

**EU – Bosnia and Herzegovina Stabilisation and Association Agreement**  
**4<sup>th</sup> Public Administration Reform Special Group**  
**8 July 2020**  
**Recommendations<sup>1</sup>**

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

- BiH should establish an integrated **political decision making structure** to be supported by relevant administrations in order to steer and implement public administration reform in a coordinated way. At the political level, this requires establishing at ministerial level a coordination body for decision-making. At technical level, BiH authorities need to upgrade PAR coordinator's staffing capacities in line with the rulebooks at entities and BD level and rationalise better at state level, PARCO's organisation by conducting possible functional reviews within 2021. Further reform of the operation arrangements of PAR coordinators is needed and, where necessary, amend the current legal status of PAR coordinators in order to have a more coordinated approach between political and technical level across government levels.
- BiH should adopt a common **performance based monitoring system**, by adopting a common methodology on how to monitor PAR. The methodology should entail common templates for collection of uniform monitoring data against the indicator passports at all levels of government as well as common guidelines and timelines for monitoring and reporting. PARCO and PAR coordinators should train better the staff responsible for monitoring PAR and publish the monitoring report in the websites of institutions in charge of PAR until July 2021.
- BiH should adopt stronger **financial ownership and sustainability** for the implementation of the Action Plan by integrating its costs on the budgetary laws. To this effect, the EU Commission recommended to improve the co-financing of the PAR Action Plan by decreasing the current donor' dependency of 98% and by increasing own budgetary ownership to a possible 5-10% within 2020. The EU Commission underlined the importance of receiving disaggregated data on the exact level of financial costing at each level, as well as the financial impact assessment until mid December 2020.
- The PAR Strategic Framework should be used as the key document for the definition and delivery of technical assistance and therefore establish **effective donor coordination** on PAR.
- BiH should avoid **duplication of decision-making structures for funding with** the prevalent coordination arrangements at political and technical level that plan, implement and monitor the Action Plan on PAR. To this effect, any future funding instrument needs to be consistent with the decision making structure on how to coordinate the implementation of the Action Plan reflected in the reformed and revised PAR coordination arrangement.

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<sup>1</sup> Recommendations of the 3<sup>rd</sup> PAR Special Group held in February 2019 remain valid to the extent that they have not been fulfilled.

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

- As a matter of urgency, all government levels should expedite the adoption of their individual PFM Strategies 2021-2025 end of December 2020 and all levels should cooperate to develop and adopt a **credible and relevant country-wide Public Financial Management strategic framework** and Action Plan within the first Quarter of 2021.
- The country-wide PFM strategic framework should be widely consulted internally and with external stakeholders and properly costed and budgeted, while establishing a **performance-based monitoring system**. BiH authorities need to designate the institutional set-up on coordinating ministries of finance on planning, costing, monitoring and reporting the country-wide approach on PFM along common methodology and indicator passport. Adoption of the country-wide PFM strategic framework and designated coordination and monitoring body remains a key precondition for any discussion on future budget support operations and is crucial for the economy and longer-term fiscal position of BiH.
- Once the strategic framework is adopted, BiH should set up a **country-led policy dialogue** forum on public finance management reform with the European Commission, development partners in the sector and International Financial Institutions..

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

- BiH authorities should adopt the **common policy framework on civil service** in Brčko District and Republika Srpska entity and continue implementation and monitoring of this policy across all government levels in line with the Action Plan on PAR 2018-2020. Civil Service agencies should coordinate and ministries in charge of public administration should closely cooperate to develop and promote the same guidelines on Human Resource Management (HRM) standards and as well further provide the same methodologies on HRM monitoring across all levels.
- BiH authorities are recommended to harmonise legal provisions of the eleven civil service laws and human resource standards across government levels in order to ensure **mobility and common standards in working conditions, functions and organisation of civil service** for a functional single administrative space. The amendments would need to include particularly harmonisation of regulations affecting the scope of civil service, recruitment and selection procedures, categories of positions and competences levels of positions in order to promote mutual recognition of civil servants' qualifications and training curricula and render the civil service system more effective.
- Problematic provisions of the civil service laws need to be **aligned with merit principles**, by reforming the recruitment and selection process in order to make it more objective and in line with merit. To this effect, BiH authorities should: (1) reform the composition of selection committees in making it more impartial and more competent; (2) improve the quality of selection tests through the usage of competency-based assessment framework and organisation of at least one anonymous test for selection (written and oral); (3) increase the usage of online tools in

recruitments for more transparency and a more objective process, (4) select always the best ranked candidate. All levels will provide a roadmap on legal amendments to the EU Commission by (March 2021) and share all draft legal amendments prior to adoption.

- BiH authorities should **discontinue practices that violate merit principles** like the practice of appointing ‘acting heads’ without ensuring candidates to pass open competition procedures; as well as hiring staff on temporary basis without transparent and meritocratic procedures. Data along the template on HRM across all government levels should be shared with Commission services ahead of the next PAR SG.
- In line with the common policy framework, BiH authorities should adopt **common HRM methodologies on monitoring** until April 2021. HRM strategies at each government level can be developed only after the Common Policy Framework on civil service and the Action Plan on PAR 2018-2020 are adopted at all levels.
- In line with the common policy framework, BiH authorities should upgrade and adopt the legal basis for rendering **Human Resource Management Information System ( HRMIS) functional** and integrate common methodologies in the HRMIS for collection of data, as well ensure uniformity and interoperability between the data across levels until end of 2021. Such data should feed into regular reporting on the HRM issues across the country used for annual monitoring report on HRM issues.
- BiH authorities should upgrade the legal basis in order make **annual monitoring of civil service law implementation** and HRM data in line with the Action Plan on PAR 2018-2020 levels obligatory until end of January 2021. Such annual reports should be shared with the EU Commission and also published in the websites by the institutions in charge with public administration responsibility.
- BiH authorities should ensure that a **consistent and effective institutional set-up for human resource management** is regulated. In this regard, the roles and responsibilities for civil service and HRM policy development and management of HRMIS, implementation, and monitoring should be clearly divided between competent institutions at each government level.

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

- BiH should adopt a regulatory framework and detailed guidelines **for country-wide sector strategic planning and monitoring** and should ensure a harmonized methodology and requirements for country-wide sector strategic development. Monitoring and reporting requirements at all levels of authority should be revised to include information on the progress towards policy objectives and indicators and devote adequate resources for its implementation.
- BiH authorities should set-up a functional system of **strategic planning and monitoring** is key. All government levels in BiH should revise and better define guidelines and quality requirements for both strategic documents and monitoring reports in line with the principles of public administration. In addition, it should designate institutional responsibility and ensure sufficient capacity for co-ordination

and quality control over all new policy proposals before they are sent to governments for approval, including the authority to send policy inputs back to line ministries where minimum quality standards are not met.

- BiH is encouraged to improve the implementation of **Regulatory Impact Assessment (RIA)** guidelines, including quality control functions at all government levels.
- BiH should ensure that the legal framework for **public consultation** is enhanced and consistently applied in practice and that policy proposals submitted for adoption are checked in terms of their compliance with the standards and requirements for consultation at all levels of government.
- BiH should accelerate the development and adoption of a **country-wide Programme of EU Integration**, in line with the new methodology, by providing the full costing needed for its further implementation.

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

- BiH should establish a mechanism for effective **implementation of the Ombudsman**' recommendations in line with the best EU and international standards and raise awareness in public institutions of the need to implement the Ombudsman's recommendations.
- BiH should improve legal provisions on **access to information**, including the elaboration of an extensive catalogue of information to be provided on the websites of public institutions, and secure full implementation and regular and effective monitoring of these laws. Sanctions for non-compliance with the obligation to provide access to public information should be introduced where necessary.
- All levels of authority are encouraged to adopt a harmonised approach in any legislative amendments to the **Laws on General Administrative Procedures (LGAPs)** in order to ensure both better and more coherent administrative services for citizens and businesses across the *country*.