

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

**01.01 – 31.03.2015**

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**INTRODUCTION**

The intention of this report is to show and to point out main results of monitoring performance of the BiH Federation Government and the Parliament. Having in mind accessibility of all available session materials (minutes, stenographs, reports) and the fact that the members of the CCI’s monitoring team were present at the sessions, the *Report* was created after careful analyses, respecting the previous practice of fair and objective reporting.

At the very beginning it is important to say that the political establishment is still dealing with itself and producing negative energy in the society without ever showing any signs of social sensibility and feeling for reality of the present moment.

The first quarter of 2015 in the BiH Federation was completely characterized by outwitting between the members of newly established ruling coalition about ministerial positions in the new Government. All post-election promises and citizens’ hopes that the political parties and the newly elected authorities will finally start to deal with serious problems, which the citizens of this country are facing, have at least been seriously endangered when faced against party egoism and behavior that shows a complete lack of any intention for a change in attitudes of political actors towards others and the society in general.

The degree of demonstrated mistrust, maximalism and political blackmail, improperly placed focus of the new ruling coalition’s members – to division of the authority and power, instead to the process of identifying the objectives with regard to enhancing citizens’ quality of life and finding the right model for attainment of the objectives – do not portray a promising start. On the contrary, these are too much reminiscent of political fervor, irresponsibility and conflicts, which characterized previous mandate and represented a source of constant obstruction in performance of the authorities, as well as one of the reasons for further deterioration of the situation in the country and in the lives of the citizens.

Even though all actors at the political scene, as well as the parties of ruling coalition, have underlined how they understand that the citizens of the BiH Federation do not have any more time to lose, that piled up problems – amongst which the most prominent are enormously high unemployment rate and growing poverty – are pretty serious, and besides social consensus on the need of urgent reforms – and positive international pressure to the politicians – we are starting the new term with even larger delay than it was the case four year ago. We have waited for the Government until March 31, 2015 i.e. until the day when the “Decision on temporary financing of the BiH Federation” has ceased to be in force and when the possibility of complete financial blockage was hovering over the entity in case the BiH Federation budget for 2015 is not adopted.

And if all of that was not enough – the Government has barley started working and already there are announcements of how its work is to be obstructed. Yet again the citizens fear a rerun of the political circus that had been ongoing for the last four years and that has cost this country dearly and brought the citizens to the edge of endurance.

**FBiH GOVERNMENT I-III 2015**

**THE GOVERNMENT IN “TECHNICAL MANDATE” WAS WORKING UNTIL THE VERY END OF 1ST QUARTER, WHEN THE NEW GOVERNMENT OF THE BIH FEDERATION WAS FINALLY CONFIRMED AS THE RESULT OF DIFFERENT PRESSURES (INTER ALIA – THE THREAT OF FINANCIAL COLLAPSE OF THE BIH FEDERATION, IF THE BUDGET IS NOT ADOPTED).** This fact, together with the one about decision of the new parliamentary majority to practically ignore work of this government, was a key in determining results achieved in this period.

**RELATION BETWEEN THE GOVERNMENT AND THE PARLIAMENT WAS AT THE LOWEST POSSIBLE LEVEL DURING THE MONITORING PERIOD.** The Parliament has by a decision of the new ruling coalition’s parties completely ignored the work of the government in “technical mandate”, rejecting to consider measures that were realized by the Government. A total of 13 laws determined by the Government in this period were not considered by the Parliament. The Parliament did not want to adopt the budget prepared by the “technical mandate” government until the new BiH Federation Government formally adopted it. At the end the Parliament run out of the working material. Namely, after the 1st quarter (at the session held on April 9, 2015) the process of considering “inherited” documents in the FBiH Parliament was terminated by a conclusion of the newly elected FBiH Government by which the FBiH ministers and managers of the BiH Federation institutions were given a deadline of 15 days to decide if they want to withdraw from or to leave in the parliamentary procedure draft laws, proposals and other documents, which were adopted by the House of Representatives of the BiH Federation Parliament in the previous period, but were not considered by the House of Peoples. With the same conclusion the FBiH Government had withdrawn all draft laws, proposals and other document that were in the parliamentary procedure, but that were never considered by any of the Houses of the BiH Federation Parliament. The number of documents covered by the second conclusion is 35, whereof 29 are laws.

**UNTIL ITS LAST DAYS THE GOVERNMENT IN “TECHNICAL MANDATE” EXPRESSED THE INTEREST IN NEW APPOINTMENTS AND DISMISSALS.** Since the 2014 General Elections until the end of the first quarter of 2015 we have identified more than 80 different decisions, approvals and acts by which new directors and other officials of the public enterprises, institutions and members of steering and managing boards were dismissed and adopted. The members of new parliamentary majority reacted vehemently to these appointments, and this was not a reaction of principle, since they treat these appointments as a kind of an election catch and they want to do it themselves after the “zones of interest” are determined. On the other hand the CCI constantly underlines the need of an ample public discussion on this matter, which would consequently be regulated by a law, terminating partytocracy, limiting parties’ influence on employment procedures and drastically reducing the number of positions to which the parties can nominate their own people (being guided by the common sense logic and the best practices of the developed democratic countries). The present situation in which almost all positions/jobs in the country are occupied on account of party affiliation and not on account of professionalism and competence is completely inacceptable, immoral and very detriment to the society.

**THE FIRST QUARTER OF 2015 ENDED, AND THE BIH FEDERATION GOVERNMENT STILL DOES NOT PLAN ITS WORK.** The data indicate that the most successful first quarter in terms of performance efficiency of the BiH Federation Government during the past five years was the one in 2014 – the period when the BiH Federation citizens, being disappointed with the political climate and living standards, organized mass protests and even requested dismissal of the BiH Federation Government. The Work Program of the BiH Federation Government for 2015 was not on the agenda of the Government during the reporting period, which also means that the “FBiH Government Rules of procedures” and “Regulation on work planning and reporting on work of the FBiH Government” have been violated. Truth to be told, this is not a problem only characteristic of the BiH Federation Government, since, as a comparison, the RS Government, which was established four months ago, still did not adopt the 2015 Work Program. This is not an excuse, and it only portrays the degree of domestic politicians’ irresponsibility.

**TRANSPARENCY OF GOVERNMENT’S PERFORMANCE IS ONLY AT AN ACCEPTABLE LEVEL.** It is necessary to: provide for a download option for measures to be included in agenda of the sessions, to update the Government’s web site with minutes of the sessions, quarterly and annual performance reports, information on how ministers voted on laws and budgets, MPs questions and answers, etc. It is also necessary to secure transparency and regular update of information on public discussions, which would inter alia mean upload of the lists of laws and strategies for the current year that are to be considered through a public discussion, electronic documents, overview of participants’ proposals, reports of organizers on conducted public discussions, etc.

**TOO MANY SERIOUS PROBLEMS, WHICH NEED TO BE SOLVED AS SOON AS POSSIBLE, HAVE AWAITED THE NEW GOVERNMENT.** The number of unemployed at the BiH Federation level is dangerously close to 400.000, while the number of employed is below 450.000. The number of employed increased for 5.203 persons during four years of the previous mandate, and the increase in number of unemployed was five times higher (27.306). During the last four years the average net salary in the BiH Federation increased for only 18 KM, and amounted 815 KM in February, which is the lowest amount in the last year. The negative trend in population growth is also very much evident.

**THE NEW GOVERNMENT HAS AMBITIOUS PLANS – IT PLANS TO INCREASE NUMBER OF EMPLOYED FOR 6.000 IN 2015, AS WELL AS TO INCREASE AVERAGE SALARY DURING THIS YEAR.** Financial plan of the BiH Federation Employment Bureau for 2015 reads that the number of employed may increase for 1.4% in this year. The CCI finds that investments into the active employment policies have to be more significant, and it also welcomes the promise made by Prime Minister Novalić in his inaugural address in which he pointed out that he is to put additional efforts into restructuring of the Employment Bureaus.

**INAUGURAL ADDRESS OF PRIME MINISTER NOVALIĆ REPRESENTS A PROMISING START OF THE MANDATE.** The same day he accepted the mandate the FBiH Prime Minister, Mr. Fadil Novalić, delivered an inaugural address before the BiH Federation Parliament, promising: more responsible public spending, changes to the Law on civil service, implementation of the public enterprises restructuring program, implementation of the policies reducing tax burdens for the businesses, new Labor Law, simplification of the procedures to obtain construction, urban and energy permits, changes to the Bankruptcy Law, Law on public-private partnership, Law on concessions, Law on forests, establishment of an agro-fund/agro-bank having equal dispersion on the entire territory, enactment of the Law on gas, Law on BiH Pension and disability insurance institute and its organization, establishment of a Directorate for business organizations/companies management, establishment of an Agency for development of the sector for small and medium-sized companies, harmonization of the health care services and standardization of the list of essential medicines by cantons, etc. We do hope that these are not empty promises and that the words are soon to be translated into actions.

**FBiH PARLIAMENT I-III 2015**

**EVEN THOUGH THE GOVERNMENT IS APPOINTED, THE PROCESS OF ESTABLISHING AUTHORITHIES OF THE BIH FEDERATION IS ACTUALLY NOT COMPLETELY DONE.** The House of Representatives of the BiH Federation Parliament held its constituting session on December 2, 2014 when, apart from mandate verification, the MPs elected the collegium of the House and decided on composition of the working bodies in line with the election results. The members of the commissions and committees were elected at the next session, which was held on December 29, 2014. On the other hand the House of Peoples started its constituting session on January 15, 2015, but the House of Peoples is not complete – 4 Serb delegates are missing, still not even one vice president, again amongst Serb people, is elected, and by the end of the first quarter the positions on permanent working bodies were not allotted, which means that this House, and thereby the Parliament as well, are not in their full working capacity (in case of some Cantonal Assemblies we have witnessed that assemblies could not conduct discussions and make decisions due to non-existence of appropriate working bodies).

**SO FAR THE RESULTS OF THE NEW FBIH PARLIAMENT ARE DISAPPOINTING AND HAVE MORE OR LESS DEPENDED ON WAITING FOR AN AGREEMENT BETWEEN THE PARTY LEADERS.** Apart from the measures that were directed towards the constituting process, and some key documents relevant to financing of the BiH Federation, no other measures were realized at the Parliament in the first quarter of 2015 or in the last quarter of 2014. None of the Houses did consider any of the measures in this period, and all measures have waited for the new convocation having a “in procedure” status.

**IT IS AS IF WINNING AN ELECTION SURPRISES THE POLITICIANS, SO THAT THEY ARE COMPLETELY UNPREPARED FOR THE POST-ELECTION PROCESS. IT ALSO SEEMS THAT THEY CANNOT FOCUS ON MORE THAN ONE THING AND SINCE BEING CONCENTRATED ON NEGOTIATIONS ABOUT THE DISTRIBUTION OF AUTHORITIES, THEY DID NOT HAVE ENOUGH TIME TO WORK ON THE KEY WORK DOCUMENTS IN 2015.** Namely, none of the Houses of the FBiH Parliament did enact its 2015 Work program until the end of first quarter, and the budget, which was adopted on the last day of validity of the Decision on temporary financing for the first quarter of 2015, had been developed by the government in “technical mandate”. Even though the new Government did not wait on its formal appointment with its own budget proposal, it should have at least prepared a proposal of necessary corrections to the Budget drafted by the “government in technical mandate” instead of announcing revision of the budget only in next three months as if literally no one thinks a day ahead and everyone starts thinking about the next matter only when they finish the previous one.

**THE WORK ON ONLY TWO LAWS WAS COMPLETED IN THE BIH FEDERATION PARLIAMENT IN THE PERIOD 01.01-31.03.2015.** Both houses adopted the law on execution of the FBiH Budget for 2015 during the reporting period (more accurately on March 31, 2015). During the first quarter (30.01.2015) the House of Peoples of the FBiH Parliament discussed and adopted the Law on changes and addenda to the Law on budgets in FBiH in regard to financing of the City of Mostar (proposed by: caucuses of SDA, HDZ and DF in the House of Peoples), which the House of Representatives adopted at its session held on December 29, 2014.

**MARGINALIZATION OF WOMEN IN POLITICAL LIFE HAS BEEN CONTINUED BY ELECTIONS TO THE TOP POSITIONS WITHIN THE CAUCUSES AND WORKING BODIES OF THE FBIH PARLIAMENT.** No woman is occupying the top position in the party caucuses of the House of Representatives and in the People Caucuses of the House of Peoples. The male MPs and delegates were elected to these positions – a total of 8 men were elected chairs of the party caucuses in the House of Representatives of the BiH Federation Parliament, and three men were elected chairs of the People caucuses in the House of Peoples. Furthermore, out of 23 so far assigned chair positions on the permanent working bodies of the House of Representatives of FBiH Parliament 19 were assigned to male MPs and three to female MPs, while no positions on permanent working bodies were assigned in the House of Peoples of the BiH Federation Parliament during the reporting period. The positive fact in this context is election of a woman to the position of the Speaker of the House of Peoples of the FBiH Parliament, which obviously only represents “an exception that proves the rule”.

**BY IGNORING CITIZENS’ DEMANDS EXPRESSED AT THE FEBRUARY PROTESTS LAST YEAR, BUT ALSO ON MANY OCCASIONS AFTER THE PROTESTS, THE BIH PARLIAMENT STILL CONTINUES THE PRACTICE OF DISTRIBUTING “WHITE BREAD” TO ITS FORMER MEMBERS.** Even besides continuous advocacy to change the Law on wages and other benefits in the bodies of authorities of the BiH Federation and to terminate politicians’ privileges, which are in dissonance with the social-economic situation in the country (but also with results of their work), this resolute unisonous public stance is being continuously neglected. There is no money in the budget for many important things, but there is some for this – when explaining the FBiH Budget for 2015 the current Prime Minister underlined that an increase of 3.7 million KM is planned in the budget, since this is a year in which past members, who did not manage to find a job, are entitled to receive salary for another year. According to available data 42 members of the previous House of Representatives submitted a request for termination payments in line with the above-mentioned law, while the same was done by 12 delegates of the previous House of Peoples.

**DIFFERENT DEGREE OF TRANSPARENCY IN PERFORMANCE OF HOUSES OF THE FBIH PARLIAMENT IS EVIDENT.** It is best seen on the “most sensitive issue” – salaries. The House of Peoples of the FBiH Parliament has in the last year of its previous mandate made available the data on incomes of all delegates, announcing that these data are to be updated every three months, whereby it became the first and the only institution in BiH that transparently and in detail publishes incomes of every delegate. Opposite to the full transparency of the House of Peoples, the House of Representatives of the FBiH Parliament failed to act upon CCI’s request to make available information on incomes of the new members for the first three months of 2015.

**THE COUNTRY IS IN NEED OF OPTIMISM, BUT IT HAS TO A REALISTIC ONE.** Even though in their preliminary analyses the BiH analyst have underlined that the reforms must happen in the first 100 days of governance and that one can only hope that the government is to be established very quickly, and that absolute focus of new authorities is to be directed to the economic measures, the manner of how government was established, behavior of the institutions and political parties in that period, and subsequently the explanation of the FBiH Budget and the consequent discussion after it was forwarded into parliamentary procedure, have indicated that there is no enough room for positive actions and that too much optimism is not realistic and represents more a product of desire than a product of possibilities.

**CONCLUSION**

**UNFORTUNATELY POLITICAL CONFLICTS BEFORE APPOINTMENT OF THE NEW GOVERNMENT, AND EVEN AFTER IT WAS APPOINTED, HAVE NOT BEEN HAPPENING BECAUSE OF IMPORTANT THINGS SUCH AS SOLVING PILED UP PROBLEMS OF THE CITIZENS, FINDING A PATH TO LEAD THE COUNTRY OUT OF THE CRISIS, AND MOVING CLOSER TO THE STANDARDS OF THE EUROPEAN UNION.** The conflicts have been exclusively happening about the “chairs”, i.e. about “distribution of authorities” and control over the financial sources. Nothing is said about the things which should be in focus of the authorities, these being interests of the citizens, who elected them to solve their problems and to provide for a dignified life. Here, besides the conclusion on party egoism and social insensibility of the politicians, one can also conclude that they have not learn anything from the last year’s protests. We, as a society, can only hope that the parties will finally stop creating an atmosphere of conflicts and instability, leaving the government they established to do its job in the best interest of the citizens without standing in its way.

We urge the new Government to start working without losing any more time and to focus on the most significant problems of the citizens and the country. Actually we urge it to fulfil its promises stated in the inaugural speech of its first man. We also urge the parties, especially the ones of ruling coalition, to adhere to the commitments they accepted by signing the Statement on the European path of BiH.