

**Monitoring performance of the FBiH Government and the Parliament**

**01.01 – 30.06.2017**

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**INTRODUCTION**

The intention of this report is to show and to point out the principal results of monitoring performance of the BiH Federation Government and the Parliament. Having in mind personal attendance of the members of the CCI’s monitoring team, as well as accessibility of all available documents from the sessions (minutes, stenographs, reports), given *Report* was generated after careful analysis whilst observing past practices of fair and correct reporting.

For a moment it really seemed that the government is doing its job and that it is seriously engaging in reforms under the external pressure, showing that the European integration process is not a mere platitude.

And then again political parties started playing the same old game, acting as if they were opposition, although they were in the power and had no attention of leaving.

Instead of dealing with the citizens’ problems, their resolution and boosting quality of the life in this part of the country, they again dealt with each other, accusations, leg tripping and confrontations.

For a moment conflicts within the ruling coalition completely paralyzed the system, primarily the work of the Parliament, whilst at the same time the Government’s attempts to work “normally” disregarding the party conflicts were made pointless.

The problems in relations between the parties that make up parliamentary majority in the BiH Federation during the first half of 2017 manifested in the failure to adopt the Annual Work Plan of the BiH Federation Government and the Report on execution of the 2016 Budget, as well as in overturn of the laws the Government forwarded into parliamentary procedure, and in public display of mutual distrust and intolerance.

The authorities show lack of capacity to create a functional system, to ensure political stability as a foundation of any economic progress and to deal with solving more serious problems of the citizens and the society. All the discussion about the reforms, agendas and EU integration is slowly fading away. Ultimately we are only left with mutual accusations of the ones who are most responsible for this situation.

**FBiH GOVERNMENT I-VI 2017**

**UNLIKE THE WORK IN PREVIOUS MANDATE WHICH HAD SIGNIFICANT OSCILLATIONS, THE WORK OF THE PRESENT FBIH GOVERNMENT IS QUITE BALANCED ON THE SEMIANNUAL LEVEL.** It holds 23-25 regular sessions in the six month period (which is, on average, slightly below the level of one session per week that is set forth in the Rules of Procedure). The difference between certain time periods is made by phone sessions and urgent sessions, whose number is unusually high (in this six-month period these sessions make up 41% of the total number of sessions). Phone sessions were sometimes used to decide about the measures whose importance makes this kind of decision-making, to say at least, utterly inappropriate.

**however, governmenT productivity in the rePorting period is the lowest IN the current mandate, observed at the semiannual level.** After a decline from 1645 measures that were discussed in the first half of 2016 (which was the highest degree of productivity of the FBiH Government in the last seven years) to 1123 measures discussed in the second half of 2016, the FBiH Government has not only failed to increase productivity in the first half of 2017, but it discussed a dozen of measures less. The best monthly result in the first half of 2017 is worse than the results achieved in seven months of the previous year. Thereby…

**THE NATURE OF MEASURES CONSIDERED BY THE GOVERNMENT DURING THE FIRST HALF OF 2017 SHOWS LACK OF FOCUS ON IMPORTANT MEASURES AND THE KEY CITIZENS’ PROBLEMS.** Only 2% of all realized measures are the measures that can systematically and in a long term improve quality of citizens’ lives. Of course, if these are properly implemented or to say implemented at all! Namely…

**WITH ITS INEFFICIENCY AND RULING COALITION’S DISUNITY THE PARLIAMENT IS ADDITIONALLY REDUCING ALREADY SMALL NUMBER OF GOVERNMENT’S MEASURES THAT ARE SIGNIFICANT FOR THE CITIZENS’ QUALITY OF LIFE.** If we take a look at the laws set by the Government, which become functional only when adopted in the Parliament and whose effects the citizens can only feel after a certain period of implementation, the situation is as follows: The FBiH Government had in the first half of 2016 set 31 laws, whereof 22 were proposals. In the same period the Parliament adopted only 6 out of these 22 laws! It means that Parliament significantly slows down implementation of the measures adopted by the Government and postpones or calls into question possible positive effects these measures might bring.

**THE STRATEGIES MAKE UP ONLY 3 PER-MILLE OF THE TOTAL NUMBER OF MEASURES REALIZED BY THE GOVERNMENT.** The 3 per-mille are actually 3 significant strategies: the FBiH Debt Management Strategy, the Public Finance Management Reform Strategy and the FBiH Wood industry development strategy for the period 2016-2025. On the other hand, the FBiH Government started the second half of the year with 7 unrealized strategies from the 2017 Work Plan and three of these strategies should have been realized by the end of June.

**THE DEGREE OF REALIZATION OF PLANNED LAWS AND THE REMAINING NUMBER OF LAWS THAT SHOULD BE REALIZED BY THE END OF THE YEAR ARE, TO SAY AT LEAST, QUITE WORRYING.** In the first half of 2017 year the FBiH Government set only 18 laws from its work plan for this year, which means that there are 78 more laws to be set until the end of the year. It is of course completely unrealistic.

**ONE OF THE REASONS FOR LOW EFFICIENCY IN REALIZATION OF THE FBIH GOVERNMENT’S LEGISLATIVE OBLIGATIONS LAYS IN THE DECADES-LONG PARTISAN EMPLOYMENT THAT CREATED A HUGE ADMINISTRATIVE APPARATUS LACKING CAPABLE PEOPLE.** Official data warn of excessive number of employees in the public administration, and on the other hand we lack qualified employees who can and know how to complete process of preparing the laws and strategies (regulatory impact analysis, financial assessment, public consultations), which poses a serious problem. It is a huge problem, particularly for a country on the path of EU integration, which faces high requirements in terms of approximation of domestic legislation with the EU legislation.

**The work plan of the fbih government was adopted with a delay and THE rules of procedure WERE VIOLATED.** Instead of being adopted by the end of 2016 the Work Plan of the FBiH Government for 2017 was set on January 13, 2017, while the House of Representatives confirmed it on February 15 and House of Peoples on March 30.

**ALTHOUGH ADOPTION OF THE FBIH GOVERNMENT’S ACTION PLAN TO COMBAT GREY ECONOMY WAS ANNOUNCED, IT WASN’T ADOPTED IN THE REPORTING PERIOD.** Although it should have been finished by the beginning of May, this very important document still hasn’t been put on the agenda of any Government’s session.

**the volume of government dealing with “STAFFING MATTERS” was reduced JUST in the third year of the current government’s term.** In the first half of 2017 the number of measures dedicated to staffing matters i.e. to dismissals and appointments in public institutions, agencies, public enterprises, and institutions was finally reduced and makes up 3% of the total number of considered measures.

**the fbih government is in breach of its rules of procedure in several segments.** The delay was noted in the audit report for the last year. Apart from the problem of violating the documents that set forth Government’s work, there is also a need to more precisely define certain Government’s obligations in the Rules of Procedure.

**The fbih government violated the law on budgets in Fbih at the time it adopted the 2017 budget, as well as during preparation for adoption of the 2018 budget.** The FBiH Government didn’t discuss the draft 2017 Budget, but the budget was discussed under urgent procedure. In this way the FBiH Government has violated its obligations from Article 15 of the Law on budgets in the FBiH, which states that the Prime Minister submits to the Parliament draft budget and accompanying documents by November 5. On the other hand the FBiH Government failed to adopt the “Document of the FBiH Framework Budget for 2018-2020” as of June 30, 2017, thus again violating Article 15 of the Law on budgets in FBiH.

**A large portion of this year’s budget has to be spent on debt repayment.** A total of one billion and 289 million KM or 47% will be earmarked from the 2017 FBiH budget for repayment of debts and related interests. At the same time the BiH Federation debt has increased for almost 312 million KM over the last two years, not including the debts of the cantons.

**WHILE THE GOVERNMENT STILL ISN’T APPLYING ANY SIGNIFICANT SAVING MEASURES TO ITSELF, IT HAS BEEN CURTAILING ALREADY MINIMAL DISBURSEMENTS FOR THE MOST VULNERABLE CATEGORIES OF POPULATION.** The information that disbursement for employment of Roma population has been reduced from last year’s 90.000 KM to 10.000 KM is rather a disgrace.

**a certain number of positive moves of the bih federation government was observed in the first half of 2017.** It primarily relates to preparation of some significant legislative solutions in the area of finance, labor, preparation of long-awaited strategies, etc. Having in mind CCI’s continuous efforts in that area we would like to emphases adoption of the Law amending the Labor Law in the BiH Federation, which provides fairer and more efficient protection of the employees, mitigates and speeds up the process of collective negotiation and reduces possibility of potential abuses. The law hasn’t still entirely passed the parliamentary procedure.

**The government continues to violate the gender equality law.** In the current FBiH Government the women manage 4 out of 17 ministries, whereat it is violating the Law which sets forth that equal representation of genders exists when one of the genders is represented in at least 40% and that everything else is considered to be discrimination that in line with this law has to be eliminated.

**FREQUENT VIOLATION OF THE CONSTITUTION, FOLLOWED BY SLOW IMPLEMENTATION OF THE DECISIONS OF THE BIH AND FBIH CONSTITUTIONAL COURT THAT ORDER ELIMINATION OF UNCONSTITUTIONAL ACTIVITIES, IS A PROBLEM THAT HAS BEEN MORE AND MORE PRESSURING THE FBIH GOVERNMENT AND THE PARLIAMENT.**

As of June 30, 2017 the FBiH Government and the Parliament have more than 20 different laws that they either have to amend or to adopt completely new laws in order to efficient implement majority of the BiH and the FBiH Constitutional Court’s decisions. Unfortunately, many of these laws have been waiting for realization for many years now.

According to the “Information on the state of execution of the BiH and the FBiH Constitutional Court’s decision” that the FBiH Government adopted on July 13, 2017, there are in total 6 laws whose provisions were found unconstitutional during the term of the current FBiH Government and none of them are still amended.

Besides these 6 laws there are additional 6 laws that the BiH Federation Constitutional Court has found in breach of the right to local self-government – also during the current Government’s term.

Generally, when it comes to execution of the constitutional courts’ decisions that emanate amendments to the laws in a certain area, law drafting procedures as well as procedures in the BiH Federation Parliament are taking too long.

This situation revealed the necessity to adopt clear rules and procedures for execution of the decisions. Therefore, the BiH Federation Government had at its 102nd session held on May 11, 2017 set and forwarded into parliamentary procedure the Draft Law on execution of courts’ decisions that regulates the procedure for implementation of the constitutional courts’ decision aimed at their faster and more efficient execution through which it would be possible to ascertain and document responsibility for failure to execute the decisions.

The BiH Federation Parliament still hasn’t discussed the aforementioned law.

**FBiH PARLIAMENT I-VI 2017**

**THE CRISIS BETWEEN PARTIES OF THE RULING COALITION IN THE BIH FEDERATION MOST NOTICEABLY AFFECTS THE WORK OF THE PARLIAMENT.** In the first half of 2017 there were no blockages as serious as the four-month inability of the House of Representatives to hold a session in the second half of 2016, but there was constant disagreement that was manifested in many different ways.

Four sessions of the House of Peoples were suspended upon proposal of the collegium. The reason for the suspension was disagreement between coalition partners about the vote on certain legislative proposals.

Agenda of 21st and 22nd session of the House of Representative was adopted only after a repeated vote.

Agenda of 18th regular session was adopted after 10 hours of discussion and breaks that were requested by the caucuses.

Three sessions of the House of Representatives were interrupted at the proposal of the House’s collegium, while one session was interrupted at the request of MPs.

There was a disagreement between the ruling coalition’s representatives about proposed conclusions at 2 out of 4 thematic sessions held by the House of Representatives.

**IN THE FIRST HALF OF 2017 THE HOUSE OF REPRESENTATIVES OF THE BIH FEDERATION PARLIAMENT HELD 13 SESSIONS, AND THE HOUSE OF PEOPLES HELD 6 SESSIONS.** Only 3 sessions of the House of Representative were extraordinary unlike the other half-years of the current term (except for 1st half of the 2016) in which there were many extraordinary sessions.

**4 THEMATIC SESSIONS HELD IN THE FIRST HALF OF 2017 ARE THE FIRST (AS WELL AS THE ONLY) SUCH SESSIONS HELD IN THE CURRENT TERM OF THE HOUSE OF REPRESENTATIVES OF THE FBIH PARLIAMENT. TWO THEMATIC SESSIONS IN THE HOUSE OF PEOPLES WERE ALSO HELD IN THE FIRST HALF OF 2017.** The CCI strongly advocates the need of holding (well organized) thematic sessions at least once in a quarter, because we find them to be the good way to face the most significant problems of the society, to put true citizens’ problems in the focus of the authorities and to analyze them, to find possible solutions and to work on eliminating the problems and increasing quality of life.

**THERE WAS A DISAGREEMENT BETWEEN RULING COALITION’S REPRESENTATIVES ABOUT PROPOSED CONCLUSIONS AT 2 OUT OF 4 THEMATIC SESSIONS HELD BY THE HOUSE OF REPRESENTATIVES.** The problems of air pollution, emigration, wood processing industry and the state of agriculture were actualized at the thematic sessions. Due to aforementioned disagreement 3rd thematic session wasn’t ended in the first half of 2017, while the conclusions proposed at the 4th thematic sessions received necessary majority thanks to the votes of opposition parties’ members.

**PROBLEMS IN RELATIONS BETWEEN COALITION PARTNERS AFFECTED THE DYNAMICS OF ADOPTION OF THE LAWS.** So the FBiH Parliament realized only 17 laws for the first six months of 2017. All 17 laws were realized in the first 3 months of 2017, whilst the final realization of the laws didn’t happen in the second quarter. Compared to the first 6 months of two previous mandates, realization of the laws in the first half of 2017 was for 9 laws higher in relation to 2013 and for 6 laws lower in relation to 2009.

**THE SIZE OF THE PROBLEM WITH LOW REALIZATION OF THE LAWS IN THE FBIH PARLIAMENT IS REFLECTED THE BEST IN THE DEGREE OF REALIZATION OF THE LAWS PLANNED IN THE WORK PLAN.** Out 90 laws that according to the work plan of the House of Representatives of the FBiH Parliament have to be adopted in 2017, only EIGHT laws were adopted in the first six months of this year! So, in order to meet its work plan for this year the Parliament should be adopting two times more laws every month than it had adopted in all six months of 2017. Otherwise…

**NONE OF THE HOUSES OF THE FBIH PARLIAMENT ADOPTED THE 2017 WORK PLAN BEFORE THE BEGINNING OF THIS YEAR.** The House of Peoples still hasn’t adopted the proposal of the work plan. The House of Representative adopted its 2017 work plan on April 25, 2017, which is quite late and represents continuation of bad practice from previous years.

**THE BIH FEDERATION PARLIAMENT HAS FINALLY ADOPTED THE ENERGY EFFICIENCY LAW OF THE BIH FEDERATION, SIX YEARS AFTER IT WAS FORWARDED INTO PARLIAMENTARY PROCEDURE.** The House of Representatives of the FBiH Parliament adopted this law in the last term, in 2014. The House of Peoples adopted the Energy Efficiency Law at the session held in February 2017, three years after it was adopted by the House of Representatives. Afterwards the parliament had to conduct a harmonization process.

**CONFLICTS WITH THE RULING COALITION RESULTED NOT ONLY IN SMALL NUMBER OF ADOPTED LAWS, BUT ALSO IN OVERTURN OF SOME SIGNIFICANT MEASURES IN THE FBIH PARLIAMENT IN THE FIRST HALF OF 2017.** The Law amending the law on games of chance was overturned in the House of Peoples of the FBiH Parliament, as was the Law on pension and disability insurance of the FBiH, which was overturned twice. The report on execution of the FBiH Budget for 2016 was overturned in the House of Representatives of the FBiH Parliament. And...

**NEITHER DID THE 2016 REPORT ON PERFORMANCE OF THE FBIH GOVERNMENT RECEIVE SUPPORT IN THE HOUSE OF REPRESENTATIVES – SINCE THERE WEREN’T ENOUGH REPRESENTATIVES OF THE PARLIAMENTARY MAJORITY PRESENT AT THE SESSION AND DURING THE VOTING.** The report didn’t received sufficient support even after the voting was repeated although members of some parties that are not part of the parliamentary assembly took the vote.

A precedent was made in the House of Representatives after the annual report on Government’s performance in 2016 wasn’t supported. Namely a Report on addenda to the Report on Government’s performance in 2016 was sent into procedure, but it also did not get adequate majority. But now it did not get adequate majority in the House of Peoples, again due to the fact that there weren’t enough representatives of the parliamentary majority present at the session and during the voting.

**CONSTANT IRRESPONSIBLE ATTITUDE OF SOME MPS TOWARDS THE MANDATE ENTRUSTED TO THEM AS WELL AS TOWARDS CITIZENS’ SUPPORT HAS BEEN OBSERVED.** The serious problem of unexcused MPs’ absence at the plenary sessions of the House of Representatives of the FBiH Federation has been present for many years now. In the previous report the CCI welcomed the step taken by the BiH Federation Government, which amended the Law on salaries and remunerations in the bodies of authority setting forth that 10% from the MPs flat-rate allowance is to be reduced in case of unjustified absence from the session, but we don’t have the information if this measure is being implemented.

**SOME PROGRESS IN TERMS OF TRANSPARENCY OF BOTH HOUSES OF THE FBIH PARLIAMENT HAS BEEN MADE IN REGARD TO THE PREVIOUS YEAR.** Unfortunately the website still doesn’t contain basic information for all members of the House of Representatives. Here we have to mention that initiatives to webcast the sessions of the House of Representative as it is done for the House of Peoples were launched several times in the House of Representatives. However, these initiatives were not accepted.

**CONCLUSION**

**A TOTAL OF 23 MEMBERS OF THE HOUSE OF REPRESENTATIVES LAUNCHED THE INITIATIVE FOR A VOTE OF NO CONFIDENCE TO THE FBIH GOVERNMENT AT THE END OF THE SIX-MONTH PERIOD IN 2017.** The proposal wasn’t accepted at the session of this House that was held in July. However, regardless of the Government’s attitude towards this proposal, we conclude that this initiative was entirely legitimate (and in line with the practice of developed democratic countries) having in mind the fact that neither the Report of FBiH Government’s performance nor the Report on execution of the 2016 FBiH budget were adopted in the Parliament but also having in mind obviously poor results in realization of the planned laws and reform deadlock. The decision of the majority to back up its government and to close ranks was also legitimate.

The CCI would like to use this opportunity to once more indicate unacceptability of the situation where the BiH Election Law doesn’t allow extraordinary elections, thus making the citizens hostages of dysfunctional coalitions and of their focus on party interests and not on citizens’ interests.

At the end the CCI would like to emphasize the need for increasing efficiency of both institutions in the second half of 2017 and in the rest of their term, especially when it comes to realizations of laws and strategies.

We would also like to underline the need to have the Government and both Houses of the Parliament start timely preparation of the key documents for their work in the next year, so they can adopt their work plans and 2018 Budget on time.

In their work both institutions must focus on key citizens’ problems and the ways to solve them, and at the same time they should stop pursuing narrow-party and personal interests and insisting on the blockages of institutions’ work.

We also warn of the obligation to respect and to implement the laws and the Constitution, as well as of unacceptability of authorities’ actions that violate the laws and the Constitution. We underline the need to establish a mechanism of individual responsibility in this context.

We also accentuate the need to increase social sensibility within the institutions, as well as to align politicians’ incomes and privileges with the general situation in the society. Furthermore, we would like to emphasize that saving has to start from the authorities and not from the most vulnerable and most unprotected categories. We again reiterate that this year’s curtailing of allocations for employment of Roma population from 90.000 to 10.000 KM is completely inacceptable as well as shameful.