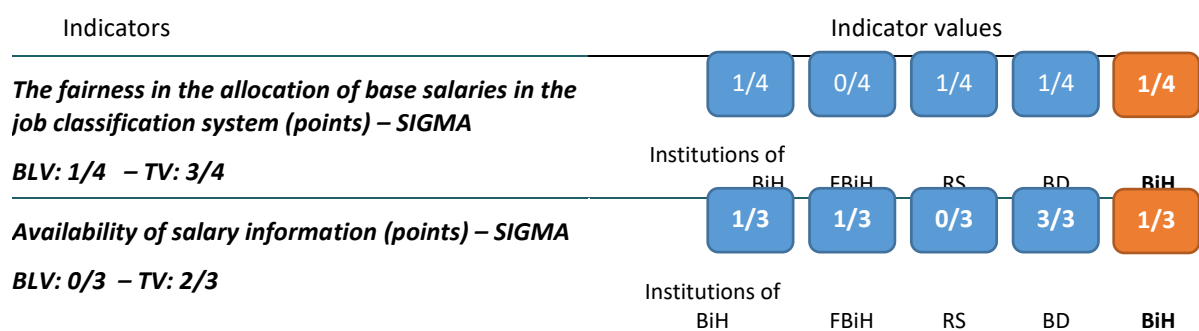
Activity 2.3.4. *Establish functional and reliable HRM software systems and ensure their interoperability* was previously implemented at three administrative levels (FBiH, RS and BD BiH), while at the level of BiH institutions, the adoption of the Law on Amendments to the Law on Civil Service in BiH institutions enabled the initiation of activities on the establishment of the employee register at this administrative level as well.

Related to the activity 2.3.5 *Revise 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 training courses financed 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 (except at the level of BD BiH). At the level of BiH institutions, activities have begun on the drafting of the Decision on amendments to the Decision on the manner of conducting training of civil servants in the institutions of Bosnia and Herzegovina and the Decision on amendments to the Decision on the adoption of training programs for newly employed civil servants in the institutions of Bosnia and Herzegovina. At the level of the RS, the effective Training Strategy for employees in the republican administrative bodies of the Republika Srpska for the period from 2023 to 2029 was adopted by the Government of the Republika Srpska (Decision No. 04/1-012-2-318/23 of January 26, 2023).

Activity 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 an enhanced training needs analysis process related to performance appraisal and introduce regular*

evaluation of the impact of training on performance were realized in the previous reporting period at three administrative levels: FBiH, RS and BD BiH, while at the level of BiH institutions, the problem is the lack of complete data for the assessment of indicators. At the 53rd session held on June 27, 2024, the BiH Council of Ministers adopted the Summary Report on the evaluation of civil servants in the institutions of Bosnia and Herzegovina for the period January - June 2023 and July - December 2023, which was proposed by the BiH Civil Service Agency. According to the conclusion of the BiH Council of Ministers, the institutions are tasked to perform the evaluation of civil servants in a timely manner in the following evaluation period and submit reports to ADSBIH, in accordance with the Rulebook on the manner of evaluating the work of civil servants in the institutions of Bosnia and Herzegovina ("Official Gazette of BiH", number 59/11, 24 /21 and 79/22).

Measure 4: Establishing a fair and transparent remuneration system



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

Activity 2.4.1. Define by regulation an obligation to carry out analysis of jobs and make a comprehensive analytical assessment of jobs, methodology for analytical assessment, classification and gradation of jobs and 2.4.3. Amend regulations to allow for establishment of a remuneration system based on 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 activity 2.4.2. Carry out an analytical assessment and classification of jobs as a basis for a new remuneration system, and amend acts on systematization and organization of jobs and 2.4.4 Ensure the availability of data on the salary and remuneration system, no progress in relation to the indicators was recorded at any administrative level. At the level of RS, from February 1, 2024, when announcing the competition, they also submit data on the amount of salary for the position to which the competition in question applies.

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 court (%) – SIGMA	4/4	4/4	4/4	4/4	4/4
BLV: 0/4 – TV: 2/4	Institutions of				
	BiH	FBiH	RS	BD	BiH
Existence of legal frameworks for public sector integrity (points) – SIGMA	1/5	0/5	0/5	0/5	0/5
BLV: 0/5 – TV: 3/5	Institutions of				
	BiH	FBiH	RS	BD	BiH
Established public sector integrity plans (points)- SIGMA	0/4	0/4	1/4	0/4	1/4
BLV: 0/4 – TV: 4/4	Institutions of				
	BiH	FBiH	RS	BD	BiH

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

Activity 2.5.1. *Raising the awareness of the managerial staff about the need to sanction any misconduct in a fair and timely manner* was partially implemented in the previous period and no changes have been recorded since then. Activity 2.5.2. which is related to *improve the implementation of disciplinary procedures and ensure the implementation of the code of ethical conduct for staff* was previously implemented at the FBiH level. At the level of BiH institutions, in this reporting period, trainings were realized on the topics of Ethics in Public Administration (for senior civil servants), Ethics in Public Administration and the Code of Civil Servants, Disciplinary Procedure in Administrative Bodies, and the modules "Ethics in Public Administration" and "Code civil servants and Disciplinary responsibility" within the mandatory training for newly hired civil servants, but there was no change in the value of the indicator. At the level of the RS, through proposed solutions that will include the new Law on Civil Servants, it is planned that the disciplinary procedure will be carried out by independent bodies for all administrative bodies.

Related to *provide a legal basis for the adoption of integrity plans and built capacities for their 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 RS level and partially implemented at the FBiH level). In this reporting period, the Council of Ministers of Bosnia and Herzegovina at its 52nd session held on June 18, 2024 adopted the Strategy for the fight against corruption 2024-2028 and Action plan for its implementation. When it comes to *ensure regular monitoring of the implementation of integrity plans* (activity 2.5.4) no progress was recorded at any administrative level.

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

Indicators	Indicator values				
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Number of senior civil servants who received training on managerial knowledge and skills at all administrative levels	49.8	7.8	0	92.2	26.1
<i>BLV: n/a – TV: 90%</i>					
	Institutions of				
	BiH	FBiH	RS	BD	BiH
Percentage of managers whose performance was appraised by the competent bodies	0	0	80	100	25
<i>BLV: n/a – TV: 90%</i>					
	Institutions of				
	BiH	FBiH	RS	BD	BiH

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

Activity 2.6.1. which refers to the training of senior civil servants on basic managerial knowledge and skills, was in the previous reporting period implemented at the level of BD BiH and partially implemented at the level of institutions of BiH. In this reporting period, no progress was recorded compared to the previous one. Activity which is similar 2.6.2. *Amend the existing/adopt new provisions of 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 in this reporting period. The last activity within this measure also refers to changes in regulations (2.6.3. *Amend the existing/adopt new provisions of regulations governing the monitoring and evaluation of the work of heads of institutions/administrative organizations*), which did not occur at any administrative level. Despite this, at the level of the RS, in accordance with the applicable regulations, in 2023, an evaluation of senior civil servants was carried out, which included 97% of senior civil servants.

The **key risks** and **challenges** that affect the non-realization of activities as planned are:

- 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 started with work), and that a joint network of HR practitioners has not been established that would include representatives of all administrative levels, there is the risk of even greater inconsistency of HRH regulations and practices at different levels in the coming period.
- Failure to adopt adequate legal solutions, insufficiently favorable political environment
- Insufficiently developed awareness of the advantages of personnel planning
- Insufficient capacities of civil servants/units for human resources in certain institutions/administrative bodies
- Insufficient financial resources and IT equipment and tools.

KEY RECOMMENDATIONS FOR THE FIELD OF PUBLIC SERVICE AND HRM

- Given that in this reporting period, little progress was made in the area, the recommendations from the previous report are still current.
- Competent institutions at all levels (the Ministries of Justice of BiH and FBiH, the Ministry of Administration and Local Self-Government of the RS, in cooperation with agencies for civil service/administration, and the Sub-Department for Human Resources of BD BiH) should intensify activities on the preparation and adoption of relevant regulations. It is necessary to strengthen

- the personnel capacities of the institutions responsible for drafting regulations in the field of civil service, as well as the capacities for 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).
- Competent institutions should, when amending regulations, take into account the recommendations from the SIGMA Monitoring Report for BiH from 2022, as well as the recommendations determined through the project "Strengthening Human Resource Management in BiH". Agencies for civil service/administration and the Human Resources Subdivision of the BD BiH should increase the application of information technologies in the recruitment process by using available budget and donor funds.
- In the field of personnel planning, the competent institutions should take into account the requirements of the Strategic Framework of PAR and the recommendations from previously prepared analyzes when amending the regulations. Agencies for civil service/administration 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 evaluation is outside the domain of the Strategic Framework for the PAR, and it is necessary to include all competent institutions in this matter). 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.

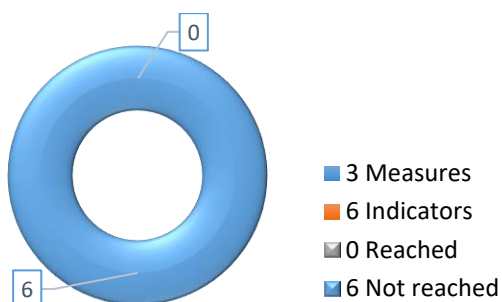
2.3 ACCOUNTABILITY

The field of accountability requires the existence of adequate mechanisms that ensure the responsibility of management. 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.

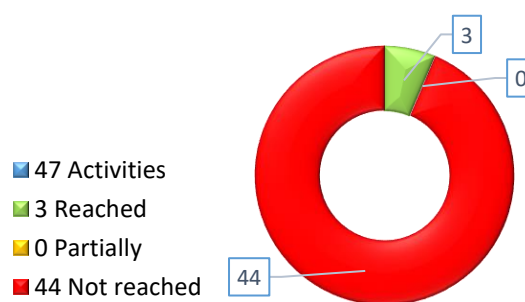
This includes ensuring the right of access to public information, an efficient system of appeals, as well as independent supervision and judicial control in administrative cases. Accountability must be accompanied by legal accountability for the decisions of public institutions or the lack thereof. The key goal in this reform area is to achieve an organizationally and functionally harmonized and transparent system of public administration with improved internal and

ANALYSIS OF ACHIEVEMENTS IN THE FIELD

Realized measures



Realized activities



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

In this area, the reform is carried out 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 for one, which is for the state level). The report looks at activities. In this reporting period, only one activity was fully implemented (at all levels of government). Out of 47 activities, three activities have been completely fulfilled (at all levels of government). At the state level, 7 activities have been completed, in FBiH 4, in BD BiH 4, while in RS three activities have been completed (green light). One activity at the state level has been partially implemented.

The table below shows the statistics of the achieved progress by activity individually, for each level of government:

	Inst. BiH	FBiH	RS	BD
The target values were not reached	39	42	43	42
The target values were partially reached	1	0	0	0
The target values were reached	7	4	3	4
<i>Total number of activities:</i>	47	46	46	46

MEASURE 1: IMPROVING THE ORGANIZATIONAL STRUCTURE OF THE PUBLIC ADMINISTRATION SYSTEM AT ALL ADMINISTRATIVE LEVELS

Indicators	Indicator values				
Adequacy of policy and regulatory framework to manage central government institutions (points) – SIGMA	2	2	2	2	2/5
BLV: 1/5 – TV: 3/5	Institutions of BiH	FBiH	RS	BD	BiH
Accountability in reporting between central government bodies and parent ministry (points) – SIGMA	0	0	0	0	0/4
BLV: 0/4 – TV: 2/4	Institutions of BiH	FBiH	RS	BD	BiH

The assessment 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 Action plan for the reform of public administration, for the period 2020-2022. Within this measure, 12 different activities were planned, in the reporting period one activity (3.1.1) was realized and one was achieved indicator. Taking into account the lack of capacity in some of the key institutions responsible for the implementation of the reform in this area, part of the activities that foresee the creation of an analysis of the organizational structure of public administration (3.1.2) based on a previously prepared methodology (3.1.1.), as well as the preparation

of a plan for further improvement of the organizational structure and its implementation (3.1.3) and the development of tools for planning further changes in the organization of the administration (3.1.4) are planned to be realized through the IPA 2019 "EU4PAR" project, which is being implemented. The same project includes activities that lead to further strengthening and promotion of managerial accountability (3.1.11 and 3.1.12). In the previous 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 and they 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, the relevant ministries did not work on improving the regulations 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 regulate the obligation to regularly update the registers (3.1.8) in the reporting period, the activities did not continue, and the indicator values remain unchanged in this reporting period, including for activity 3.1.10. - make the registers accessible to the public.

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

MEASURE 2: INCREASING THE ACCESSIBILITY OF INFORMATION HELD BY PUBLIC ADMINISTRATION:

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

The measure is aimed at ensuring the legal and institutional framework for freedom of access to information in accordance with the highest international standards, and strengthening proactive transparency. The values of the indicators represent the values from the Report on the Implementation of the Action plan for Public Administration Reform, for the period 2020-2022. 18 activities are planned within this measure. 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. 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.

At the state level, the new Law on Freedom of Access to Information of BiH is in force¹⁰. At its 42nd session, held on March 12, 2024, the Council of Ministers of BiH adopted a Decision on amending the Decision on the Formation of the Appeals Council at the Council of Ministers of BiH (Official Gazette of BiH, 24/24), which prescribes the conditions for appointing a member of the Appeals Council (graduate in law who must have at least five years of work experience in administrative bodies, the judiciary, the bar or other relevant experience in the profession, of which at least three years after passing the bar exam). Otherwise, in accordance with the Law on Freedom of Access to Information in BiH Institutions (Official Gazette of BiH, 61/23), the Appeals Council is in charge of resolving appeals in the second instance procedure under this law.

The Council of Ministers of Bosnia and Herzegovina, in accordance with the Law on Freedom of Access to Information in the Institutions of Bosnia and Herzegovina, adopted the Guide for Access to Information (44th Session of April 4, 2024), and the Minister of Justice of Bosnia and Herzegovina adopted the Rulebook on the Content and Method of Keeping the Register of Requests for Access to Information (Official Gazette BiH, 35/24), which stipulates that the institutions of Bosnia and Herzegovina are obliged to establish a Register of requests for freedom of access to information, which is kept in the form of a Register, while Article 4 stipulates that this register is kept in electronic form.

Considering that activity 3.2.2. foresees the adoption of harmonized amended/new laws on freedom of access to information at all administrative levels (in accordance with the recommendations resulting from the analysis), and that at other levels in the reporting period there was no progress in the implementation of this activity, the value of the indicator remains unchanged. The same indicator values remain for activities 3.2.5. 3.2.6. and 3.2.7. which refer to the analysis of justification,

¹⁰ "Official Gazette of BiH" number: 61/23

harmonization of legislation for the supervisory authority in accordance with the law on access to information and strengthening the capacity of the supervisory institution. At other levels, no progress was made in improving freedom of access to information. Although by-laws on proactive transparency (3.2.3) and the proactive transparency monitoring mechanism in accordance with the new regulations have not been developed, the institutions' intention to make data available exists. State institutions continued to publish documents based on the previously adopted Policy and Standards of Proactive Transparency. At the state level, a monitoring system for proactive transparency was established in the previous period (activity 3.2.4), and research into the fulfillment of proactive transparency standards is continuously conducted. Up to this point, no data has been processed and they will be included in the next reporting period. Although a monitoring system exists, taking into account changes in legislation and the need to align with new regulations, the value of the indicator remains unchanged. No changes were recorded at other levels. Progress has not been achieved even in the implementation of activity 3.2.8. - align job descriptions of information officers with the provision of the new laws. At the state level, the new Draft Law on Freedom of Access to Information contains provisions related to the duties of public relations civil servants and introduces different duties for civil servants. According to the data provided by state institutions on the current status of compliance of job descriptions with applicable laws, it is possible to conclude that not all positions of public relations civil servants are compliant with the applicable law on freedom of access to information; there are institutions where such positions are not provided for by systematization, while part of the position of public relations civil servants is unfilled. No progress has been confirmed in the entities and BDBiH in the reporting period. No progress has been made in the implementation of activities 3.2.9. nor in related activities 3.2.10, 3.2.11, 3.2.12. The assessment of readiness for open data was prepared in the previous reporting period for BiH and FBiH where activity 3.2.13. was carried out, and in this report there was no progress in the preparation of similar analyzes for the RS and BDBiH. Taking into account the absence of all analyses, no progress has been made in the development of the open format data policy (3.2.14), and the development of an open format data guide (3.2.15). The indicator remained unchanged for the activity of improving website maintenance procedures, which should also incorporate technical standards of proactive transparency.

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 , while ensuring adequate 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 implementation of other activities. It is necessary to conduct an analysis of the readiness for open data for the Republika Srpska and the Brčko District of Bosnia and Herzegovina, 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 PROTECTION OF THE RIGHTS OF THE INDIVIDUAL TO GOOD ADMINISTRATION AND PUBLIC INTEREST:

Indicators	Indicator values				
Rate of implementation of Ombudsman recommendations <i>BLV: 45,12% – TV: 55%</i>	-	-	-	-	49,5
	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>	-	-	-	-	23
	Institutions of BiH	FBiH	RS	BD	BiH

This measure should contribute to the establishment of functional mechanisms for the protection of individual rights to good administration and public interest. 17 activities are planned as part of the measure, and the submitted data do not indicate any progress in their implementation, and the indicator values remain unchanged

Although the Institution of Ombudsman regularly analyzes the implementation of recommendations through annual reports, and statistical records are also kept by audit institutions at all levels, which have registers of recommendations on their websites, an analysis of the rate of fulfillment of recommendations issued by supervisory institutions has not been prepared (activity 3.3.1) even in this reporting period. The status of the key institutions that supervise the work of the administration is not entirely independent (activity 3.3.2). The legal status of the human rights 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 (Office for the Audit of the Institutions of BiH, the Audit Office in the Federation of Bosnia and Herzegovina, the Main Audit Service of the Republika Srpska and the Office for the Audit 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. In the previous period, the Law on Amendments to the Law on Human Rights Ombudsman of Bosnia and Herzegovina was adopted. However, the law does not ensure the complete financial independence of the Ombudsman Institution, but 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 BiH for an opinion, and then, together with the opinion of the MFT BiH, submits its budget request to the Finance and Budget Committee of the House of Representatives of the Parliamentary Assembly of Bosnia and Herzegovina and the Joint Committee 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). No data was submitted confirming that any activities were conducted to improve regulations on administrative disputes (3.3.10 and 3.3.11) and the establishment of a monitoring system on administrative resolution (3.3.12, 3.3.13 and 3.3.14), as nor on the improvement of the legislation that prescribes the payment of severance pay in case of wrongful work of the administration (3.3.16 and 3.3.17).

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

KEY RECOMMENDATIONS FOR THE FIELD OF ACCOUNTABILITY

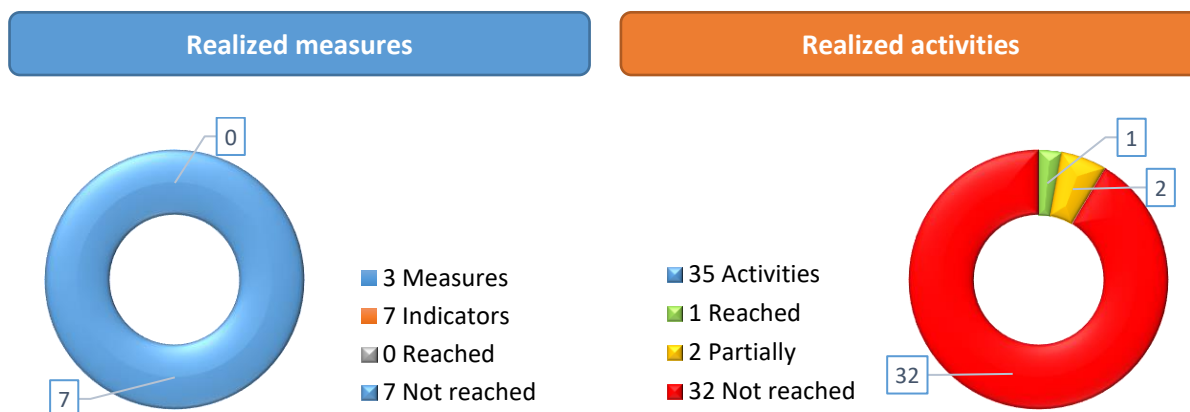
- The Council of Ministers of BiH, the Government of the Federation of BiH and the Government of Brčko District of BiH should provide full support for the implementation of the planned activities of the Action plan for Public Administration Reform, which are aimed at strengthening accountability in public administration.
- The 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 projects financed by the EU or other donors in order to improve the legislative framework on the organization of administration and promote managerial accountability in public administration.
- The Federal Ministry of Justice, the competent institutions in the RS and BD BiH should start/complete the drafting of the law on freedom of access to information, which will be harmonized with the requirements for proactive transparency and openness of data and offer harmonized solutions, and refer them to the adoption procedure, while organizing consultations with the civil society and citizens.
- The Ministry of Justice of BiH should analyze the practical application of the new Law on Freedom of Access to Information, and proceed with drafting amendments to the law in accordance with the findings of the analysis.
- The BiH Parliamentary Assembly should amend the Law on the Ombudsman in order to eliminate the direct intervention of the executive power in approving the budget of the Ombudsman Institution and to ensure the complete financial independence of this institution.
- The Ministries of Justice/Administration in cooperation with PARCO, the Ombudsman Institution of BiH and audit civil service 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 that the Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of the Republika Srpska and the competent institution of the Brčko District of BiH establish an 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.

2.4 SERVICE DELIVERY

The challenges that public administration is increasingly facing is how to offer better services to end users. The delivery of services has traditionally been viewed as a passive means 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 providers 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.

ANALYSIS: REFORM MEASURES



In the field of Service Delivery in the reporting period, only one out of a total of 35 activities was implemented, while two were partially achieved. The largest number of activities (32) remains unimplemented. 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 is 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 7 indicators. These measures remain unfulfilled in the reporting period.

	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>	<i>35</i>	<i>34</i>	<i>34</i>	<i>34</i>

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

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

In the reporting period, the implementation of activities at the level of the institutions of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina and the Republika Srpska was recorded, but there was no progress in reaching the target value of the indicator at the level of the measure. The revision of the Action plan for the public administration reform is underway, so the activities of this measure will be changed, which is in accordance with the agreements within the Supervisory Team for better service delivery and quality.

The Ministry of Civil Affairs was awarded the CAF Label certificate, and the CAF certification process for Public Administration Reform Coordinator's Office is underway. 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 Government of FBiH of November 03, 2022. A significant number of trainings on the subject of quality management conducted by the Agency for Civil Service of the Federation of Bosnia and Herzegovina have been recorded. Also, at the level of Republika Srpska, the RS State Administration Agency is in the process of obtaining the CAF Label certificate from the Regional School for Public Administration (ReSPA). As part of the Environmental Management Project (MEG2), which is implemented in BiH by UNDP, in this reporting period, the process of apportionment of CAF was started in six local self-government units, namely in Laktaši, Samac, Teslić, Orašje, Žepče and Gračanica. A representative of the Public Administration Reform Coordinator's Office participated in the CAF certification process for the State Administration Agency of the RS.

RISKS AND CHALLENGES

- Lack of financial support for tools such as information systems - procurement, training and maintenance), and human resources, that is, the capacity of institutions to implement the 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 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

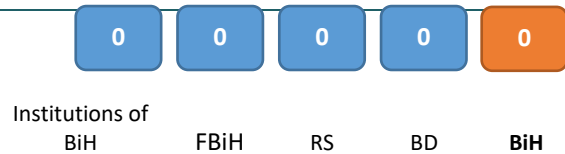
Measure 2: Improving the availability of services through various communication channels

Indicators	Indicator values				
% of priority services provided through several channels (3rd or 4th¹¹ transaction level) at each administrative level	0	0	0	0	0
BLV: 0% – TV: 15%	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	0	0	0	0	0
BLV: 0% – TV: 40%	Institutions of BiH FBiH RS BD BiH				

¹¹ Level 3 or 4 implies that the services are at the interaction or transaction maturity level

The number of services offered through one-stop-shop" at each administrative level

BLV: 4 – TV: 8



The data collected in this reporting period show a low degree and intensity of the realization of the planned activities. There is no change in the status of the indicator compared to the previous reporting period.

The Directorate for Indirect Taxation reported that in the past period it has implemented several activities on the establishment of electronic services under the jurisdiction of this institution. By establishing the PKI infrastructure, the UIO enabled the use of qualified electronic certificates. It is possible to submit KID and KUF electronically. The functionality of the e-mail box for exchanging and submitting data with users has been established. Through the ePortal, in addition to access to materials, taxpayers are provided with several services, i.e. registration of taxpayers, electronic submission of VAT and Excise declarations, and requests decided by the UIO. From August 1, 2022, the implementation NCTS phase 5 at the national level started, which is also the first electronic service with the use of a qualified electronic signature offered by the Directorate for Indirect Taxation.

From the tax period of June 2023, all large payers of indirect taxes were obliged to submit electronic tax returns with the use of a qualified electronic certificate, so the Directorate for Indirect Taxation implemented this electronic service, while the obligation for all other payers began from the tax period of January in 2024. At the same time, the existing electronic services were improved, and qualified electronic certificates were issued for all representatives who submitted requests.

The Ministry of Justice has provided information that the implementation of the EU support project for the interoperability of e-government platform infrastructure in BiH has begun, as part of which the concept of support and the dynamics of implementation have been agreed.

At the level of the Republika Srpska entity, information was provided on the activities carried out from the previous period. The most important electronic services that have been established so far are "e-baby", "online registration of business entities", tax reporting services with the Tax Administration of the Republika Srpska, as well as services provided by the Ministry of Internal Affairs of the Republika Srpska.

Through the digitization of these services, the time of providing/using the service has been shortened and cost savings have been achieved on the part of the service user. For example through the "e-baby" project, instead of 6 visits to different institutions, the entire process of registering a newborn baby is now completed in the hospital, whereby parents realize savings of over BAM 230 per child born.

There is a detailed list of services that are provided in electronic format in the Republika Srpska.

The priorities of digitalization of the electronic administration of the Republika Srpska are defined by the Strategy for the Development of e-administration of the Republika Srpska for the period 2019-2022.

Institutions of BIH reported on promotion activities related to services under their jurisdiction. In most cases, promotion is implemented as part of standard communication activities and existing budget funds. There are no reports of specially allocated funds that would follow the digitization of services.

RISKS AND CHALLENGES

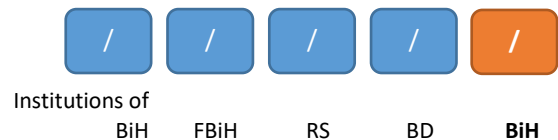
- There is no information that institutions or administrative levels, when implementing activities related to digitization, take into account the activities that are foreseen by AP SFPAR;
- The key building blocks, at the same time the prerequisites of the entire area, which should be the basis of an interoperable infrastructure, have not been established. Building blocks (1. Established service catalog; 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, however funds for implementation were not approved.
- Administrative levels have not identified priority electronic services for citizens and business entities and have not started with 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 finance for the implementation of digitization activities, as well as a limited institutional framework for integrative service delivery. With the exception of the Republika Srpska entity, there are no clear institutional capacities for digitization in public administration and further towards digital transformation.
- Regarding the activities related to a safe environment for the provision of public administration services, there were no significant activities implemented. At the entity level of the Federation of Bosnia and Herzegovina, the Federal Ministry of Transport and Communications has prepared the Law on Information Security of the Federation of Bosnia and Herzegovina, which is fully harmonized with the NIS2 Directive of the European Union.

Measure 3: Harmonized improvement of the administrative and legal framework

Indicators	Indicator values

% of reduced special procedural norms that proved to be unjustified and complicated the system for end users of services at each administrative level

BLV: 0% – TV: 10%



There was no progress in reaching the target value of the indicator. To define the initial 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. The revision of the Action plan for the public administration reform is underway, so the activities of this measure will be changed, which is in accordance with the agreement at the level of the Supervisory Team for better service delivery and quality.

Although there was no progress in changing the value of the indicator, at the level of the institutions of the Council of Ministers of BiH, the Federation of BiH, Republika Srpska and Brčko District of BiH, activities were recorded that contribute to the establishment of a continuous process of simplifying administrative procedures. 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, the Public Administration Reform Coordinator's Office at 13 and 14 March 2024, organized a round table for determining options for simplifying the vehicle registration procedure in Bosnia and Herzegovina. The round table presented the experiences of Serbia, Croatia and Estonia in simplifying public administration services, as well as the current situation regarding the vehicle registration procedure in Bosnia and Herzegovina. An analysis of the current procedure was presented, and competent institutions discussed challenges and room for improvement. The round table resulted in the conclusions that there is room for optimizing the existing procedure by reducing the number of evidence and documents that applicants are required to submit, as well as by reducing the number of separate payments and steps that need to be taken during the procedure. Examples from other countries of the region and the EU can serve as an example for optimization, but it is necessary to carefully identify precise solutions that are applicable in BiH under the leadership of the Ministry of Communications and Transport of BiH and involving the authorities that currently lead the procedure or maintain the register, as well as other interested parties (technical inspection service providers, banks, insurance companies and service users). SIGMA has expressed its readiness to support the Ministry of Communications and Transport of Bosnia and Herzegovina in the next steps of this reform process.

The Public Administration Reform Coordinator's Office, the Ministry of Communications and Transport of BiH, in cooperation with SIGMA, subsequently held additional online meetings with representatives of the Ministries of Finance and IDDEEA, where SIGMA presented a proposal for the introduction of a one-time payment of all fees in the procedure for extending vehicle registration. All those present agreed that the Ministry of Finance and Treasury of BiH and entity ministries of finance should be involved in this process, including the treasury sectors within the ministries. All present agreed that it is time to focus the approach on one segment of simplifying the vehicle registration procedure (at the level of competent institutions) and to resolve the issues that currently exist.

At the level of the Republika Srpska, the Ministry of Economy and Entrepreneurship has prepared PUP forms, which, in the part related to administrative procedures, pay special attention to obtaining answers on the justification of the introduction of administrative costs, as well as other issues related to determining the degree of administrative burden on business entities. The above represents a continuous activity, which is carried out on all laws (except those that are adopted under urgent procedure, which refer to technical standards, which are made technical corrections, which are related to the adoption of the budget of the Republic of Srpska), as well as on decrees and regulations that elaborate the formalities. The Project to optimize administrative procedures and formalities at the national level is also ongoing. In the reporting period (January-June 2024), there was a simplification of two formalities regulated in the Rulebook on conditions for issuing a license ("Official Gazette of the Republika Srpska", number 20/24), namely: - Decision on issuing a license to a legal entity for performing safety and health at work, inspection and testing of work equipment and equipment for personal protection at work; - Decision on the issuance of a license to a legal entity to carry out testing of working environment conditions, i.e. chemical, biological and physical hazards (except ionizing radiation) and microclimate. The issuance of these formalities is the responsibility of the Ministry of Labor and Veterans' - Disability Protection of the Republika Srpska, and they have been simplified in such a way that a certified copy of the decision on the registration of a legal entity in the appropriate register is no longer required (is not prescribed) as mandatory documentation submitted for the issuance of formalities.

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 Public Administration Reform Fund 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 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, the Agency for Civil Service of Bosnia and Herzegovina, the Agency for Civil Service of the Federation of Bosnia and Herzegovina, the Agency for State Administration of the Republika Srpska and the Ministry of Science and Technology Development, Higher Education and Information Society, and the institution to be determined by the Brčko District Government of Bosnia and Herzegovina, should proceed with the continuous
- promotion and implementation of tools for quality management in public administration until the end of 2024.

- The Public Administration Reform Coordinator's Office, in cooperation with the Civil Service Agency of BiH, should prepare a Quality Management Policy for institutions in Bosnia and Herzegovina, and send it to the BiH Council of Ministers for adoption by the end of 2024.
- The Ministry of Justice of BiH, the Federal Ministry of Justice and the Legislative Office of the Government of BD BiH should take appropriate steps by the end of 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.
- It is necessary at the level of Republika Srpska and until the end of 2024 to continue monitoring the implementation of the Action plan for the optimization of administrative procedures and formalities, to indicate and suggest to institutions that have not changed the regulations for the purpose of implementing the agreed simplifications to do so (suggestions can be given in the opinions on the implemented impact assessment regulations), and regular reporting to the Government of the Republika Srpska on the implementation of activities from the aforementioned Action plan.
- If they do not currently exist, the Agency for the Civil Service of BiH, the Agency for the Civil Service of the Federation of BiH, the Agency for State Administration of the Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should by the end of 2024 include in their regular training programs training specialized in the topic of improving administrative legal framework and digital transformation.
- Competent institutions at the level of the Council of Ministers of BiH, the Federation of BiH, Republika Srpska and Brčko District of BiH should complete activities for the purpose of revising and adopting the Revised Action Plan for Public Administration Reform by the end of 2024.
- The Ministry of Communications and Transport of Bosnia and Herzegovina should submit the Strategy for the Development of e-Government in the Institutions of Bosnia and Herzegovina for the period 2024-2028, to the Council of Ministers of BiH for adoption;
- The Ministry of Communications and Transport of BiH should send the Strategy of cloud computing in the institutions of BiH for the period 2024-2028 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 initiate the adoption of the Rules of Procedure and the proposed calendar of group 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 Ministry of the Interior of BiH and the Republika Srpska entity;
- It is necessary for the BiH Cabinet of Ministers to adopt the Rulebook on the internal organization and systematization of workplaces in the BiH Ministry of Security 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 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 Fees for Issuing a Qualified Certificate, which will enable the use of a secure electronic signature;

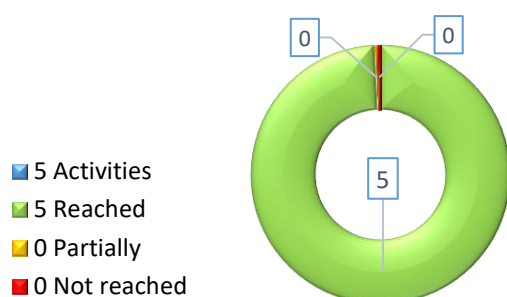
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of the RS and the Legislative Office of the Government of BD BiH should continue to work during 2024 on determining the structure of the catalog of services, forming registers/catalogues of special administrative procedures and assessing the necessity/justification of special procedural provisions.
- 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 Framework Law on Cyber Security;
- MCT BiH to 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 develop a standard for the common structure of the registry catalog with the definition of the mandatory content of each registry;

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 financial system of responsibility.

ANALYSIS: REALIZATION OF THE PLAN

Realized activities



The Action plan for the public administration reform in the area of Public Finance Management maps out 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 public finance management reform 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 interdepartmental 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 comprehensive strategic framework for public finance management 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 they are also valid until 2026.

All the mentioned activities were implemented in the period from 2020 to 2022, and during the first half of 2024, the implementation of the activities defined in 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 *Strategy for the Improvement of Public Finance Management in BiH Institutions for the period 2021 - 2025* was prepared and adopted.¹²

Also, during 2020 and 2021, the *2021-2025 Public Finance Management Reform Strategy* was prepared and adopted¹³, for the Federation of Bosnia and Herzegovina, which is aimed at strengthening the public finance management system by promoting transparency, accountability, fiscal discipline and efficiency in the management and use of public resources for economic development and improved delivery of services.

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 adopted¹⁴, with the associated Action Plan.

In Brčko, during 2020, the *Public Finance Management Reform Strategy* of the Brčko District BiH for the period 2021-2025 was prepared and adopted.¹⁵

All the listed individual strategies are organized into six pillars that cover all 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 Management of Public Finances in BiH 2021-2025* was prepared, to which the Council of Ministers of BiH, the Government of the Federation of BiH, the Government of

¹² 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 18 February 2021.

¹³ Public Finance Management Reform Strategy 2021-2025 was adopted by the Government of the Federation of Bosnia and Herzegovina at the 260th Government Session held in March 2021 (Conclusion of the Government of FBiH V. No. 504/2021 of March 25, 2021).

¹⁴ 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.

¹⁵ On December 12 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.

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, Bosnia and Herzegovina 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 associated Action plans continued during the first half of 2024. In the reporting period, the Council of Ministers of BiH adopted the Consolidated Report on the implementation of the Comprehensive Strategy of Public Finance Management in BiH for 2022 with the Consolidated Action plan for 2023¹⁶.

KEY RECOMMENDATIONS FOR THE FIELD OF PUBLIC FINANCE MANAGEMENT

- In the following period, it will be necessary to initiate the development of new, both comprehensive and individual, public finance management strategies, taking into account PEFA, PIMA and SIGMA recommendations.
- It will also be necessary to technically improve the system for monitoring and reporting on the implementation of public finance management strategies.

¹⁶ - The Council of Ministers of BiH adopted 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, 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 was adopted by the Council of Ministers of BiH at its 35th session, held on January 1, 2024.

3. CONCLUSIONS

Significant progress was made in the reporting period in the establishment of a structure for the implementation of public administration reform, which was one of the key challenges in the period after the adoption of the Action plan. The political body for managing the reform - the Coordination Committee for Public Administration Reform became operational in February 2024, which was one of the key requirements of the accession process, and the interdepartmental working bodies - monitoring teams in different areas of the reform were formally appointed. In the first half of 2024, these bodies, in accordance with the conclusion of the Coordinating Committee for Public Administration Reform, worked on the revision of the Action plan.

Despite the progress achieved in the establishment of the PAR structure and the development of the revised Action plan, the key reform tasks are still not implemented. After the end of the first half of 2024, a total of **17.47%** of the activities from the Action plan were implemented, which is **1.68%** more than at the end of 2023. It is about relative progress calculated as an average of the achieved progress of the administrative levels. If we look at progress in relation to the fulfillment of indicators for the whole of BiH, **8.82%** of activities were fulfilled in the half year, which represents a progress of **1.47%** compared to the previous reporting period.

Some of the key activities still remain unfulfilled. Bosnia and Herzegovina does not yet have a consistent policy-making system, medium-term planning with clear goals for the entire government that is aligned with financial possibilities, the professionalization of the civil service has not yet been achieved, and the civil service is not aligned with the principle of merit and depoliticization. The creation of a modern human resource management system in the civil service has not been achieved even after 18 years of reform. It is still necessary to work on ensuring a rational organization of administration with strengthened supervision and functional mechanisms to protect the rights of individuals to good administration and public interest. Interoperability of systems in the country is not ensured, and citizens are provided with rare electronic services.

The absence of interdepartmental bodies that work together on the implementation of planned activities, the blockade of the PAR Fund and thus the impossibility of implementing reform projects affected the modest results. The implementation of activities was left to individual institutions and the resources they had at their disposal, which neglected the previous approach of coherent development and achievement of results individually at all levels.

The key challenge remains to ensure continued political support and commitment to genuine reforms, and to allocate the necessary money for reforms. For the implementation of the reform, a strong and efficient coordination-implementation structure is needed, as well as further strengthening of the systemic and coordinated approach to strengthening the administration in BiH. Most of the recommendations contained in previous reports on progress in the implementation of the Action Plan are still unfulfilled. The Public Administration Reform Coordinator's Office once again repeats some of the previous ones and makes new recommendations that can influence the acceleration of changes. In the second half of 2024, it is necessary to complete the revision of the Action plan for Public Administration Reform in accordance with the recommendations of the European Commission, adopt the revised Action plan at all levels, and begin its rapid implementation. It is necessary to unblock the Public Administration Reform Fund, which contains BAM 10.5 million, and provide additional money for reforms, along with accelerated work on the implementation of planned activities.

4. RECOMMENDATIONS

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

- Competent institutions at the level of Bosnia and Herzegovina, entities of the Federation of BiH, Republika Srpska, and the Brčko District of BiH should complete the revision of the Action plan for Public Administration Reform as soon as possible, and the Council of Ministers of BiH, the Government of the Federation of BiH, the Government of the Republika Srpska and the Government of the Brčko District of BiH should adopt the revised Action plan, in order to start its implementation by the end of 2024.
- 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 Bosnia and Herzegovina;
- 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;
- 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.

RECOMMENDATIONS TO STATE INSTITUTIONS

- The Ministry of Justice of BiH should analyze the practical application of the new Law on Freedom of Access to Information, and proceed with drafting amendments to the law in accordance with the findings of the analysis.
- The Public Administration Reform Coordinator's Office, in cooperation with the BiH Civil Service Agency, should prepare a Quality Management Policy for institutions in Bosnia and Herzegovina, and send the document to the BiH Council of Ministers for adoption by the end of 2024.
- The Ministry of Communications and Transport of Bosnia and Herzegovina should submit the Strategy for the Development of e-Government in the Institutions of Bosnia and Herzegovina for the period 2024-2028, to the Council of Ministers of BiH for adoption;
- 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 for the period 2024-2028 ;
- The Ministry of Communications and Transport of BiH should initiate the work of the Interdepartmental Working Group for Interoperability and initiate the adoption of the Rules of Procedure and the proposed calendar of group meetings;
- It is necessary for the Ministry of Communications and Transport of BiH to draft and refer to the further procedure the Framework Law on Cyber Security;

- The Ministry of Communications and Transport of BiH should initiate and refer the Proposal of the Law on Electronic Identification and Trust Services for Electronic Transactions to the re-procedure;
- Interdepartmental Working Group for Interoperability should develop a standard for the common structure of the registry catalog with the definition of the mandatory content of each registry;
- The BiH Civil Service Agency should, in cooperation with the BiH Ministry of Finance and Treasury and the BiH Ministry of Justice, plan and organize training for civil servants with the aim of properly implementing the new legal framework for medium-term planning, monitoring and reporting at the level institutions of BiH and the legal framework for annual planning, monitoring and reporting at the level of institutions of BiH;

INSTITUTIONS AT ALL LEVELS

- The Agency for the Civil Service of BiH, the Agency for the Civil Service of the Federation of BiH and the Human Resources Subdivision of the Brčko District of BiH should plan and organize training for civil servants in the area of regulatory impact assessment by the end of 2024;
- Competent institutions at all levels (the Ministries of Justice of BiH and FBiH, the Ministry of Administration and Local Self-Government of the RS, in cooperation with agencies for civil service/administration, and the Sub-Department for Human Resources of BD BiH) should intensify activities on the preparation and adoption of relevant regulations in the field of civil service. It is necessary to strengthen the personnel capacities of the institutions responsible for drafting regulations in the field of civil service, as well as the capacities for managing human resources in individual institutions. It is necessary to improve cooperation and coordination mechanisms in the area between and within individual administrative levels (it is necessary for the Supervisory Team for HRM to start work, to ensure the continuous sustainability of the work of the Forum of Directors, and the sustainability of the work of practitioner networks and their mutual interaction).
- 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", when amending regulations on the civil service. Agencies for civil service/administration and the Human Resources Subdivision of 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, the competent institutions should take into account the requirements of the Strategic Framework of PAR and the recommendations from previously prepared analyzes when amending the regulations. The 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 levels where this has not been done, and 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. 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 on monitoring the implementation of integrity plans in individual institutions at all administrative levels.
- The Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of Republika Srpska and the competent institution of the Brčko District of BiH should ensure the full participation of their representatives in projects funded by the EU or other donors in order to improve the legislative framework on the organization of administration and promote managerial accountability in public administration.
- The Federal Ministry of Justice, the competent institutions in the RS and the BD BiH should start/finish the drafting of the law on freedom of access to information, which will be harmonized with the requirements for proactive transparency and openness of data and offer harmonized solutions, and refer them to the adoption procedure, while organizing consultations with civil society and citizens.
- The Ministries of Justice/Administration in cooperation with PARCO, the Ombudsman Institution of BiH and audit offices should analyze the reasons for the low degree of fulfillment of the recommendations of these supervisory bodies, and adopt and implement a set of measures that will strengthen the independent supervision of the administration.
- It is necessary that the Ministry of Justice of BiH, the Federal Ministry of Justice, the Ministry of Administration and Local Self-Government of the Republika Srpska and the competent institution of the Brčko District of BiH establish an 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 Public Administration Reform Coordinator's Office, the Agency for Civil Service of Bosnia and Herzegovina, the Agency for Civil Service of the Federation of Bosnia and Herzegovina, the Agency for State Administration of the Republika Srpska and the Ministry of Science and Technology Development, Higher Education and Information Society, and the institution to be determined by the Brčko District Government of Bosnia and Herzegovina, should proceed the continuous promotion and implementation of tools for quality management in public administration until the end of 2024.
- The Ministry of Justice of BiH, the Federal Ministry of Justice and the Legislative Office of the Government of BD BiH should take appropriate steps by the end of 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.
- It is necessary at the level of Republika Srpska and until the end of 2024 to continue monitoring the implementation of the Action plan for the optimization of administrative procedures and formalities, to point out and suggest to institutions that have not changed the

regulations in order to implement the agreed simplifications that they should do so (suggestions can be given in the opinions on the implemented regulatory impact assessment), and regular reporting to the Government of the Republika Srpska on the implementation of activities from the aforementioned Action plan.

- If they do not currently exist, the Agency for the Civil Service of BiH, the Agency for the Civil Service of the Federation of BiH, the Agency for State Administration of the Republika Srpska and the Human Resources Subdivision of the Brčko District of BiH should by the end of 2024 include in their regular training programs training specialized in the topic of improving administrative legal framework and digital transformation.
- 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 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.
- 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;

RECOMMENDATIONS TO LEGISLATIVE BODIES

- 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 until the end of 2024 in order to improve their cooperation in the matter of better coordination of the planning process and adoption of regulations and politics.
- The BiH Parliamentary Assembly should amend the Law on the Ombudsman in order to eliminate the direct intervention of the executive power in approving the budget of the Ombudsman Institution and to ensure the complete financial independence of this institution.
- 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.

5. ATTACHMENTS

Attachment 1: Tabular overview of the implementation of the Action plan for the reporting period
(in a separate document)