

**Monitoring performance of the BiH Council of Ministers and PA**

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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 Council of Ministers and Parliamentary Assembly of Bosnia and Herzegovina. 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.

However, BiH progress on that path is still happening mainly thanks to the constant engagement of the international community, which manages in different ways to eliminate problems generated by the domestic politicians, who are prone to confrontations, having no culture of compromise and appreciation for the other, and even lacking respect for the rule of the law in their behavior. Thus, lacking elementary civilization values on which the European Union rests.

The Reform Agenda and implementation of the related Action Plan, Coordination mechanism, adaptation of the Stabilization and Association Agreement, and the release of census results…are all very important segments on our country’s path to the EU, which would either not happen or would remain a permanent obstacle on that path if left up to our politicians, namely if the resistance to positive developments was not removed by interventions of the “international community”.

This, unfortunately, speaks to the immaturity and destructivity of domestic political elite that puts its own narrow-party or personal interests before the interests of citizens whom it should serve, in order to remain in the power and to protect its privileges.

The state level authority, which functioned for a while as the only segment of authority in BiH that behaved responsibly and constructively, without generating any conflicts and blockades, failed to resist the imposed matrix of pre-election tension rising and incitement of conflict along ethnic cleavages. It inevitably reflected on functioning of the ruling coalition, as well as on the results of the BiH Council of Ministers and the BiH Parliamentary Assembly.

**BiH CoM I-VI 2016**

**CONTINUOUS GROWTH OF THE COUNCIL OF MINISTERS’ PRODUCTIVITY IN 2015 WAS STOPPED WITH A DECLINE IN THE FIRST QUARTER OF 2016, WHEREAFTER THERE WAS A SLIGHT IMPROVEMENT IN THE SECOND QUARTER, WHICH WAS INSUFFICIENT TO ACHIEVE RESULTS OF THE LAST QUARTER OF 2015.** From a total of 420 measures considered in 4th quarter of 2016, the BiH CoM arrived to 383 measures in the 1st quarter of 2016, and 396 measures in 2nd quarter.

**THE MOST SERIOUS CONSEQUENCE OF THE PROBLEM IN FUNCTIONING OF THE RULING COALITION IN THE FIRST HALF OF 2016 IS REFLECTED IN POOR REALIZATION OF THE LAWS.** Realization declined from 21 laws, determined before the Council of Ministers in the last quarter of 2015, to only 2 laws in the first quarter of 2016 and 7 laws in the second quarter.

**NINE LAWS DETERMINED IN HALF A YEAR IS ONE OF THE WORSE COUNCIL OF MINISTERS’ RESULTS IN THE LAST 6 YEARS.**  The only worst semi-annual result in the previous mandate was recorded at the end of 2014 election year, when the Council in “technical mandate” did not endorse any laws at all. On the other hand, the current Council of Ministers (with slightly changed composition) had in the second half of 2015 the best result in the last 6 years, determining almost three times more laws than in the first half of 2016, thus demonstrating that significantly better results can be achieved with a bit more will, mutual respect and focus on the true citizens’ problems.

**PERFORMANCE COORDINATION BETWEEN THE COUNCIL OF MINISTERS AND THE BIH PA WAS NOT ALSO AT THE RIGHT LEVEL IN THE FIRST HALF OF 2016, ADDITIONALLY DIMINISHING ACHIEVED RESULTS.** The endorsement procedure in the BiH PA is completed for only 2 out of 9 laws determined by the BiH Council of Ministers in the first half of 2016.

**AMONGST OTHER SIGNIFICANT MEASURES AND APART FROM THE 9 LAWS, THE BIH COUNCIL OF MINISTERS ALSO DETERMINED THREE STRATEGIES.** This number is two times lower than the number of strategies determined in the second half of 2016, but it is still above the previous mandate’s average. On the other hand...

**THERE ARE MANY SIGNIFICANT STRATEGIES WAITING TO BE ENDORSED.** BiH still does not have the Development Strategy and the Social inclusion strategy after the strategies for the period 2010-2014 expired, even though these strategies should provide main guidelines of future economic and social development of the countries and also provide quality approach to the IPA II funds. The employment strategy for the period 2016-2020 is still not completed and adopted, even though the plan was to start implementation of this strategy in this year. Furthermore, BiH still does not have a national Energy Strategy or the Law on gas even though since the last year it became the first country ever to be sanctioned by the EU Energy Community thus losing tens of millions of Euros from the Energy community funds, which are intended for energy related projects. The country has already missed significant IPA funds for agriculture development due to the lack of Rural Development and Agriculture Strategy. So...

**EVEN BESIDE SOME POSITIVE SHIFTS, THERE ARE STILL MANY PROBLEMS THAT ARE RESULT OF EXCLUSIVENESS POLICY AND THAT CAN EASILY BE SOLVED THROUGH COMPROMISE AND MUTUAL RESPECT BETWEEN ACTORS AT THE POLITICAL SCENE AS WELL AS BY WORKING IN THE INTEREST AND NOT TO THE DETRIMENT OF ALL CITIZENS.** Just to recall that the persistent labor in the previous year had led to, *inter alia,* materialization of possibilities for export of milk and dairy products to the EU, and moderate reactions to the obstacles that appeared on that road indicated that necessary determination and ability to face serious problems exist within the state authority. This determination and ability have led to some other accomplishments. For example to removal of BiH from the MONEYVAL grey list.

**AMONG THE POSITIVE ACTIONS TAKEN IN THE FIRST HALF OF 2016 WE WOULD LIKE TO HIGHLIGHT ENDORSEMENT OF THE MID-TERM WORK PLAN OF THE BIH COUNCIL OF MINISTERS FOR THE PERIOD 2016-2018.** This program, which was adopted on January 31, 2016, sets preconditions for quality development management in line with the competencies of the BiH Council of Ministers. Budget users are informed to plan the funds for the next medium term in line with the set strategic framework, namely to have implementation of programs and activities in direct line with the set strategic goals and financing of the priorities that enable implementation of these goals. On the other hand...

**Adoption of the 2016 work plan of the council of ministers was delayed again, although the delay was significantly smaller than in the last year.** Instead of being adopted at the beginning of the year to which it related, as set forth in the Council of Ministers’ Rules of Procedure, the 2016 Work Plan of the BiH Council of Ministers was adopted on February 9, 2016.

**REALIZATION OF PLANNED OBLIGATIONS IS UTTERLY POOR.** Only 12.5% of the legislative plan for 2016 was realized in half of the year – a total of 49 out of 56 laws were not realized at the end of first half of the year.

**REALIZATION OF REFORM AGENDA OBLIGATION IS ALSO LATE.** The action plan for implementation of the Reform agenda at the BiH Council of Ministers’ level was revised and published near the end of 2015, and it prolonged certain planned deadlines for the begging of 2016. The last Council of Ministers’ report on implementation of the Action plan under the competence of the BiH Council of Minister, 53% of the planned measures was completed implemented by the beginning of August 2016.

**TRANSPARENCY OF THE BIH COUNCIL OF MINISTERS IS CONTINUOUSLY AT A SATISFACTORY LEVEL.** But, the practice that could additionally increase it, and certainly be useful to and in interest of the citizens, is to have the draft budget of the BiH institutions and international obligations put to public discussion, and therefore the CCI proposes to have this document made available to the public at least 30 days before it is discussed at the session of the BiH Council of Ministers, whilst inviting civil society organizations and other interest groups and citizens to submit proposals and suggestions to the BiH Council of Ministers or to the Ministry of finance and treasury within a certain deadline. This practice would also apply to the work plan of the BiH Council of Ministers.

Just to mention in this context that this year’s budget does not give any possibility for so-called “discretional” budget spending by chair and deputy chair of the BiH Council of Ministers aimed at maximum transparency in spending of the budget funds, which was a multiple recommendation of the CCI. However, this option was kept for the members of the BiH Presidency and it is 6% from the total amount of funds for so-called “current reserves”. Basically, spending of the budget funds without clear and transparent criteria is inadmissible, and using this analogy, the institution and not an individual should make a decision for any spending of the budget funds and it has to be taken into consideration when adopting the budget for next year.

**AS PART OF IMPLEMENTATION OF THE REFORM AGENDA MEASURES F AND AIMED AT RATIONALIZATION OF THE PUBLIC ADMINISTRATION OR AT LEAST AT ACHIEVING HIGHER CONTROL OVER ITS GROWTH, THE OBLIGATION OF OBTAINING APPROVAL FROM THE COUNCIL OF MINISTERS FOR NEW EMPLOYMENTS IN THE STATE INSTITUTIONS HAS BEEN INTRODUCED IN THIS REPORTING PERIOD.** But, since increase in number of the employed in the state administration is expected in the process of approximation to the EU aimed at meeting obligations that are to be set before the country, it is necessary to firstly conduct a serious (external) analysis, rationalization and optimization of job positions in the administration. It is also necessary to conduct consistent depoliticization and de-partyzation of appointments and employments in the BiH public sector, because political and party based appointments and employments in very important agencies, institutions and public companies lead to low efficiency, negligence, lack of responsibility to the law and to politicization of the service, since party based employments mean being responsible to the party, and not to the institution, the law and the citizens. The institutions are permanently weakened and changes for social prosperity are lowered by employment of suitable and not the eligible candidates.

Since both domestic non-government organizations and international institutions reviewed the present public administration reform in BiH as very poor, especially in terms of politicization i.e. excess influence of political parties to appointments, employments and decision-making processes in the bodies of authority and public enterprises, and since it is one of the most significant challenges standing in the way of successful reform, the Centers for Civil Initiatives underscore the need of public administration reform that will ensure depoliticization, and employment of the best candidates, and that will insist on professionality, integrity and efficiency of public administration and pubic services. It can be only achieved by improving legislation and by adopting a systematic legal framework for the entire public sector. The first step is the Civil Servants Law that would more rationally, fairly and universally regulate the status of all civil servants, not only the ones in the public administration, but also the ones in the health care, education, police, and army sector. It is in the interest of the citizens and their needs to have a capable, efficient and rational public administration.

**BiH PA I-VI 2016**

**BOTH HOUSES OF THE BIH PARLIAMENTARY ASSEMBLY HAD RELATIVELY LOW PRODUCTIVITY IN THE FIRST HALF OF 2016.** A total of 205 measures that were considered in the House of Representatives and 115 measures that the House of Peoples considered during the reporting period are below the average of the previous mandate.

**POOR RESULTS ARE CONSEQUENCE OF A DRAMATIC DECLINE OF PRODUCTIVITY IN THE FIRST QUARTER OF 2016.**  Following good results of the last quarter of 2015, productivity of the House of Representatives dropped for a half in the first quarter of 2016 (from 150 to 76), and the House of Peoples’ productivity dropped to almost one third (from 136 to 50). There was a slight improvement in the House of Peoples during the second quarter (56 measures considered) and a more significant one in the House of Representatives (129). On the other hand...

**UNLIKE THE COUNCIL OF MINISTERS, THERE HAS NOT BEEN A DECLINE OF PRODUCTIVITY IN THE LEGISLATIVE SEGMENT, BUT IT RATHER GREW CONTINUOUSLY SINCE THE 3RD QUARTER OF 2015.** Simply, poor realization of the Council of Ministers in this segment during the first half of 2016 did not affect productivity of the BiH PA, since a great number of laws earlier determined by the Council of Ministers or proposed by other proposers was in the procedure so the Assembly had something to do.

**THE FINAL RESULT IN THE LEGISLATIVE SEGMENT IS AMONGST THE BEST ONES IN THE LAST 6 YEARS.** 12 laws adopted in the first half of 2016 is identical to the number of laws adopted in the previous ear, which almost two times higher than the average of the previous mandate. However, it is relatively small number of laws, which is evident from the fact that number of laws planned for 2016 is above 80 in both Houses of the BiH PA.

**THE PROBLEM THAT MAKES THE BIH PA AN ENDEMIC PHENOMENON AT THE GLOBAL LEVEL AGAIN BECAME EVIDENT IN THE FIRST HALF OF 2016.** While the percentage of rejected laws in majority of the parliaments worldwide is negligible in relation to the number of endorsed ones, the BiH PA had the same number of rejected and endorsed laws in the first 6 months of 2016. It has been a continuous problem in performance of this BiH institution, which is a direct consequence of nonconformity on elementary issues within the country. A drastic example is year 2016 – when the BiH PA adopted 14, and rejected 21 laws.

A significant improvement in relation to the previous years is the fact that fewer laws proposed by the BiH Council of Minister were among rejected ones (3 out 12). Earlier the situation where the parliamentary majority, consisting of the same parties as the Council of Ministers, rejected a great number of Council of Ministers’ laws signaled utter dysfunctionality of the state level authority. Anyway...

**ADOPTION OF THE 2016 ORIENTATION WORK PLANS OF BOTH HOUSES OF THE BIH PA WAS DELAYED.** Instead of being adopted by the end of 2016, the 2016 orientation work plan of the House of Representatives was adopted on March 16, 2016, and the plan of the House of Peoples was adopted on April 4, 2016. So in the first quarter of 2016 the BiH PA worked using *ad hoc principle*, without precise deadlines for realization of planned activities, which should not be a characteristic of the highest legislative institution in BiH or of any other institution of authority in BiH for that matter.

**THE 2016 BUDGET WAS ADOPTED IN LINE WITH LEGAL DEADLINES, BEFORE THE END OF 2015.** The budget provides an amount of 950 million KM for financing of BiH institutions, while a bit more than 770 million KM is provided for external debt servicing (approximately 157 million KM more compared to the 2015 budget). Talking about the debt….

**EXTERNAL DEBT HAS BEEN DOUBLED OVER THE LAST NINE YEARS AND TOGETHER WITH INTERNAL DEBT IT WAS ALMOST 12 BILLION KM AT THE END OF 2015.** The total debt of RS exceeded 60% of gross domestic product, and in the BiH Federation it is around 38%. These are the figures before the newest IMF loan of more than 1 million KM

**A VERY POSITIVE CHARACTERISTIC OF THE PARLIAMENTARY ASSEMBLY, AMONGST ALL LEGISLATIVE INSTITUTIONS IN BIH, IS A SIGNIFICANT NUMBER OF LAWS PROPOSED BY MEMBERS OF THIS INSTITUTION.**  In the first half of 2016 the members of the Parliament, as individuals or members of formal or informal groups, proposed identical number of laws as the BiH Council of Ministers – 28 each. On the other hand the fate of these laws in a certain way reversed – while amongst the laws proposed by the BiH Council of Ministers 8 were adopted and three rejected in the reporting period, the situation with the laws proposed by the MPs was rather different; 4 were adopted and 9 were rejected.

**FOR MANY YEARS NOW THE CCI HAS BEEN WARNING ABOUT UNACCEPTABILITY OF THE SITUATION WHERE BIH STILL DOES NOT HAVE A RELEVANT STRATEGIC DOCUMENT FOR ACCESSION TO THE EUROPEAN UNION: “PROGRAM ON BIH EUROPEAN INTEGRATION PROCESS”**. The last precondition for adoption of this document was met by endorsement of the “Coordination Mechanism”. The document should consolidate all existing obligations and simplify planning and monitoring of the entire BiH European integration process, as well as specify dynamics for implementation of all segments of the BiH’s EU path, the plan for harmonization of domestic legislation with the EU legislation, and it should also give a cost assessment.

**The incomes of the MPs are still inappropriately high.** Even though the current BiH government has exhibited certain social sensitiveness in the last period since it finally terminated so-called “white bread” as well as remunerations for the work in managing and steering boards and ad hoc commissions during the working hours, the incomes of the State level officials, ranging between 4.800 to 6.500 KM, are still not in line with the economic and social situation in the country, citizens’ incomes and European standard according to which the officials’ incomes should not exceed 3 to three and a half average wages in the country, which should be addressed with a comprehensive reforms concerning wages and other benefits at the State level.

**THE BIH PA’S TRANSPARENCY IS CONTINUOUSLY AT AN ENVIABLE LEVEL.** For a long period of time the BiH PA has been an institution that reached a respectable level of transparency. This also relates to the BiH PA’s website that represents an excellent example to other institutions that want to grow in this context in terms of its functionality, amount of the data and regular update.

**THE BIH INSTITUTIONS STILL CONTINUE TO SYSTEMATICALLY DISCRIMINATE BIH CITIZENS AND TO VIOLATE THE INTERNATIONAL LAWS.** The BiH PA House of Peoples is still functioning without a representative of “Others”. Even though the European Union is presently not insisting on implementation of the decision of the European Court for Human Rights in case “Sejdić-Finci” i.e. it does not use it to condition the BiH progress on the European path, such “flexibility” of the European Union cannot be an excuse for the domestic authorities to give up on implementation of the decision, since the reason for implementation of the decision is not given in any of the EU demands and it does not rest on the fact that we are to lose any benefits, primarily the financial ones, if we fail to implement the decision, but the reason for implementation of the decision should (and has to) rest on the fact that BiH does not want to be a country that violates human rights of its citizens.

**CONCLUSION**

At the end we would like to invite representatives of the ruling coalition, who are members of the BiH Council of Ministers and the BiH Parliamentary Assembly to focus on their work and to increase work intensity and productivity in the next period, trying to mitigate the consequences that the campaign for local elections also had on the work of national authorities.

Improvement in citizens’ quality of life and approximation to the EU and its standards can be only achieved by getting the focus back on the true problems of the citizens and by channeling the energy to solution of these problems.

We can only hope to see the return of positive energy and constructive work on the common goals, in the interest of us all. Last year this energy and work led to significant results that were used to forecast movement of economic parameters in this year. As a reminder…It is expected that the year 2016 will bring around 3.2% growth of BiH, a 6.9% growth of investments and approximately 4% growth of industrial production, which should result in more intensive foreign trade exchange with the world. Furthermore, the information of the BiH Directorate for Economic Planning on BiH perspectives in the period 2017-2019 inter alia reads that the growth of BiH economy in 2017 could be 3.5%. Of course, it all depends on implementation of the Reform Agenda i.e. on implementation of different reforms and activities and in principle on ruling political parties’ choice of action in the forthcoming period – whether they will continue to deal with senseless and imposed conflicts or with the problems significant for the lives of this country’s citizens.