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

**2018-2022**

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# FOREWORD

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

The Strategic Framework of Public Administration Reform mirrors the constitutional set-up of Bosnia and Herzegovina, the Republika Srpska, Federation of Bosnia and Herzegovina and the Brčko District of Bosnia and Herzegovina, and implementation of the defined measures and activities will respect the constitutional division of responsibilities at different levels of government in terms of public administration without challenging it in any way whatsoever.

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

In preparing this document, the authorities in Bosnia and Herzegovina have reaffirmed that public administration is one of the strategically important areas for all administrative levels in Bosnia and Herzegovina.

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

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

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

The Strategic Framework was drafted by inter-institutional working groups, appointed by the Council of Ministers of Bosnia and Herzegovina, Government of the Republika Srpska, Government of the Federation of Bosnia and Herzegovina and Government of the Brčko District of Bosnia and Herzegovina, pursuant to the regulations of each administrative level and based on the SIGMA Principles of Public Administration, namely: policy development and coordination, public service and human resource management, accountability, service delivery, and public financial management.

The working groups implementing the activities are:

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

A number of international and local experts were also working on the preparation of the Strategic Framework of the Public Administration Reform.

# INTRODUCTION

## IMPORTANCE OF ADOPTING STRATEGIC FRAMEWORK

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

The initial PAR Strategy was implemented through the Action Plan 1 covering the period 2006– 2010 and the Revised Action Plan 1 for the period 2011-2014 (hereinafter: RAP1). Upon their expiry in 2014, in late 2015 the BiH Council of Ministers, the Government of the Federation of Bosnia and Herzegovina (FBiH), the Government of the Republika Srpska (RS) and the Government of the Brčko District of BiH passed the conclusions reaffirming their commitment to proceed with the fulfilment of the reform objectives identified by the Strategy and RAP1”.[[1]](#footnote-1) In early 2016, the BiH Council of Ministers, the Government of the Federation of BiH, the Government of the Republika Srpska and the Government of the Brčko District of BiH also agreed to and supported the Operational Plan for the Preparation of the PAR Strategic which marked the start of a joint and coordinated development of a new medium-term PAR Strategic Framework in Bosnia and Herzegovina.

Further improvement and enhancement of public administration was recognised not only as a prerequisite for more efficient exercise of citizens' rights, but also of increasing competitiveness and economic development, as well as supporting the process of accession to the European Union. In support of this, among others, there are the following documents:

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

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

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

At the political level, the PAR Strategic Framework was directed by the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District of Bosnia and Herzegovina as authorities responsible for decision making or adopting the proposal of PAR Strategic Framework.

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

Activities on drafting Strategic Framework have been entrusted to inter-institutional working groups, composed of representatives of the four levels of government in Bosnia and Herzegovina:

1. **Joint Working Group (JWG)**, comprising the four PAR Coordinators and additional representatives of all four levels of government in Bosnia and Herzegovina, tasked with monitoring and supervising the development of the new PAR Strategic Framework, setting out the drafting deadlines, direction and priorities;
2. **Thematic Working Groups (TWGs)** comprising representatives of line institutions at all four government levels in Bosnia and Herzegovina, in principle senior (management-level) civil servants, in accordance with their respective scopes of work providing professional and technical support to the development of the new PAR Strategic Framework. Five TWGs in total were established based on the SIGMA Principles of Public Administration, namely: *policy development and coordination, public service and human resource management, accountability, service delivery, and public financial management*.

Citizen participation in defining the contents of the Strategic Framework was ensured through public consultations prior to the adoption of the Framework by the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Brčko District of Bosnia and Herzegovina using two different channels of communication – websites and consultation workshops/seminars. Both channels were open to both specifically invited and generally all interested representatives of the civil society, academia and the business community at four levels of government in Bosnia and Herzegovina.

## 1.3. APPROACH TO THE STRATEGIC FRAMEWORK DEVELOPMENT

The starting analytical basis for the development of this Strategic Framework is the indicators collected through the regular monitoring and reporting on the implementation of the PAR Strategy 2006-2014 in BiH for the BiH Council of Ministers, the Government of the FBiH, the Government of the Republika Srpska and the Government of the BiH Brčko District. An important source of data are also the reports and other planning documents of the European Commission, particularly the public administration related segments of twelve **European Commission Reports on Bosnia and Herzegovina** (from 2005 to 2016), SIGMA/OECD baseline measurement report on the state of play of public administration in Bosnia and Herzegovina, provisions of the Reform Agenda for BiH, the IMF external assessment, the WB financial indicators and the actual state of public administration, as well as the remaining challenges from the previous Public Administration Reform Strategy in Bosnia and Herzegovina.

By analysing the said 12 Reports for the period 2005-2016 we reach the same conclusions with respect to the European Commission's views on public administration in Bosnia and Herzegovina that basically come down to emphasising the division and fragmentation of public administration, politicisation of public administration especially in the staffing domain where the European Commission has noted continual political authorities' influence on the recruitment of public administration personnel. In addition, repeated objections refer to the transparency of public administration especially in the domain of proactive disclosure, powerlessness of the Human Rights Ombudsman of Bosnia and Herzegovina, poor and underdeveloped concept of e-governance, un-sustainability of the staff training and professional development system, horizontal and vertical structure of public administration where untenably huge number of institutions report directly to the Council of Ministers, organisation and personnel-wise oversized administrative apparatus, underdeveloped capacities for EU integration, etc.[[9]](#footnote-9) Furthermore, it is necessary to point out that the European Commission has not been specific with respect to which administrative levels these assessments are related to. However, given the evidently disparate situations between different administrative levels, assessments should be provided for each level separately.

In 2015, upon an initiative of the United Kingdom and Germany, a document entitled Reform Agenda for Bosnia and Herzegovina 2015-2018 (hereinafter: Agenda) was agreed and accepted in Bosnia and Herzegovina. The entire document's aim is to enhance EU accession capacities of the country through comprehensive reform processes. The Agenda includes a set of concrete measures in the field of public administration reform, specifying the following: (1) *all levels of government will draft new laws on civil servants and civil service employees* with the assistance of the World Bank and SIGMA in order to facilitate public administration reform and introduce greater flexibility in working arrangements. These laws should be adopted following the adoption of the new Labour Laws in the Entities, the Brčko District of Bosnia and Herzegovina and Cantons; (2) *candidates for public service employment will be assessed on the basis of pre-established eligibility criteria and the results of competence tests, and administration authorities will ensure recruitment of those ranked highest;* (3) *the Council of Ministers of BiH, Entities' Governments, Cantonal Governments and the Government of the Brčko District of BiH* will introduce limits on hiring in the public administration until revised staffing systems can be devised and implemented (including the use of service norms) *and all public-sector wages will be frozen* until a revised system of wage setting according to merit is put in place; and (4) *the publication of decisions on complaints in Public Procurement procedures (as a legal obligation) is central to ensuring transparency in procurement procedures.*[[10]](#footnote-10)Apparent progress in the implementation of the current measures is reflected in the adoption of new labour legislation in the Entities.

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

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

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

The abovementioned sources and indicators served as the basis for defining the strategic priorities and individual objectives by components, as well as for suggesting measures for the accomplishment of the designed objectives. Operationalisation of strategic priorities, specific objectives and measures is discussed in Chapters 2 and 5 below.

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

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

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

# VISION, MISSION AND STRATEGIC OBJECTIVE

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

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

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

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

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

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

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

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

Results expected from the implementation of the PAR Strategic Framework:

* Public administration operation improved in accordance with the European Administrative Space principles
  + Government effectiveness – the World Bank indicator – percentile rank (0-100), According to the latest available WGI 2017 assessment Bosnia and Herzegovina's ranking for 2016 was 37.98.
* Simplified procedure for providing services in support of economic development
  + Progress on the World Bank *Doing Business* list, *out of 190 economies Bosnia and Herzegovina is ranking 86th according to the World Bank Doing Business 2018 Report.*
* Quality of services tailored to the real needs of users, followed by adequate level of communication and technological development
  + Number of electronic services; establishing mechanisms for monitoring customer satisfaction
* Policies and regulations adopted based on assessments of options and evidence, with participation of the public
  + Annual Indicators on the *Worldwide Governance* list on regulatory quality; progress of Bosnia and Herzegovina in the EU accession process

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

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

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

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

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

# FUNDAMENTAL STRATEGIC FRAMEWORK AND ORIENTATION

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

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

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

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

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

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

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

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

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

The PAR Strategic Framework is structured around the OECD/SIGMA Principles of Public Administration, established by the European Union to monitor development of administrative capacities of candidate countries and potential candidates for membership in the European Union.[[16]](#footnote-16) The public administration principles are a guidance and reference to the orientation of activities in implementation of PAR in Bosnia and Herzegovina, aiming at alignment with the standards of the European Administrative Space in the following areas:

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

The use of the Principles of Public Administration as a guideline allows compliance with the EU requirements related to public administration reform as one of the three main pillars of enlargement and aspirations expressed in the Reform Agenda for Bosnia and Herzegovina 2015-2018.

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

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

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

This approach facilitates a medium-term review of the PAR Strategy implementation and adjusting the reform steps to the progress achieved.

# PREVIOUS STRATEGY ACHIEVEMENTS AND ASSESSMENT OF PUBLIC ADMINISTRATION IN BiH

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

The PAR Strategy, with its action plans, has envisaged short-term and medium-term reforms in six reform pillars: 1) Strategic planning, policy making and coordination capacities, 2) Public finance, 3) Human resources management, 4) Administrative procedure and administrative services, 5) Institutional communication, and 6) Information Technology/eGovernment. Horizontal systems were planned to be implemented in the first phase, while reforms in sectors in the same reform pillars were planned in the second medium-term phase. The third phase should have dealt with segments where the progress was not satisfactory.

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

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

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

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

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

Progress achieved at different administrative levels and reform areas is not the same.

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

The challenges that arise are related to further improvement of the planning system at each administrative level, prioritisation and in particular linking with budget planning, i.e., the programming budget, strengthening the function of coordination and quality control of policies and regulations at all administrative levels and coordination of the issues of European integration. The functions of strategic and medium-term planning and the development of public policies need to be strengthened by internal organisational adjustments in institutions and administrative bodies and additional professional training. Higher levels of implementation of public consultation instruments and impact assessments remain a challenge that needs to be further addressed in the upcoming period. Access to regulations is not yet complete and it is necessary to develop a comprehensive electronic register of regulations, which will be publicly accessible, as well as ensure access to consolidated texts.[[21]](#footnote-21)

In the area of **public finance**, the internal audit function has been strengthened through regulations, institutional settings and trainings. Budget planning and execution have been corrected through the introduction of Budget Management Information System.[[22]](#footnote-22)

In the last five years, the adoption of the budget has been delayed, which also shows some weaknesses in the budget planning system. Debt burden continues to grow. At the end of 2014, the total debt was estimated at 36.9% of gross domestic product (GDP), as opposed to 33.9% at the end of 2013. In addition, financial data produced by governments must comply with internationally recognised standards of macroeconomic statistical systems such as ESA and government financial statistics (GFS).

In the area of public procurement, a legislative framework has been established, which is largely in compliance with EU Directives. The institutional setting of the procurement system is well defined.

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

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

The development of Supreme Audit Institutions (SAIs) is progressing, and they submit their reports to the BiH Parliamentary Assembly, the Republika Srpska National Assembly, the FBiH Parliament and the Brčko District Assembly which cover financial audits, compliance audits and performance audits. SAIs apply a risk-based approach to ensure a sufficient number of mandatory audits planned within the annual audit plan, because staff levels are below authorised levels, resulting in reduced coverage of mandatory audits.[[24]](#footnote-24)

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

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

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

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

The area of **accountability** was not organised as a separate thematic unit during the implementation of the PAR Strategy from 2006 to 2014. The implementation of reform measures, however, was monitored through the area of administrative decision-making and development of electronic services, that is, development of information-communication technology. The general implementation of the planned reform measures notes 68% of objectives achieved.

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

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

As part of the Strategies for Regulatory Reform in the Federation of Bosnia and Herzegovina and the Republika Srpska, systematic activities were conducted to improve the business environment and facilitate business operations by eliminating unnecessary administrative procedures. This significantly accelerated the process of registration of business entities, while costs have been reduced. Particularly evident is the progress made by tax authorities in the Federation of Bosnia and Herzegovina and the Republika Srpska regarding provision of electronic services to business entities. Equally successful were the activities on digitisation of the cadastre in the Federation of Bosnia and Herzegovina and the Republika Srpska, as well as the planned land registry reform.

At all administrative levels, there is a solid ICT infrastructure supporting electronic communications services. At the level of the institutions of Bosnia and Herzegovina, the standards on accessibility of websites of institutions of Bosnia and Herzegovina, which are integrated into the common platform, have been adopted. A functional e-Procurement Information System has also been introduced, whereby contracting authorities publish notifications and submit reports. A system for issuing electronic ID cards has been launched. The World Bank's ICIS project is under way with the goal of establishing four GSBs (Government Service Bus) and data exchange points between different administrative levels, enabling data from different registries to be exchanged and used.

In the previous period, an interoperability framework has been developed and agreed as a basis for mutual exchange of data and information.

The administrative procedure at all administrative levels has been improved by amending the basic laws that enable the administration to communicate electronically with citizens. For the purpose of a more efficient management of appellate procedures, the obligation has been introduced for the second-instance authority to decide on merits if the decision of the first-instance authority is repeatedly appealed. The laws on administrative procedure at all four levels of administration regulate the mandatory ex officio obtaining of evidence on the facts recorded in official registers, in order to avoid the requirement to obtain such documentation from citizens. Training for administrative procedure officers and inspectors was also conducted for a number of employees at all administrative levels.

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

Implemented reform measures have to a great extent created the conditions for improving the services, but the slow implementation of adopted normative and other solutions diminishes their significance. Thus, the launch of the e-portal of the institutions of Bosnia and Herzegovina is significantly delayed even though a list of services has been prepared. A greater challenge at the level of the institutions of Bosnia and Herzegovina is the fact that the adopted Law on Electronic Signature has not been implemented or changed, since the absence of electronic signatures makes the provisions of the Law on Administrative Procedure on Electronic Communication with Citizens irrelevant. The lack of electronic signature and agreement on information sharing between the administrative authorities continues to force citizens to produce the necessary documents themselves, instead of the documents being obtained ex officio by the administrative bodies. This is undoubtedly an issue that should be addressed as a matter of priority in order to simplify the delivery of services to citizens. Equally important is the adoption of the interoperability framework as a prerequisite for broader interventions in respect of information sharing between administrative bodies and the creation of a large number of electronic services.

**lessons learned during implementation of 2006–2014 public administration reform strategy**

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

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

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

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

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

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

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

Quality and management effects are subject to monitoring by a number of international organisations, and among the most relevant are the indicators of the World Bank, which are of particular interest to investors. According to these indicators, the management efficiency and regulatory quality index is below 50, thus representing the lowest index of all countries in the Western Balkans.[[33]](#footnote-33)

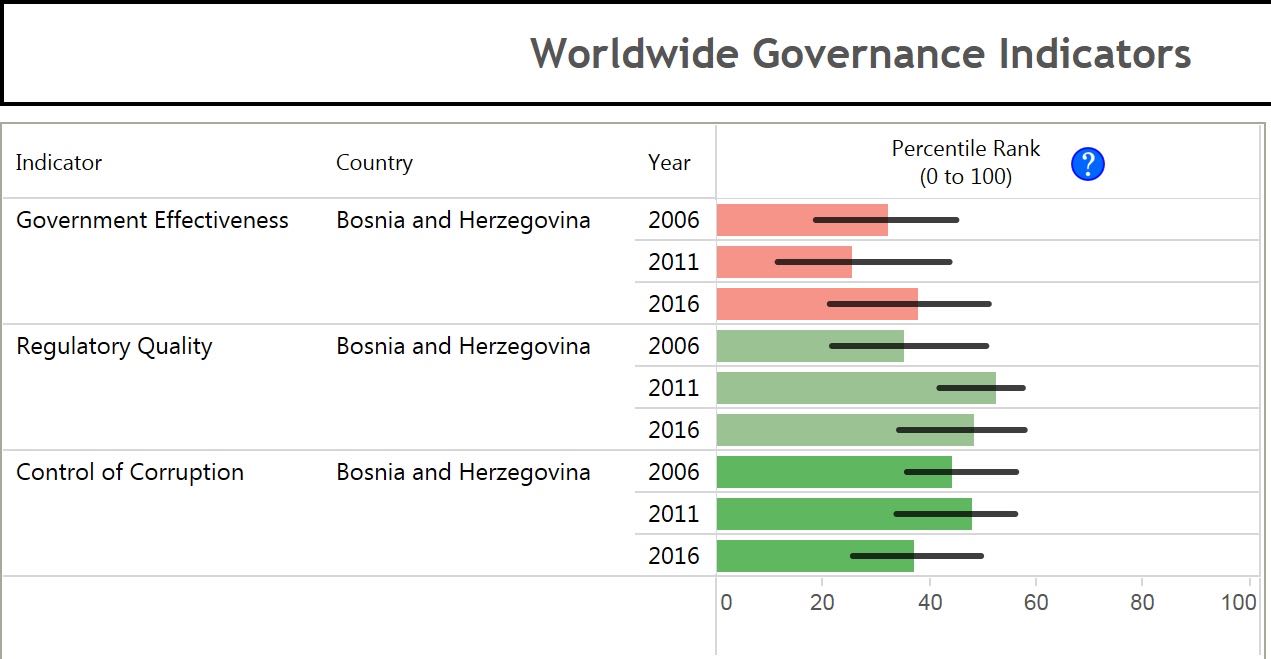


Table: *Worldwide Governance Indicators*, Bosnia and Herzegovina, 2006–2016.

# IMPLEMENTATION OF THE KEY STRATEGIC OBJECTIVES

## 5.1 POLICY DEVELOPMENT AND COORDINATION

Policy development and coordination is one of the key functions of public administration that ensures responsible and effective management of public affairs. The management of public affairs in democratic systems implies, among other things, an informed, inclusive and transparent decision-making in the best interests of citizens and the interest of the overall economic and social development. These are at the same time the basic directions of reform measures in BiH in this area. In accordance with the constitutional setup and constitutional division of competences, public policies are shaped and implemented at several levels of government in BiH, and their development systems are at a comparable stage of development and are faced with similar challenges.

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

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

It is especially necessary to better integrate the planning process with the adoption of public policies and their implementing instruments in order to ensure timely implementation of the analytical tools for creating and implementing policies that require time and resources. Competent decision-making implies that the decision-makers at all administrative levels in BiH are fully informed about the possible options and impacts of various policies, the selection of appropriate regulatory instruments, the assessment of necessary funds, and that they are properly informed about the achieved implementation results in order to be able to take corrective measures in a timely manner.[[35]](#footnote-35) The assessment of the impact of regulations, the inclusiveness in policy making and the implementation of policies have been formally introduced in the decision-making procedures at all administrative levels in Bosnia and Herzegovina, while the level and scope of application varies. Better planning of the dynamics of legislative activity would be necessary to ensure the implementation of these instruments in laws that introduce some systemic solutions, and in accordance with the resources and capacities for other policy instruments as well[[36]](#footnote-36). In order to make rational and practicable decisions, it is necessary to continue improving legal and methodological solutions and ensuring a more consistent application of these instruments in practice at all administrative levels, including measures for improving organisational structures and strengthening implementation capacities of human resources.

The decision-making process has to be further developed in order to ensure transparency and accountability of the administrative bodies, both towards the legislative bodies and the public, through the affirmation of cooperation mechanisms and improvement of the reporting quality by focusing on the achieved goals and the targeted policy outcomes instead of the implemented activities. In the last few years and in a similar direction, the legal and methodological arrangement of development and implementation process and other public policy documents has begun, such as strategic documents and plans; measures on their further improvement are yet to be undertaken.

Changes and novelties in the process of development of public policies are not always sufficiently followed either by adjustments in the organisational sense, or by the systematic strengthening of analytical and planning capacities. Introducing instruments such as regulatory impact assessment, policy planning or policy evaluation or public consultation requires systematic professional training so that these changes bring new quality to the development of public policies. Through human resource management systems, that is, through the improvement of human resource planning and management at all administrative levels, it is necessary to ensure the availability of civil servants trained in analytical and planning tasks, and to improve, through internal organisation acts, the horizontal mobility of analysis and planning functions.

5.1.1. Current state of play

Policy development and coordination system is of the outmost importance for democratisation of a society, its economic development and successful international action, including the accession process and, in particular, functional operation within the EU.

In Bosnia and Herzegovina, a number of elements of the policy development and planning system have been significantly upgraded at the level of the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina and the Government of the Republika Srpska, while similar systems are being developed for the Government of the Brčko District of BiH.

In the context of multiple policy development systems, the lack or inconsistency of information on all public policies, their links and indicators for the whole country can be overcome by improving co-operation and coordination. Implementation of joint projects ensures a uniform methodological approach, as is the case with rules for developing regulations or a strategic planning methodology, while final solutions are tailored to each level of government and in some respects are slightly different.

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

*Strategic planning*: at the level of the Federation of Bosnia and Herzegovina and the Government of the Republika Srpska, a comprehensive legal framework for strategic planning has been established integrating long-term, medium-term, annual and sectoral planning related to budget planning. The coordinating function of planning was entrusted to the Institute for Development Programming of the Federation of BiH, and the General Secretariat of the Government of the Republika Srpska respectively.[[37]](#footnote-37) A comparable planning system is under preparation for the Brčko District of BiH. In the institutions of Bosnia and Herzegovina medium and annual planning, linked to the budget planning, is regulated legally and methodologically.[[38]](#footnote-38) Medium-term planning has been carried out for the third year, and institutional plans are published online. The methodological guidelines for strategic and medium-term planning that were set up through the previously implemented joint project[[39]](#footnote-39) were the basis for development of appropriate methodological solutions at all administrative levels. At the level of the institutions of Bosnia and Herzegovina, the Manual on methodology in the medium-term planning process[[40]](#footnote-40) and the Annual Planning Guide were adopted.[[41]](#footnote-41) At the level of institutions of BiH and the Republika Srpska, appropriate methodological manuals have been adopted, and the Federation of BiH is awaiting the adoption of implementing acts of the Law on Development Planning and Management in the Federation of Bosnia and Herzegovina.[[42]](#footnote-42)

The institutional solutions of the Government of the Federation of Bosnia and Herzegovina and the Government of the Republika Srpska in terms of the leading coordinative function, content quality control and coordination of priorities are somewhat simplified compared to the BiH Council of Ministers, where this function is divided among several institutions (the Ministry of Finance and Treasury, the Directorate for Economic Planning and the General Secretariat of the Council of Ministers of BiH), and it is necessary to strengthen their mutual coordination and cooperation. The function of strategic (medium-term) planning has been operationally entrusted to the secretaries of the ministry, that is, other bodies of administration and institutions at all administrative levels.

*Policy development and coordination:* in the previous period, a legal and methodological framework for policy development has been developed and institutional building process for the implementation of this function has been initiated. The process of drafting laws and other legal acts, the application of nomotechnical standards and tools for impact assessment or compliance checking has been improved by the application of methodological rules, which have been aligned with the previously developed Policy Development Methodologies, and adapted to each administrative level accordingly. Rules on implementation of the Regulatory Impact Assessment and implementation of public consultations and the corresponding methodological instructions were adopted at all levels of government. These acts have established procedures and organisational solutions for ensuring the quality of the content of the impact assessment. As regards the development of capacities for Regulatory Impact Assessment (organisational and human), significant progress has been made in the Republika Srpska by forming and staffing a special impact assessment department at the Ministry of Economic Relations and Regional Cooperation, while at the level of the Council of Ministers of BiH and the Government of the Federation this role has been assigned to the Secretariat General. In addition, at the level of both entities, regulatory reform strategies aimed at reducing barriers to business operations have been implemented, thus enhancing the business environment in Bosnia and Herzegovina significantly, whilst continuing with similar initiatives.

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

What is often omitted in the initial phase of policy formulation is an analytical approach to defining problems and goals, data collection, and substantive development and consideration of different options before proceeding with standardisation. Involving the public at an early stage of reviewing options is not a practice. Thus, a significant set of regulations from the Reform Agenda for Bosnia and Herzegovina was made with the symbolic or minor involvement of relevant stakeholders. It is therefore necessary to establish a systematic practice of problem analysis and development of different policy options before the drafting of a specific normative act.

Inter-institutional cooperation and coordination within the administrative levels are regulated by rules of procedures of the decision makers, and their core implementation is a prerequisite for the quality of final solutions. The process of inter-sectoral consultations is implemented in practice either by obtaining written statements or by establishing mixed working groups whose work is not always accompanied by information or report on the conducted activities and achieved results. Mandatory opinions need to be improved in a meaningful way in order to actually contribute to the drafting of regulations. A specific type of additional consultations is represented by the work of boards or committees that discuss drafts and proposals of regulations before sessions, as a mechanism for inter-sectoral harmonisation and resolution of possible disputes before sessions. Information on the effects of their actions should be publicly available.

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

Regulatory Impact Assessment is an analytical tool that needs to be enabled and supported by evidence-based decision-making. Decision-makers should be adequately informed about possible options and the choice of regulatory instrument, regulatory and policy impact or necessary means of implementation, in order to be able to opt for an appropriate solution. This, however, is not a regular practice and this tool does not apply equally at all levels of government. The number of key, systemic regulations that have been the subject of comprehensive impact assessment is negligible, and in recent years the number of regulations adopted under urgent passage procedure has increased. A comprehensive impact assessment requires significant financial and human resources and time, whilst legislative planning needs to be improved. Better planning of the dynamics of legislative activity would be necessary to ensure the implementation of these instruments in laws that introduce some systemic solutions, and in accordance with the resources and capacities for other policy instruments as well.[[45]](#footnote-45) In order to make rational and practicable decisions, it is necessary to continue improving legal and methodological solutions and ensuring a more consistent application of these instruments in practice at all administrative levels, including measures for improving organisational structures and strengthening human resources.

Reporting on the implementation of regulations and evaluation of the regulatory impact on decision-makers are not recognised as corrective mechanisms for policy-making and rulemaking and, thus, has not been established as a regular practice.[[46]](#footnote-46)Monitoring of implementation by the competent authority (ministry) is often focused on implemented activities, rather than on the level of outputs. Additionally, there is no practice of regular parliamentary oversight regarding the achievement of the goals set by adopted regulations. The decision-making process needs to be further developed in order to ensure the transparency and accountability of administrative bodies, both towards legislative bodies and the public, by promoting cooperation mechanisms and raising the quality of reporting through focusing on achieved goals and desired policy outcomes rather than implemented activities.

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

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

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

5.1.3. Measures

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

The key functions of the authorities and bodies providing direct support to the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District of Bosnia and Herzegovina (Centres of Government) with regard to government sessions, ensuring legal alignment, preparation and approval of strategic priorities and financial viability, will be enhanced. This will ensure higher quality of decision-making and decision-monitoring processes. At all levels of government, a legal framework will be established to coordinate policy proposals that are sent to decision-makers for adoption, as well as monitoring and reporting.*[[50]](#footnote-50)*

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

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

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

The foregoing is planned to be implemented through improvement of inter-institutional cooperation procedures and methodological alignment of the planning, monitoring and reporting process within administrative levels, consistent implementation of normative acts for planning, monitoring and reporting on the work of the CoM BiH, the governments of FBiH, RS and BD and adoption of a long-term planning methodology at all levels of the BiH administrative authority, including the obligation to express financial implications. The percentage of planning documents that do not undergo control processes and do not have financial operationalization will be reduced.

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

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

The decision-making process will be improved based on previous analysis and evaluation. Also, regular checking of whether the proposed policies and regulations are accompanied by appropriate analytical assessments will be ensured and the quality and availability of regulations will be improved. This measure will include the revision of the legal and methodological frameworks, strengthening the necessary organisational and personnel capacities, training civil servants engaged in analysing and planning activities in ministries and other administrative bodies/administrative organisations, establishing mechanisms for regular checking and control of proposed policies and regulations, and updating the registers of primary and secondary regulations and consolidated versions of key regulations. Also, all levels of administration will provide free access to citizens to all laws and bylaws.

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

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

The scope and quality of public participation will be increased at all stages of development and monitoring of the implementation of public policies, strategic plans and regulations, and the level of public confidence in government and public administration will be raised. In order to realise this measure, activities will be undertaken to increase transparency through the use of public consultation mechanisms and regular public information on planned measures and their results, and an agreed methodology will be developed that will create conditions for independent surveys of satisfaction with the quality of public participation in policy development and implementation. The existing legal frameworks that govern the area of public consultation and public participation will be revised.

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

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

The public policy planning, adoption and monitoring system with clearly identified bearers of obligations and responsibilities between “centres of government” and line ministries, as well as between ministries, and between executive and legislative bodies, will be improved by conducting consultations and sharing plans in adopting policies and regulations between executive and legislative bodies and by submitting government reports on the results of the implementation of policies and regulations to the legislative body for consideration. At all levels, new mechanisms will be established, or the existing ones will be enhanced, whereby the institutions of the core government and relevant government bodies will be included and consulted during inter-ministerial consultations in the process of drafting policies, plans and/or regulations. Only in exceptional situations should governments and parliaments use the mechanism of summary and urgent procedures for proposing and adopting laws. Such situations will be normatively more clearly defined and will exclude strategic and systemically important regulations.

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

## 5.2. CIVIL SERVICE AND HUMAN RESOURCE MANAGEMENT

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

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

1. *completion of the scope of work* – creating legal preconditions for the introduction of missing procedures such as modern planning of personnel needs, analysis and analytical assessment of jobs, competence-based recruitment, computerisation of work processes
2. *continuing professional development of professional staff* – this is especially true for the civil service/administration agencies staff who should be the main address for all expert and procedural issues in this field
3. *building general managerial capacities* – in order for managers to be good in their areas of operation (human resource management, finance, procurement, etc.), they need to be given the opportunity to acquire and display their general managerial skills and abilities (taking decisions, employee motivation, strategic planning, policy development, etc.), as this is a fundamental precondition for their successful work
4. *a better contribution of human resource management to the strategic decision-making process* – managers of institutions can be of great help in this process by making decisions in the domain of human resource management (e.g. revisions of the rulebook on job categorization) in consultation with professionals in this field. Also, staff in charge of human resource management should demonstrate greater agility in the preparation of information and analyses for the top management, thereby indicating the practical benefits that this function can provide to the institution.

These activities actually represent processes for which it is difficult to say when they will be fully completed, but their implementation will enable the construction of a sufficiently good system that can meet the criteria on the path of European integration.

5.2.1. Current state of play

When it comes to the internal organisational structure of individual administrative bodies, human resource management is still typically located together with material and financial or general and legal affairs. At the same time, human resource management activities (and especially the quality of their performance) have a lot of diversity and differ from one institution to another.

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

Recruitment procedures are implemented according to a well-regulated legal framework, but experience in this segment has shown that it is necessary to ensure that they are implemented more consistently, as well as ensure, among other things, greater transparency in the work of the recruitment committees at all levels, and to improve the knowledge assessment process by focusing on competence verification, which would considerably increase the chances that the recruitment decision is truly based on the principle of merit.

The human resources planning function is fairly one-dimensional. Planning, in fact, comes down to an effort to fill vacancies without a serious analysis of the needs (number of incumbents and their professional profile) and priorities (the order of jobs in terms of their importance for the work of the institution). The planning function needs to be refreshed and more closely linked to other human resource management functions (in particular with the recruitment, promotion, remuneration and professional development) because the reduction of costs in administrative structures which everyone is insisting on – from citizens to the International Monetary Fund – primarily involves costs related to human resources.

As regards the remuneration system, the legal framework at all levels generally guarantees the principle of “the same salary for the same job”, although no public administration structure in Bosnia and Herzegovina has so far made a thorough job on the classification and grading of jobs. It is necessary to conduct a comprehensive job analysis, which will serve to assess the complexity and responsibility of each job, and establish priority competences for the performance of tasks.

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

Professional development is carried out, but the efficiency of individual programmes and their applicability in the workplace is not measured. Trainings are by far the most commonly used type of professional development, while other forms are very limited (mentoring, self-study, various types of study visits and other similar forms of acquiring knowledge). Although there are specific professional development training programmes for managers, the standard of skills and competences for managers, which would also serve as a basis for their appraisal and testing for management positions in the administration, has not been established.

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

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

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

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

5.2.3. Measures

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

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

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

**Measure 2: Ensuring overall respect for the principle of merit, equal treatment, transparency and political impartiality in all HRM areas**

This measure will enable consistent application of the principles of merit, equal treatment and transparency in the selection process, as well as in the subsequent maintenance of personnel files in terms of appraisal, promotion, transfer, training and development, advancement, and end of service, also implying the elimination of potential weaknesses caused by arbitrariness of the managerial staff. This will mean intervention with the current civil service legislation. This measure will also include interventions in the current legal framework for selection of civil servants to improve the work of selection committees in terms of their competence and transparency, the selection model implementation, which will necessarily be based on the competencies framework, with introduction and modernisation of written tests at all administrative levels. Vacancy procedures will be free of formality and unnecessary costs. Provisions of the civil service legislation containing elements of the civil service politicisation will be revised. Particular focus will be placed on the statutory norms regulating recruitment of senior executives and senior civil servants, with a view to consistently applying the principle of merit to these categories to. Work will be done on public furtherance of the principle of de-politicisation of civil service through various forms of training and other ways to raising the awareness of this problem.

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| **Indicators** | **Baseline** | **Target** |
| |  | | --- | | Adequacy of the legislative framework for merit-based recruitment for civil  service positions (points)[[79]](#footnote-79) – SIGMA | | (2017) - 11/18[[80]](#footnote-80) | (2022) - 16/18 |
| Application in practice of recruitment procedures for civil service positions (points)[[81]](#footnote-81) – SIGMA | (2017) - 3/18[[82]](#footnote-82) | (2022) - 8/18 |
| Application in practice of recruitment procedures for the senior civil service[[83]](#footnote-83) – SIGMA | (2017) – 1.5/9[[84]](#footnote-84) | (2022) - 5/9 |

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

Human resource planning procedures will be adopted through drafting of staffing plans. Staffing plans will be based on the assessment of needs of an institution and the situation on the internal and external labour market, on the one hand, and on the efficacy, efficiency, and cost-effectiveness of administrative structure, on the other hand. Institutions responsible for staff planning will be established at all administrative levels (with the exception of the RS, where this issue has already been solved). Also, staff planning process will be standardised at every level, and staff planning will be linked to budget plans and the programme budgeting system, having in mind the need for continuing optimisation of the number of staff in administrative structures. Functional and reliable HRM software systems will be established, which will serve as a strategic planning tool in the field of civil service. The civil service/administration agencies of BiH, FBiH and RS and the Sub-Department for Human Resources of the Brčko District of BiH will ensure that the system is updated on a regular basis and will work to remove obstacles to the operationalization of information systems as a strategic tool. All administrative levels will provide the necessary resources for the establishment of functional civil servants registers and will ensure access to information in these registers. Strategic and planning documents for professional improvement and professional development of employees will be prepared based on the analysis of the functional needs of individual institutions. The process of training need analysis will be improved and linked to the appraisal process, and the evaluation of the effects of training on the performance of employees will be regularly carried out. Given the significant role of the performance appraisal, oversight of the assessment process will be strengthened, and the necessary trainings related to performance monitoring and appraisal will be carried out. The budgets will provide funds to cover the costs planned for the implementation of activities to support the implementation of professional development plans/strategies.

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

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

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

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

**Measure 5: Ensuring that codes of conduct are obeyed by the employees of administrative structures**

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

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

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

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

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

## 5.3. ACCOUNTABILITY

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

Implementing the accountability principle in practice implies the existence of efficient and functional accountability mechanisms within institutions, among institutions, and among branches of government (judicial supervision over the work of administration), as well as accountability towards citizens as end users of public administration services. In the work of public administration, the accountability principle implies subjecting its entire work to the public interest, rational approach to organisation of public administration, proactive transparency in designing policies and day-to-day operation, efficient protection of the rights of citizens, including redress in cases of wrongdoing.

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

5.3.1. Current state of play

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

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

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

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

Furthermore, the European Commission believes that there is a lack of appropriate procedures to ensure control over the creation of new institutions; and with regard to lines of accountability within institutions, managerial accountability is not yet established and rooted in the administrative, normative and organisational structure of public service.

Given the country’s constitutional setup, the administrative dispute in Bosnia and Herzegovina is decentralised and handled by general courts.

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

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

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

5.3.2. Specific objective for the reform area *Accountability*

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

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

5.3.3. Measures

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

*Public administration will be organised in a streamlined way, based on appropriate and coherent policies and regulations and enabling clear lines of accountability. This includes improvement of the typology of institutions, and definition of hierarchical levels within and among institutions at administrative levels in such a way as to enable streamlined implementation of administrative activities and their control. Provisions will be made to make sure that all authorities subordinated to governments have a defined accountability system in place in terms of planning (including financial planning), reporting and scrutiny. Conditions under which a competence can be organised within a new or existing body will be defined in order to ensure control over establishment of new bodies, with the aim of strengthening cost-effectiveness and economic justification. Legal frameworks will explain the subordination and coordination relations, modalities of exercising administrative supervision and the position of autonomous bodies at administrative levels. Organisational arrangements and forms within institutions and reporting lines between administrative authorities, administrative organisations, services, and bodies will be defined through defining types and criteria in respect of competences and the minimum requirements for the establishment of internal organisational units. Internal management of ministries at all levels needs to be decentralised by providing clear statutory bases for delegating decision-making from the level of ministers to the level of high-ranking civil servants. Result-oriented management culture needs to be established in administrative authorities at all levels, with procedures and practices that would ensure that administrative authorities are responsible for achieving measurable results and outcomes, and that the progress against them is measured based on indicators and performance targets. Registers of public institutions, available to the public, will be set up.*

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| **Indicators** | **Baseline** | **Target** |
| *Adequacy of the policy and regulatory framework to manage central government institutions at administrative levels (points)[[116]](#footnote-116)* – *SIGMA* | (2017) – 1/5[[117]](#footnote-117) | (2022) – 3/5 |
| Accountability in reporting between central government bodies and parent Ministry at administrative levels (points) [[118]](#footnote-118) – SIGMA | (2017) – 0/4[[119]](#footnote-119) | (2022) – 2/4 |

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

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

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

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

*Mechanism for protecting the rights of individuals to good administration and protection of public interest will be enhanced by providing functional internal and external mechanisms for the protection of this right, including ensuring consistent and fair treatment in administrative disputes guaranteed by internal administrative complaints and judicial review, as well as improvement of procedure and mechanisms for assuming liability by public authorities in cases of wrongdoing with redress and/or adequate compensation. Law on Ombudsman will be improved in such a way as to eliminate direct influence of the executive on the budget of the Ombudsman Institution, and mechanisms for ensuring higher degree of implementation of recommendations by SAIs and the Ombudsman will be enhanced (including by introducing disciplinary liability for non-compliance). Position, organisation and competences of the administrative inspection at all levels will be analysed and proposals made for improvements. Performance of administrative inspection will also be improved through staff training. Laws on administrative disputes will be improved at all levels in such a way as to ensure equal access to justice, including through efficient legal remedies in case of long-drawn-out administrative procedures before courts, and deadlines for adjudicating administrative disputes will be shortened. A mechanism for monitoring administrative disputes pertaining to the statutory liability of public administration bodies at any administrative level will be established through the legal framework and practice, which will result in improved efficiency of administrative disputes and decisions, and consequently fewer mistakes in the work of administrative authorities.* Mechanisms for monitoring cases pertaining to the liability of administrative authorities in procedures involving compensation for damages will be established.

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

## 5.4. SERVICE DELIVERY

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

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

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

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

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

5.4.1. Current state of play

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

All administrative levels in BiH already have certain principles and mechanisms which may be used for further development of the quality system (statistics, administrative supervision, monitoring the state of play, reports on activities, handling of objections, petitions and complaints, and the like); however, they are not used to systematically increase the quality and organisation of work. Total Quality Management (TQM)[[127]](#footnote-127)has not yet taken root in most public administration institutions. The commitment from RAP1 to introduce quality management system on the voluntary principle is still valid. At BiH level, the Council of Ministers supported the introduction of the CAF quality management model, i.e. ISO 9001 (the possibility of introducing both models in parallel is allowed) and development of the needed capacities of employees; hence the Public Administration Reform Coordinator’s Office, together with other BiH institutions, has been tasked with coordinating and implementing the Operational Plan for Introducing Quality Management in BiH Institutions 2016-2018. Government of the Republika Srpska adopted a conclusion to give consent to the Republika Srpska Civil Service Agency to introduce CAF, and the Agency was tasked with sharing the knowledge acquired with all interested RS administrative authorities, and to actively work on improving the quality and implementation of CAF quality standard in the RS administration, while the FBiH Government gave support to introduction of the CAF in the Federation of BiH Civil Service Agency as a free and simple tool for help to public sector organisations in using quality management techniques. A regional Working Group for Quality Management in Public Administration was established within the Regional School of Public Administration (ReSPA) the members of which are representatives of administrative levels of BiH, the Republika Srpska and the Federation of BiH.

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

The satisfaction of public service users in Bosnia and Herzegovina according to the Balkan Opinion Barometer for 2016 is as follows:[[129]](#footnote-129)

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

Since the EU Digital Agenda aspires to establish e-government and e-services as predominant models of operation of public administrations of its Member States by 2020, the public administration system in Bosnia and Herzegovina should not allow long delay. The potential for e-government in BiH is satisfactory with more than two thirds of citizens with internet access (their level of training and readiness to use e-services is another issue) and the tendencies of growing potentials for m-government as the next development phase are also encouraging. There are a number of enacted laws which are needed to establish electronic services, however the system is not well-rounded at all levels nor has the already agreed BiH Interoperability Framework been adopted[[130]](#footnote-130) with the aim of implementing the interoperability projects and facilitating data exchange.[[131]](#footnote-131)

The system of one-stop-shops, virtual or physical, i.e. point of single contact, is a clear and obvious choice when governments intend to develop a user-oriented service culture in public administration. There are several one-stop-shop solutions at individual governmental levels in BiH which are mostly related to certain priority services such are, for example, issuing residence permits, IDs, passports and driver’s licences, registration of business entities in RS, payment of contributions with tax administrations, and the like. An electronic catalogue of accessible services, as a starting point for establishing virtual one-stop-shop systems, are available at the level of Bosnia and Herzegovina and Republika Srpska; however, without the possibility of executing transactions.

The regulations on general administrative procedure at all levels of administration in Bosnia and Herzegovina meet the standards of good administration. These laws (and the rules on office operations) have been amended during the RAP1 implementation to enable electronic communication between the public administration and citizens; although, at the level of the Federation of Bosnia and Herzegovina, the incompleteness of certain provisions regarding delivery of submissions in person practically makes sending electronic submissions impossible. These laws at all four administrative levels regulate the issue of mandatory ex officio obtaining evidence on facts on which official records are kept (on pain of sanctions against the official person at Bosnia and Herzegovina level); however, this is not implemented in practice by some bodies, hence the parties still act as courier between different bodies. Strengthening the accountability of public bodies, along with digitalisation of public registers, adoption of the principle of open government and facilitation of electronic data exchange between public administration institutions could lead to ending this practice.

The Government of the Federation of Bosnia and Herzegovina and the Government of the Republika Srpska have developed certain models of registers, i.e. inventories of administrative procedures, regulations that deviate from the application of the law on general administrative procedure. The existence of such records makes it possible to determine the exact number of such exceptions, i.e. deviations and, more importantly, the reasons for their prescription. These data, together with comparative examples of innovative/new solutions from the region, could serve as a basis for considering possible improvements to the laws on general administrative procedures. The number of procedures that are exempt under special regulations from the application of the law on administrative procedure should be reduced to the absolutely necessary minimum.

5.4.2. Specific objective in the reform area Service Delivery

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

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

5.4.3. Measures

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

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

Consistent introduction of the quality management system at all levels of administration will be enabled by establishing and applying the mechanisms to identify the needs and measure the satisfaction of users of services in all public administration institutions in order to realistically and impartially determine the views of citizens and businesses and their needs, and, consequently, make appropriate material, procedural, technological, technical, and other changes. Based on the established mechanisms for feedback from end users and with their active participation, heads of institutions will standardise internal procedures for delivery of services by defining detailed protocols/standard operating procedures, based on the established methodology. This will then result in every provider, permanently or temporarily involved in the provision of a specific service, acting in a standardised way. All this would then be integrated into comprehensive quality management systems such as CAF and/or ISO. Quality management systems will be gradually introduced first into pilot institutions and then into all other, in accordance with the extent to which their capacities are built and the needed material resources provided. The end result will be a comprehensive quality management system that would be applied in a considerable number of institutions.

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

Public administrations will use the opportunity offered by the new digital environment and modern technologies and standards which EU Member States are adopting – primarily the electronic data exchange so as to improve ways of communication between the service providers and service users and to facilitate and reduce the price of delivery of public administration services. This measure focuses on establishing infrastructure and other prerequisites needed to deliver personalised, accessible and simple public services to all citizens and businesses through various communication channels, preferring digital service delivery and service delivery via points of single contact. Full implementation of interoperability of the accompanying infrastructure will be achieved, as well as connecting of the previously modernised registers, with mandatory observing of the “one time only” principle. Under the principle, citizens and businesses should submit the relevant data to public administration only once, and public administration institutions should then be able to share this information internally in accordance with the principles of interoperability with the aim of avoiding the burden of data collection to fall on citizens and business community. Thus, the users of services, citizens and the business community would be the main focus and services would be tailored to their needs. Through defined mechanisms of adaptation of services to various groups of users, better availability of services to persons with special needs and/or persons with problems in communication through electronic or classical channels will be enabled. Therefore, public administrations need to consider and redesign the existing processes and services, transform their existing systems, and open their data and services to other administrations, and, as far as possible, to the business community and civil society, all along with ensuring free flow of data in accordance with the basic principles of interoperability, and ensuring integrity, privacy and other security requirements.

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

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

This measure relates to improving the legal framework which regulates the interaction between service providers and service users. Based on the established uniform registers of special procedural norms, and the resulting analysis that will be possible to make, identification will be made of the clear indicators of the special procedural provisions that are unjustified and contained in other laws and regulations which unduly complicate the entire system of administrative procedures, and impose additional administrative burden/formalities onto the users. Implementing activities for this measure are complementary to the activities related to the control of regulations under Policy Coordination, where the control is preventive, before adoption of regulations, and control within this measure is subsequent, when regulations imposing certain formalities onto the users of services are already in force. Trainings of civil servants for such controls will continuously be organised so that the public administration would be trained to apply the improved legal framework for administrative procedures.

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

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

Given that the EU integration process requires reforming public financial management, it has been agreed that all government levels (institutions of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, the Republika Srpska and the Brčko District of Bosnia and Herzegovina) will develop their public financial management strategies based on which the BiH Public Financial Management Reform Strategic Framework 2016-2020 will be identified.

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

For the purpose of implementing the reforms and improving the public finance system, and to provide greater functionality, transparency, accountability and efficiency in public financial management and thus contribute to increasing the macroeconomic stability in Bosnia and Herzegovina, the stated eight key requirements, defined by SIGMA in its document The Principles of Public Administration, represent the starting point for identifying strategic, i.e. specific objectives of the PAR Strategic Framework in the area of public finance 2016-2020:

***Key requirement 1:*** Achieved fiscal and macroeconomic sustainability will be ensured through formulating the budget in compliance with legal provisions and within the frameworks identified by the budget framework paper (BFP), while general government budget deficit in relation to the gross domestic product (GDP) and debt-to-GDP should remain on a sustainable path.[[137]](#footnote-137)

***Key requirement 2:*** Accounting and reporting practices ensure transparency; publishing of data ensures public scrutiny over spending; control of cash flow ensures solvency; and debt is managed in line with legal provisions.

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

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

***Key requirement 5:*** Public procurement is regulated by policies and procedures that are implemented and reflect the policies and regulations of the European Union, supported by competent institutions that have adequate resources.

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

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

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

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

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

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

# MANAGEMENT AND COORDINATION MECHANISM

## 6.1. PAR MANAGEMENT AND COORDINATION SYSTEM

6.1.1. Current state of play

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

The political responsibility for implementation of the measures and activities defined in the Revised Action Plan 1 is shared by the Chairman of the Council of Ministers of Bosnia and Herzegovina, the Prime Minister of the Federation of Bosnia and Herzegovina, the Prime Minister of the Republika Srpska and the Mayor of the Brčko District of Bosnia and Herzegovina.

The responsibility for the management and coordination of the public administration reform according to the regulations of certain levels of administration has been determined as follows:

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

Management and coordination mechanisms in the implementation of the PAR Strategy 2006-2014 has been defined by the Common Platform on the Principles and Implementation of the Action Plan 1 of the PAR Strategy for Bosnia and Herzegovina.[[143]](#footnote-143) This document defines the responsible persons for coordinated implementation of the reform measures at the level of political coordination, the institutional coordinators between and within the administrative levels and the intergovernmental bodies responsible for supervision and operational implementation, their composition and the way of operation. The platform further defined the individual and joint measures in the implementation of the reform, i.e. measures that presume co-operation and coordination between the administrative levels. The management and coordination mechanism established at administrative levels has been complemented by the structures of intergovernmental cooperation and coordination as follows:

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

For the purpose of joint and coordinated provision of funds for financing joint and individual reform measures, the Public Administration Reform Fund has been established. The Fund is managed by the Managing Board of the Fund, consisting of representatives of the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District of Bosnia and Herzegovina and representatives of donors.

6.1.2. Management and Coordination of the PAR Strategic Framework

The key requirements of the PAR Principles for candidate countries and potential candidate countries for EU membership in terms of the management and coordination mechanism for public administration reform relate to the clear establishment of PAR management that ensures, enables and monitors a purposeful implementation and development of management and coordination structures at political and operational levels in order to guide the process, with clearly defined roles, responsibilities and implementation capacities, including also a clearly identified institutional responsibility.

The management and coordination system of the PAR Strategic Framework aims at ensuring a coordinated and mutually harmonised approach to the implementation of public administration reform throughout BiH, and in particular, a coordinated implementation of common policy measures in the field of public administration reform. Intergovernmental structures and mechanisms for the implementation of the PAR Strategic Framework are being established exclusively for this purpose and their operation and lifetime are directly linked to the mandate and duration of the reform activities.

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

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

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

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

## 6.2. COMMUNICATION ABOUT THE PUBLIC ADMINISTRATION REFORM PROCESS

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

A proactive approach to communication is one of the important indicators of positive changes in the work of public administrations in the EU member states. The management should no longer be just a system that provides services and information about such services, but should become the initiator of communication and information collector in such a way as to develop and modify its services based on its daily communication with the public. Improved strategic communication means creating clear-to-understand messages for citizens, direct contact with citizens, proactive approach and willingness for a dialogue, which in turn contributes to an increasing citizens' confidence in the work of the institutions and cooperation between institutions and the civil society.

The PAR Strategy and the Revised Action Plan 1 recognise the importance of communication and the establishment of a continuous two-way process of communication with the public, including specific public interest in the public sector reform, with the aim of promoting values and greater visibility of progress in the area of public administration reform. In chapter 4.5 of the Revised Action Plan 1 (*Institutional Communication*) it is stated that “*Without successful internal and external communication there is no successful public administration”*,[[144]](#footnote-144) clearly underlining the importance of institutional information exchange with the aim of better and more credible communication of key messages to the target audience.

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

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

Administrative bodies in Bosnia and Herzegovina mainly communicate about their own activities so that citizens do not associate with the PAR proces.[[146]](#footnote-146) Qualitative analysis of publications about the PAR process in the country and medi reports indicate a lack of information on PAR, as confirmed by the *Transparency International* BiH Report “*Perceptions of Public Administration in Bosnia and Herzegovina 2014*”,[[147]](#footnote-147) which reveals that almost half of the respondents are absolutely not familiar with the reforms. The report makes the recommendation that the process should be brought closer to citizens and that citizens' views and perceptions should be taken into consideration when planning and implementing reform activities.[[148]](#footnote-148)

The analysis of media publications about the PAR process has revealed a lack of harmonised, consistent and continuous public information efforts by all administrative bodies and their members on PAR-related topics and the overall importance of public administration reform accompanied by consistent key messages aimed at awareness-raising.

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

During the implementation period of the Strategic Framework of Public Administration Reform, the following will be needed at all four levels of government:

* Ensure development of uniform implementation documents on communicating about the PAR process, setting out the rules and procedures for communication with key audiences, including the general public, media, civil society and internal, i.e. institutional audience, to contribute to better understanding of the PAR process;
* Ensure implementation of communication activities in a consistent way, as well as monitoring of the communication outcomes by the administration bodies at all levels of authority on the PAR, through active role of the central PR units;
* Ensure more proactive approach to communications on the PAR through strengthening cooperation of the institutions with civil society and media, planning and implementing public information campaigns, conducting public opinion polls, organising open door days, promotion of PAR through social media etc.

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

### 6.3.1. Monitoring and reporting

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

The purpose of this framework is to identify the duties and tasks of collecting, analysing and compiling information on implemented reform measures, the dynamics of information collection and exchange, and the format and structure of reporting on the progress made, in accordance with the same performance indicators. Monitoring and reporting will also enable a corrective action and streamlining of continuation of the reform.

Public Administration Reform Strategic Framework and associated Action Plans will include **performance indicators** to ensure measurement of the reform effects.

Baseline values of the indicators at the level of specific objectives have been defined on the basis of the SIGMA 2017 Monitoring Report, as well as on the basis of the available own data. The lacking baseline values will be determined during 2018. Target values of the indicators are the average expected results by 2022.

Respecting the *Principles of public administration*, monitoring of the public administration reform strategic framework is based on the action plan(s) for implementation of the PAR strategy, which essentially contains the following components:

* **Overall objective** - with indicator defined at the level of impact
* **Specific objectives**, which are implemented to achieve the overall objective, in line with public administration reform strategic framework, with indicators defined at the level of outcome
* **Measures** under specific objectives, which are based on headings from public administration reform strategic framework and represent “sub-headings of the documents grouping coherent, intertwined results”, for which specific indicators have been identified
* **Results of activities**, as **basic units for measuring the degree of AP implementation**, identified also mostly at the level of concrete “short term” outcomes, as direct output of an activity
* **Activities** - not as an exhaustive list of activities to achieve one result, but as main/principle ones that can be identified. In line with that, activities were grouped to avoid unnecessary fragmentation
* **Deadlines for implementation of activities** that contribute towards achievement of the result
* **Indicators** with **baseline and target values**, for wide and specific objectives, as well as at the level of measures
* **Funding** from the budget and/or donor funds
* **Institutions responsible** for implementation of the outputs
* **Partner institutions** in the realisation of results, which may carry the primary responsibility for a certain activity or be just partners in the realisation

The action plan(s) matrix as part of the strategic framework of public administration reform will primarily be focused on the results of concrete activities and will serve as the basis for establishing results-based monitoring. Results based monitoring (RBM) is the process of monitoring focused on public policy objectives and results, which facilitates comparisons as to how successful is the implementation of that particular public policy against identified objectives.

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

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

**Institutional framework and levels of responsibility**

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

It is proposed to maintain the level of operational coordination (PAR coordinators) and arrangements for the functioning of intergovernmental working bodies - supervisory teams, at least in the area of their responsibility for monitoring and reporting, while other responsibilities of these bodies will be defined and agreed upon after the adoption of the Strategic Framework of Public Administration Reform.

***Institutions*** are responsible for implementation of specific activities under the action plan. In the context of monitoring, institutions should constantly collect information on implementation of the activities “in the field” and **continuously** provide information to inter-governmental working bodies (supervisory teams) on implementation of the plan via streamlined reports. Institutions will send reports regularly for semi-annual and annual progress report.

***Supervisory teams***- the role of the supervisory teams is to catalyse information between the institutions of BiH and public administration reform coordinator’s office (PARCO) (if the information is gathered from the Bosnia and Herzegovina level) and share information among institutions of the Republika Srpska, Federation of BiH and entity coordinators, i.e. institutions of the Brčko District of BiH and PAR coordinator of the Brčko District of Bosnia and Herzegovina (regarding information gathering at the level of the Federation of BiH, the Republika Srpska and the Brčko District of BiH). They should be able to check information they receive “from the field” by institutions. Throughout the year, i.e. on a **quarterly** basis, supervisory teams for all areas would meet to discuss and analyse implementation of the action plan(s) (degree of implementation, recommendations for implementation of the action plan(s), drafting joint analyses and other documents, exchange of experiences, etc.). Thus the supervisory teams would function as an effective mechanism for coordination and exchange of information. The supervisory teams would be tasked with keeping the PAR coordinators at the level of BiH, FBiH, RS and BD BiH up to date with the progress in implementing the action plan(s).

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

***The Public Administration Reform Coordinator's Office,*** together with the entity coordinators and coordinator of the Brčko District of Bosnia and Herzegovina is responsible for ensuring the monitoring and evaluation system in the implementation of measures and activities in the field of public administration reform and reporting on the progress achieved, and professional and technical support to the coordination of the public administration reform. A comprehensive and easy format for reporting will be developed for reporting purposes. Information on the implementation of the established measures and activities of the coordinators of the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District of Bosnia and Herzegovina and members of the working bodies at the level of the institutions of Bosnia and Herzegovina shall be submitted to the Office of the Public Administration Reform Coordinator of BiH for the purpose of unifying and preparing the annual / semi-annual progress report.

The harmonised semi-annual and annual progress monitoring reports, with infographics and recommendations, will be submitted for consideration and adoption to the Council of Ministers of Bosnia and Herzegovina, the Government of the Republika Srpska, the Government of the Federation of Bosnia and Herzegovina and the Government of the Brčko District of Bosnia and Herzegovina.

In order to more efficiently monitor implementation of the strategic framework, possibility of organising annual conferences for review of the state of play in the public administration reform in BiH will be considered. In addition, another option is for the relevant line ministers at administrative levels to hold at least semi-annual or annual meetings. With regard to improvements in the impact monitoring methodology and in securing an up-to-date outline of information related to reform impact results, adequate monitoring tools will be developed.

**Monitoring and reporting system**

**Data gathering** is a very important step enabling civil servants in charge of the monitoring process to prepare reports on the implementation of measures and activities for reporting purposes. The gathering of data on the implementation of the reform measures is a prerequisite for the monitoring function to ensure the conditions for quality and timely implementation of the planned activities and reporting to decision-makers. The strategic framework of public administration reform aims to introduce a systematised and comparable monitoring and reporting system, and uniform forms of data and information gathering and reporting will be used for this purpose in accordance with the action plan / action plan matrix. The coordinators supervise and coordinate the gathering of data from the competent institutions within the individual level of government, and this data is then sent to PARCO for compiling.

**Reporting** is a very important step in the monitoring process, entailing development of concise and specific reports based on previously collected data on progress in implementation of the public policy results. Reporting must be done within certain timeframe, in the agreed form and format, whereas overall reporting on implementation of objectives and outputs, based on the gathered data and information, will be done by Public Administration Reform Coordinator Office (PARCO) together with the PAR coordinators of the Federation of Bosnia and Herzegovina, the Republika Srpska and the Brčko District of Bosnia and Herzegovina. Reporting on implementation will be based on results of activities from action plan/plans) and is to be implemented via semi-annual and annual reports. In view of the scope and complexity of the AP matrix, PARCO will, through *Guidelines for M&E of the AP of PAR Strategy* design forms for reporting per each of the results, which will be delivered to the competent stakeholders for the purposes of drafting of reports. The Progress Report will provide information on individual progress at all four levels of government and shall also contain agreed recommendations for more effective implementation.

The report form will provide a special analytical section on implementation of the objectives that results contribute to. Alongside reports data on more specific milestones will be delivered to PAR Coordinators, for each upcoming reporting period, which will enable more precise and comprehensive reporting and monitoring of progress in implementation of the results. The milestones will essentially represent outputs of activities in a certain period; implementation of these activities leads to the achievement of an entire result within which they were identified.

**Monitoring tools**

*IT tool for monitoring* will be designed for all four levels of administration to facilitate monitoring of implementation of the public administration reform strategy in Bosnia and Herzegovina; data relevant to monitoring PAR policies, previously collected from institutions competent for collection of relevant data and reporting on the progress in PAR implementation, will be entered into this tool. All competent institutions will forward relevant data to PARCO in the form of reports; their format will be designed in detail through *Guidelines for M&E of the PAR Strategy*.

### 6.3.2. Evaluation

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

In addition to the system of internal evaluations (lack of internal evaluations entails possible bias/lack of objectivity in analysing policy failures, which is why it is better to hire independent, external evaluators), it is necessary to ensure independent external evaluation, through engagement of education and other expert institutions, civil society, relevant international organisations and independent control bodies. **External evaluation** can be done by specialised private companies, consultancies, audit companies and CSOs at the request of the Council of Ministers/governments, competent institutions or donors. Costs of external evaluation will be provided from external sources of funding (Public Administration Reform Fund, IPA or through cooperation with other donors). The advantage of external evaluation is that provides independence and neutrality to the process, which increases the chances that conclusions and recommendations will also have more substance and be more constructive for the purpose of planning further steps in policy implementation. The details of evaluation will be more closely regulated through the *Guidelines for Monitoring and Evaluation of the Strategic Framework of Public Administration Reform*.

# 7. FINANCIAL FRAMEWORK

In line with requirements of the Principles of Public Administration, **indicative assessment of costs** of implementation of the PAR Strategic Framework in Bosnia and Herzegovina and the **funding sources** was developed based on the defined strategic measures. As an integral part of the process of drafting an action plan, or plans, a more appropriate and precise assessment will be made based on specific activities and timeframes, and institutional responsibility for their implementation.

### 7.1. Costs

Implementation of measures stipulated by the Strategic framework of PAR in Bosnia and Herzegovina will require appropriate human and material resources, that is, funding. In view of the nature of reform activities, the largest portion of the necessary resources relates to the regular activities of staff in institutions in charge of implementation. These **human resources** have already been secured. Costs related to them pertain to gross salaries of staff employed in institutions at all administrative levels and will be financed through the regular budgetary allocations.Since the Strategic framework of PAR in Bosnia and Herzegovinadoes not provide for additional recruitments, no additional costs of human resources were planned. Minor part of the necessary **material resources** has also been secured through the existing infrastructure of institutions responsible for implementation. Costs of these resources (such as office supplies, overhead costs and use of the existing facilities and equipment) will also be financed through regular budgetary allocations to institutions.

Implementation of certain measures will require additional material resources, including supplies and services (professional services, travel, accommodation, rent, training material, etc.) and capital investments (procurement of equipment, facilities and software). Estimate of costs of the Strategic framework of PAR in Bosnia and Herzegovinacontains only costs of these **additional** resources, which will require additional funding. Costs of the **existing** resources that will continue to be used and will not require additional funding (such as salaries of the current staff that will work on implementation and the accompanying administrative costs) have not been estimated, although assumption is that their share in the total reform costs might even exceed additional costs. The reason behind this approach is the difficulty in collecting information needed to make a credible assessment of the current costs. This approach is in line with the SIGMA guidelines and practice of other countries in the region. In line with the specific requests for information and available resources, PARCO and the PAR coordinators in the entities and in the Brčko District of Bosnia and Herzegovina can consider the option of estimating the current, that is, total costs of the reform when drafting the action plan(s).

Estimate of additional costs is based on the principles of reality and efficiency. Additional resources were planned only for the measures whose implementation and achievement of results is not possible with the current resources, while additional funds can realistically be obtained.

Costs were estimated by reform measures and areas, but also by the main economic items (material and services, capital investments) and by years. This is aimed at achieving better connectivity with the medium-term budget planning and donor support planning. Precision of estimate is proportional to the availability of information on the measures planned.

Estimate was made for measures implemented in the 2017-2020 period. This is the planned period of the first action plan(s). For the sake of comprehensiveness, cost implications of these measures for the 2021-2022 period have also been included, and this mostly refers to costs of investment maintenance. Costs pertaining to relevant projects implemented in 2017, that is, ongoing projects, have also been included.

Estimates are that total additional costs of implementation of the Strategic framework of PAR in BiH will amount to around **BAM 55.11 million**. Structure by reform areas is shown in the table below. Due to planned investments in the IT systems, the area of Service Delivery accounts for the major share of the costs (73%).

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

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

Estimated share of capital investment in total costs is 17% (BAM 9.46 million), while the remaining 83% (BAM 46.02 million) refers to the costs of supplies and services. In order to enable an estimate of long-term impact on the budget, and in line with the Principles of Public Administration, separate estimate was made of the one-off and permanent costs of reform measures. Majority of additional costs (98%) are one-off costs of implementation. Permanent costs totalling BAM 1.1 million (2%) refer to investment maintenance in the 2021-2022 period.

### 7.2 Funding Sources and mechanisms

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

Additional costs totalling **BAM 55.11 million** will be financed through:

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

According to the available information, a total of **BAM 26.92 million** (49% of additionally required funds) have been secured. Around BAM 13.34 million (24%) of this amount are the funds from the PAR Fund, including funds secured for current, approved and planned projects, as well as allocations planned by local governments for the 2018-2020 period, in line with their medium-term budget plans. The remaining BAM 13.58 million (25%) are funds from other donor projects, including ongoing projects and projects whose financing has been secured or planned (IPA II, World Bank).

The amount of lacking funds is **BAM 28.19 million** (51% of additional funds needed). Considering the scarce budgetary resources, expectations are that BAM 27.09 million (49%) will be provided by the donors, through future investments in the PAR Fund or through projects. The remaining BAM 1.1 million (2%) refers to costs of investment maintenance in the 2021-2022 period, which would be financed from the local budgets. Estimated total contributions of the local governments to financing of additional costs of the Strategic Framework for PAR is around BAM 2.475 million, or 4% of the total additional costs[[150]](#footnote-150). Indicative plan of financing is presented in the table below. Just like the information of costs, information on sources of financing will be updated and specified when action plan(s) are drafted.

**Indicative plan of financing additional costs of implementation of measures planned for the 2017-2020 period**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Item | Policy Development and Coordination | Civil Service and HRM | Accountability | Service Delivery | Total BAM mill. | % |  |
| A. Funds needed | 5.27 | 4.59 | 4.89 | 40.37 | 55.11 | 100% |
| Planned funds secured | 1.40 | 3.68 | 0.81 | 21.04 | 26.92 | 49% |
| PAR Fund | 1.40 | 1.72 | 0.81 | 9.41 | 13.34 | 24% |
| Donor projects | 0.00 | 1.96 | 0.00 | 11.62 | 13.58 | 25% |
|  |  |  |  |  |  |  |
| (B-A) Deficit | -3.87 | -0.91 | -4.08 | -19.33 | -28.19 | 51% |
| Planned from the budget | -0.08 | -0.08 | 0.00 | -0.93 | -1.10 | 2% |
| Planned from donations | -3.79 | -0.82 | -4.08 | -18.39 | -27.09 | 49% |

PAR Coordinators will, together with domestic competent institutions from the Bosnia and Herzegovina, entities and the Brčko District of Bosnia and Herzegovina levels of authority, act timely towards the domestic governments, donors and international organisations in order to secure the lacking funds. PARCO will, in cooperation with the entity and the Brčko District of Bosnia and Herzegovina coordinators, work with the international donors and be responsible for filing applications to the budget, in coordination with the ministries of finance and the Directorate for Finances of the Brčko District of Bosnia and Herzegovina. Ministries of finance and the Directorate for Finances of the Brčko District of Bosnia and Herzegovina will, based on the decisions by the Council of Ministers of BiH and the governments of the entities and the Brčko District of BiH, define amounts and manner of financing in the budgets. In line with the Principles of Public Administration, expectations are that PAR will be defined as one of the priorities in the Budget Framework Paper (BFP), that is, that budget documents will contain the approximate amount of funds planned for the support to PAR, in line with the action plan(s).

In order to monitor the total investment in PAR, PAR Coordinators will, together with the domestic competent institutions from the level of BiH, entities and the Brčko District of Bosnia and Herzegovina, undertake activities relating to the establishment of an appropriate system of monitoring the costs of the Strategic Framework of PAR in Bosnia and Herzegovina at all four levels of government. This would enable insight into the actual allocations, by administrative levels and for Bosnia and Herzegovina in total. This would also improve the quality of budget and planning documents, enable drafting of better project proposals, and improve the decision making on financing.

Appendix 1: Glossary

To be added

Appendix 2: List of abbreviations

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

1. Information on activities in the process of public administration reform, adopted by the Council of Ministers of Bosnia and Herzegovina by Decision no. 05-07-1-1724-15/15 dated 10 July 2015, the Government of the Federation of Bosnia and Herzegovina by Decision no. 865/2015 dated 9 July 2015, Government of the Republika Srpska by Conclusion no. 04 / 1-012-2-2523 / 15 dated 5 November 2015 and the Government of the Brčko District of Bosnia and Herzegovina Act no. 01.11-1031DS-02/15, dated 5 June 2015. [↑](#footnote-ref-1)
2. The Presidency of Bosnia and Herzegovina ratified this agreement in November 2008, which came into force in 2015, Article 111. [↑](#footnote-ref-2)
3. Decision Reaffirming the Declaration of the Presidency of Bosnia and Herzegovina, “The Official Gazette of Bosnia and Herzegovina”, 16/15. [↑](#footnote-ref-3)
4. Reform agenda for Bosnia and Herzegovina for the period 2015-2018. The Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska, the Government of Brčko District of Bosnia and Herzegovina and the governments of all cantons in the Federation of Bosnia and Herzegovina have all adopted the appropriate action plans; available at [www.fbihvlada.gov.ba](http://www.fbihvlada.gov.ba), [www.vijeceministara.gov.ba](http://www.vijeceministara.gov.ba) and [www.vladars.net](http://www.vladars.net). [↑](#footnote-ref-4)
5. EU Enlargement Strategy for 2015, available at: <http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_strategy_paper_en.pdf> and <http://europa.ba/wp-content/uploads/2016/11/20161109_strategy_paper_en.pdf>. [↑](#footnote-ref-5)
6. Communication of the European Commission with the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Enlargement Policy of the European Union, 9 November 2016, Brussels, p. 12. [↑](#footnote-ref-6)
7. South-East Europe Strategy 2020, available at: <http://www.rcc.int/pages/62/south-east-europe-2020-strategy>. [↑](#footnote-ref-7)
8. Operational plan for preparation of Strategic Framework of Public Administration Reform in Bosnia and Herzegovina, April 2016. [↑](#footnote-ref-8)
9. *Bosnia and Herzegovina Report 2016*, European Commission, Brussels, 2016, p. 10. See other Reports as well. [↑](#footnote-ref-9)
10. See:<http://www.vijeceministara.gov.ba/search/Default.aspx?q=agenda&searchDepth=0&selectedCategory=0&contentType=0&langTag=bs-BA&template_id=93&pageIndex=1>, accessed on 11/08/2017. [↑](#footnote-ref-10)
11. *The Principles of Public Administration, An Overview*, OECD, SIGMA, EU, 2014. Available at: <http://www.sigmaweb.org/publications/principles-public-administration-eu-enlargement.htm>, accessed on: 18/08/2017. [↑](#footnote-ref-11)
12. *Ibid*., p. 9. [↑](#footnote-ref-12)
13. Đurović, G.: *Challenges of Public Administration Reform in the context of EU integration process and in function of economic development, external analysis; Project: Development of Strategic Framework of Public Administration reform in BiH*, Lucid Linx, Sarajevo, 2016, p. 11. [↑](#footnote-ref-13)
14. *The Principles of Public Administration,* OECD, SIGMA, EU, Edition 2017, p. 9. [↑](#footnote-ref-14)
15. Operational plan for preparation of new Strategic Framework of Public Administration Reform in Bosnia and Herzegovina, p.15 [↑](#footnote-ref-15)
16. The principles define what in practice means good governance and outline the basic requirements that candidate countries for EU membership should follow during the European integration process. Principles also include a Framework of regular monitoring and analysis of progress made in the application of the principles, as well as setting and explaining benchmarks, or indicators for monitoring progress. Available at<http://www.sigmaweb.org/publications/Principles-Public-Administration-Overview-Serbian.pdf>. [↑](#footnote-ref-16)
17. *Analysis of PAR Strategy Implementation, Public Administration Reform Coordinator’s Office, working draft, April 2016*. [↑](#footnote-ref-17)
18. *Annual report on monitoring the progress of implementation of RAP1 for 2014*. [↑](#footnote-ref-18)
19. The decisions of the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District of Bosnia and Herzegovina from 2015 continued implementation of the public administration reform through the initiated but incomplete projects and other activities foreseen by the Strategy and RAP1. [↑](#footnote-ref-19)
20. *Information on activities in the public administration reform process*. [↑](#footnote-ref-20)
21. *OECD/SIGMA Report on Baseline Measurement: Public Administration Principles*, Bosnia and Herzegovina, April 2015. [↑](#footnote-ref-21)
22. *Information on activities in the process of public administration reform*, adopted by the BiH Council of Ministers by Decision No. 05-07-1-1724-15 / 15 of 10 July 2015, the BiH Government Decision No. 865/2015 of 9 July 2015 and the Brčko District Government Act No: 01.11-1031DS-02/15 of 5 June 2015. [↑](#footnote-ref-22)
23. According to information from the Republika Srpska, the law is in line with the so-called soft European Union laws in the field of PPP, that is with *Guidelines for Successful Public Private Partnerships* and *Green Paper on Public Private Partnerships and Community Law on Public Contracts and Concessions*. [↑](#footnote-ref-23)
24. *OECD/SIGMA Report on Baseline Measurement*: Public Administration Principles, Bosnia and Herzegovina, April 2015. [↑](#footnote-ref-24)
25. Through the implementation of the HRM 6.1 objective from RAP1, evaluation rules were adopted at all four administrative levels, which require regular annual interview between the civil servant and his immediate superior, and the performance estimate is related to the level of fulfilment of the agreed work goals, which was not the case before. Performance management training is included in the regular training program. [↑](#footnote-ref-25)
26. Law on the Agency for the Prevention of Corruption and Coordination of Fight against Corruption, “Official Gazette of BiH”, no. 103/09. [↑](#footnote-ref-26)
27. The Ministry of Justice carries out training on development of integrity plans in the public sector of the Republika Srpska, in accordance with the Rules and the Decision adopted by the Commission for implementation of the Anti-Corruption Strategy. All taxpayers (the entire public sector in the RS) should adopt their integrity plans by December 2017. [↑](#footnote-ref-27)
28. Ibid. [↑](#footnote-ref-28)
29. Also, there is a request form, and the ministries have issued guides and index registers that enable citizens to more easily access the information that is under the control of the ministries and the Government of the Republika Srpska as a whole. The standards for the Government website were adopted in 2007 and the amendments were made in 2011. All ministries in the Government of the Republika Srpska, as well as the Information Sector in the General Secretariat of the Government, have systematized and filled positions of public relations officers. [↑](#footnote-ref-29)
30. BiH CoM, with its Conclusion from September 2015, authorized PARCO to prepare, in cooperation with ADSBiH and BAS, an operational plan for the introduction of a quality management system in the BiH institutions, and to coordinate its implementation. [↑](#footnote-ref-30)
31. Common Platform on Principles and Implementation of the PAR Strategy in BiH Action Plan 1, CoM BiH, FBiH Government, RS Government, BD BiH Government, April 2007. [↑](#footnote-ref-31)
32. *Commission staff working document*, Bosnia and Herzegovina 2016 Report, Brussels, 9 November 2016. [↑](#footnote-ref-32)
33. *WorldWide Governance Indicators*, 2016, available at<http://info.worldbank.org/governance/wgi/#reports>. [↑](#footnote-ref-33)
34. The Public Administration principles for candidate countries and potential candidates for EU membership identified 9 critical functions for government work: coordination of the preparation of government sessions, ensuring legal compliance, coordination of the approval of strategic priorities and work programs, coordination of the preparation of policy proposals for government decision-making, the provision of financial policy enforceability related to resource planning, coordination of government communication activities with the public, management of relations between the government, parliament and / or president, coordination of European integration affairs. [↑](#footnote-ref-34)
35. Possible effects on the economic development, social relations, environmental protection, business environment, internationally accepted obligations, etc. [↑](#footnote-ref-35)
36. For example, work regulations, regulations on civil and public service, administrative procedures, social security, and the like [↑](#footnote-ref-36)
37. Strategic planning in the Republika Srpska has been regulated by the Decision on the procedure of planning, monitoring, and reporting on implementation of the adopted strategies and plans of the Government of the Republika Srpska and the RS administrative bodies (Official Gazette of RS, 50/16) [↑](#footnote-ref-37)
38. *Decision on the Medium-Term Planning, Monitoring and Reporting Process in BiH Institutions,* “The Official Gazette of BiH”, no. 62/14 *and Decision on annual planning and monitoring and reporting on work of institutions of BiH,* “Official Gazette of BiH”, no. 14/14. [↑](#footnote-ref-38)
39. *Strengthening of Capacities for Strategic Planning and Policy Development,* 2012. [↑](#footnote-ref-39)
40. *Instruction on the manner of preparation of annual work program and activity reports in institutions of BiH, “*Official Gazette of BiH”. [↑](#footnote-ref-40)
41. *Instruction on the manner of preparation of annual work program and activity reports in institutions of BiH, “*Official Gazette of BiH”. [↑](#footnote-ref-41)
42. *Law on Development Planning and Management*, “Official Gazette of FBiH”, 32/17. [↑](#footnote-ref-42)
43. *Guidelines for Republic Administration Bodies on Public Participation and Consultations in the Drafting of Laws*, “Official Gazette of the Republika Srpska”, no. 123/2008. [↑](#footnote-ref-43)
44. The Ministry of Justice of Bosnia and Herzegovina and the Republic Secretariat for Legislation of the Republika Srpska. [↑](#footnote-ref-44)
45. E.g. labour regulations, state and public services, administrative procedures, social security, and the like. [↑](#footnote-ref-45)
46. Possible effects on economic development, social relations, environmental protection, business environment, internationally accepted obligations, or the like. [↑](#footnote-ref-46)
47. The Worldwide Governance Indicators, 2017 Update. [↑](#footnote-ref-47)
48. The Worldwide Governance Indicators, 2017 Update. [↑](#footnote-ref-48)
49. <https://www.rcc.int/seeds/results/3/balkan-business-barometer> [↑](#footnote-ref-49)
50. For the purposes of this document, the term “Centre of Government” signifies the structure/s in the administration which provide(s) direct support to the executive branch (government, president, prime minister) and acts as a coordinator of the decision making system, and as such is of a crucial importance for defining and implementing policy objectives. The Centre of Government is known as an Office, Cabinet, President’s Office, Secretariat, etc. (Chancellery, Cabinet Office, Office of the President, Presidencia, White House Executive Office, Privy Council, Casa Civil, etc.) and in a great number of countries encompasses several bodies: Michal Ben-Gera, *Co-ordination at the Centre of Government: The Functions and Organisation of the Government Office Comparative Analysis of OECD Countries, CEECs and Western Balkan Countries*, March 2004, and the web site of the OECD <http://www.oecd.org/gov/cog.htm>. [↑](#footnote-ref-50)
51. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-51)
52. Indicator 2.6.1, Sub-indicator 2, The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 38-39 [↑](#footnote-ref-52)
53. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 48 [↑](#footnote-ref-53)
54. Indicator 2.3.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 28-29 [↑](#footnote-ref-54)
55. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 41 [↑](#footnote-ref-55)
56. Indicator 2.5.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 35-36 [↑](#footnote-ref-56)
57. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 45 [↑](#footnote-ref-57)
58. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-58)
59. Baseline value will be measured during 2018. [↑](#footnote-ref-59)
60. Indicator 2.10.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 49-51 [↑](#footnote-ref-60)
61. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 60 [↑](#footnote-ref-61)
62. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-62)
63. Baseline value will be measured during 2018. [↑](#footnote-ref-63)
64. Indicator 2.11.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 53-54 [↑](#footnote-ref-64)
65. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 65 [↑](#footnote-ref-65)
66. Indicator 2.11.2, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 56-58 [↑](#footnote-ref-66)
67. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 65 [↑](#footnote-ref-67)
68. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-68)
69. Baseline value will be measured during 2018. [↑](#footnote-ref-69)
70. See the *European Commission 2016 Progress Report for Bosnia and Herzegovina*: <http://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> and SIGMA’s assessment of the situation in public administration area for period May 2015 – April 2016: <http://www.sigmaweb.org/publications/Monitoring-Report-2016-BiH.pdf> [↑](#footnote-ref-70)
71. More information on this matter can be found in *Perceptions of Public Administration in BiH*, Transparency International BiH (2014), available from: <https://ti-bih.org/wp-content/uploads/2014/09/PERCEPTIONS-OF-PUBLIC-ADMINISTRATION-20141.pdf> [↑](#footnote-ref-71)
72. Indicator 3.1.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 65-66 [↑](#footnote-ref-72)
73. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 80 [↑](#footnote-ref-73)
74. Indicator 3.1.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 65-67 [↑](#footnote-ref-74)
75. The Principles of Public Administration, Bosnia and Herzegovina, November 2017, p. 80 [↑](#footnote-ref-75)
76. Own indicator with the baseline values estimated by administrative levels. [↑](#footnote-ref-76)
77. Baseline value will be measured and target value will be set during 2018. [↑](#footnote-ref-77)
78. Own indicator with the baseline values estimated by administrative levels (during 2018). [↑](#footnote-ref-78)
79. Indicator 3.3.1, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 75-76 [↑](#footnote-ref-79)
80. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 87 [↑](#footnote-ref-80)
81. Indicator 3.3.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 75-78 [↑](#footnote-ref-81)
82. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 87 [↑](#footnote-ref-82)
83. Indicator 3.4.1, Sub-indicator 5, Methodological Framework of the Principles of Public Administration, November 2017, p. 85 and 87-88 [↑](#footnote-ref-83)
84. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 90 [↑](#footnote-ref-84)
85. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-85)
86. Baseline value will be measured and target value will be set during 2018. [↑](#footnote-ref-86)
87. Indicator 3.6.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 100 and 101-102 [↑](#footnote-ref-87)
88. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 94. [↑](#footnote-ref-88)
89. Indicator 3.6.1, Sub-indicator 12, Methodological Framework of the Principles of Public Administration, November 2017, p. 100 and 105-106 [↑](#footnote-ref-89)
90. Baseline value will be measured and target value will be set during 2018. [↑](#footnote-ref-90)
91. Indicator 3.2.1, Sub-indicator 7, Methodological Framework of the Principles of Public Administration, November 2017, p. 69 and 72-73 [↑](#footnote-ref-91)
92. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 82 [↑](#footnote-ref-92)
93. Indicator 3.5.1, Sub-indicator 4, Methodological Framework of the Principles of Public Administration, November 2017, p. 93 and 95. This indicator contains some modifications compared to SIGMA, but the measurement will be done according to the SIGMA methodology. [↑](#footnote-ref-93)
94. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 92 [↑](#footnote-ref-94)
95. Indicator 3.5.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 93-95 [↑](#footnote-ref-95)
96. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 92 [↑](#footnote-ref-96)
97. Indicator 3.7. 1, Sub-indicator 5, Methodological Framework of the Principles of Public Administration, November 2017, p. 108 and 111 [↑](#footnote-ref-97)
98. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 96 [↑](#footnote-ref-98)
99. Indicator 3.7.2, Sub-indicator 1, Methodological Framework of the Principles of Public Administration, November 2017, p. 112 [↑](#footnote-ref-99)
100. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 97 [↑](#footnote-ref-100)
101. Indicator 3.7.2, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 112 and 113 [↑](#footnote-ref-101)
102. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 97 [↑](#footnote-ref-102)
103. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-103)
104. Baseline value will be measured and target value will be set during 2018. [↑](#footnote-ref-104)
105. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-105)
106. Baseline value will be measured and target value will be set during 2018. [↑](#footnote-ref-106)
107. *Law on Ministries and other Bodies of Administration of BiH*, “Official Gazette of BiH”, no. 5/03, and *Law on Administration of BiH*, “Official Gazette of BiH”, nos. 32/02, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09, 103/09, 87/12 and 6/13 [↑](#footnote-ref-107)
108. *Law on the Organisation of Administration Bodies in FBiH, “*Official Gazette of FBiH”, no. 35/05 [↑](#footnote-ref-108)
109. *Law on Federal Ministries and Other Bodies of Federal Administration*, “Official Gazette of FBiH”, nos. 19/03, 38/05, 2/06, 8/06 and 61/06 [↑](#footnote-ref-109)
110. *Law on the Republic Administration,* “Official Gazette of RS”, nos. 118/08, 11/09, 74/10, 86/10, 121/12, 15/16 and 57/16 [↑](#footnote-ref-110)
111. *Law on Public Administration of the Brčko District of Bosnia and Herzegovina*, “Official Gazette of Brčko District of BiH”, nos. 19/07, 2/08, 43/08, 9/13 and 48/16 [↑](#footnote-ref-111)
112. *Law on Administration,* “Official Gazette of BiH”, nos. 32/02, 102/09 and 72/17*,* and *Law on the Republic Administration, “*Official Gazette of the Republika Srpska”, nos. 118/2008, 11/2009, 74/2010, 24/2012, 121/2012, 15/2016 and 57/2016 [↑](#footnote-ref-112)
113. *European Commission Report for Bosnia and Herzegovina*, 2016 [↑](#footnote-ref-113)
114. <https://www.rcc.int/seeds/results/2/balkan-opinion-barometer> [↑](#footnote-ref-114)
115. <https://www.rcc.int/seeds/results/2/balkan-opinion-barometer> [↑](#footnote-ref-115)
116. Indicator 4.1.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 117-119 [↑](#footnote-ref-116)
117. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 106 [↑](#footnote-ref-117)
118. Indicator 4.1.1, Sub-indicator 7, Methodological Framework of the Principles of Public Administration, November 2017, p. 117 and 121 [↑](#footnote-ref-118)
119. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 106 [↑](#footnote-ref-119)
120. *Law on Freedom of Access to Information of BiH*, “Official Gazette of BiH”, nos. 28/00, 45/06, 102/09, 62/11 and 100/13; *Law on Freedom of Access to Information of the Federation of BiH*, “Official Gazette of FBiH”, nos. 32/01 and 48/11; *Law on Freedom of Access to Information of the Republika Srpska*, “Official Gazette of the Republika Srpska”, no. 20/01 [↑](#footnote-ref-120)
121. Indicator 4.2.1, Sub-indicator 2, Methodological Framework of the Principles of Public Administration, November 2017, p. 123-125 [↑](#footnote-ref-121)
122. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 109 [↑](#footnote-ref-122)
123. Indicator 4.2.1, Sub-indicator 3, Methodological Framework of the Principles of Public Administration, November 2017, p. 123 and 125 [↑](#footnote-ref-123)
124. The Principles of Public Administration, Monitoring Report, Bosnia and Herzegovina, 2017, p. 109 [↑](#footnote-ref-124)
125. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-125)
126. Own indicator with the baseline and target values estimated by administrative levels. [↑](#footnote-ref-126)
127. Method of managing an organisation which implies orientation towards continuous improvement of quality for the purpose of meeting the needs of customers, i.e. users of services. TQM requires participation of all employees from all organisational levels, and its task is to improve the quality above the expectations of users and continually strive towards improvements. [↑](#footnote-ref-127)
128. Public Administration Perception: Bosnia and Herzegovina TI BiH 2014, Regional Comparative Study of eVlade ReSPA, Initial Service Provision Analysis - Comparative Study with Initial Analysis of Public Administration Optimization in the Western Balkans Region ReSPA 2016, Report *From e-Government to open government*, ReSPA 2017. [↑](#footnote-ref-128)
129. Available at http://www.rcc.int/seeds/results/2/balkan-opinion-barometer. [↑](#footnote-ref-129)
130. On 5 September 2017, the Government of the Brčko District of BiH adopted the Decision on the adoption of the framework of interoperability of Bosnia and Herzegovina. [↑](#footnote-ref-130)
131. *Law on Electronic Signature of BiH,* “Official Gazette of BiH”, 91/06*; Law on Amendments to the Law on Identity Card of BiH Citizens,* “Official Gazette of BiH “, 18/12*; Decision on the basics of the use of electronic signatures and the provision of verification services,* “Official Gazette of BiH”, no. 21/09; *Decision on electronic commerce and e-government in the Council of Ministers of BiH,* “Official Gazette of BiH”, no. 7/10*; Law on Electronic Business and Legal Traffic,* “Official Gazette of BiH”, no. 88/07*; Law on Electronic Document,* “Official Gazette of BiH”, no. 58/14; *Law on Protection of Personal Data,* “Official Gazette of BiH”, no. 49/06, 76/11 and 89/11; *Law on Electronic Document of FBiH,* “Official Gazette FBiH”, 15/13; *Law on Electronic Signature of the Republika Srpska, “*Official Gazette of RS*”, no. 106/15; Law on Electronic Commerce of the Republika Srpska,* “Official Gazette of the Republika Srpska”, no. 59/09, 33/16; *Law on Electronic Document of the Republika Srpska,* “Official Gazette of the Republika Srpska”, no. 106/15*; Law on Information Security,* “Official Gazette of the Republika Srpska”, no. 70/11. [↑](#footnote-ref-131)
132. Balkan Barometer 2017, Public Opinion Survey, pdf, 2017, p. 117. [↑](#footnote-ref-132)
133. https://www.rcc.int/seeds/results/2/balkan-opinion-barometer [↑](#footnote-ref-133)
134. Relates to the following services: registration of business entities, renewal of personal ID documents, company taxes, tax. [↑](#footnote-ref-134)
135. Relates to the service of issuing construction permits. [↑](#footnote-ref-135)
136. In order to establish baseline value, it will be necessary to conduct an analysis and identify all special procedural norms. [↑](#footnote-ref-136)
137. As defined by the Stability and Growth Pact: <http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Stability_and_growth_pact_(SGP)>. [↑](#footnote-ref-137)
138. http://www.F BiHvlada.gov.ba/pdf/Reformska%20agenda.pdf. [↑](#footnote-ref-138)
139. http://www.parlamentFBiH.gov.ba/dom\_naroda/bos/parlament/propisi/El\_materijali\_2016/EEF%20Pismo%20namjere%20i%20Teh.%20memorandum.pdf. [↑](#footnote-ref-139)
140. Adopted at the session of the Council of Ministers of Bosnia and Herzegovina dated 31 December 2016, the session of the Government of the Federation of Bosnia and Herzegovina held on 15 June 2017, and the session of the Government of Brčko District of Bosnia and Herzegovina held on 7 June 2017. [↑](#footnote-ref-140)
141. *Conclusion of the Government of the Federation of Bosnia and Herzegovina*, no. 78/2017 dated 19 January 2017. [↑](#footnote-ref-141)
142. In accordance with the Law on Public Administration of the Brčko District of BiH, Article 19, point e, the Office of the Mayor (as a public administration body) is responsible for public administration reform activities. [↑](#footnote-ref-142)
143. Adopted by the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District of Bosnia and Herzegovina in 2007. [↑](#footnote-ref-143)
144. *Public Administration Reform Strategy, p.10*. [↑](#footnote-ref-144)
145. *Semi-annual Progress Report on the Implementation of the Revised Action Plan 1 of the Public Administration Reform Strategy in Bosnia and Herzegovina,* July 2016. [↑](#footnote-ref-145)
146. *Analysis of the state of play and needs assessment with recommendations in the field of communication on public administration reform in BiH,* January 2017. [↑](#footnote-ref-146)
147. *Perceptions of Public Administration in Bosnia and Herzegovina 2014,* Transparency International Bosnia and Herzegovina, p. 13*.* [↑](#footnote-ref-147)
148. *Perceptions of Public Administration in Bosnia and Herzegovina 2014*, p. 2: “What is underlined by a slightly higher percentage of respondents is the claim that reforms have not been completely and to the fullest explained to the public … “ [↑](#footnote-ref-148)
149. Key prerequisites for implementation of sector budget support are: well-defined governments/sector policies, institutional structure, management and capacities for implementation of sectoral strategy, coordination of sectors and donors, mid-term budget prospects for implementation of sectoral policies and implementation assessments. Additional criteria include: efficient, effective and transparent management of public finances, and agreements on sector budget, and valid and projected macroeconomic framework for implementation of sectoral policies. [↑](#footnote-ref-149)
150. Principles of public administration require separate stating of the amount of additional costs that will be financed from domestic, that is, donor funds. In view of the fact that the funds from the PAR Fund represent joint funds of the domestic governments and donors, it is not possible to precisely establish the origin of financing of costs of individual measures from the Strategic Framework. This is why it is also not possible to precisely determine the contribution of domestic governments to the implementation of the Strategic Framework for PAR. [↑](#footnote-ref-150)