



EUROPEAN COMMISSION

Directorate-General Enlargement

D - Financial Instruments and Regional Programmes

**D4 Institution Building**

## **2008 GOVERNANCE OVERVIEW for BOSNIA AND HERZEGOVINA\***

The public administration reform is a key priority of the European Partnership. There has been some progress. The Public Administration Reform Co-ordination Office has made significant progress in terms of staffing and the implementation of the Public Administration Reform Strategy and its accompanying Action Plan have been continuously monitored. However, administrative structures remain cumbersome and in some cases fragmented, therefore prone to duplication and unclear division of powers. Transparency of public activities is hampered by political pressure on public external audit institutions and by limited implementation of the Freedom of Access to Information Act.

**Civil Service:** The State Civil Service Agency has remained active in organising and providing training on different topics for all civil servants. However, harmonisation of the three Civil Service Laws is still pending. The civil service is in need of professionalisation, transparent and efficient recruitment procedures and modern career development. There is still need to limit political interference and the role played by ethnic identity and party membership in public administration.

**Anti-corruption policy:** No progress has been made towards ensuring proper implementation of the 2006 National Anti-Corruption Strategy and the associated Action Plan. The improvements include enforcement of the legal framework and improvement co-ordination and training of the agencies involved in fighting corruption and seizure of the instruments and proceeds of crime. The Law on conflicts of interest was actively implemented, however there is room for improvement. There are no legal measures in place to ensure confidentiality and protection of civil servants reporting corruption. No independent anti-corruption agency has been established. There is lack of political will to implement actions to combat corruption in line with the 2006 strategy.

**Public procurement:** Limited progress has been made in this area. The staffing of the Public Procurement Agency is rather limited. There has been no major progress in terms of legislative alignment. Proper implementation of public procurement procedures across the country is not yet ensured.

**Public Internal Financial Control (PIFC):** Limited progress has been achieved in this area. A working group has been established to draft comprehensive PIFC policy papers to guarantee balanced development of control and audit systems. No tangible results have been produced so far. Overall, the preparations in the area of financial control remain at an early stage. The introduction of comprehensive PIFC policies is still awaiting the outcome of the PIFC Policy Working Group. Further work relating to the status of the Supreme Audit Institutions and of the quality of external audit is needed.

*Twinning and SIGMA Co-ordination Team*

---

\* Source: Bosnia and Herzegovina 2008 Progress Report, {COM(2008) 674}, 5/11/2008