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## **Bosnia and Herzegovina priorities report 2014**

OECD



# SIGMA

A joint initiative of the OECD and the EU, principally financed by the EU



Creating Change Together

## **PRIORITIES**

### **BOSNIA AND HERZEGOVINA**

**MAY 2014**

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## 2014-2020 SIGMA COUNTRY PRIORITIES FOR PUBLIC ADMINISTRATION REFORM – EXPLANATORY NOTE

### **Aim and structure of proposals**

SIGMA has identified the following country priorities for public administration reform (PAR), which are a continuation of the 2013 and 2014 SIGMA assessments and part of a longer-term programme of work. Priorities cover the overall PAR needs of the country, including areas which were not covered by the assessments. Priorities in areas outside the scope of SIGMA assessments are based on other analytical sources and SIGMA's practical experience of working with the country. SIGMA proposes priority 2020 targets for the countries, sub-targets when needed, and sequenced priority activities in 1-2, 3-5 and 5+ year time perspectives.

## BOSNIA AND HERZEGOVINA

### 2014-2020 SIGMA COUNTRY PRIORITIES

**The following priority targets are proposed for Bosnia and Herzegovina for 2020:**

1. A functioning strategic and management framework of public administration reform (PAR) which ensures, through overall political steering and monitoring of performance, a prioritised approach to reforms aligned with available financial and human resources.
2. A professional civil service, in line with EU principles, is in place through the implementation of adopted civil service legislation and adequate human resources management (HRM) tools, and it is supported by central management capacities that have the authority and resources to ensure coherent standards and common practices at all administrative levels in Bosnia and Herzegovina (BiH).
3. A robust annual budget system that is based on a medium-term budgetary strategy and includes all sectors, in conformity with EU standards; a public internal financial control system (PIFC) for the entire public sector, in compliance with EU principles, standards and methods; effective parliamentary oversight, supported by an operationally and financially independent Supreme Audit Institution (SAI).
4. The public procurement system, including public-private partnerships (PPPs)/concessions, is in place and fully operational, in accordance with EU rules and good international practice. Public procurement operations provide value for money, are sustainable under budgetary limitations and projections, and stimulate economic growth. Contracting authorities, economic operators and civil society have confidence in the fairness and integrity of the system. Corruption and fraud have been significantly reduced.

## STRATEGY AND REFORM

### STATE OF PLAY

The PAR management and co-ordination mechanism has been formally elaborated and defined. The PAR Strategy in Bosnia and Herzegovina (BiH), adopted in 2006 by the Council of Ministers of BiH, the two Entities (Federation of BiH and Republika Srpska) as well as the Brčko District, shows a joint co-ordinated approach on PAR through a set of related planning documents. The PAR Co-ordinators Office (PARCO) is the key authority dedicated to co-ordinating the PAR process. This includes co-ordinating operations with the PAR Co-ordinators of the two Entities and Brčko District; organising and co-ordinating work under the identified reform areas; co-operating on, preparing and organising the PAR Fund and the work of its Management Board; other donors; and the operational and technical conditions to facilitate the work of the Economic Development and European Integration Co-ordination Board. The formal co-ordination reporting mechanism exists for horizontal areas but does not permit assessing overall progress in achieving the objectives set in the Strategy. No structure exists for either sectoral reform or performance measurement. Further, no fiscal assessment has been developed to link PAR co-ordination with medium-term and annual budget processes and only partial data on current investments exist.

While information is available on investments by international donor organisations targeting implementation of public administration reform, none exists on the share of investments made by BiH State, the two Entities and Brčko District, with the exception of minor contributions to the PAR Fund.

While implementation of the PAR agenda is operational at the administrative level of civil servants, the body envisaged for co-ordinating and driving the reform at the political level has never held a joint meeting. Political involvement occurs at the level of the Council of Ministers of BiH, the Federal Government of BiH, the Government of the Republika Srpska and the Government of Brčko District when they review the bi-annual and annual progress reports on the PAR Strategy and Revised Action Plan 1 (RAP1). These political levels do not hold discussions on the most challenging issues, such as the future of the PAR reform in the country after 2014 or the slow implementation of RAP1.

In spite of some formally established building blocks, overall progress on PAR in BiH has stalled. This is mainly due to the lack of political drive behind the reform efforts and to the complex decision making in the country.

<b>Target 2020</b>	<b>A functioning strategic and management framework of public administration reform (PAR) which ensures, through overall political steering and monitoring of performance, prioritised approach to reforms aligned with available financial and human resources.</b>
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## STRATEGY AND REFORM

<b>1-2 Years</b>	<ol style="list-style-type: none"> <li>1. PARCO to carry out <i>ex post</i> evaluation of the PAR Strategy and Revised Action Plan 1 and identify key challenges in regard to the public administration reform policy area in BiH.</li> <li>2. The Government to reinforce its involvement in PAR steering and priority setting, including possible changes to the discussion forums.</li> <li>3. PARCO to prepare new strategic planning documents for planning EU financing in the field of public administration reform to be adopted by all administrative levels of BiH.</li> <li>4. PARCO to ensure that the new strategic planning documents include a link to the medium-term and annual budget processes.</li> <li>5. PARCO to strengthen the performance monitoring system for the public administration reform on the basis of results of <i>ex post</i> evaluation, taking into account good EU practice.</li> </ol>
<b>3-5 Years</b>	<ol style="list-style-type: none"> <li>6. PARCO to ensure effective functioning of the monitoring, reporting and evaluation system for the adopted strategic planning documents and continual data gathering.</li> <li>7. PARCO to carry out first mid-term evaluation of the newly adopted strategic planning documents.</li> <li>8. PARCO to monitor implementation of the newly adopted strategic planning documents and promote achieved outcomes throughout public administrations of all administrative levels, and to communicate with non-governmental stakeholders and citizens in general.</li> </ol>
<b>5 + Years</b>	<ol style="list-style-type: none"> <li>9. PARCO to carry out an assessment of results and to start preparing new strategic documents covering the period beyond 2020.</li> </ol>

## LEGAL FRAMEWORK AND CIVIL SERVICE MANAGEMENT

### STATE OF PLAY

Limited progress has been made in finding a workable solution to the problems of further fragmentation and politicisation of the civil service in Bosnia and Herzegovina (BiH), specifically in the Federation of BiH. Both problems continue to hamper the establishment of a professional, accountable and efficient civil service based on merit and competence. A new Law on Civil Service in Public Administrative Bodies of Brčko District of BiH was adopted by the Assembly of Brčko District on 27 February 2014. A Common Policy Framework for Development of Human Resource Management in Public Administration Structures in BiH was endorsed by the representatives of all levels of government participating at the opening conference of the EU funded project “Modernisation of HRM systems in the civil service” on 14 April 2014.

Administrative decision making has been impeded by the continuous malfunctioning of the administration. This situation is due to the failure to apply in practice the principles of legality, equality, and predictability of administrative decision making and actions.

The challenges are to strengthen the political ownership of civil service reform and the commitment to developing a merit-based, professional and politically neutral civil service, and to ensure the purposeful implementation of the administrative legal framework.

<b>Target 2020</b>	<b>A professional civil service, in line with EU principles, is in place through the implementation of adopted civil service legislation and adequate HRM tools, supported by central management capacities that have the authority and resources to ensure coherent standards and common practices at all administrative levels in BiH.</b> <b>The administrative legal framework and practices ensure accountability, equality and predictability in an administrative decision making process that is coherent at all administrative levels in BiH.</b>
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## LEGAL FRAMEWORK AND CIVIL SERVICE MANAGEMENT

**The commitment to the development of a merit-based, professional, politically neutral and ethical civil service has been confirmed through concrete actions.**

<b>1-2 Years</b>	<ol style="list-style-type: none"> <li>1. Parliament of the Federation of BiH (FBiH) to adopt a new civil service law that can function simultaneously as a framework law acceptable for the cantons and as an instrumental law for managing civil service of the administrative bodies of the Federation.</li> <li>2. Council of Ministers of BiH, Government of the FBiH, Government of the Republika Srpska and Government of the Brčko District (hereinafter: Governments) to launch an open dialogue to find a procedure aimed at a better balance between the principles of merit and proportional ethnic representativeness in the civil service.</li> <li>3. Governments to identify a political office at each administrative level of BiH (e.g. the centres of government), where responsibility for policy making in the area of civil service will reside, and equip them with the necessary tools for ensuring the sustainability and coherence of civil service reform programmes within the context of wider public administration reform in BiH.</li> <li>4. Governments to implement the existing anti-corruption infrastructure of BiH, including the Anti-Corruption Strategy 2009-2014 and its Action Plan.</li> <li>5. Governments to allocate sufficient funding in the budgets (e.g. 2% of the annual salary budget for civil servants) to ensure the professional training of civil servants, in accordance with the adopted Training and Development Strategies, at all administrative levels in BiH.</li> <li>6. Civil Service Agencies of BiH, Federation of BiH and Republika Srpska and the Sub-Department for HRM of Brčko District (hereinafter: Civil Service Agencies) to continue regular co-operation through the HRM Supervisory Board of Public Administration Reform Strategy of BiH for the implementation of unrealised objectives and activities related to the HRM in the civil service in accordance with the Public Administration Reform Strategy and the Revised Action Plan 1.</li> <li>7. Civil Service Agencies, in co-operation with the Data Protection Agencies and Ministries of Justice (MoJs) at all administrative levels in BiH, to find a solution to the identified barriers to making HRM information systems operational as tools for civil service planning and decision making.</li> </ol>
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## LEGAL FRAMEWORK AND CIVIL SERVICE MANAGEMENT

<b>3-5 Years</b>	<p>8. Government of FBiH to empower the Civil Service Agency of the FBiH with sufficient authority and resources to (i) provide instructions, guidelines and advisory support to the cantons in order to implement the new law(s) on civil service; and (ii) harmonise HRM practices in all administrative bodies of the FBiH at the federal and cantonal level.</p> <p>9. Governments to evaluate the implementation of the Anti-Corruption Strategy 2009-2014 and its Action Plan in co-operation with all anti-corruption bodies of BiH.</p> <p>10. Parliaments to amend the laws of civil service, and governments to amend the secondary legislation according to the results of the public discussions and political agreements on modality aimed at a better balance between the principles of merit and proportional ethnic representativeness in the civil service.</p> <p>11. Civil Service Agencies, in co-operation with the HRM units of all administrative bodies, to implement the objectives and activities related to HRM in the civil service of the Public Administration Reform Strategy and its Action Plan, and the laws and secondary legislation of the civil service.</p> <p>12. Civil Service Agencies to monitor and report annually to the Governments on implementation of the objectives and activities related to the HRM in the civil service of the Public Administration Reform Strategy and its Action Plan, and of the civil service legislation.</p>
<b>5 + Years</b>	<p>13. Governments to improve and implement secondary legislation, guidelines and managerial tools (for recruitment, training, performance appraisal, remuneration, career development, mobility, etc.) and align them with the common HRM policy framework for all civil service structures in BiH.</p> <p>14. Parliaments to amend the civil service laws in order to create legal mechanisms for internal mobility and for the horizontal and vertical career development of civil servants between the different administrative levels in BiH so as to make the civil service sustainable and attractive.</p> <p>15. Governments to create a competency framework for senior civil servants, which serves as a solid foundation for the recruitment, training and career development of professional civil service managers and for the development of a strong <i>esprit de corps</i> in the civil service.</p> <p>16. Governments to regularly monitor and assess civil service reform programmes in order to ensure their effectiveness.</p>

## LEGAL FRAMEWORK AND CIVIL SERVICE MANAGEMENT

<b>The quality of public administration decision making processes has been improved to ensure the legality, equality, predictability and accountability of the administration, and to provide good public services in BiH.</b>	
<b>1-2 Years</b>	<ol style="list-style-type: none"> <li>1. All administrative bodies to consistently implement the recommendations issued by the Human Rights Ombudsman of BiH and other oversight bodies.</li> <li>2. Ministry of Justice of BiH, Ministry of Justice of the Federation of BiH, Ministry of Administration and Local Self Governance of Republika Srpska, and Office of the Mayor of the Brčko District to conduct a comprehensive review of administrative decision making at all administrative levels of BiH in order to clarify the main roots of the problems in malfunctioning of the administration (lengthy administrative procedures, silence of the administration, ineffective responses to inspections, unprofessional civil servants, etc.) when implementing the current laws on public administration, administrative procedures, free access to information, and administrative inspections at all administrative levels in BiH.</li> <li>3. Governments to adopt action plans, which include the identification of the responsible institutions, the setting of realistic timelines, and the provision of necessary resources to implement the recommendations of the review of the administrative decision making process.</li> </ol>
<b>3-5 Years</b>	<ol style="list-style-type: none"> <li>4. Parliaments to amend the administrative legal framework in accordance with the recommendations of the review of the administrative decision making process and corresponding action plans.</li> <li>5. At all administrative levels in BiH, strengthen the capacities of the institutions responsible for administrative decision making to enable them to (i) provide legal opinions and other expert advice, instructions on issues causing problems in practice, and information on judicial practices; (ii) share good practices; and (iii) monitor regularly the quality of administrative decision making.</li> <li>6. Civil Service Agencies, in co-operation with the central institutions responsible for administrative decision making, to develop and systematically implement professional training programmes for priority target groups in order to ensure coherent and correct practices in administrative decision making processes.</li> </ol>
<b>5 + Years</b>	<ol style="list-style-type: none"> <li>7. Governments to monitor and assess the implementation of the laws on administrative procedures in order to continuously improve the delivery of public services.</li> <li>8. Oversight institutions to monitor and assess the legality and accountability bodies at all administrative levels of BiH with regard to the implementation of respective laws and the administrative capacity of these institutions.</li> </ol>

## PUBLIC FINANCE MANAGEMENT

### STATE OF PLAY

With regard to public expenditure management (PEM) the State, the two Entities (Federation of BiH and Republika Srpska), as well as Brčko District, approved their budgets for the second consecutive year on time and thereby met the IMF stand-by agreement conditions. The reliance on temporary financing that occurred in 2011 and 2012 did not occur. There is no overarching national development plan and the medium-term framework within which the annual budgets are formed is not a robust medium-term budgetary framework that sets out a path to achieving medium-term targets. There is an absence of costed strategies and planning documents and there is little linkage between the Global Framework on Fiscal Balance and Policies, the Medium-Term Expenditure Frameworks and sectoral/organisational strategic plans. There is no long-term planning for capital investment. The Fiscal Council is not an independent body, which would allow for review of the fiscal and economic projections for BiH as a whole.

There is no state public consolidation of the budgets of BiH State, Entities and other public sector bodies that provide information on a general government basis as defined by EU requirements. The non-inclusion of extra budgetary funds in particular leads to a position where a complete picture of the fiscal position is missing. Only quarterly reports on budget execution are produced but they do not provide a flow of clear information during the year and these reports do not inform on the budgetary position in a comprehensive manner. Annual budget execution reports are published and audited.

Debt has been actively managed to avoid defaults on loans and to ensure that principal and interest payments are made on time, but there is no published debt management strategy to guide policy.

For public internal financial control (PIFC), the formal legal basis is not yet complete, and there are inconsistencies between the different levels of government. Implementation is slow, with only minor changes in the number of staff, and there is no evidence of improvements in delivering more efficient and effective spending. The Coordination Board (CB) for Central Harmonisation Units (CHUs) has failed to meet since November 2011, which is a major impediment to progress.

In external audit, the four supreme audit institutions (SAIs) carry out a professional audit job within the limits of their resources. Co-operation between the SAIs, under the umbrella of the CB, is a key factor in their further development.

<b>Target 2020</b>	<b>A robust annual budget system that is based on a medium-term budgetary strategy that is on a comprehensive basis and includes all sectors in conformity with EU standards; a PIFC system for the entire public sector, in compliance with internationally agreed and EU principles, standards and methods; and is subject to effective parliamentary oversight supported by an operationally and financially independent SAIs.</b>
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## PUBLIC FINANCE MANAGEMENT

<p><b>After strengthening the basic features of budget preparation and execution, including the necessary legislative amendments, a medium-term approach to expenditure management has been developed and a common fiscal policy exists across the State and Entities. Improvements in the medium-term planning, budget reporting and budget timetable have been implemented.</b></p>	
<p><b>1-2 Years</b></p>	<ol style="list-style-type: none"> <li>1. The Presidency to examine the reasons for the difficulties the Fiscal Council has had in fulfilling its co-ordinating role and make any necessary changes to enable it to function effectively.</li> <li>2. The Fiscal Council to publish the medium-term Global Framework on Fiscal Policy on time as required under the law.</li> <li>3. The Global Framework to be further developed to include a greater amount of information on the necessary steps to be taken to achieve the medium-term targets and a sensitivity analysis to be included.</li> <li>4. The Ministries of Finance (MoFs) to supply greater information to Parliaments as part of the annual budget documentation including estimated outturns for the current year, clear breakdowns of the costs of any new policies and the incorporation of Extra Budgetary Funds into the budget process.</li> <li>5. Governments to strengthen the role of the respective Parliaments by introducing and implementing legislation providing them with sufficient time and resources to discuss the budget and allowing them to propose amendments to the budget that do not increase the deficit ceiling.</li> <li>6. MoFs and line ministries to devise new system for annual cash flow projections based on expected spending patterns in the year.</li> <li>7. MoFs to publish monthly data within 10 days after the end of the month showing spending for each ministry and the revenue under the main headings alongside the projected spending forecast for that month.</li> <li>8. MoFs to introduce and implement legislation stipulating that the Governments only consider the new policy proposals where the relevant line ministry has adequately estimated the fiscal impact on a three-year basis and where capital investments take account of consequent current expenditure impacts.</li> <li>9. MoFs to publish draft annual budget data on a consolidated basis initially to include Extra Budgetary Funds and Local Government.</li> <li>10. MoFs to begin work to bring budgetary data into line with EU standards.</li> </ol>

## PUBLIC FINANCE MANAGEMENT

<b>3-5 Years</b>	<ol style="list-style-type: none"><li>11. MoFs finalise changes to bring budgetary data into line with EU standards (ESA95) and include this information in both the medium-term fiscal planning documents and the annual budget.</li><li>12. An independent Fiscal Council to be established that can comment and advise on budgetary forecasts of BiH.</li><li>13. A National Development Plan for the development of the country to be drawn up which would cover BiH and the Entities with clear goals, costing of new developments and milestones against which progress can be measured.</li><li>14. Capital investment appraisal to be a prerequisite for any new capital investment proposed.</li></ol>
<b>5 + Years</b>	<ol style="list-style-type: none"><li>15. MoFs to review progress in the previous five years and assess if the budget timetables have been met, the accuracy of forecasts, and compare to outturns.</li><li>16. MoFs to review and assess progress under the National Development Plan measuring progress against the milestones and revising the National Development Plan.</li></ol>

## PUBLIC FINANCE MANAGEMENT

<p><b>PIFC strategies have been updated, the PIFC environment, including that for EU funds, has been strengthened, and the conditions for managerial accountability in the public sector have been developed.</b></p>	
<b>1-2 Years</b>	<ol style="list-style-type: none"> <li>1. CHUs to conduct gap analysis of the strengths and weaknesses of current FMC arrangements.</li> <li>2. Governments to continue regular meetings of the CB to ensure a co-ordinated approach to new strategies and action plans.</li> <li>3. Ministries of Finance to develop PIFC strategies that are more closely linked to the public administration reform (PAR) process.</li> <li>4. Governments to complete the legal establishment of FMC in FBiH and in the Republika Srpska.</li> <li>5. MoFs to draft secondary legislation on FMC and internal audit (IA) that will clarify roles and responsibilities as well as issues, such as managerial accountability and risk management.</li> <li>6. Governments to provide adequate staffing for CHUs and IA units in budget users.</li> <li>7. CHUs to provide IA training for staff in line ministries.</li> </ol>
<b>3-5 Years</b>	<ol style="list-style-type: none"> <li>8. CHUs to review and monitor the progress made in the previous two years to ensure that they are working well in practice.</li> <li>9. Governments to begin implementing a system of managerial accountability within budget users.</li> <li>10. Governments to decide on the establishment of functions and a structure for a decentralised implementation system (DIS) for EU funds, and begin to implement it.</li> <li>11. Budget users to strengthen their internal control processes so that MoFs can begin to change the focus from centralised control to decentralised management of resources.</li> <li>12. Budget users to improve FMC practices by using a Budget Management Information System (BMIS) as the basis for linking performance target data with budget allocations.</li> <li>13. Budget users to further strengthen the capacities and role of IA as an advisory service to top management.</li> </ol>
<b>5 + Years</b>	<ol style="list-style-type: none"> <li>14. CHUs to review and monitor the progress made in the previous five years to ensure that they are working well in practice.</li> <li>15. Budget users to adapt accounting information to management needs.</li> <li>16. The MoFs to work with budget users to develop an understanding among key staff of the use of management information and performance indicators to analyse how services are being delivered and how they can be delivered more effectively.</li> </ol>

## PUBLIC FINANCE MANAGEMENT

<p><b>The SAIs have been strengthened, are operating in accordance with international standards, and are helping to develop FMC in line ministries.</b></p>	
<b>1-2 Years</b>	<ol style="list-style-type: none"> <li>1. The Coordination Board of the SAIs to continue meeting regularly so as to provide a basis to apply co-ordinated approaches to audit standards and high quality audits.</li> <li>2. Each SAI to improve the content of its reports, especially with regard to audit opinions, in order to increase understanding and acceptance of the role of the SAIs as external auditors.</li> <li>3. Each SAI to develop an annual communication plan aimed at widening awareness of its work.</li> <li>4. SAIs to improve their relations with MoFs through regular top-level meetings on issues of common interest, more informal contacts and consultations, and joint training events.</li> <li>5. SAIs to improve their relations with Public Prosecutors by adopting clear internal procedures and a Memorandum of Understanding with prosecutors.</li> <li>6. SAIs to enhance their relations with Parliaments to improve independence and ensure that they are free from direction or interference from the legislature or the executive to accomplish their tasks. While administrative laws are valid for the whole public sector and all budget users, a supreme audit institution should have autonomy in managing its resources.</li> </ol>
<b>3-5 Years</b>	<ol style="list-style-type: none"> <li>7. SAIs to increase the efficiency of the financial audit process by making use of IT facilities; drafting realistic and clear audit plans; and training auditors in the use of sampling methods.</li> <li>8. SAIs to increase the effectiveness of financial audit results by clarifying the meaning of the various types of audit opinions given.</li> <li>9. SAIs to increase the impact of performance audit through a strategic, multi-annual planning approach that allows a sequence of smaller-scale audits.</li> <li>10. SAIs to identify needs for further TA in order to develop performance audit.</li> <li>11. Improve quality control and assurance by organising training events for auditors in using the Audit Quality Control Guide drafted co-operatively by the three SAIs.</li> </ol>
<b>5 + Years</b>	<ol style="list-style-type: none"> <li>12. SAIs to review and monitor the progress made in the previous five years to ensure that they are working well in practice.</li> <li>13. Competent authorities to incorporate public external audit in the respective Constitutions with regard to the status, function and tasks of Audit Offices; and regulation of the appointment, dismissal and terms of mandate of auditors general and their deputies.</li> </ol>

## PUBLIC PROCUREMENT

### STATE OF PLAY

Although the BiH public procurement system was developing in the right direction in 2004, when the Public Procurement Law (PPL) was adopted and its implementation launched, progress in modernising the legal framework was only achieved recently.

On the operational side, the bureaucratic and simplistic nature of procurement practices in BiH adds to the cost of participation in public tenders for economic operators, and thereby reduces competition. The central institutions responsible for implementation of the system are weak and lack political support. The administrative capacity of contracting authorities and the professional ability of procurement officers to properly implement public procurement procedures remain unsatisfactory.

After several years of efforts, a new Public Procurement Law was adopted by parliament on 29 April 2014. The new law brings the BiH public procurement legislation much closer to the current EU standards and significantly simplifies public procurement procedures. The key challenge now will be implementation of the new law.

A number of ongoing key problems need to be tackled with a long-term perspective in mind. These problems are:

- Lack of professional skills from both the contracting authority and bidder perspectives;
- Lack of operational tools: procurement models and standard documents;
- Heavy costs: numerous (and weak) agencies to implement the system (especially fragmented in the area of PPPs/concessions) and heavy operational costs in terms of both finance and time in running the system, for both contracting entities and economic operators;
- Corruption: critical need for ongoing support at the government level, in both practical and financial terms, for the implementation of reform measures.

<b>Target 2020</b>	<b>The public procurement system, including PPPs/concessions, is in place and fully operational, in accordance with EU rules and good international practice.</b> <b>Public procurement operations provide value for money, are sustainable under budgetary limitations and projections, and stimulate economic growth.</b> <b>Contracting authorities, economic operators and civil society have confidence in the fairness and integrity of the system.</b> <b>Corruption and fraud have been significantly reduced.</b>
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## PUBLIC PROCUREMENT

<b>1-2 Years</b>	<ol style="list-style-type: none"><li>1. The PPA to organise (prepare and support) training activities for procurement community in BiH (including both contracting authorities and business) (i.e. prepare training materials, organise Training of Trainers) – based on the new PPL.</li><li>2. Public Procurement Agency (PPA) and Concessions Commissions to develop practical operational tools, e.g. standard tender documents for PPPs, concessions, supplies, services and works.</li><li>3. PPA to focus on lowering the operational costs of participation in the system for both contracting entities, e.g. by introducing the free-of-charge, online publication of procurement notices and tender documents (which would also include notices for PPPs/concessions) and economic operators, e.g. by simplifying the qualification procedure.</li><li>4. PPA to promote the partnership approach between the public and private sectors, by including all stakeholders in a consultative body (forum) that oversees the implementation of the system.</li><li>5. PPA and the Anti-corruption Agency to co-ordinate measures and activities aimed at increasing transparency and legal security and intensifying the fight against fraud and corruption.</li><li>6. Procurement Review Body (PRB) to review the remedies system and determine the regulatory and institutional reforms required, including reforms with respect to perceptions of conflicts of interest, and prepare a corresponding action plan.</li><li>7. PPA and Concessions Commissions to prepare (update) implementing tools, manuals and guidelines for both procurement and PPPs/concessions.</li><li>8. PPA to promote professional networks of procurement experts from both the public and private sectors.</li></ol>
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## PUBLIC PROCUREMENT

<b>3-5 Years</b>	<p>9. PPA and Concessions Commissions to review, streamline and strengthen the institutional set-up, especially in the area of PPPs/concessions; consider the integration of administrative structures responsible for implementing the PPL and PPP/concessions legislation at various levels of BiH Governments.</p> <p>10. PPA to implement legal, technical and institutional infrastructures enabling the use of modern procurement tools and techniques, e.g. electronic procurement, dynamic purchasing systems, framework agreements and centralised purchasing.</p> <p>11. PPA and line ministries to develop and implement sector-specialised – e.g. IT services and supplies, health supplies, road construction, and office supplies – operational tools, including model tender documents, standard technical specifications, and methodologies for tender evaluation based on the most economically advantageous tender criteria.</p> <p>12. PPA and Concessions Commissions to adopt a new, clear and coherent legislative framework for awarding public contracts and PPPs/concessions, in line with the basic principles of the current EU <i>acquis</i>.</p> <p>13. PPA and Chamber of Commerce to assist the private sector, especially small and medium-sized enterprises (SMEs), to increase its competitiveness in the EU public procurement market.</p> <p>14. PPA to maintain and update curricula, manuals and guidelines; continue to steer the system and to ensure quality control.</p>
<b>5 + Years</b>	<p>15. PPA to improve instruments (guidelines, regulations) to promote sustainable procurement, achieve environmental and social objectives, and encourage innovation in procurement.</p> <p>16. PPA to ensure continuous monitoring of legislative changes at the EU level, appropriate harmonisation and subsequently effective fulfilment of EU accession requirements related to public procurement procedures, concessions, remedies, defence procurement and electronic procurement.</p> <p>17. PPA to conduct <i>ex post</i> analysis of projects implemented and actions undertaken; compare stated objectives with objectives accomplished.</p>