

EU – Bosnia and Herzegovina Stabilisation and Association Agreement

6th Public Administration Reform Special Group

Date: 6th of June 2023

Recommendations¹

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

- 1.1 Establish a functioning **political decision-making body**, including Chairperson of Council of Ministers, entities' Prime Ministers and Mayor of Brčko district, while inviting relevant ministers responsible for the various PAR areas and the PAR coordinators. All state-level, entities and Brčko District government need to adopt the decision on the PAR coordination arrangement - so called 'Common Platform' - in **June 2023**. Develop related rules of procedures with support of OECD – SIGMA, while consulting political and technical level and adopt those in relevant bodies of the Common Platform (Q3 2023).
- 1.2 All PAR coordinators should be strengthened in their role of steering implementation and monitoring of the Action Plan. Launch the recruitment procedures at entities and Brčko District to **increase the human resources of PAR Coordinators** and revise the organisation rulebooks accordingly (Q3 2023).
- 1.3 All PAR coordinators should revise the **Action Plan on PAR 2023-2027**, that needs to be adopted by all levels of government until Q4 2023, while prioritising activities on digitalisation of government services and PAR processes. Such prioritisation exercise will be done also with support of OECD - SIGMA and finalised by September 2023 and the costing of the Action Plan will be finalised by end of the year.
- 1.4 Ensure **regular annual monitoring and reporting** on the implementation of the PAR Strategic Framework and its Action Plan in a semi-annual and annual basis, and as a matter of urgency **adopt the 2022 monitoring report** at all levels of government and publish it in the websites of PAR coordinators (Q3 2023). Improve the quality of monitoring by establishing procedures for data collection in implementation of PAR (Q2 2024).
- 1.5 Launch systematic **consultation with civil society organisations** when monitoring and revising the Action Plan on public administration reform and integrate their feedback in both the monitoring reports and when revising the Action Plan on PAR (Q3 2023).
- 1.6 **Update the communication strategy** on PAR in line with the new Action Plan on PAR 2023-2027 (Q1 2024) and begin its implementation (Q2 2024) in order to increase awareness of the governments and society on PAR matters.
- 1.7 Ensure higher **financial ownership and sustainability** for the implementation of the revised PAR Action Plan by covering at least 10%- 20% of the Action plan's costs in the 2024 budgets (Q4 2023).
- 1.8 Launch an **effective mechanism on donor coordination** on PAR, in order to ensure coverage in funding for all the activities within the timeframe of the revised Action Plan and organise the first one in Q1 2024, and aim to have every 6 months a donor coordination meeting.

¹ 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.

2. *Public Finance Management (PFM)*

- 2.1 Continue to implement the PFM Strategies 2021-2025 at each level of governance and the **comprehensive (country-wide) Public Financial Management strategic framework**. Individual PFM Action Plans and the comprehensive one should be revised (Q2 2024), integrating the results of mid-2023 PEFA report and the comprehensive PFM monitoring report to be adopted by September 2023.
- 2.2 Initiate a **country-led policy dialogue on public finance management reform** with the European Commission, civil society representatives, development partners and International Financial Institutions by (Q3 2023) at the latest.
- 2.3 **Advance PFM reforms** in following key areas by **Q2-2024**, by:
 - 2.3.1 improving the **quality of the budget process** by adhering to the timeline and rules for budget amendments, for the next budget cycle (Q2 2024) and in cooperation with IMF launch preparations for the Public Investment Management Assessment at all levels and finalise those by end of the year;
 - 2.3.2 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;
 - 2.3.3 All levels of governance should establish the necessary IT pre-conditions in order to implement the law on **programme budgeting and medium-term budget planning** and adopt similar legislation at state level and in the *Republika Srpska* entity by (Q2 2024);
 - 2.3.4 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;
 - 2.3.5 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**.

3. *Civil Service and Human resource management*

- 3.1. Strengthen the **cooperation between ministries of justice and relevant civil service agencies** at each government level and share a timeline and **scope of cooperation of the forum of directors** of civil service agencies by September 2023.
- 3.2. Improve **HRM methodologies** on monitoring civil service law implementation and human resources management, across all levels of government, by building on the outcome of the SIGMA workshop in June 2023, with a view to adopting such methodologies (Q4 2023). Share annual reports with the European Commission at least 6 weeks before the next annual PAR SG and publish them on the websites of relevant institutions (Q1 2024).
- 3.3. In line with the common policy framework, develop **HRM strategies** also with support of RESPA at state and *Republika Srpska* level (Q1 2024), and start implementing the HRM strategy at federation and cantonal level (Q3 2023), by

working on improving the job classification, job descriptions and job evaluation.

- 3.4. Adopt the improved legal basis on **public service registries** at entities level while clarifying institutional responsibilities, as well as the legal basis for establishing HRMIS at state level (Q4 2023). Ensure functionality of HRMIS at all levels by providing enabling conditions related to the capacities for managing the registries and upgrading software (Q4 2023).
- 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 (Q3 2023) with a view to finalising this process by (Q1 2024). 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 (Q3 2023); the Federation entity also needs to coordinate such alignment with the cantons and finalise the process of amending the laws by (Q1 2024).
- 3.7. Put an end to practices that do not ensure **merit-based recruitments** and a well-functioning civil service, particularly at the Federation government, by un-freezing recruitments in civil service and at state level, opening regularly the vacancies and organising recruitments at senior management level when a mandate expires.

4. Policy Development and Coordination

- 4.1. **Council of Ministers** to take a decision on the proposed options for regulating strategic planning based on the concept note of the Department of Economic Planning (by June 2023) and adopt and start to implement a legal framework for sectoral strategic planning by January 2024. Consolidate institutional mandates for co-ordination and quality assurance of policy planning at the state level (Q4 2023) Entities and Brčko district to ensure implementation and where relevant adjustments of the legal framework on policy planning, while addressing potential gaps in line with the OECD- SIGMA workshop
- 4.2. Share with EU Commission the first draft of the **Program of Integration with the EU**, as required under SAA art. 70.3 (*national programme for the adoption of the EU acquis*). (Q2 2023). Also share the analysis of the functioning of the 2016 Decision on the EU Coordination Mechanism, accompanied by proposals to address the identified shortcomings. (Q2 2023)

5. Accountability and Service Delivery

- 5.1 Ombudsman should 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 more effective **implementation of the Ombudsman's** recommendations (Q4 2023).
- 5.2 Improve legal provisions on **access to information at state and entities government level in line with best international practices**, by providing an

extensive catalogue of information on the websites of public institutions, and introduce provisions on sanctions for non-compliance and ensure a specialised supervisory body with adequate capacities to oversee implementation of such provisions. Set-up a working group for a harmonised approach on such standards, across the state and both entities' government levels. Consult the Commission on draft laws of free access to information (Q3 2023) before adoption of the laws (by Q4 2023).

- 5.3 Improve the user-friendly administration, by (1) launching an inventory on administrative burdens across services in order to identify where such burden is highest in service provision towards business and citizens, before proceeding with simplification and digitalisation of service, (2) while setting up an action plan on harmonising sectoral laws with the Law on General Administrative procedures across all government levels. (Q4 2023)