Summary of the Report on monitoring performance of the RS Government and RS National Assembly

01.01 – 30.09.2017
INTRODUCTION

The intention of this report is to show and to point out the principal results of monitoring performance of the Government and the National Assembly of Republika Srpska. 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.

The observed nine-month period has ended with so far the most radical protest of the opposition – an (unsuccessful) attempt to obstruct the work of the National Assembly as a response to disregard of the request to have the report of the Supreme office for public sector auditing in the RS discussed in the RS NA.

The report that has stirred up political arena and the public in Republika Srpska, causing harsh reaction of the authorities, which caused resignation of the Chief auditor and his deputy under serious and unacceptable political pressure.

There is nothing disputable in the opposition’s request to discuss the audit report in the National Assembly. Actually, it is Assembly's obligation. On the other hand, the public was deprived of the information what is actually correct and true in the story about deficit of the RS budget – is the deficit BAM 40 million, as the Government claims, or almost four and a half times higher, as it was determined by the Supreme office for public sector auditing in the RS.

The whole situation cannot end with dismissal of the auditor and new political scandals that only have the purpose to cover up the true problems and to divert the attention from the important things. It has to end with unbiased, independent international audit, as well as with the truth that will be reported to the citizens of Republika Srpska, who are the most important actors in the entire story.

RS GOVERNMENT I-IX 2017

LOOKING AT THE RESULTS ACHIEVED OVER THE FIRST 9 MONTHS, THE GOVERNMENT OF REPUBLIKA SRPSKA HAS NOT MANAGED TO MAKE SIGNIFICANT IMPROVEMENT ITS PRODUCTIVITY IN 2017 AFTER A DECLINE THAT WAS REGISTERED IN THE PREVIOUS YEAR. Namely, there was a decline of 12.4% in the first nine months of 2016 when compared to the result achieved in the first nine months of 2015, as the first year of the current mandate. On the other hand, there was an increase of only 1.7% in the first nine months of 2017 when compared to the result of 2016.

THE STRUCTURE OF CONSIDERED MEASURES SHOWS A VERY LOW NUMBER OF EXCEPTIONALLY SIGNIFICANT MEASURES THAT SYSTEMATICALLY AND IN A LONG TERM REGULATE CERTAIN AREAS AND SOLVE THE PROBLEMS. A very high portion of the measures are operational in nature. Different procedural decisions, decisions and approvals represent 55% of all measures considered in the first half of 2017. Thereby, for example, the approvals were mostly given for the purpose of planning the use of the funds of budget beneficiaries, and 328 out of 630 administrative decisions related to reallocation of the funds, 124 to the business travel, and 110 are procedural decision concerning personnel matters. Information, reports, plans, and programs make up 29%. Whereat 53 out of 149 reports related to the reports from business travels, while the others include significant number of areas in the work of institutions, public institutions and enterprises, RS agencies and others, that have certain correlation with the executive authority in Republika
Srpska. On the other hand, share of the laws in the total volume of documents considered in the reporting period is only 2.4%, while the strategies make up 0.7%. However, the number of strategies – 9 is quite a respectable number for the BiH condition. They were considered by the Government on 13 different occasions.

**WITH 40 LAWS ADOPTED (27 AS PROPOSALS, AND 13 AS DRAFTS) IN THE FIRST 9 MONTHS OF 2017, THE RS GOVERNMENT ACHIEVED THE WORST RESULT IN THE PAST 7 YEARS WHEN IT COMES TO REALIZATION OF THE LAWS.** By comparing the number of laws adopted in the first nine months of 2017 with the respective periods in the previous year, we can conclude that after the stagnation in the previous year, realization of legislative activities has continued to decline in the first nine months of 2017 and it has been so since 2013, when in the first nine months of the third year of previous mandate it adopted 34 more laws than in the first nine months of 2017.

**THE PROBLEM OF LOW REALIZATION OF THE LAWS IS VISIBLE THE MOST WHEN VIEWING THE LEVEL OF WORK PLAN’S REALIZATION.** Only 34 out of 76 laws that should have been realized in the first nine months of 2017 in line with the Government’s Work Plan were adopted. The 4th quarter started with 49 planned laws that were not adopted. Namely, three months to the end of the year 59% of all planned laws in 2017 are not realized.

**ALTHOUGH THE RS GOVERNMENT IS SIGNIFICANTLY AHEAD THE FBIH GOVERNMENT WITH REGARD TO NUMBER OF DETERMINED STRATEGIES, THE RS GOVERNMENT HAS PROBLEMS WITH REALIZATION OF THE STRATEGIES.** Out of 31 strategies laid down in the 2017 Work Plan, only 8 were adopted in the first nine months of 2017.

**DUE TO POOR REALIZATION OF PLANNED OBLIGATION, (TIMELY, TO SAY THE LEAST) REALIZATION OF MANY SIGNIFICANT MEASURES DID NOT HAPPEN.** The following strategies were not adopted: the Anti-corruption Strategy of RS, the Strategy of lifelong learning, the Strategy to improve health and social protection of elderly, the Women Entrepreneurship Development Strategy, the Law on protection and rescue in case of natural disasters and other incidents, the Law on electricity, the Law on the registry of employees in the public sector, the Law on information, the Law on culture, the Law on health protection, the Law on protection of victims of war torture, the Action plan for implementation of Trade Development Strategy, the Analysis of implementation of the Law on Labor, the Program for protection of the most productive agricultural land in RS, the Report on the status of LGBTI population in RS with recommendations for action, the Information on actualization of rights of refugees, displaced persons and returnees...

**THE RS GOVERNMENT WORK PLAN WAS AGAIN ADOPTED WITH A SERIOUS DELAY - 11.4.2017 – THUS VIOLATING THE GOVERNMENT’S RULES OF PROCEDURE, ACCORDING TO WHICH THE WORK PLAN SHOULD HAVE BEEN ADOPTED BY THE END OF 2016.** Whereat, the failure to adapt the contents of the Work Plan to the significant delay has resulted in a structural error in the Government’s Work Plan, which, *inter alia*, has called into question credibility of statistical data on its realization. Namely, although it was adopted in fourth month, the RS Government’s 2016 Work Plan also contains the plan for 1st quarter with 145 different measures. It means the “plan” for the period in question, which was the past at the time Work Plan was adopted, contains one-third of all measures presented in the Plan. Another, even larger problem, is the fact that the Plan, which is by the definition a work plan for the next period, contains measures that were realized before the Plan was adopted. So actually at the moment it was adopted, the plan was already almost 20% realized.

**THE GOVERNMENT MET ITS 2017 BUDGET RELATED OBLIGATIONS WITH DELAY AND VIOLATING THE LAW ON BUDGET SYSTEM OF RS.** The Government has not even considered draft of the 2017 Budget, as it is laid down by the Law, but it adopted it as a proposal under an urgent procedure on 13 December 2016 instead doing that by December 1. Therefore the budget wasn’t adopted in a transparent way, i.e. no public
discussions were organized where interested citizens and organization could get involved in preparation of this document.

THE CHRONIC INSOLVENCY OF THE BUDGET AND ITS DEPENDENCE ON BORROWING IS UTTERLY WORRYING, AS ARE THE CONSEQUENCES THAT THE BORROWING HAS BOTH ON THE BUDGET AND ON THE RS. Even besides certain statements on acceptance of the necessity to cut the public spending down, no serious steps towards it have been made yet. The Government is still resting all of its hopes on loans, and has more difficulty in repaying the old ones. The plan is to have more than BAM 650 million or a bit more than 20% of the total budget allocated for payment of the debts in 2017 and even 920 million in 2018.

TRANSPARENCY OF THE RS GOVERNMENT IS NOT AT A SATISFACTORY LEVEL. The information are being disseminated selectively (which is an objection made by majority media outlets), and minutes and stenographs are not uploaded to the official website of the Government. Instead of being published immediately after adoption at the next session, one has to sometimes wait for months to get them (and CCI doesn’t manage to get minutes from some sessions even after multiple insistences), although the project “Open Government” was announced several years ago. Here we should mention impossibility to get the full information on incomes of the RS Government’s and RS NA’s members.

BESIDES THE RULES OF PROCEDURE AND THE LAW ON BUDGET SYSTEM, THE RS GOVERNMENT IS STILL VIOLATING THE LAW ON GENDER EQUALITY IN BIH. Women in the RS Government occupy less than one fourth of the seats (four of 17 members are women), thus violating the Law, which prescribes that equal representation of men and women exists when one sex is represented with at least 40 per cent and that everything else is considered discrimination that according to this law has to be eliminated.

INSTEAD OF MINISTERS, WHOSE WORK WAS FOUND TO BE FULL OF IRREGULARITIES, SUBMITTING THEIR RESIGNATIONS, THE RS CHIEF AUDITOR AND HIS DEPUTY HAVE RESIGNED UNDER PRESSURE AFTER THE AUDIT REPORT WAS PUBLISHED. According to the audit’s findings only 3 out of 16 ministries of the RS Government have worked in line with the financial rules. And, according to the Audit, the RS Government hasn’t objectively portrayed the deficit.
THE RS GOVERNMENT ISN'T MANAGING TO FIND ANSWERS TO THE CITIZENS' KEY PROBLEMS – WHICH AT THE BASE HAVE LOW EMPLOYMENT RATE AND LOW LIVING STANDARD (THAT AFFECT BIRTH RATE AND MIGRATION, AS TWO CURRENTLY VERY ALARMING AREAS). The average wage in the RS for September 2017 was BAM 830 and covered only 44.7% of the trade union’s consumer basket, which was BAM 1,858 according to the data from the RS Trade Union Alliance. The situation is even worse if we know that the average wage in the real sector is lower than average wage in Republika Srpska, and according to the data from the RS Tax Administration around 164,000 workers earn between BAM 370 and 610. This information is a clear indicator that a significant number of citizens live at a very low level and that they have minimum subsistence funds.

BESIDES BEING LIABLE FOR ITS OWN RESULTS, THE GOVERNMENT IS ALSO VERY MUCH LIABLE FOR THE POOR RESULTS OF THE ASSEMBLY. The RS National Assembly has the capacity to relatively quickly handle and put through a parliamentary procedure all materials delivered by the RS Government. Unlike the Government of the other entity or the BiH Council of Ministers, its materials have almost an uninterrupted flow in the parliamentary procedure. Therefore is the poor realization of planned obligations primarily the result of insufficient efficiency of the Government, i.e. of insufficient number of laws, strategies and other documents that the Government develops and puts forward into parliamentary procedure. Responsibility of the Assembly lies in the fact that it accepts such a situation and the subordinate position of figuratively being a service of the Government (or the “rapid water-heater, as occasionally called by the opposition), instead of exerting pressure, demanding observance of the deadlines, controlling the work of the Government, and removing the minister who fail to complete the tasks they are given.

REALIZATION OF THE MEASURES IN THE RS NATIONAL ASSEMBLY IN THE FIRST NINE MONTHS OF 2017 IS FOR ALMOST A QUARTER BELOW THE LEVEL OF REALIZATION IN THE SAME PERIOD OF THE PREVIOUS MANDATE. Compared to the current result of 138 measures, the result in the first nine months of 2013 is for 43 measures (or 31%) higher.

THE RS NA HAD CONSIDERED ONE THIRD OF ALL MEASURES CONSIDERED IN THE FIRST NINE MONTHS OF 2017 IN ONLY ONE MONTH - JULY. On the other hand, the MPs showed the highest efficiency, measured as relationship of time spent and the work done, in September, when they considered 15 measures in less than 9 hours of work, i.e. 1.7 measures per hour. But, it should be recalled that this efficiency is the result of removing the opposition from the session, which prevented a high number of MPs to take part in the discussion about the measures on the agenda. So, that kind of efficiency, which is unpleasantly reminiscent of single-mindedness, is not desirable in a democratic society. One is only to hope that it will just remain to be an exception to the rule.

LOW REALIZATION OF THE LAWS IS PARTICULARLY WORRYING. The total of 30 laws adopted in the first nine months of 2017 is for 22 laws less than the result of the first nine months of 2013. Actually, less laws were adopted in the first nine months of every of the three years of the current mandate than in the first three
years of the previous mandate. Thereat, only 14 out of 30 laws are new law – the rest are only amendments to the existing legislative acts.

SERIOUSNESS OF THE PROBLEM IS SEEN THE BEST IN REALIZATION OF THE PLANNED OBLIGATIONS – 3 MONTHS BEFORE THE END OF THE YEAR THE RS NA HAS TWO AND A HALF TIMES MORE LAWS TO ADOPT THAN IT ADOPTED IN ALL THE PREVIOUS 9 MONTHS. 42 out of 68 laws that according to the Work Plan should have been realized in the first nine months of 2017 were not adopted, meaning that if we are to add the plan for the rest of the year to this number the RS NA has started 4th quarter with 71 (completely or partially) unrealized laws.

THERE IS ALSO A VERY HIGH NUMBER OF STRATEGIES TO BE REALIZED BY THE END OF THE YEAR. Only 7 out of 19 strategies, which were to be realized in 2017, were adopted in the first nine months, and another was accepted as draft.

IT IS QUITE INTERESTING THAT EVEN SO POOR RESULTS OF THE RS NA ACHIEVED IN THE FIRST 9 MONTHS OF 2017 ARE BETTER THAN THE RESULTS OF THE HIGHEST LEGISLATIVE INSTITUTION OF THE OTHER BIH ENTITY. Even besides political problems and fierce conflicts between the ruling majority and the opposition in the RS NA, it is still having significant advantage since it has a stable majority, while no one knows for a while now if there is any parliamentary majority in the Federation of BiH at all.

THE NATIONAL ASSEMBLY OF REPUBLIKA SRPSKA DIDN’T FIND THE SOLUTION TO THE CONSTANT DELAY IN ADOPTION OF ITS ANNUAL WORK PLAN – WHICH THE CCI HAS BEEN CONSTANTLY POINTING OUT – IN IMPROVING ITS EFFICIENCY, TIMELY START OF THE REALIZATION, INCREASING RESPONSIBILITY AND INTRODUCING SANCTIONS FOR LATE EXECUTION OF THE OBLIGATIONS, BUT IN ADOPTION OF A REGULATION WHICH WILL PUT THIS EASYGOING PRACTICE INTO A LEGAL FRAMEWORK. Instead of the end of the year the new RS NA’s Rules of Procedure has actually set the end of first quarter of the year to which the plan relates as the deadline by which the work plan has to be adopted. So the National Assembly has enabled itself to work first three months of a year without an adopted annual (!) Work Plan and to do it “by the book” (as our politicians like to say). But.... Annual work plan has to be adopted before the year to which it relates. All other solutions, including the existing one, don’t have a stronghold in the logic and also have additional negative impact on the RS NA’s results.

NOT EVEN IN THE FIRST 9 MONTHS OF 2017 DID THE RS NA HOLD A SPECIAL SESSION AT WHICH IT WOULD DISCUSS AN ISSUE OF KEY IMPORTANCE FOR THE RS CITIZENS’ LIFE AND ITS QUALITY. There is no special, thematic session dedicated to exceptionally difficult situation in the healthcare sector. There are no special sessions on the situation in the economy, on the protection of domestic production, on the situation in the real sector, on the corruption, on the collapse of the banking system in the RS, on education, population growth and migration of youth and working-age population...

As a comparison, four thematic sessions were held in the House of Representatives of the FBiH Parliament in the first nine months of 2017 – on air pollution, on population migration, on the situation and perspectives of the wood processing industry and on the situation in agriculture in FBiH.

ALTHOUGH THE LEVEL OF REALIZATION OF THE LAWS IS VERY LOW, SOME VERY SIGNIFICANT LAWS WERE ADOPTED IN THE FIRST 9 MONTHS OF 2017. We would like to point out: the Law on protection of whistleblowers, the RS Criminal Code, the Law on taxation system, the Law of higher education, the Law on protection of population against communicable diseases, the Law on insurance agencies, the Law on general product safety in RS, the Law on veterinary sector, and the Law amending the Law on fighting organized and the most serious forms of economic crime.
ONE OF THE MOST IMPORTANT DECISIONS OF THE RS NA TAKEN IN THE REPORTING PERIOD WAS PREVENTING THE SALE OF THE IRON ORE MINE "LJUBIJA" AS IT WAS ENVISAGED BY THE RS GOVERNMENT. This actually may be the first serious demonstration of power and self-consciousness of the National Assembly, which unfortunately has been mostly acting as a service and not as a supervisor and a corrective agent of the executive authority, which is in fact one of the constitutional functions.

THE DECISION OF THE ASSEMBLY’S MAJORITY NOT TO PUT THE LAST AUDIT REPORTS AT THE AGENDA OF THE LAST SESSION HELD IN THE REPORTING PERIOD AS COMPLETELY OPPOSITE INTENTIONS. Although the Assembly's performance was positively evaluated in the disputed audit reports, the ruling majority has due to accusations addressed to the Government that the real budget deficit is actually 4 and a half times higher than the one presented by the Government given its contribution to the unacceptable behavior of the authority in this case instead of holding a reasoned discussion. And after unacceptable political pressures exerted on the institution that can perform its social duty only as an independent institution and which resulted in the resignation of the Chief Auditor and his deputy we were deprived of the possibility to have this important topic, which has stirred up the public, discussed at the most competent place – in the National Assembly of Republika Srpska.

UNLIKE IN THE STATE PARLIAMENT, WHOSE MEMBERS PROPOSE MORE LAWS THAN THE MINISTRIES OF THE BiH COUNCIL OF MINISTERS, PERFORMANCE OF THE RS NA’S MEMBERS IN THIS SEGMENT IS QUITE MODEST. One law proposed by the opposition (and adopted in the RS NA) is the only contribution made by the RS NA’s members in the first nine months of 2017. It has to be noted that the PDP party caucus has been listed in the Work Plan as proponent of 5 laws, and Advanced Srpska as proponent of three laws, but none of the laws was realized. The Administrative Commission of the RS NA, consisting of the RS NA’s member, should have put forward one law, but it failed to prepare it.

ALMOST TWO THIRDS OF THE RS NA’S MEMBERS HAVE PROFESSIONALIZED THEIR STATUS. 53 out of 83 members of the RS NA receive regular monthly pay for their work, i.e. they are employed by the Assembly. So…

MOST OF THE RS NA’S BUDGET IS SPENT ON THE EMPLOYEES’ PAYS– BAM 6.657.500 KM OUT OF BAM 10.051.500, WHICH IS THE BUDGET OF THE RS NA. Grants for the party caucuses are planned in the amount of BAM 500.000. It is certainly a very good example that there is enough room in the Budget for saving and redeployments that would yield more benefit for the citizens.

THE NATIONAL ASSEMBLY OF REPUBLIKA SRPSKA RECEIVED UNQUALIFIED OPINIONS BY THE SUPREME OFFICE PUBLIC SECTOR AUDITING OF RS ON ITS 2016 FINANCIAL REPORTS, AS WELL AS ON THE CONCORDANCE IN 2016. But, the Supreme office for public sector auditing concluded that “Obligations of the National Assembly of Republika Srpska in the amount of BAM 574.852, due on December 31, 2016 and included in execution of the 2016 budget, although available funds for the payment were not secured until the deadline for preparation and submission of financial reports, which is not in line with Articles 39 and 40 of the Law on budget system of Republika Srpska”.

CONCLUSION

APART FROM GOVERNMENT’S OBLIGATION TO ANSWER MPs’ QUESTIONS AND INITIATIVE, THE RULES OF PROCEDURE OF THE RS NA WERE VIOLATED IN THE REPORTING PERIOD ONLY BY THE BEHAVIOR OF THE MPs AT THE SESSION. Lack of mutual respect and appreciation amongst the MPs and
in communication between representatives of legislative and executive authorities (the Government and the RS President) is a continuous problem with no solution in the sight. It is a completely unacceptable vulgarization of the political space, and the responsibility for such behavior lies with all actors in the conflict. It is quite unlikely to have holders of the most responsible political functions not understanding the needs to foster dignity of the institutions and to act in a way that is far from good taste and communication that is acceptable for the public space and the institutions of authority.

AT THE END...

We would like to underline the need to bolster efficiency of both institutions by the end of the year and the end of the mandate, particularly in terms of realization of planned measures, focusing on laws and strategies.

We also underline the need of having both institutions adopting their 2018 Work Plans by the end of the year, and to have the RS adopting amendments to the Rules of Procedure that will clearly define the obligation to adopt the Work Plan before the beginning of the year to which it relates. And of course to observe this obligation in the future.

Most certainly the 2018 budget has to be adopted in line with the procedures and deadlines defined by the Law and with a broad public discussion.

We also underline the need to increase social sensibility within the institutions. As well as to align incomes and privileges of the politicians with the general situation in the society, but also to be fully transparent in that context (as well).

In their work both institutions should focus on the key citizens’ problems and on solving of the latter. They also should stop contributing to the raise of tensions in the country.

Serious attention has to finally be paid to the problem of “the birth dearth” i.e. to the problem of years-long and continues negative population growth which together with migration of young people and the working-age population threatens to extinct the entire area.

Audit reports and protection of independent institutions (Audit Office, courts, media…) from political pressures have to be put on the agenda of Assembly’s sessions as soon as possible, while hiring an independent, professional and international audit firm that will answer the questions concerning this case that are raised by the citizens of Republika Srpska.

And finally – not allowing (early) pre-election campaign to obstruct work of the institutions. Citizens’ interest must be above narrow-party and personal interests.