

**EU – Bosnia and Herzegovina Stabilisation and Association Agreement**  
**8<sup>th</sup> Public Administration Reform Special Group**

**Date: 12of March 2025**

**Recommendations<sup>1</sup>**

**SUMMARY OF POLITICAL HIGH PRIORITY RECOMMENDATIONS FOR THIS DIALOGUE UNTIL NEXT YEAR**

- Improve the Programme of Integration with the EU in line with EU comments, with a view to the adoption of a programme in line with SAA art. 70.3 requirements (*national programme for the adoption of the EU acquis*) and upgrade DEI quality assurance role in EU Acquis Alignment and adopt a methodology on coordinated alignment with EU Acquis;
- Adopt and start the implementation of the revised Action Plan; improve functioning of Coordination structures and increase number of staff in relevant units of entities' PAR Coordinators and train them better to steer thematically PAR. Additionally, review internal organisation of PARCO to improve its functioning in line with the recommendations provided by the functional review.
- Amend the civil service laws in line with merit and with each other for a professional and de-politicised civil service and fill the open vacancies of assistant ministers at the state and Federation of Bosnia and Herzegovina level;
- Adopt the state level regulation on country-wide strategic policy planning and designation of a single institution at the state level in charge of policy planning
- Improve the countrywide Public Finance Management Strategy to include more coordinated activities across levels and improve the monitoring accordingly; improve reform efforts on public investment management, fiscal risk management, contingent liabilities reporting, effectiveness of public internal financial control with particular focus on establishing effective system of irregularity and fraud management of budgetary and EU funds, internal audit and risk management.

**1. Public Administration Reform Strategic Framework (PAR SF)**

- 1.1 Establish a clear calendar of meetings for the functioning of the **political decisionmaking body – Coordination Board (CB) -and for the overall functioning of the Common Platform bodies** (Q2 2025).
- 1.2 All **PAR coordinators** should be **strengthened in their role** of steering implementation and monitoring the new revised Action Plan on PAR by reviewing and amending accordingly the internal organisation of PARCO (Q4 2025), and upgrading capacities in staff of PAR coordinators at entities level (Q3 2025).
- 1.3 Adopt and start implementing the revised **Action Plan on PAR 2023-2027** by clarifying timelines, and institutional responsibilities in all PAR areas, while securing financial resources for the implementation of the Action Plan in 2025 (Q2 2025). Ensure increased domestic ownership to at least 10% in the implementation of reforms during 2026 (Q4 2025).

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<sup>1</sup> PAR Special Group recommendations should be published in the PAR Coordinator's websites at each government level and provide the links to the European Commission.

- 1.4 **Adopt communication strategy on PAR** and begin its implementation (Q2 2025) in order to increase awareness of the governments and society on PAR matters, and in particular the importance of PAR in the EU integration process.
- 1.5 Establish a roadmap in attracting donors for the implementation of the Action Plan on PAR (Q2 2025) and launch an **effective mechanism on donor coordination**, in order to ensure financial sustainability. Organise the first donor coordination meeting in (Q2 2025) and continue to do so bi-annually.

## 2. *Public Finance Management (PFM)*

2.1 Adopt a new comprehensive PFM strategic framework 2026-2030 with coordinated strategic objective, measures activities, common indicators and ensure a functioning institutional set up for the coordinated planning, implementation and monitoring of PFM reforms (Q3 2025). Improve the **PFM annual monitoring methodology** to provide a clear overview on countrywide results and not only implemented activities, reflecting on countrywide challenges and risks per PFM pillar.

**2.Advance following PFM reforms** in the new PFM strategy 2026-2030, and as part of the forthcoming **PFM dialogue**:

- 2.1.1 Adopt a legally mandated mechanism and methodology for systematic appraisal of major capital projects and establish a Public investment department at the Brcko District level with adequate staff ( Q4 2025).
- 2.1.2 improving the **quality of the budget process** by adhering to state budget law, timely adoption of the global fiscal framework as a precondition for the next budget cycle (Q3 2025). Ensure that all reforms/processes having fiscal impact are properly reflected in the fiscal frameworks/budgets.
- 2.1.3 enhancing the **credibility of the medium-term budget frameworks** by (1) improving the links between annual strategic planning and annual budget process and (2) strengthening capacities for forecasting and modelling and by enhancing coordination in this area;
- 2.1.4 All levels of governance should work towards ensuring legal conditions to implement the application of the IT system to align budget presentation with **programme budgeting** and **medium-term budget planning** principles, and adopt the relevant legislation at state level and in the *Republika Srpska* entity by (Q4 2025);
- 2.1.5 Ensure effective fiscal risk oversight function (also covering fiscal risks from **state-owned enterprises (SOEs)** by ensuring that this function is clearly assigned to units in both entities, that tasks are clearly defined and corresponding staff and resources are allocated;
- 2.1.6 Create and update in both entities a **publicly available SOE register** with a complete, searchable list of all SOEs including comprehensive financial statements, audits and organisational information **based on a defined methodology**.
- 2.1.7 Improve the capacities on **internal audit, risk management** effectiveness and anti-fraud and **establish relevant institutional and legal**

**framework for irregularity management** of budgetary and EU funds while establishing and AFCOS and prioritising these areas under the new PFM strategy 2026-2030.

### 3. *Civil Service and Human resource management*

- 3.1. Continue strengthening **cooperation between ministries of justice/administration and relevant civil service agencies** at each government level, appoint assistant ministers at the state and FBiH level and continue cooperation in the **forum of directors** of civil service agencies to drive reforms in HRM area ( Q2 2025).
- 3.2. Adopt **HRM methodologies** on monitoring civil service law implementation and human resources management, in a harmonised way across all levels of government (Q1 2026) and upgrade the HRMIS systems accordingly.
- 3.3. In line with the common policy framework, adopt and implement **HRM strategies** at the state, *Republika Srpska* and Brcko District levels (Q4 2025) and continue the implementation of the FBiH HRM Strategy at Federation and cantonal level. Initiate the activities with a view of improving the HRM planning, job classification, job descriptions and job evaluation at all government levels in a harmonised way, by as well adapting those to new future skills required (Q4 2025).
- 3.4. Adopt the improved legal basis on **public service registries** at entities level while clarifying institutional responsibilities (Q4 2025). Ensure functionality of HRMIS at all levels by providing enabling conditions related to the capacities for managing the registries and upgrading software (Q2 2026).
- 3.5. Harmonise the 11 civil service laws and human resource standards with each other, and appoint a **working group** among relevant ministries in charge of public administration with a view to finalising this process by (Q2 2025). This should involve harmonising the legal provisions for a common scope of civil service, equal standards on recruitment and selection procedures, compatible categories of positions and competences required for those in order to ensure **mobility and common standards in working conditions, functions and organisation of civil service**.
- 3.6. As a matter of urgency, **align the civil service laws with merit principles**, in both entities and state level (Q4 2025); the Federation entity also needs to coordinate such alignment with the cantons and finalise the process of amending the laws June 2025
- 3.7. Put an end to practices that do not ensure **merit-based recruitments** and a wellfunctioning civil service, particularly by opening regularly the vacancies and organising recruitments based on open competitions at senior management level when a mandate expires, reducing acting managerial positions and temporary contracts at the *Republika Srpska* level.
- 3.8. Establish necessary mechanisms in order to be able to **collect all data** as requested by **the HRM template shared by the European Commission** and report on such data annually ahead of the PAR Special Group.

#### 4. ***Policy Development and Coordination***

- 4.1. BiH Council of Ministers designates one single institution in charge of coordination and quality assurance of strategic (sector) planning and one single regulation for strategic planning at the level of BiH institutions. (Q4 2025)
- 4.2. Prepare the overall **conceptual framework for countrywide strategic (sectoral) planning** in close consultation with respective institution from all government levels in of BiH (Q4 2025). The relevant Supervisory Team and other bodies in the Common Platform should be used as the main fora to discuss the aspects of the conceptual framework and regulatory framework for countrywide strategic (sector) planning.
- 4.3. **Based on the conceptual framework (including responsible institutions)** discussed and agreed among members in the **Coordination Board** (Q4 2025), the responsible institutions prepare the draft regulation on the countrywide strategic (sector) planning in co-operation with respective institutions from all government levels in BiH and submit to adoption in the BiH Council of ministers. The process will be supported by technical assistance and OECD-SIGMA.
- 4.4. Finalise and consult with EU the final version of the **Program of Integration with the EU** in line with EU comments as per SAA art. 70.3 requirements with a view to the adoption of a programme (*national programme for the adoption of the EU acquis*) (Q3 2025). Also share the analysis of the functioning of the 2016 Decision on the EU Coordination Mechanism (Q3 2025), accompanied by proposals to address the identified shortcomings, while upgrading DEI' quality assurance role in view of the next stages of the accession (Q3 2025) and develop a methodology for coordinated harmonisation on EU Acquis alignment between state, entities and cantonal level (Q3 2025).

#### 5. ***Accountability and Service Delivery***

- 5.1. PAR coordinators, together with parliaments at each government level should support the **implementation of Ombudsman's recommendations** by each government level and PAR Coordinators should escalate this to the attention of the Coordination Board for follow-up. In parallel, Ombudsman should also play a more pro-active role in employing all available communication channels with the executive and legislative branches of the various governance levels for a better communication of the Ombudsman's recommendations (Q3 2025).
- 5.2. Ensure proper implementation of the **State-level Law on the Freedom of Access to Information** and timely adoption of the bylaws. Establish the Central Data Portal and implement the proactive publication of information (Q3/2025). Amend the State-level legislation with a view of establishing independent and specialised oversight mechanism, including the appeals procedure in the freedom of information matters (Q2/2025).
- 5.3. Develop legislation on free access to information at Entity and Brcko District level harmonised across the country and aligned with relevant European standards and EU acquis, by using SIGMA model law on free access to information as a basis for drafting new laws and fulfilling the TAIEX recommendations (Q3/2025). Submit to the Commission, before the adoption procedure, new draft laws at an early stage of preparation to ensure their alignment with the EU acquis and relevant standards.

5.4.5.4 Improve the **user-friendly administration**, by rolling out activities foreseen under service delivery in the Action Plan on PAR on an agreed roadmap with clear deadlines and institutional responsibilities with OECD- SIGMA. Particularly in such roadmap, identify relevant **intermediate steps** (i.e. the legal basis, structure of the catalogue (the data to be included) for developing the methodology and the catalogue of e-services ( Q4 2025) and expedite the adoption of the e-signature law (Q4 2025).

#### **Follow-up actions**

- Share monitoring reports on PAR and PFM once adopted
- Share adopted Revised Action Plan on PAR and new PFM strategy when developed and share with European Commission for consultation;
- Share calendar of Coordination Board meetings and draft agendas and minutes of the meetings and calendar of meetings of PAR coordinators;
- Share information on the sources of funding once Action Plan on PAR is adopted;
- Share calendar of cooperation meeting and agendas for civil service agencies based on the forum of directors of civil service agencies;
- Provide data on HRM template, where data has been missing and provide in written explanations on why data are missing;
- Share draft law on civil service at all levels of government when they need to be consulted with EU and OECD- SIGMA and prior to adoption, in order to ensure alignment with principles on public administration.
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