

**Summary of the report on monitoring performance of the FBiH Government and Parliament**

**January 1 - June 30, 2016**

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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 Government and Parliament of the Federation 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.

Political instability in the BiH Federation is becoming a permanent category. Narrow-party or personal interests, which if necessary are wrapped into national interests and which in reality neglect interests of the citizens and the community, hinder any lengthier period of political stability and work that is dedicated to general social good i.e. to the interests of this country’s citizens. As on a conveyer belt, the problems are coming one after another.

After only several months of relative stability at the end of 2015, and rekindled hope that the government will really focus on the Reform Agenda, Euro-Atlantic integration and on solving of the key citizens’ problems, amongst which the biggest are unemployment and therewith associated poverty, again in 2016 we became witnesses of mutual conflicts within governing coalition and obstructions in the work of the government’s institutions. Actually, we are witnesses to a situation where government is dealing only with itself.

The government is not functioning as a single harmonious organism with a specific common objective, but it rather uses the usual method of governing in BiH – that each party has “its” ministries through which it implements party-related and not the jointly harmonized policy of the ruling coalition, and it consequently generates problems and disbelief.

And of course, all of this reflects on the work results of the authorities, especially on the work results of the Parliament, where the initial inconsistency generates problems in finalization of the work and in functioning of the institution.

**FBiH PARLIAMENT I-VI 2016**

**PROBLEMS IN RELATIONS WITHIN THE RULING COALITION AND IN FUNCTIONING OF PARLIAMENTARY MAJORITY HAVE OCCASIONALLY SIMPLY HINDERED WORK OF THE FBIH PARLIAMENT, CAUSING A GREAT NUMBER OF POSTPONED SESSIONS AND INTERRUPTIONS IN THE SESSIONS DURING THE FIRST QUARTER OF 2016.** Alongside 7 held sessions of the House of Representatives of the FBiH Parliament in the first half of 2016, we note 5 failed attempts to hold a session. We also note 4 failed attempts to start the work in the House of Peoples, which held 13 sessions. Additional 5 sessions (1 of the House of Representatives and 4 of the House of Peoples) were interrupted for various reasons, amongst which were the conflicts within the ruling coalition.

**CONSEQUENCES OF SUCH WORK HAVE DIRECTLY REFLECTED ON EFFICIENCY AND PRODUCTIVITY IN THE REPORTING PERIOD.** Simply, when a problem occurred, everything else was put on hold. Let’s just look at the most recent example – 14th regular session of the House of Peoples, which started on June 23, and had 25(!) items on the agenda, amongst which some extremely important ones, such as the Debt Management Strategy, was already interrupted after the first (!) agenda item due to inter-coalition disagreement on Law amending the Law on conducting of control of legality of exercising rights in area of soldier and invalid protection. Not to mention procrastination with the Law on games of chance.

**THE FINAL RESULT IS SIGNIFICANTLY LOWER PRODUCTIVITY IN RESPECT TO THE PREVIOUS COMPOSITION.** In the first six months of 2016 the House of Representatives of the FBiH Parliament considered 67 measures, which is for 33 measures less than the result of previous composition in the first half of the second year of its mandate (2012**).** Difference in the House of Peoples is smaller, but the result is still negative – the House of Peoples considered 84 measures in the reporting period, which is for 14 measures less than the result of the first half of 2012.

**DECLINE OF PRODUCTIVITY IN THE SECOND QUARTER, FOR EVEN 50% IN THE LEGISLATIVE AREA, RESULTED IN PARLIAMENT REALIZING ONLY 15 LAWS IN THE FIRST SIX MONTHS OF 2016.** Two laws under urgent, two laws under shortened procedures, while 11 under regular procedure. It is a result far worse than the result during adequate time periods of both previous mandates.

**INFORMATION THAT REALIZATION OF THE LAWS FROM THE 2016 WORK PLAN WAS ONLY 6% BY JUNE 30 PORTRAYS HOW POORLY THE FBIH PARLIAMENT REALIZES THE LAWS!** Out of 15 laws enacted in first half of 2016, only 9 were planned in the 2016 Work Plan of the House of Representatives. According to that plan, realization of 144 laws is planned by the end of the year.

**THE HOUSE OF REPRESENTATIVES OF THE FBIH PARLIAMENT ADOPTED THE 2016 WORK PLAN ON MAY 18, 2016, AFTER A FIVE-MONTH DELAY, WHILE THE HOUSE OF PEOPLES OF THE FBIH PARLIAMENT FAILED TO MEET THIS RULES OF PROCEDURE’S OBLIGATION.** Violation of the Rules of Procedure’s obligation to adopt the work plan has been an unremitting problem in the work of the FBiH Parliament, i.e. in the work of its Houses. Last time that this institution adopted the Work Plan was four years ago, in 2012.

**THERE IS NO EXPECTED REBALANCE OF THE BUDGET FOR 2016 IN THE FBIH PARLIAMENT.** It is the result of waiting for the epilogue of negotiations with the IMF, and for the outcome of newest political conflicts in the country in which the signing of agreement with the IMF is used as a method of political struggle. The 2016 budget was actually adopted on time, i.e. within legal deadlines – before beginning of the year to which it relates.

**BESIDES THE LAWS, THE FBIH PARLIAMENT'S REALIZATION OF STRATEGIES IS UTTERLY MODEST.** Since the beginning of the current term of the FBiH Parliament (both Houses) has only adopted the Medium-term Strategy for development of agricultural sector in the FBiH for the period 2015-2016, which was adopted in the middle of last year. In the first half of 2016 the Debt Management Strategy was adopted in the House of Representatives of the FBiH Parliament, but the House of Peoples is still to discuss it. As a comparison, the RS National Assembly adopted 9 strategies in the first half of 2016.

**THE HOUSE OF PEOPLES OF THE FBIH PARLIAMENT HAS AT THE END OF REPORTING PERIOD FINALLY MET ITS CONSTITUTIONAL OBLIGATION BY ELECTING THE DEPUTY SPEAKER FROM AMONG SERB PEOPLE.** Unfortunately, year and a half passed from the first part of the constituting session until completion of the House of People’s management. And unfortunately, deputy speaker was elected only after the Serb people’s Caucus in the House of People of the FBiH Parliament decided that its delegates would no longer participate in work of this House until this issue is resolved. In doing so, they also reminded of the years-long problem of incomplete composition of the Serb people’s Caucus in the FBiH Parliament, which is practically not being addressed at all. As a curiosity we note that parties that insist on “legitimate representatives of the peoples” did not elect candidate proposed by the Serb people’s Caucus, Željko Mitrović from SDP, but they elected a delegate from SNSD, Drago Puzigaća.

**THE HOUSE OF PEOPLES HELD 2 THEMATIC SESSIONS IN THE REPORTING PERIOD, WHICH CCI HAS BEEN RECOMMENDING FOR A LONG PERIOD OF TIME AS A MODEL OF COPING WITH THE KEY COMMUNITY’S PROBLEMS EFFICIENTLY AND TRANSPARENTLY.** The first session entitled “Information on the state of energy sector in the FBiH with proposal of measures” was held on January 22, 2016. The second session of the House of Peoples of the FBiH Parliament entitled “Information on the state of healthcare sector in the FBiH with proposal of measures” was held on June 30, 2016. It has to be pointed out that the last session dedicated to the healthcare was held in the Parliament 10 years ago. Here we are talking about a sector that has alarming problems.

**THE FBIH PARLIAMENT HAS EXCEPTIONALLY HIGH PERCENTAGE OF MEMBERS WHO HAVE PROFESSIONALIZED THEIR MANDATE.** A total of 83 out of 98 members of the House of Representatives and 47 out of 54 members of the House of Peoples are on the Parliament’s payroll.

**TRANSPARENCY OF THE FBIH PARLIAMENT IS AT A SATISFACTORY LEVEL.** But, there are significant problems and a lot of room for improvement of transparency. One of the problems is non-transparent attitude of the Parliament in terms of MPs’ incomes. The House of Peoples, which, for a while, was a shining example by periodically publishing information on incomes of the House of People’s members on the website of the House, has terminated this positive practice since the beginning of the year.

**FBiH GOVERNMENT I-VI 2016**

**THE GOVERNMENT OF THE BIH FEDERATION HAS ENORMOUSLY INCREASED NUMBER OF URGENT SESSIONS, BUT IT IS NOT IN RESPONSE TO ACCUMULATED CITIZENS’ PROBLEMS AND DELAYS IN REALIZATION OF THE WORK PLAN.** In the first half of year 2 of the term (2012) previous Government held one urgent session, in the first half of 2015 there were two of these sessions held, while in the first 6 months of 2016 it held 21 urgent – telephone sessions. Of course, we do find holding of urgent sessions, even by phone, justifiable and desirable at times urgent issues occur. But, the issues concerning appointments to and dismissals from managerial positions in public enterprises and administration are certainly not urgent even though they are a frequent topic of the telephone sessions.

At the same time, Secretary of the Government rarely manages to contact all members of the Government and the minutes note that these members were “unavailable” without giving any explanation about where they were and what they were doing at that time. During the first half of 2016 the members of the Government who were most unavailable for telephone sessions were Minister of agriculture, water management and forestry Šemsudin Dedić, and Minister of Culture and Sport Zora Dujmović, each failing to answer 10 out of 21 telephone sessions.

**ON ONE SIDE, WE STILL HAVE PUBLIC ADMINISTRATION IN THE BIH FEDERATION THAT HAS NOT BEEN REFORMED, AND ON THE OTHER, WE HAVE CONTINUANCE OF APPOINTMENTS TO MANAGERIAL POSITIONS ACCORDING TO PARTYOCRACY INSTEAD OF MERITOCRACY.** Legislation concerning appointments and employment to managerial positions in the BiH Federation’s public sector (public administration and public enterprises) is still in disarray and is insufficiently harmonized with the SIGMA and EU standards, but it did not disturb the current Government to realize more than 180 such measures in six months. Neither transparent procedure of drafting public vacancies with clear criteria nor the competencies of selected persons were the grounds for selection of candidates during this process, while employment in public enterprises without proper recruitment procedures being conducted represents a common practice.

**HOWEVER, IN THE FIRST HALF OF 2016 THE BIH FEDERATION GOVERNMENT HAD THE HIGHEST PRODUCTIVITY IN THE LAST SIX YEARS.** With 1646 measures discussed the Government achieved 20% higher productivity than in the first half of 2014, which had the best result until now.

**QUANTITY DOES NOT NECESSARILY MEAN QUALITY, SO THE NUMBER OF MOST SIGNIFICANT MEASURES THAT SYSTEMATICALLY SOLVE THE PROBLEMS DOES NOT FOLLOW GENERAL PRODUCTIVITY.** A total of 42 laws endorsed in the reporting period (30 as proposals and 12 as drafts) represent a decrease by 18% compared to what was realized in 2012., and a decrease by 45% in terms of number of laws endorsed in the first half of 2014. When we take into consideration the utterly modest result concerning endorsement of the strategies as well as serious problems in realization of the Work Plan, we can see that the Government was not focused on key citizens’ problems and their resolution during the first half of 2016.

The official data warn of excessive number of employees in public administration, and on the other side there is lack of qualified personnel that can and know how to conduct legislative process and to prepare laws and strategies (regulatory impact analysis, financial assessments, public consultations), which poses a serious problem.

**AN AMBITIOUS LEGISLATIVE PROGRAM TO REALIZE 106 LAWS DURING THE CURRENT YEAR REPRESENTS A BURDEN THAT THE CURRENT GOVERNMENT CANNOT BEAR – AT THE END OF THE FIRST SEMESTER FOUR-FIFTHS OF THE LEGISLATIVE PLAN FOR THIS YEAR WERE NOT REALIZED BY THE GOVERNMENT.** By June 30, 2016 the FBiH Government endorsed only 21 out of 106 laws from the annual Work Plan. Namely, it realized only 20% of the plan. If the approach to realization of the defined 2016 legislative plan does not extremely change in the months to come, the BiH Federation Government will have devastating results in this area at the end of the year.

**REALIZATION OF PLANNED STRATEGIES IS EVEN WORSE THAN REALIZATION OF THE LAWS.** Out of 12 strategies that according to the Government’s 2016 Work Plan should be endorsed in this year, only one strategy – “The BiH Federation Transport Strategy for the period 2016-2030” was realized by June 30, 2016.

**THE FBIH GOVERNMENT WAS AGAIN LATE WITH ADOPTION OF ITS ANNUAL WORK PLAN.** The 2016 Annual Work Plan of the FBiH Government was adopted on February 2, 2016, which means that Government’s Rules of Procedure, which precisely define the obligation to adopt the Work plan for a certain year before the end of previous year, was violated. It is a constant problem in the work of the FBiH Government. In the last 10 years the Work Plan of the FBiH Government was adopted on time only once. But, the Government is violating documents more significant than its Rules of Procedure...

**IN THE FIRST HALF OF 2016 THE CONSTITUTIONAL COURT ON TWO OCCASIONS CONCLUDED THAT THE FBIH CONSTITUTION WAS VIOLATED BY THE CURRENT GOVERNMENT, AND YEARS-LONG PRACTICE OF VIOLATION OF MANY LAWS AND REGULATIONS HAS BEEN CONTINUED.** During the first half of 2016the Constitutional Court of the BiH Federation had on two occasions passed decisions by which it ruled certain Government’s actions, i.e. documents it passed, to be inconsistent with the Constitution. On the other hand, in the last reports the BiH Federation auditor noted a series of laws and regulations that the ministries and other important institutions of the BiH Federation Government have been violating without even considering adequate sanctioning of the persons responsible. The following laws and regulations are being violated: Law on internal audit in the public sector of FBiH, the FBiH and BiH Public Procurement Law, Law on subsidies to agriculture and rural development, Regulation on the method and criteria for preparation, drafting and monitoring of realization of public investment programs in FBiH, Law on execution of the 2015 Budget, Law on contributions, Law on income tax, Rulebook on methods of calculation and payment of contributions, as well as Regulation on accounting of the budget in FBiH, the Law on rights of soldiers and members of their families, Law on conducting of control of legality of exercising rights in area of soldier and invalid protection, etc.

**THERE IS NO CHANGE CONCERNING THE LAW ON GENDER EQUALITY IN BOSNIA AND HERZEGOVINA.** The BiH Federation Government continues to violate this law, ignoring the obligation on representation of an underrepresented gender with at least 40%.

**CONCLUSION**

**PRE-ELECTION RISING OF TENSIONS HAS SPOILT SOME SIGNIFICANT PROGRESS.** At the end of first quarter of 2016, the BiH public rejoiced the news about the intention to hold a joint session of the two entity governments and the BiH Council of Ministers at the beginning of second quarter of this year. The topic planned for this first ever session was harmonization of economy laws in both entities. However, not only was the session not held, but the relations between the key stakeholders on the political scene have turned utterly cold due to numerous problems that were generated in the meantime.

Therefore, the Centers for Civic Initiatives express their regret and urge the stakeholders on the political scene not to direct political campaign towards conflicts, animosities and cheap political points that are going to cost all of us dearly.

We recommend a return to the Reform Agenda, to meeting the conditions on the path of Euro-Atlantic integration, to building trust and mutual understanding and to putting the key citizens’ problems in the focus of political interest.

In this context, CCI is forwarding several concrete recommendations to the Government and Parliament, and here we would like to highlight only some of them:

* Realization of the measures from the Work Plan has to be urgently accelerated.
* It is necessary to amend or to endorse a new “Law on civil service in the FBiH” as soon as possible, and this time it should be truly reformed in line with SIGMA principles and EU standards;
* More investments have to be put into development of professionally qualified and politically neutral personnel in relation to normative activity. One must ensure that most qualified and politically unbiased personnel is working on regulatory impact assessment, preparation and subsequently on monitoring the regulatory impact of laws and other regulations in BiH.
* “The Employment Strategy of the BiH Federation for the period 2016-2020” has to be urgently adopted;
* A functional “Office for cooperation with non-government organizations” has to be established; and...
* A normative-legal document that would regulate citizens’ participation in drafting of legislation in BiH should be prepared and adopted by the end of first half of the FBiH Government’s term. Special accent should be placed on the process of organizing public discussions.