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Reform Agenda Update - Reform Monitor

JUNE 2026



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This publication is part of the series “Reform Agenda Updates”, national monitoring reports that track the implementation of the Reform Agendas as part of the Reform and Growth Facility for the Western Balkans (RGF), within the Western Balkan Reform and Growth Monitor project (Reform Monitor).

The “Reform Agenda Updates” assessment focuses on the implementation progress of country-specific obligations under the RGF. Monitoring is conducted through a set of procedural, reform implementation, and financial indicators. The core of the monitoring exercise tracks reform steps with defined deadlines, assessing their implementation status based on publicly available evidence and official documentation obtained by national authorities, and, where relevant, complemented by information from independent institutions and civil society sources. Cross-cutting attention is given to stakeholder participation and transparency.

The monitoring exercise covers selected reforms organised into so-called “policy domains,” created by coding the sub-areas of the harmonised policy areas in the Reform Agendas. The selected policy domains, which enable regional-level analyses, benchmarking, and comparability, are supported by the available human resources and the thematic expertise of the Transparency International in Bosnia and Herzegovina.

For methodological notes and the reform steps selection process, see the draft methodology note at the [link](#).

The Reform Agenda Update is structured as follows. The key findings and recommendations provide a high-level summary. The Legal and Institutional Arrangements and Requests and Release of Funds sections monitor overall progress in the procedural and financial aspects of implementing the Reform Agenda. The last section, Reforms in Focus: Reform Monitor policy domains, provides independent monitoring findings on selected reforms. Here, each section provides a narrative snapshot of progress and obstacles in implementing Bosnia and Herzegovina’s Reform Agenda.

The cut-off date for data collection and assessment for this update is 30.06.2026. Further policy developments may shift the status of currently pending reforms and will be reflected in subsequent updates.

These monitoring updates are not a substitute for the European Commission’s formal assessments. It is not a substitute for the European Commission’s formal assessments.



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Bosnia and Herzegovina (BiH) remains procedurally unprepared to benefit from the Reform and Growth Facility (RGF), as it is the only Western Balkan beneficiary that has not completed the procedures required to bring the Facility and Loan Agreements into force. As a result, it cannot draw on its remaining indicative allocation of about EUR 976.6 million. This includes about EUR 68.36 million in pre-financing. By June 2026, payment windows worth about EUR 470.1 million had already fallen due, while no RGF funds had been disbursed and no regular payment request had been submitted. Most urgently, EUR 373.9 million linked to the December 2025 payment window is at risk of permanent loss if the related payment conditions are not met within the applicable grace period.

The financial blockage reflects a broader governance failure. The approved Reform Agenda has not been met with the establishment of a functioning national implementation architecture. The national coordinator has not been appointed, the Monitoring Committee is not operational, the monitoring and reporting system remain undeveloped, and financial management, control, and anti-fraud coordination arrangements are still not established. These shortcomings prevent the disbursement of pre-financing and submission of semi-annual payment requests and consolidated evidence of reform implementation. In practice, implementation has largely proceeded through existing sectoral and subnational structures, while State-level institutions have played a weak or almost invisible role in coordination. This contributes to different interpretations, sequencing, and implementation of the same Reform Agenda obligations across levels of government.

Reform implementation remains fragmented and largely incomplete. Of the 21 monitored reform steps, none were fully achieved, though some progress was made in individual jurisdictions and components. The biggest delays concern the judiciary, anti-corruption, public enterprise governance, and renewable energy, where reforms require coordinated action across multiple levels of government. A recurring problem is the gap between legislative or preparatory work and actual implementation, worsened by weak coordination, missing baselines, and the lack of consolidated data to verify results. As a result, even where progress exists, it has rarely met the Reform Agenda's payment conditions, putting RGF funding at risk.

A further cross-cutting concern is transparency and participation. Monitoring identified cases in which responsible institutions were insufficiently familiar with their Reform Agenda obligations and were unable to provide the requested evidence in the expected form. Access to information remains uneven, including where proactive transparency obligations exist. Legislative processes

are particularly difficult to monitor because draft and final texts, consultation outcomes, and supporting assessments are often unavailable until late in the procedure or after adoption. Stakeholder participation is also limited in the preparation of new institutional, monitoring, and technical mechanisms for RGF implementation, as well as regarding related sectoral legislation. Oversight is difficult in the law enforcement and security sector, while limited civil society capacity in technically demanding areas such as renewable energy further reduces independent scrutiny.

The implementation risk is increasingly time-sensitive. Although some institutions made technical progress during 2026, it was not matched by sufficient political or institutional effort to unblock the RGF framework. The October 2026 general elections and the subsequent government formation process further compress the remaining implementation period. Without rapid action on the agreements, governance architecture, and overdue reforms, there is a significant risk that BiH will enter 2027 without access to RGF funding, while larger portions of the allocation shift from delayed disbursement to potential permanent loss.

Key Recommendations:

Procedural and Governance

- Complete the RGF legal and institutional framework as an immediate priority, including bringing the Facility and Loan Agreements into force, adopting the implementation and coordination decision, appointing the national coordinator, and establishing the Monitoring Committee as well as financial control and anti-fraud arrangements.
- Establish a single, country-wide monitoring and reporting system with clearly assigned responsibilities, uniform reporting templates, agreed baselines, sources of verification, and firm deadlines for all institutions responsible for Reform Agenda measures. State-level coordinating institutions should consolidate information across jurisdictions rather than rely on separate, incompatible reporting processes.
- Introduce systematic transparency and stakeholder participation throughout implementation, including the timely publication of draft and final legislation, secondary acts, consultation reports, implementation data, and monitoring documents, while ensuring meaningful and regular civil society participation in the RGF Monitoring Committee and relevant sectoral processes.

RGF Funding Continuity

- Adopt a contingency plan for the overdue December 2025 payment conditions, identifying responsible institutions, outstanding actions, and required evidence for each step, with immediate priority given to protecting the EUR 373.9 million currently at risk of permanent loss.
- Prepare the required reporting documentation for the first regular payment request without waiting for all reforms to be completed, including a consolidated national implementation report, so that satisfactorily fulfilled payment conditions can be formally assessed and funded as soon as contractual preconditions are in place.

Policy Domains Implementation Priorities

- Prioritise reforms that require country-wide alignment and coordinated implementation, particularly in anti-corruption, public enterprise governance, organised crime, and renewable energy, where progress in a single jurisdiction alone cannot satisfy the relevant payment condition.
- Address sequencing gaps between legislation and practical implementation. The adoption of primary legislation must be accompanied, within the same implementation cycle, by secondary legislation, adequate staffing, allocated budgets, institutional arrangements, information systems, and clear operational procedures, avoiding situations where formally adopted frameworks remain non-functional.
- Address evidence and data gaps that prevent results from being verified, including missing baselines and consolidated statistics for renewable energy capacity, POE arrears, fiscal risks, and intelligence-led or joint investigations. Each outcome-based payment condition should have an identified baseline, a designated data holder, and a publicly accessible reporting mechanism prior to the next assessment cycle.

BiH completed several initial RGF participation requirements during the reporting semester. A year-long delay in the adoption of the Reform Agenda, submitted on 30 September 2025, resulted in a 10% reduction¹ of BiH's initial indicative allocation under the Facility. The European Commission subsequently approved it through its Implementing Decision² on 28 November 2025, while the request for pre-financing was submitted in March 2026. These steps established the formal basis for accessing the Facility, but did not result in disbursement because the contractual and institutional arrangements required for implementation remained incomplete.

The Facility Agreement and Loan Agreement had not entered into force by the end of the reporting period. Although the European Commission transmitted the signed Facility Agreement and the final Loan Agreement to the BiH Ministry of Finance and Treasury (MFT) in early April 2026, the domestic procedures to obtain the required opinions remained incomplete.³ This directly prevented payment of the pre-financing, which can only be disbursed after both agreements enter into force. This delay should not be understood merely as an administrative processing issue, as public statements⁴ by government members increasingly described the absence of the required documents as a political blockage.

The institutional framework remained subject to repeated government instructions and interinstitutional negotiations throughout the semester. The Council of Ministers (CoM) tasked⁵ the MFT, the Directorate for Economic Planning (DEP), and the Directorate for European Integration (DEI), in cooperation with all levels of government, to prepare a proposal for the institutional framework. DEP then coordinated the initial technical work, and the three institutions and representatives from other levels of government discussed the first working draft. An alternative proposal based on a two-coordinator model, prepared

- 1 Delegation of the European Union to Bosnia and Herzegovina and European Union Special Representative in Bosnia and Herzegovina, "On the Cut to Bosnia and Herzegovina's Allocation under the Growth Plan," July 19, 2025, https://www.eeas.europa.eu/delegations/bosnia-and-herzegovina/cut-bosnia-and-herzegovina%E2%80%99s-allocation-under-growth-plan_en.
- 2 European Commission, "Commission Implementing Decision Amending Implementing Decision C(2024) 7375 as Regards the Addition of the Reform Agenda of Bosnia and Herzegovina," accessed September 18, 2026, https://enlargement.ec.europa.eu/cid-amending-implementing-decision-c2024-7375-regards-addition-reform-agenda-bosnia-and-herzegovina_en
- 3 Ministry of Finance and Treasury of Bosnia and Herzegovina, response to a freedom of information request, received July 24, 2026.
- 4 Klix.ba, "Forto: Session after session, it is confirmed that BiH is not joining the Growth Plan for political reasons (Forto: Iz sjednice u sjednicu potvrđuje se da BiH iz političkih razloga ne pristupa Planu rasta)," June 11, 2026, <https://www.klix.ba/vijesti/bih/forto-iz-sjednice-u-sjednicu-potvrđuje-se-da-bih-iz-politickih-razloga-ne-pristupa-planu-rasta/260611112>.
- 5 Council of Ministers of Bosnia and Herzegovina, "Conclusions of the 98th Session of the Council of Ministers of Bosnia and Herzegovina," December 29, 2025, https://static.vijeceministara.gov.ba/public.storage.gov.cms/organizations/org_cmcmmmelz000nes3ulwo4vf10/assets/20260126_13_09-as-set-639050297615967528.pdf, harmonising.

following DEI's suggestion, was circulated on 27 February. CoM again tasked⁶ MFT, DEP, and DEI to continue harmonising the text, obtain the required institutional opinions, and submit a final proposal, with MFT to forward it to the Council within 20 days. However, this deadline passed without an agreed framework.

At a further meeting convened by MFT on 30 March, the ministry argued for a strong role for the state and entity finance ministries in loan servicing, financial flows, and the protection of the EU's financial interests, proposing itself as a possible coordinator. DEI maintained that its statutory EU integration coordination mandate justified its role as the overall coordinator, while also proposing an alternative two-coordinator model in which DEI would coordinate the Instrument and MFT would coordinate financial management and control.⁷ Although updated information on preparing the implementation decision was once again on the agenda, ministers did not take a position.⁸

The latest draft⁹ prepared by the MFT subsequently moved towards a model in which the Director of DEI serves as the sole RGF Coordinator, alongside a separate Financial Management and Control Body composed of the relevant finance authorities. This represents an attempt to separate overall policy and implementation coordination from financial management functions. However, some of the competencies assigned to the MFT under the draft were contested by other institutions, particularly the FBiH entity-level RGF coordinator, and the Decision had still not been adopted by the cut-off date.¹⁰

These unresolved one-off requirements prevented recurring RGF governance mechanisms from becoming operational. The National Coordinator had not been appointed, and the Monitoring Committee had not been established. The draft framework provides for possible CSO participation in the Monitoring Committee but does not make it mandatory or establish a selection

6 Council of Ministers of Bosnia and Herzegovina, "Conclusions of the 104th Session of the Council of Ministers of Bosnia and Herzegovina," March 5, 2026, https://static.vijeceministara.gov.ba/public.storage.gov.cms/organizations/org_cmcmmmelz000nes3ulwo4vf10/assets/20260312_12_17-as-set-639089146755937063.pdf.

7 Council of Ministers of Bosnia and Herzegovina, response to a freedom of information request, received July 8, 2026.

8 Council of Ministers of Bosnia and Herzegovina, "Minutes of the 112th Regular Session of the Council of Ministers of Bosnia and Herzegovina," June 11, 2026, https://static.vijeceministara.gov.ba/public.storage.gov.cms/organizations/org_cmcmmmelz000nes3ulwo4vf10/assets/2026-06-17/zapisnik-112-redovne-sjednice-vije-a-ministara-bosne-i-herce-9102aa67.pdf.

9 Ministry of Finance and Treasury of Bosnia and Herzegovina, "Decision on the Coordination of the Management of the Reform and Growth Facility and the Reform Agenda in Bosnia and Herzegovina," eKonsultacije, published for online public consultation during July and August 2026, after the monitoring cut-off date, accessed September 18, 2026, <https://ekonsultacije.gov.ba/legislativeactivities/details/128280->.

10 Meeting with the Federation of Bosnia and Herzegovina Coordinator for the Preparation and Reporting on the EU Reform and Growth Facility for the Western Balkans, July 14, 2026.

procedure. BiH also remained without a formally established AFCOS. In the absence of AFCOS, the draft implementation framework proposes a decentralised anti-fraud arrangement for the RGF, assigning prevention, control, and irregularity-reporting functions to a Financial Management and Control Body composed of the relevant finance authorities and to designated contact points within finance ministries. The Ministry of Finance and Treasury would act as the central point of contact with the EU, including for reporting irregularities and cooperation with the Commission, OLAF, and EPPO.¹¹

The monitoring, reporting, and communication architecture therefore remained largely at the preparatory stage. Although the Reform Agenda refers to a monitoring database as one of its annexes, the database was neither developed nor submitted to the European Commission. The Reform Agenda also contains a detailed outline of the communication and visibility plan, but the Coordinator and other actors responsible for operating these mechanisms had not yet been formally appointed, and the corresponding procedures and tools remained to be developed.

Overall, the central procedural bottleneck during the semester was the failure to translate the approved Reform Agenda into an agreed and operational implementation framework. Unless the agreements, coordinator and governance structures are finalised, delays will continue to affect pre-financing, subsequent payment requests, formal reporting to the Commission and the establishment of recurring monitoring and civil society participation mechanisms.

11 Ministry of Finance and Treasury of Bosnia and Herzegovina, "Decision on the Coordination of the Management of the Reform and Growth Facility."

Procedural Step	Status	Progress Details
Reform Agenda Submission to the EU	Achieved	The final Reform Agenda was submitted to the European Commission on 30 September 2025.
Reform Agenda Implementing Decision	Achieved	The European Commission approved the Reform Agenda through Implementing Decision C (2025) 8042 of 28 November 2025.
Facility Agreement Ratification and Entry Into Force	Not achieved	The Commission-signed Facility Agreement was received in early April 2026 and remained in the domestic procedure to obtain the required opinions before submission to the Council of Ministers.
Loan Agreement Ratification and Entry Into Force	Not achieved	The final Loan Agreement was received in early April 2026 and remained in the domestic procedure to obtain the required opinions before submission to the Council of Ministers.
Reform Agenda Amendment Procedure	N/A	No formal amendment procedure has been adopted; responsibilities for possible amendments are addressed only through the still-pending institutional implementation framework.
National RA Coordinator Appointment	Not achieved	No National RGF Coordinator has been appointed; the latest draft Decision assigns this role to the Director of the Directorate for European Integration.
Anti-Fraud Coordination Service	Not achieved	BiH has no formally established AFCOS or AFCOS network, while alternative anti-fraud and irregularity-control arrangements remain under development.
RGF Monitoring Committee Establishment	Not achieved	The Monitoring Committee has not been established.
RGF Monitoring Committee Functioning	Not achieved	
Civil Society Participation in the RGF Monitoring Committee	Not achieved	The Monitoring Committee has not been established, and the draft Decision only allows CSO participation where relevant, without making it mandatory.
Technical Infrastructure for Monitoring and Reporting	Not achieved	The monitoring database referenced in the Reform Agenda was not submitted to the Commission, and the reporting architecture and related tools have yet to be operationalised.
Communication and visibility plan	Not achieved	The Communication and Visibility Plan has not yet been prepared or adopted.

BiH completed only the initial funding-related procedural step by submitting its pre-financing request¹² to the European Commission on 17 March 2026. The request concerns pre-financing of up to 7% of the country's RGF allocation, approximately EUR 68.36 million.

No funds were subsequently released. Under the RGF Regulation, pre-financing may be disbursed only after the Facility Agreement and Loan Agreement have entered into force and the applicable preconditions have been met. Both agreements remained stuck in domestic procedures during the reporting period, despite the Commission transmitting them in early April 2026. Consequently, BiH did not progress to the regular semi-annual payment cycle: it submitted no payment request based on completed reform steps, completed no corresponding national semi-annual reporting, and received no EC assessment or release decision.

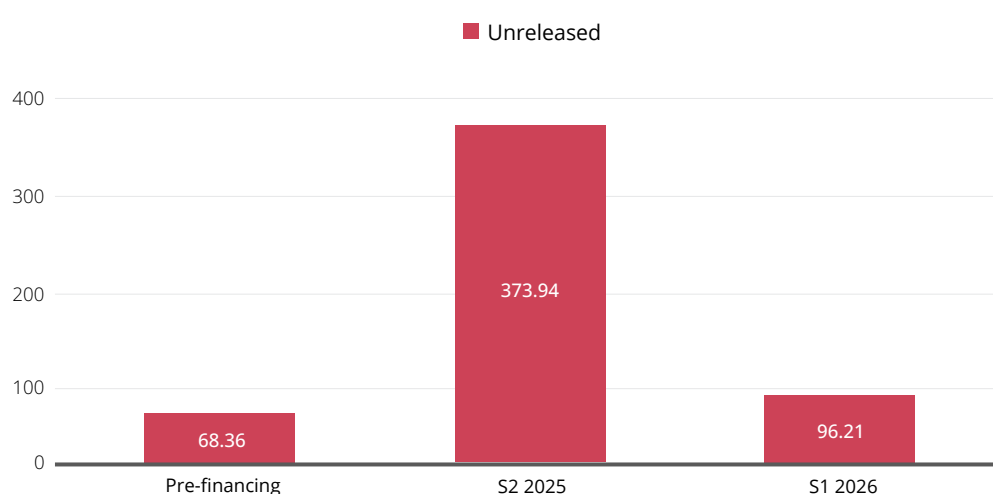
Procedural Step	Status	Progress Details
Pre-Financing request	Achieved	BiH submitted the pre-financing request to the European Commission on 17 March 2026.
Pre-Financing disbursement	Not achieved	No pre-financing was disbursed because the Facility Agreement and Loan Agreement had not yet entered into force.
Semi-annual payment request submission	Not achieved	No regular semi-annual request for release of funds based on completed reform steps was submitted during the reporting semester.
Supporting documentation for reform completion (national semi-annual reporting)	Not achieved	No consolidated national semi-annual implementation report supporting a payment request was prepared or submitted.
EC assessment on RA implementation	N/A	No EC assessment for the release of regular RGF funding was initiated, as no semi-annual payment request was submitted.
General Conditions met	N/A	
Pre-Conditions met	N/A	
Annual RGF Implementation Report Prepared and Submitted	N/A	

BiH was initially allocated approximately EUR 1.085 billion under the RGF. Following the country's prolonged delay in submitting its Reform Agenda, the European Commission reduced this indicative allocation by 10%, amounting to approximately EUR 108.5 million, leaving EUR 976.6 million potentially available. Of this amount, up to EUR 68.36 million is available as pre-financing, while the remaining funding is contingent on the satisfactory completion of agreed reform steps.

¹² Ministry of Finance and Treasury of Bosnia and Herzegovina, response to a freedom of information request, received July 24, 2026. The pre-financing request was not publicly available and was provided by the Ministry as part of its response.

By the end of the reporting semester, two performance-based payment windows had already fallen due: approximately EUR 373.9 million for the December 2025 window and EUR 96.2 million for the June 2026 window. Together, these amount to approximately EUR 470.1 million, or 48.1% of BiH's total adjusted RGF allocation. However, BiH submitted only the pre-financing request, and no funds have been disbursed. Consequently, no semi-annual payment request was submitted, and no corresponding EC assessment has taken place.

Bosnia and Herzegovina allocations and use of RGF funds, as of 30 June 2026



The accumulated delays increasingly risk permanent financial loss rather than merely postponing disbursements. The EU has warned¹³ that EUR 373.9 million, equivalent to 38.3% of BiH's remaining allocation, is at risk of being permanently lost if the corresponding reforms are not completed by the end of December 2026. The implementation gap is also visible on the investment side, as the authorities have not yet submitted the agreed list of infrastructure projects to be financed through the RGF. With almost half of the remaining allocation already linked to payment windows that have fallen due, and with the agreements, coordination structures, and reporting system still not operational, the time available to implement reforms and substantiate future payment requests is becoming increasingly compressed. This is particularly critical given that the Facility itself is time-limited and expires at the end of 2027, while general elections scheduled for October 2026 and the subsequent government formation will, based on past experience, further constrain operational capacity.

¹³ Luigi Soreca, "The Cost of Sour Grapes," Delegation of the European Union to Bosnia and Herzegovina and European Union Special Representative in Bosnia and Herzegovina, May 23, 2026, https://www.eeas.europa.eu/delegations/bosnia-and-herzegovina/cost-sour-grapes_en?s=219.

In this update, the Reform Monitor tracked 21 reform steps across the selected policy domains, out of a total of 28 reform steps scheduled for implementation by the cut-off date. This coverage includes reform steps with deadlines in the reporting semester (January–June 2026), as well as outstanding steps from earlier deadlines in December 2025 that remain relevant for implementation and assessment.

The table below provides an overview by policy area and policy domain, indicating which reforms are monitored. It shows how many reform steps are tracked in each case, serving as an entry point to the detailed policy-domain analysis and reform-step assessments presented in the following sections.

Policy area (harmonised)		
Reform (ID & Title)	Progress Details	In focus [due and monitored]
Fundamentals and Rule of Law		
Judicial reforms	Functioning of the Judiciary	5/6 (4 in grace period; 1 due June 2026; 1 in the upcoming period)
Anti-corruption	Fight against corruption	4/7 (4 in grace period, 3 in the upcoming period)
Fight against organised crime	Strengthen the fight against organised crime by improving institutional cooperation among law enforcement agencies and with prosecutors' offices and courts; establishing specialised multiagency investigation teams for complex cases; and implementing strategic, intelligence-led approach to fighting organised crime, leading to increase in convictions	2/4 (2 in grace period; 2 in the upcoming period)
Energy and Green Transition		
Renewables	Implementation of the renewable energy Directive, including use of transparent and competitive procedures for deployment of renewable energy, permitting, guarantees of origin and first RES auction	(2 in grace period; 2 due in June 2026)
Business Environment and Private Sector Development		
State-owned enterprises (SOEs)	Strengthen governance and management and increase the efficiency and transparency of public enterprises, including POEs	(5 in grace period; 1 due June 2026; 1 in the upcoming period)

The *judiciary reform* addresses long-standing weaknesses in the justice system's functioning, independence, integrity, and efficiency. Several core elements of these reforms were already identified in the Commission's 2019 Opinion, including the adoption of new legislation on the High Judicial and Prosecutorial Council (HJPC) and the Courts of BiH as key priorities for improving the functioning of the judiciary. Along with the appointment of a chief negotiator, progress on these two laws is considered by the Commission to be key to presenting the negotiating framework to the Council, beginning the explanatory screening process, and laying the groundwork for the first Intergovernmental Conference.

By the monitoring cut-off date, all five reform steps under 4.2.1 are due, four in December 2025 and one in June 2026, but none have been fully achieved. Repeated and competing legislative attempts, particularly concerning the HJPC and the state-level court system, without final adoption, indicate a persistent lack of political agreement on how to implement these reforms. The upcoming period is further constrained by the General Elections scheduled for 4 October 2026, followed by a government formation process that may extend for several months. This leaves a narrow window to complete the four steps due in December 2025 before the grace period ends. If all four remain unfulfilled, up to EUR 34.49 million associated with these payment conditions risks permanent loss.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
4.2.1 Functioning of the judiciary			
4.2.1.1 Ensure that the asset declarations of judicial office holders are verified effectively by implementing the integrity-related amendments to the Law on the High Judicial and Prosecutorial Council	Dec 2025	Partially achieved. Grace period until Dec 2026	Effective verification has not yet been achieved. The system is operational, but limited staffing, slow data exchange and a large backlog continue to constrain verification coverage.
4.2.1.2 The transfer of the positions of the HJPC ICT department from project funding to the state budget of the HJPC ICT department from project funding to the state budget is complete	Dec 2025	Not achieved. Grace period until Dec 2026	The transfer was not completed by the December 2025 deadline: 15 of 33 ICT positions were filled from the State budget at year-end, increasing only to 17 by June 2026.
4.2.1.3 A functioning judicial appellate body is in place at the state level following adoption and implementation of a new Law on the Court of BiH	Dec 2025	Not achieved. Grace period until Dec 2026	The deadline passed without the adoption of a new Law on the Court of BiH.

4.2.1.4 A new comprehensive Law on the HJPC in line with European standards is adopted following consultations with practitioners and civil society, and taking into account monitoring results of HJPC integrity amendments; and it is implemented to ensure, among others, an independent judicial disciplinary regime, a performance appraisal system that is based on qualitative criteria, and merit-based appointment	Dec 2025	Not achieved. Grace period until Dec 2026	The deadline passed without adopting a new HJPC Law.
4.2.1.5 The backlog in civil cases concerning utility bills is reduced by 20% and for other civil cases by 10%	June 2026	Partially achieved. Grace period until Jun 2027	The utility-case backlog had fallen by 9%, below the 20% target, while other civil cases decreased by 17,6%, exceeding the 10% target.

4.2.1 FUNCTIONING OF THE JUDICIARY

- **4.2.1.1 Ensure that the asset declarations of judicial office holders are verified effectively by implementing the integrity-related amendments to the Law on the High Judicial and Prosecutorial Council**

The implementation of the asset declaration verification system was significantly delayed. The integrity amendments¹⁴ adopted in September 2023 originally envisaged application after 90 days, but the Asset Declarations Department became operational only on 2 June 2025 due to political and technical blockades. By then, procedures for formal, regular, and additional verification, risk-based selection, and follow-up had been established. However, **capacity remains limited**, with only 8 of 17 systematised positions filled. **Initial verification began in the second half of 2025**, prioritising HJPC members and judicial office holders undergoing appointment or promotion procedures. By November 2025,¹⁵ 158 formal, 96 regular, and 31 additional verifications had been completed. Still, only 54 cases had been fully concluded, indicating that the system had become operational but had not yet reached sufficient coverage or processing capacity.

¹⁴ Law on Amendments to the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Official Gazette of Bosnia and Herzegovina, No. 63/2023, available at: https://www.sluzbenilist.ba/page/PdfDownload?BrojIzdavanja=63&Nivolzdavanja_FK=1&Godinalzdanja=2023 (accessed 18 September 2026).

¹⁵ High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Third External Monitoring Report on the Implementation of the Asset Declaration System, reporting period: 2 June–3 November 2025, available at: <https://vstv.pravosudje.ba/vstvfo-api/vijest/download/154209> (accessed 18 September 2026).

Implementation continued during 2026, but progress remained slow. As of May 2026,¹⁶ 347 of 1546 cases concerning 2024 asset declarations had been completed (22%), 324 were being processed, and 875 (56%) remained unprocessed. Of the 523 cases requiring additional verification, 132 had been completed and 65 remained in progress. Three verifications related to new appointments or promotions yielded negative findings, with two cases referred to the Office of the Disciplinary Counsel. Staffing remained unchanged, with temporary part-time support from two other HJPC employees. The effectiveness of **additional verification remained constrained** by slow, insufficiently digitalised information exchange with other institutions, limited access to relevant data, and the absence of an adequate mechanism for verifying assets held abroad. **Asset declarations,¹⁷ Department reports,¹⁸ and external monitoring reports¹⁹ are publicly available**, but the pace of publishing individual declarations has reflected the broader verification backlog.

The verification framework was challenged in proceedings brought by judicial associations and other entities, contesting the **legality of the HJPC rulebook and instructions** and questioning the legal basis for collecting and verifying asset data. The Constitutional Court rejected²⁰ a challenge concerning the delayed application of the asset declaration rules. The case addressed whether it was lawful to postpone the application of these rules until February 2025 and whether the HJPC therefore had a valid legal basis to collect and verify asset declarations. The Court found that the provisions allowing this postponement were constitutional. It did not examine the constitutionality of the asset declaration and verification system itself, finding that this part of the request was outside its jurisdiction. Furthermore, the **HJPC amended the rules governing the selection of external monitoring experts** in April 2026, despite the European Commission's concerns regarding the monitoring arrangement's independence and credibility. External experts have additionally called for clearer legal rules on the scope of regular and additional verification and on the

16 High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Fifth External Monitoring Report on the Implementation of the Asset Declaration System, reporting period: 5 March–22 May 2026, available at: <https://vstv.pravosudje.ba/vstvfo-api/vijest/download/165051> (accessed 18 September 2026).

17 High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Annual Financial Reports of Judicial Office Holders: Initial Financial Reports for 2024, available at: <https://mik.pravosudje.ba/reporting-periods/5> (accessed 18 September 2026).

18 High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Report on the Work of the Asset Declaration Processing Department for the Period 2 December 2025–2 June 2026, 16 July 2026, available at: <https://vstv.pravosudje.ba/vstvfo/B/141/kategorije-vijesti/1198/125761/126997> (accessed 18 September 2026).

19 High Judicial and Prosecutorial Council of Bosnia and Herzegovina, External Experts' Monitoring Reports on the Work of the Asset Declaration Processing Department, available at: <https://vstv.pravosudje.ba/vstvfo/B/141/kategorije-vijesti/1198/125761/126517> (accessed 18 September 2026).

20 Constitutional Court of Bosnia and Herzegovina, Decision on Admissibility and Merits in Case No. U-25/25, adopted on 14 May 2026, Official Gazette of Bosnia and Herzegovina, No. 43/2026, available at: <https://sluzbenilist.ba/page/akt/BwINvje7yFQ%3D> (accessed 18 September 2026).

obligations of institutions holding relevant data.²¹ Disagreement has also persisted over the scope of the Department's mandate, including how to treat incomplete declarations when household members fail to provide information.

- **4.2.1.2 The transfer of the positions of the HJPC ICT department from project funding to the state budget of the HJPC ICT department from project funding to the state budget is complete**

Based on the staffing information subsequently provided by the HJPC,²² **15 of the 33 systematised ICT Department positions were filled with State budget funds at the end of 2025, leaving 18 positions vacant.** Recruitment procedures for two additional positions began in 2025 but were not completed until early 2026. The HJPC had deprioritised ICT staff recruitment to urgently fill positions required for the Asset Declarations Department.

By 30 June 2026, two former project-funded employees were recruited to regular budget-funded positions, increasing staffing to 17 of 33 systematised posts, while **16 positions remained vacant.** Personnel funded under the Instrument for Pre-accession Assistance continued to perform parts of the functions assigned to these vacant positions. Further recruitment was planned for the second half of 2026, while **four additional ICT positions were foreseen under the 2026 State budget**, which was adopted only after the monitoring cut-off.

Implementation was also affected by recurring delays in the adoption of the State budget. The 2025 budget was adopted only in November 2025, shortly before the reform deadline, while BiH remained under temporary financing into the third quarter of 2026. These delays constrained timely approval and recruitment of permanent staff.

- **4.2.1.3 A functioning judicial appellate body is in place at the state level following adoption and implementation of a new Law on the Court of BiH**

Adopting new legislation to regulate the state-level court system has been a key requirement of the European Commission since its 2019 Opinion.²³ Earlier drafts were controversial, including attempts to narrow the Court of BiH's jurisdiction in corruption and organised crime cases, which drew criticism from civil society.²⁴

21 High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Fifth External Monitoring Report.

22 High Judicial and Prosecutorial Council of Bosnia and Herzegovina, Response of 5 August 2026 to a request for access to information, on file with the authors.

23 European Commission, Opinion on Bosnia and Herzegovina's Application for Membership of the European Union, 29 May 2019, available at: https://enlargement.ec.europa.eu/opinion-bosnia-and-herzegovina-application-membership-european-union-0_en (accessed 18 September 2026).

24 Alen Gudalo, Edo Kanlić, Snježana Ivandić Ninković and Vesna Iliktarević (eds.), Alternative Report on Bosnia and Herzegovina's Progress on the European Union Membership Path (April 2023–July 2024), Initiative for Monitoring the European Integration of Bosnia and Herzegovina, Sarajevo, October 2024, available at: <https://eu-monitoring.ba/site/wp-content/uploads/2024/10/Alen-ENG-web.pdf> (accessed 18 September 2026).

During 2025, no agreement was reached on a comprehensive new law. The European Commission²⁵ continued to assess that the judiciary had made no progress and called for the Law on the Courts of BiH to be finalised and adopted in line with the Venice Commission's recommendations.²⁶ The process remained politically contested, particularly over the **appellate body's jurisdiction and location**. By December 2025, the Ministry of Justice had moved toward a compromise model based on amendments to the existing Law on the Court of BiH rather than establishing a completely separate appellate institution.²⁷ That proposal retained the existing jurisdiction and Sarajevo as the seat, while granting the Appellate Division of the Court of BiH greater organisational and budgetary independence.

The Parliamentary Assembly of Bosnia and Herzegovina (Parliament) subsequently advanced two different legislative approaches. In December 2025, three delegates submitted a Proposal for Amendments to the Law on the Court of BiH,²⁸ rather than a new comprehensive law.²⁹ This model maintains an **appellate division within the existing Court of BiH** and therefore differs from the Reform Agenda formulation.

In parallel, a Member of Parliament (MP) submitted a new Proposal for the Law on the Court of BiH and the Appellate Court of BiH³⁰ in March 2026. Unlike the House of Peoples proposal, it envisages **two institutionally separate courts** and regulates the establishment, jurisdiction, organisation and financing of a separate Appellate Court. The proposal was not adopted by the cut-off date.³¹

25 European Commission, Directorate-General for Enlargement and Eastern Neighbourhood, Bosnia and Herzegovina Report 2025, 4 November 2025, available at: https://enlargement.ec.europa.eu/bosnia-and-herzegovina-report-2025_en (accessed 18 September 2026).

26 European Commission for Democracy through Law (Venice Commission), Bosnia and Herzegovina: Opinion on the Draft Law on Courts of Bosnia and Herzegovina, CDL-AD(2023)003, adopted at the 134th Plenary Session, Venice, 10–11 March 2023, <https://www.coe.int/en/web/venice-commission/-/cdl-ad-2023-003-e> (accessed September 18, 2026).

27 Ministry of Justice of Bosnia and Herzegovina, "Publication of the Draft Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina and the Law on Amendments to the Law on the Court of Bosnia and Herzegovina," December 5, 2025, <https://mpr.gov.ba/hr/portal/objava/objava-nacrta-zakona-o-visokom-sudbenom-i-tuziteljskom-vijecu-bih-i-zakona-o-izmjenama-i-dopunama-zakona-o-sudu-bosne-i-hercegovine-639005500020000000> (accessed September 18, 2026).

28 Parliamentary Assembly of Bosnia and Herzegovina, Proposal for the Law on Amendments to the Law on the Court of Bosnia and Herzegovina, December 17, 2025, https://static.parlament.ba/doc/182625_b%20Prijedlog%20zakona.pdf (accessed September 18, 2026).

29 The House of Peoples adopted it on first reading on 15 July 2026; it entered the amendment stage in only one chamber and therefore was not adopted by the Parliamentary Assembly or entered into force.

30 Parliamentary Assembly of Bosnia and Herzegovina, Proposal for the Law on the Court of Bosnia and Herzegovina and the Appellate Court of Bosnia and Herzegovina, March 24, 2026, https://static.parlament.ba/doc/186993_Prijedlog%20zakona.pdf (accessed September 18, 2026).

31 It progressed through first reading and reached second reading in the House of Representatives on 22 July 2026, but did not obtain the required entity majority and was referred to the Collegium for harmonization. It therefore also remained pending.

Stakeholder involvement remained limited. The only documented public consultations concerned an earlier draft from 2022, while subsequent versions were substantially revised without comparable renewed consultations. Civil society had to seek access to later drafts through freedom-of-information (FOI) proceedings and litigation because authorities did not proactively disclose them. As a result, **stakeholders were not given a continuous opportunity to assess** the versions that ultimately shaped the political and parliamentary negotiations.

Ultimately, to align with the institutional setup envisaged by the Reform Agenda, BiH must amend the Law on the Court of BiH to ensure the organisational and budgetary independence of its Appellate Division.

- **4.2.1.4 A new comprehensive Law on the HJPC in line with European standards is adopted following consultations with practitioners and civil society, and taking into account monitoring results of HJPC integrity amendments; and it is implemented to ensure, among others, an independent judicial disciplinary regime, a performance appraisal system that is based on qualitative criteria, and merit-based appointment**

A new comprehensive Law on the HJPC had neither been adopted nor entered into force, despite several legislative attempts. The Council of Ministers adopted a government proposal³² on 4 March 2025 and forwarded it to Parliament under the urgent procedure, but Parliament rejected it later that month. This process raised concerns regarding transparency and consistency of the legislative process.

The Venice Commission³³ found that **participation remained insufficiently inclusive**, particularly for civil society and professional organisations, and highlighted a lack of clarity regarding the changes made to the text and whether stakeholder proposals had been taken into account. It assessed the draft as a step forward towards European standards, but identified outstanding recommendations, including those concerning the composition and election of HJPC members, ethnic representation, the number and selection of lay members, distribution of competences, transitional arrangements and other safeguards for judicial independence.

32 Parliamentary Assembly of Bosnia and Herzegovina, "Proposal for the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina," No. 01,02-02-1-727/25, March 18, 2025, <https://parlament.ba/olaw/OLawDetails?lawid=113972> (accessed September 18, 2026).

33 European Commission for Democracy through Law (Venice Commission), Bosnia and Herzegovina: Follow-up Opinion to Previous Opinions on the Draft Law on the High Judicial and Prosecutorial Council, CDL-AD(2025)004, March 18, 2025, <https://www.coe.int/en/web/venice-commission/-/opinion-1217> (accessed September 18, 2026).

Domestic civil society criticism largely mirrored these concerns,³⁴ repeatedly warning that successive **drafts preserved ethnic affiliation as a dominant factor in HJPC composition** rather than treating it as a temporary corrective to merit-based selection, while leaving significant room for political and executive influence over the selection of Council members. Concerns also focused on **insufficient safeguards against conflicts of interest, weaknesses in asset declaration and verification rules, and the delegation of key matters concerning appointments, promotion and accountability to secondary legislation.**

After the government proposal failed, legislative activity shifted mainly to parliamentary initiatives. A new comprehensive proposal,³⁵ submitted by five members of the House of Representatives in December 2025, passed its first reading and was followed by a public hearing on 21 January 2026. This stage was **substantially more open**: the draft and accompanying documents were publicly available, and the hearing involved representatives of judicial institutions, professional associations, academia, international organisations, and civil society, with Parliament publishing written opinions and amendments.³⁶ However, MPs withdrew this proposal before the second reading on 29 April 2026.

A further proposal³⁷ submitted by an MP in April 2026 reached first reading in the House of Representatives. It did not secure the required entity majority and was ultimately rejected in the second round of voting on 30 June 2026. In parallel, another proposal³⁸ submitted by three delegates to the House of Peoples in December 2025 remained in parliamentary procedure and had not completed first reading by the cut-off date.

Therefore, although several legislative texts were prepared, made publicly accessible, and, in one case, subjected to a broad parliamentary public hearing, these initiatives failed to produce an enacted law. None of the later parliamentary

34 Sanja Ramić, 2025 Alternative Report on Bosnia and Herzegovina's Progress on the European Union Membership Path (Initiative for Monitoring the European Integration of Bosnia and Herzegovina, November 2025), <https://eu-monitoring.ba/site/wp-content/uploads/2026/01/Alternativni-izvjestaj-2025-ENG-Web.pdf> (accessed September 18, 2026).

35 Parliamentary Assembly of Bosnia and Herzegovina, "Proposal for the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina," No. 01-02-1-2679/25, submitted December 12, 2025, <https://parlament.ba/olaw/OLawDetails?lawId=136574> (accessed September 18, 2026).

36 Parliamentary Assembly of Bosnia and Herzegovina, "Public Hearing on the Proposal for the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina," January 21, 2026, <https://www.parlament.ba/event/eventDetails/12675> (accessed September 18, 2026).

37 Parliamentary Assembly of Bosnia and Herzegovina, "Proposal for the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina," No. 01-02-1-1196/26, April 28, 2026, <https://parlament.ba/olaw/OLawDetails?lawId=138306> (accessed September 18, 2026).

38 Parliamentary Assembly of Bosnia and Herzegovina, "Proposal for the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina," No. 02-02-1-2720/25, proposed by Nikola Špirić, Dragan Čović, and Kemal Ademović, December 17, 2025, <https://www.parlament.ba/olaw/OLawDetails?lawId=136628> (accessed September 18, 2026).

proposals was accompanied by an authoritative assessment confirming that they fully addressed the outstanding Venice Commission recommendations and complied with the European standards required by the reform.

- **4.2.1.5 The backlog in civil cases concerning utility bills is reduced by 20% and for other civil cases by 10%**

The reform step was only partially achieved by the deadline: the required 20% reduction in the backlog of utility-related cases was not met, whereas the 10% reduction target for other civil cases was exceeded.

The number of unresolved **utility cases** decreased from 1,648,516 at the 2023 baseline to 1,500,563 as of 30 June 2026, representing a **reduction of approximately 9.0%**, which is substantially below the required 20%. Moreover, the backlog slightly increased during the first half of 2026, from 1,490,837 cases on 1 January to 1,500,563 on 30 June, an increase of 9,726 cases or 0.7%. The data therefore indicate that, while progress was made compared with the 2023 baseline, **the reduction stalled** and partially reversed during the final six months before the reform deadline.³⁹

The backlog for other **civil cases** decreased from 70,746 at the end of 2023 to 58,284 as of 30 June 2026, a **reduction of approximately 17.66%, exceeding the 10% target**. The reduction had already reached around 16% by the end of 2025 and continued during the first half of 2026.

³⁹ High Judicial and Prosecutorial Council of Bosnia and Herzegovina, response of August 5, 2026, to a request for access to information, on file with the authors.

The Reform Agenda places significant emphasis on strengthening BiH's anti-corruption framework, reflecting long-standing deficiencies highlighted in the Commission's 2019 Opinion. These include whistleblower protection, conflict-of-interest measures, stronger and more professional corruption-prevention bodies, and improvements in public procurement. All four monitored reform steps had a December 2025 deadline, and none were completed. The key weakness remains the lack of a coherent country-wide approach. Legislative initiatives are often developed separately at different levels of government before common standards, sequencing, and coordination mechanisms are agreed upon, even though State-level institutions have statutory coordination responsibilities in several areas. This has led to fragmented arrangements, with widely differing legal protections, institutional mandates, and implementation capacities across jurisdictions.

Not all reform areas are governed by detailed EU acquis; in fields such as conflicts of interest and anti-corruption bodies, where assessment depends on broader European and international standards that domestic authorities do not apply consistently, substantive alignment remains difficult to assess. The four overdue steps have a combined indicative value of approximately EUR 29.04 million, which risks permanent loss if the corresponding payment conditions are not met within the applicable grace period.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
4.3.1 Fight against corruption			
4.3.1.1 A state-level law on the protection of whistleblowers in line with the EU acquis is adopted, to which all other levels of government are then aligned.	Dec 2025	Not achieved. Grace period until Dec 2026	Draft prepared and publicly consulted at the State level, but not adopted; alignment across entities, the Brčko District, and the cantons remains incomplete and fragmented.
4.3.1.2 Align with merit principles and EU standards the state and entity-level laws and BD on civil service recruitment, promotion and dismissals, to which cantonal level laws are adapted to	Dec 2025	Not achieved. Grace period until Dec 2026	In the preparatory phase. Not fulfilled at any level.
4.3.1.3 A functioning system is in place for the prevention and repression of conflict of interest, notably by aligning the legislative framework with European standards at all levels of government; by setting up an independent and professional Commission for the Conflict of Interest at the state level; and by setting up functioning and independent anticorruption bodies at the entity and cantonal levels	Dec 2025	Not achieved. Grace period until Dec 2026	Legislation on conflict of interest is not harmonised with European standards; the State-level Commission is still not fully functional, and the institutional anti-corruption framework has not been finalised.

4.3.1.4 Respective legislation covering public procurement, concessions and public private partnerships is brought in line with EU Acquis, and the Public Procurement Review Bodies at the state and entities level adequately staffed in order to fulfil their mandate	Dec 2025	Not achieved. Grace period until Dec 2026	Preparatory work and consultations had advanced on several laws, but only Brčko District adopted a new concessions law, while the required countrywide acquis alignment and adequate staffing of the Procurement Review Body remained unfulfilled.
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REFORM 4.3.1 FIGHT AGAINST CORRUPTION

- **4.3.1.1 A state-level law on the protection of whistleblowers in line with the EU acquis is adopted, to which all other levels of government are then aligned**

Whistleblower protection remained disharmonised across BiH, and the new State-level legislative framework had not been adopted. A working group for the new law involving the Ministry of Justice of BiH and the Agency for the Prevention of Corruption and Coordination of the Fight against Corruption (APIK) was established in early 2025. The drafting process addressed several weaknesses of the existing framework, including its narrow focus on corruption, reporting channels, protection of personal data, and access to judicial protection. The Ministry of Justice published a **comprehensive draft⁴⁰ for public consultation** in July 2026, more than six months after the December 2025 reform deadline. Two stakeholders participated in the consultation. For unclear reasons, the Ministry published **two consultation reports**: one indicated that some civil society recommendations had been incorporated, whereas the other stated that the same recommendations had not.

Divergent timelines and planning approaches demonstrate that the different reform and anti-corruption **planning frameworks have not been translated into a coordinated country-wide legislative process**. In parallel, available implementation data also point to very limited use of existing protection mechanisms.

In 2025, at the State level, APIK received three requests for protected whistleblower status and approved none. Brčko District received three requests and approved all three, while Republika Srpska (RS) initiated no judicial protection proceedings. Sarajevo Canton received 11 requests, of which eight were approved. From 2022 to 2025, institutional mechanisms at the monitored

40 Ministry of Justice of Bosnia and Herzegovina, “Draft Law on the Protection of Persons Reporting Corruption and Other Irregularities in the Institutions of Bosnia and Herzegovina,” eKonsultacije, <https://ekonsultacije.gov.ba/legislativeactivities/details/128242-> (accessed September 21, 2026).

levels recorded only 44 requests for protection proceedings.⁴¹ The low number of cases, together with significant differences across jurisdictions, illustrates **limited use of, and confidence in, formal protection mechanisms**.

In the Federation of Bosnia and Herzegovina (FBiH), which remains **the only monitored administrative unit without whistleblower protection regulation**, the Government adopted a Draft Law on the Protection of Reporters of Irregularities⁴² in August 2024. The House of Representatives adopted the draft in October 2024, while the House of Peoples accepted⁴³ it in January 2025. The FBiH Ministry of Justice completed public consultations in May 2025, and the European Commission subsequently delivered its comments to the Ministry in February 2026.⁴⁴ Nevertheless, the process remained between the draft and proposal stages, although the legislation was included in the government work plan for both 2025 and 2026.

The FBiH draft takes a broader approach than the existing State legislation, including protection for irregularities beyond corruption and a wider set of reporting channels. At the same time, the draft itself was presented as only partially aligned with Directive (EU) 2019/1937. The prolonged absence of entity-level legislation has also contributed to **increasing territorial fragmentation within FBiH**, which prompted individual cantons to regulate the issue independently. Sarajevo Canton has the most developed framework, which regulates internal and external reporting and provides protected whistleblower status. Una-Sana Canton followed this approach by adopting its Law on Prevention of Corruption in October 2025, which took effect on 1 January 2026 and also regulates whistleblower protection. The remaining cantons have no comparable legal framework. Without a uniform entity-level law, further cantonal regulation risks deepening fragmentation and creating **legal uncertainty for citizens**, as the scope of protection, available procedures, and competent institutions depend on the canton in which the whistleblower is located.

RS continues to apply its 2017 Law on the Protection of Persons Reporting Corruption. Amendments adopted in 2024 primarily concerned institutional

41 Suzana Obradović, "Bosnia and Herzegovina," in Whistleblower Protection in the Western Balkans (Transparency International in Bosnia and Herzegovina, May 2026), <https://ti-bih.org/wp-content/uploads/2026/05/Whistleblower-Protection-in-the-WB-WEB-FINAL.pdf> (accessed September 21, 2026).

42 Parliament of the Federation of Bosnia and Herzegovina, Draft Law on the Protection of Persons Reporting Irregularities in the Federation of Bosnia and Herzegovina, no. 03-02-1525/2024 (August 22, 2024), https://parlamentfbih.gov.ba/v2/userfiles/file/Materijali%20u%20proceduri_2024/zastita%20prijavilaca%20nepravilnosti.pdf (accessed September 21, 2026).

43 Parliament of the Federation of Bosnia and Herzegovina, House of Peoples, Conclusion concerning the Draft Law on the Protection of Persons Reporting Irregularities in the Federation of Bosnia and Herzegovina, no. 02-02-1961/24 (January 30, 2025), https://parlamentfbih.gov.ba/v2/userfiles/file/pisma_dn_22_26/1961-24%20Pismo_DN_prijavitelja_nepravilnosti.pdf (accessed September 21, 2026).

44 Representative of the Delegation of the European Union to Bosnia and Herzegovina, remarks at the Transparency International in Bosnia and Herzegovina conference on whistleblower protection, June 26, 2026.

reporting arrangements and **did not amount to a comprehensive substantive revision of the protection framework**. The RS Anti-Corruption Strategy 2025-2031 includes a general commitment to align anti-corruption legislation with the EU acquis over the strategy period, without setting a specific timetable for revising the whistleblower law. The fact that **no judicial protection proceedings were initiated in 2025** additionally illustrates the very limited practical use of the existing mechanism.

Brčko District continues to apply its 2018 Law on the Protection of Persons Reporting Corruption. The District adopted no comprehensive amendments during the reporting period. Its current anti-corruption planning framework envisages possible amendments or adoption of a new law only for the fourth quarter of 2027.

- **4.3.1.2 Align with merit principles and EU standards the state and entity-level laws and BD on civil service recruitment, promotion and dismissals, to which cantonal level laws are adapted to**

None of the four monitored administrative levels had completed the legislative process on new civil service legislation by the cut-off date. A working group established by the Ministry of Justice **prepared a new draft Civil Service Law at the State level**, which remained in the opinion-gathering and consultation phase.⁴⁵ In **FBiH**, the FBiH Ministry of Justice and the Civil Service Agency **initiated preparation of a new law** and involved cantonal representatives in discussions on the future framework, but the process had not advanced beyond a working text and preparatory consultations.⁴⁶ In **RS**, work on a new law had been ongoing since at least 2023; the working group had agreed on solutions in a substantial part of the law, but further harmonisation was still required before a completed text could enter consultations and the adoption procedure.⁴⁷ In **Brčko District**, a draft prepared in 2025 was subsequently superseded by work on an entirely new text.⁴⁸ The Public Administration Reform Coordinator's Office (PARCO) did not have access to the current working versions being prepared at the different levels.⁴⁹

45 Public Administration Reform Coordinator's Office of Bosnia and Herzegovina (PARCO), Annual Progress Report on the Implementation of the Action Plan for Public Administration Reform for 2025, annex, 45–46, March 2026, https://parco.gov.ba/wp-content/uploads/2026/03/Prilog-Tabelarni-pregled-provedbe-AP_2025_nacrt_04-03-26_compressed.pdf

46 Public Administration Reform Coordinator's Office, response to a request for access to information, received September 1, 2026.

47 Ministry of Administration and Local Self-Government of Republika Srpska, response to a request for access to information, received August 31, 2026.

48 Government of the Brčko District of Bosnia and Herzegovina, "Results of the Government's First One Hundred Days Presented," April 29, 2025, <https://www.vlada.bdcentral.net/Publication/Read/prvih-sto-dana-rada-vlade?lang=en>.

49 Public Administration Reform Coordinator's Office, "Annex: Tabular Overview of the Implementation of the Public Administration Reform Action Plan for 2025," draft, March 4, 2026, https://parco.gov.ba/wp-content/uploads/2026/03/Prilog-Tabelarni-pregled-provedbe-AP_2025_nacrt_04-03-26_compressed.pdf.

The main weakness was the **lack of a coordinated harmonisation** process across administrative levels. A joint approach has been repeatedly recommended by the EU-BiH Public Administration Reform (PAR) Special Group since 2023.⁵⁰ The Ministry of Justice of BiH invited institutions to nominate members of a joint working group, but only the State and FBiH civil service agencies responded. By April 2026, the institutions still disagreed on how to organise the process. RS favoured using the existing PAR Supervisory Team, while the State Ministry of Justice reported no political support for establishing a separate joint working group. A more structured process was agreed upon only in June 2026, when the **Supervisory Team took the lead on harmonisation** and asked PARCO to prepare an overview of potential areas requiring common solutions. PARCO circulated this overview in July 2026, with the next step being presentation and comparison of the solutions contained in the current drafts from each administrative level.⁵¹

Support for Improvement in Governance and Management (SIGMA) reviewed the Brčko District draft submitted in March 2025 and had previously commented on State-level amendments adopted in 2024, but it **has not reviewed the newer State, FBiH, or RS draft laws** relevant to this reform step, nor has it been involved in reviewing cantonal civil service legislation. It also noted that recent legislative initiatives did not appear to have been developed through a coordinated cross-level process.⁵² **Transparency has remained limited** because the current draft laws have not been made available for public scrutiny.

The existing regulatory frameworks remain inconsistent with the Principles of Public Administration and relevant EU standards, with persistent weaknesses in HR planning, selection methods, inclusive recruitment, the professionalism of selection committees, attracting qualified candidates, and, in FBiH, salary compression and opportunities for salary progression.⁵³ PARCO also reported that **the European Commission expects draft civil service laws at all levels to be submitted to the EU and SIGMA before adoption.**⁵⁴

50 Public Administration Reform Coordinator's Office, "Recommendations and Next Steps Identified by the European Commission at the Sixth Meeting of the Special Group on Public Administration Reform," July 17, 2023, <https://parco.gov.ba/hr/2023/07/17/preporuke-i-naredni-koraci-koje-je-evropska-komisija-utvrdila-na-6-sastanku-posebne-grupe-za-rju/>.

51 Public Administration Reform Coordinator's Office, response to a request for access to information, received September 1, 2026.

52 SIGMA, response to a request for access to information, received August 24, 2026.

53 SIGMA, Merit-Based Civil Service Recruitment and Selection in the Western Balkans and EU Eastern Neighbourhood, SIGMA Papers, no. 79 (Paris: OECD Publishing, 2026), https://www.sigmaweb.org/content/dam/sigma/en/publications/reports/2026/06/merit-based-civil-service-recruitment-and-selection-in-the-western-balkans-and-eu-eastern-neighbourhood_350edbdba/dc514448-en.pdf.

54 Public Administration Reform Coordinator's Office, response to a request for access to information, received September 1, 2026.

Cantonal adaptation is consequently still in its early stages. FBiH authorities have involved cantonal representatives and agreed in principle on a model in which a federal law would provide the common framework while leaving space for specific cantonal matters to be regulated separately. However, the new FBiH law has not yet been finalised and adopted, so there is no new entity benchmark against which cantonal legislation can be systematically adapted.

- **4.3.1.3 A functioning system is in place for the prevention and repression of conflict of interest, notably by aligning the legislative framework with European standards at all levels of government; by setting up an independent and professional Commission for the Conflict of Interest at the state level; and by setting up functioning and independent anticorruption bodies at the entity and cantonal levels**

The formulation of the reform step combines several distinct legislative and institutional reforms, including general corruption-prevention bodies that do not necessarily have conflict-of-interest competences, which makes verification complex.

Conflict of interest

At the **state level**, the Law on the Prevention of Conflict of Interest was adopted in March 2024, but more than two years later, its **implementation framework remained incomplete**. The European Commission assessed that the law remained insufficiently aligned with European standards regarding incompatibilities, sanctions, and the selection and composition of the Commission.⁵⁵ Critically, five essential rulebooks governing financial declarations, conflict-of-interest proceedings, the register of public officials, verification of declarations, and gifts had not yet been adopted by the cut-off date and remained before the Council of Ministers as proposals. The State Commission was appointed in October 2024 but remained **largely inactive in its first year**, only beginning to issue decisions and sanctions in late 2025. Its **Rules of Procedure have not been published** and it still lacks a dedicated website and systematic publication of meetings and decisions. Cooperation with APIK, which provides its administrative and technical support, has been weak. Concerns regarding the **eligibility and potential conflicts of interest of individual members also did not result in removals**.

In the **FBiH**, the long-standing legal vacuum remains unresolved because there is still **no effective entity-level body to identify and sanction conflicts of**

⁵⁵ European Commission, Directorate-General for Enlargement and Eastern Neighbourhood, Bosnia and Herzegovina Report 2025 (Brussels: European Commission, November 4, 2025), 33, https://enlargement.ec.europa.eu/bosnia-and-herzegovina-report-2025_en.

interest. A new legislative proposal⁵⁶ submitted by MPs in January 2026, based largely on the earlier government text withdrawn in 2023, was considered⁵⁷ by the Government in March 2026 but had not been adopted by the cut-off date.

In **RS**, no legislative alignment was achieved by the deadline. The RS 2025-2031 Anti-Corruption Strategy and Action Plan calls for a comprehensive analysis of the existing framework before drafting of a new law begins. Meanwhile, **implementation of the existing law remains problematic due to its narrow scope and interpretative gaps**, including differentiated treatment depending on acting status, budget financing, or remuneration, while the European Commission specifically noted that the RS framework provides no sanctions.⁵⁸

Brčko District has a more developed legal and institutional framework, including a dedicated conflict-of-interest commission and asset-declaration verification, and **amended its legislation in 2026**.⁵⁹

Alignment of legislation in BiH will be meaningful only once the state-level law aligns with European standards.

Anti-Corruption Bodies

Professionalisation of corruption-prevention bodies has remained partial and highly uneven. At the **entity level**, the reform requirement has effectively not been met. The FBiH continues to rely on the Government Anti-Corruption Team rather than on a permanent, professional, and operationally independent body, while RS coordinates anti-corruption activities through a unit within the Ministry of Justice rather than through an independent institution.

The picture is more developed but still **fragmented at the cantonal level**. Sarajevo has the most developed framework, with permanent institutional capacity, dedicated procedures and measurable implementation results, while Tuzla, Zenica-Doboj and Una-Sana also operate professional offices. Other cantons remain at different stages of institutionalisation: Canton 10 and Posavina appointed their directors only in 2026, while the office in Bosnian-Podrinje is

56 Parliament of the Federation of Bosnia and Herzegovina, House of Representatives, Law on the Prevention of Conflicts of Interest in the Government Authorities of the Federation of Bosnia and Herzegovina, legislative proposal, January 20, 2026, <https://drive.google.com/file/d/1AXh7XHyHnq2AEHw95wFj3W0udeWtjL1x/view>.

57 Government of the Federation of Bosnia and Herzegovina, "Opinion on the Proposal for the Law on the Prevention of Conflicts of Interest in the Government Authorities of the Professionalisation Federation of Bosnia and Herzegovina," March 18, 2026, https://drive.google.com/file/d/14OHZ_INCvaZk0PTxtptwkrss-0b0aSlmq/view.

58 European Commission, Bosnia and Herzegovina 2025 Report, 34; Transparency International in Bosnia and Herzegovina, monitoring conducted for the Reform Monitor, 2026.

59 Assembly of the Brčko District of Bosnia and Herzegovina, Law on Amendments to the Law on the Prevention of Conflicts of Interest in the Institutions of the Brčko District of Bosnia and Herzegovina, no. 01-02-688-K/26, June 3, 2026, <https://skupstinabd.ba/3-zakon/ba/Zakon%20o%20sprec--avanju%20sukoba%20interesa%20u%20institucijama%20Brc--ko%20Distrikta%20BiH/02B18-26%20%20Zakon%20o%20izmjenama%20i%20dopunama%20%20Zakona%20o%20sprec--avanju%20sukoba%20interesa.pdf>.

still consolidating its staffing and operational capacity. Central Bosnia and Herzegovina-Neretva have not demonstrated progress towards fully professionalised bodies, and West Herzegovina continues to rely on a commission-based model. Consequently, **permanent status, adequate staffing and financial and operational independence are still not secured according to a common standard across all cantons.**

Fragmentation also extends to mandates and strategic frameworks. **Anti-corruption bodies do not have uniform competences:** only some have jurisdiction to verify asset declarations, address conflicts of interest or protect whistleblowers, and the scope of public registers varies substantially, from broad systems covering public officials, assets, gifts, employment, procurement and public transfers to only one or two registers, or none at all. **Strategic planning** is similarly fragmented, with **FBiH** as the most striking example: there has been **no valid entity-level anti-corruption strategy since 2019**, meaning that cantonal strategies are not developed within a common entity-level strategic framework and instead coexist with the state strategy through largely separate strategic cycles. Their duration, structure, indicators, and deadlines differ considerably. In **RS**, the current strategy does not establish vertical harmonisation with the state-level framework. APIK's monitoring and harmonisation recommendations⁶⁰ have therefore not yet translated into a common and operational minimum standard for corruption-prevention bodies across the country.

- **4.3.1.4 Respective legislation covering public procurement, concessions and public private partnerships is brought in line with EU Acquis, and the Public Procurement Review Bodies at the state and entities level adequately staffed in order to fulfil their mandate**

The scope of the reform is broad because, unlike public procurement, concessions and public-private partnerships (PPPs) are regulated through more than 25 laws.⁶¹ Public procurement, by contrast, is governed by a single state-level law applicable to contracting authorities throughout BiH. The Reform Agenda requires the relevant legislation at each competent level to be brought into line with the EU acquis. Given the fragmentation of the concessions and PPP frameworks, the assessment also considers significant inconsistencies between the existing legal regimes where these affect their coherent application. This assessment is limited to four jurisdictions: the state level, FBiH, RS, and the Brčko District.

60 Agency for the Prevention of Corruption and Coordination of the Fight against Corruption, Recommendations for Aligning Anti-Corruption Policies in Bosnia and Herzegovina with the General Principles of the 2024–2028 Anti-Corruption Strategy (East Sarajevo, September 2024), <https://static.vijeceministara.gov.ba/public.storage.gov.cms/organizations/48/migrated-assets/documents/2024-11/3185.pdf>.

61 SIGMA, Overview of Public Procurement Systems in the Western Balkans, SIGMA Papers, no. 76 (Paris: OECD Publishing, 2025), https://www.sigmaweb.org/content/dam/sigma/en/publications/consultations/reports/2025/12/overview-of-public-procurement-systems-in-the-western-balkans_07e03c4e/fac01d1b-en.pdf.

Public Procurement

The main shortcomings of the single state-level law are its incomplete alignment with the EU acquis and weak implementation and review capacity.⁶² The European Commission identified further alignment needs in modern procurement techniques, electronic communication, award criteria, and contract life-cycle costing, and found that the Public Procurement Agency and the Procurement Review Body lacked sufficient administrative and technical capacity, respectively.⁶³

Despite these shortcomings, substantial preparatory progress was made on the **new Public Procurement Law**. By the end of 2025, the Public Procurement Agency had prepared a comprehensive draft⁶⁴ and completed consultations.⁶⁵ The EU Delegation welcomed the preparation of the draft and recommended its submission to the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) for a formal compliance assessment.⁶⁶ No information was available on whether the draft had subsequently been submitted for such an assessment. SIGMA, together with competent domestic institutions and other stakeholders, had considered this draft overly prescriptive and difficult to implement.⁶⁷ Moreover, the draft did not advance to formal consideration by the Council of Ministers or enter parliamentary procedure. Work on the text continued during 2026, meaning that the Reform Agenda **requirement to adopt a new EU-aligned Public Procurement Law had not been fulfilled**.

The **Public Procurement Review Body also remained significantly understaffed** at the end of 2025. Only **37 of 55 systematised positions were filled (67%)**, well below the Parliament's call to reach at least 90% staffing. Parliament also specifically called for strengthening the Mostar branch, where additional staffing needs had been identified. Although recruitment procedures were conducted during 2025, including for a procurement adviser in Mostar, the overall staffing level did not improve compared with the end of 2024. Staffing

62 European Commission, Bosnia and Herzegovina Report 2025, 60–61.

63 Ibid.

64 Public Procurement Agency of Bosnia and Herzegovina, "Preparation of the New Public Procurement Law Enters Its Final Phase," November 12, 2025, <https://www.javnenabavke.gov.ba/bs-latn-ba/news/465/priprema-novog-zakona-o-javnim-nabavkama-ulazi-u-zavrsnu-fazu> (accessed October 9, 2026).

65 Public Procurement Agency of Bosnia and Herzegovina, "Draft New Public Procurement Law Submitted to the Competent Authorities with a Proposal for Further Activities," December 31, 2025, <https://www.javnenabavke.gov.ba/bs-latn-ba/news/473/nacrt-novog-zakona-o-javnim-nabavkama-dostavljen-na-dleznim-organima-sa-prijedlogom-daljih-aktivnosti>.

66 European Union Delegation to Bosnia and Herzegovina, Head of Cooperation, "Compliance Assessment of the Draft Public Procurement Law," letter, November 20, 2025, <https://files.javnenabavke.gov.ba/news/781e0b26-3363-4007-84f0-8c1553bcc1b1.pdf> (accessed October 9, 2026).

67 Aleksandra Martinović and Anela Duman, "Public Procurement," in *The Impact of EU Accession on Local Authorities in Bosnia and Herzegovina*, rev. ed. 2026 (SALAR International, 2026), 20. <https://fliphtml5.com/gaklz/SOG-English/28/>

figures therefore confirm that **the required strengthening of institutional and branch-level capacity was not achieved** by the reform deadline.⁶⁸

Concessions

Concessions remain the clearest example of the underlying harmonisation problem posed by separate and disharmonised legal regimes in BiH. Despite the requirement to align legislation both internally and with the EU acquis, no coordinated legislative process produced a mutually compatible nationwide framework.

The transposition of Directive 2014/23/EU had not effectively commenced, and substantive inconsistencies were identified among the frameworks of the state, the FBiH, the RS, and the Brčko District. These included divergent definitions of concessions and concessionaires, restrictions inconsistent with EU market-access principles, and procedures for unsolicited proposals or negotiated awards that conflict with principles of transparency and equal treatment. Each legal regime has its own review mechanism, and most concessions and PPP laws lack sufficiently detailed provisions on effective remedies, further contributing to fragmentation.⁶⁹

Brčko District was the exception in terms of legislative activity. Following a public hearing in September 2025, **a new Law on Concessions⁷⁰ was adopted in October 2025**, replacing the 2006 framework. This constitutes tangible progress in terms of legislative adoption and consultation.

SIGMA recommended that the institutions responsible for concessions and PPPs at the state and entity levels develop a roadmap to harmonise the legal framework with the EU acquis, including measures to improve coordination and ensure consistent application throughout BiH.⁷¹ The European Commission reiterated the same recommendation, calling on the competent state and entity institutions to jointly develop such a roadmap.⁷²

68 Procurement Review Body of Bosnia and Herzegovina, 2025 Annual Work Report (Sarajevo, 2026), https://www.urz.gov.ba/izvjestaji/izvjestaj%20o%20radu/lzvje%C5%A1taj_o_radu_za_2025.pdf; Parliamentary Assembly of Bosnia and Herzegovina, House of Representatives, "Draft Minutes of the 29th Session," document no. 01-50-1-15-29/25, June 12, 2025, agenda item 14, https://static.parlament.ba/doc/178297_b%20Prijedlog%20zapisnika%2029%20sj...pdf.

69 OECD, Public Administration in Bosnia and Herzegovina 2024: Assessment against the Principles of Public Administration, SIGMA Monitoring Report (Paris: OECD Publishing, January 27, 2025), https://www.sig-maweb.org/content/dam/sigma/en/publications/reports/2025/01/public-administration-in-bosnia-and-herzegovina-2024_df5d9924/969426b5-en.pdf.

70 Assembly of the Brčko District of Bosnia and Herzegovina, Law on Concessions in the Brčko District of Bosnia and Herzegovina, no. 01-02-2022/25, adopted October 29, 2025, <https://skupstinabd.ba/3-zakon/hr/Zakon%20o%20koncesijama/01H39-25%20Zakon%20o%20koncesijama%20u%20Br%20ko%20distribucije%20Bosne%20i%20Hercegovine.pdf>.

71 OECD/SIGMA, Public Administration in Bosnia and Herzegovina 2024, 132.

72 European Commission, Bosnia and Herzegovina 2025 Report, 60.

Public-Private Partnerships

In the **FBiH**, where **no entity-level PPP law is currently in force**, the Government adopted a Draft Law on Public-Private Partnership⁷³ in June 2024. Both houses of the FBiH Parliament subsequently accepted the draft, and a 60-day **public consultation was conducted** in early 2025.⁷⁴ Nevertheless, the law was not adopted by the due date. The Government stated that the draft was prepared with technical support from the International Finance Corporation and based on international best practices. However, no publicly available assessment by the European Commission, SIGMA, or another comparable international body was identified that formally verifies the draft's compliance with the EU acquis.

RS and the Brčko District already have separate PPP laws, but the **national framework has not been harmonised**. SIGMA noted that the RS framework contains a competitive dialogue procedure that broadly resembles the corresponding EU procurement procedure, but the state Public Procurement Law and its remedies system do not apply to PPPs. It also identified shortcomings in the Brčko District PPP framework and, more broadly, concluded that the coexistence of multiple legal regimes significantly hinders the implementation of PPP and concession projects.⁷⁵

73 Government of the Federation of Bosnia and Herzegovina, Draft Law on Public-Private Partnership of the Federation of Bosnia and Herzegovina, no. 03-02-1315-2/2021 (Sarajevo, July 9, 2024), https://parlamentfbih.gov.ba/v2/userfiles/file/Materijali%20u%20proceduri_2024/NACRT%20ZAKONA%20Privatno_partnerstvo_B.pdf.

74 Parliament of the Federation of Bosnia and Herzegovina, House of Representatives, letter concerning the Draft Law on Public-Private Partnership of the Federation of Bosnia and Herzegovina, no. 01-02-1581/24, October 24, 2024, https://parlamentfbih.gov.ba/v2/userfiles/file/pisma_pd_22_26/1581-24-PISMO%20SA%20SJEDNICE%20PD-javno-privatno-partnerstvo.pdf; Parliament of the Federation of Bosnia and Herzegovina, House of Peoples, letter concerning the Draft Law on Public-Private Partnership of the Federation of Bosnia and Herzegovina, no. 02-02-1581/24, January 30, 2025, https://parlamentfbih.gov.ba/v2/userfiles/file/pisma_dn_22_26/1581-24_Pismo_DN_javnom-privatnom_partnerstvu.pdf; Federal Ministry of Energy, Mining and Industry, "Draft Law on Public-Private Partnership of the Federation of Bosnia and Herzegovina," February 18, 2025, <https://fmeri.gov.ba/vijesti/posts/2025/february/nacrt-zakona-o-javno-privatnom-partnerstvu-federacije-bosne-i-hercegovine/>.

75 OECD, Public Administration in Bosnia and Herzegovina 2024, 152-153.

The two reform steps in this area were due in December 2025, but neither was met by the deadline. Their implementation is hard to assess because law enforcement and security institutions remain relatively closed to public scrutiny. Consolidated data needed to assess results are either not collected or not publicly available. Another weakness is the lack of strong institutional coordination. Much of the cooperation between police and other competent authorities still relies on project-based initiatives, often supported or initiated by international organisations, rather than permanent domestic mechanisms.

These weaknesses were compounded by the prolonged leadership vacuum in the BiH Ministry of Security, which plays an important coordinating role in these processes. The minister resigned and was relieved of duty in January 2025 after his arrest as a suspect in corruption-related criminal offences, and no new minister had been appointed by the cut-off date. This vacuum further weakened coordination and delayed implementation of the reform steps. The two outstanding payment conditions represent about EUR 18.15 million in potential support.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
4.4.1 Strengthen the fight against organised crime by improving institutional cooperation among law enforcement agencies and with prosecutors' offices and courts; establishing specialised multiagency investigation teams for complex cases; and implementing strategic, intelligence-led approach to fighting organised crime, leading to increase in convictions			
4.4.1.1 A mechanism is in place for tracing and recovery of assets derived through illegal activities at state and entity level	Dec 2025	Not achieved. Grace period until Dec 2026	No Asset Recovery Office (ARO) was designated at the State level. Sources verifying domestic and international cooperation are not publicly available.
4.4.1.2 Increased number of investigations through the use of intelligence-led policing approach or joint investigation teams is demonstrated	Dec 2025	Not achieved. Grace period until Dec 2026	No consolidated data show an increase in investigations attributable to these mechanisms.

REFORM 4.4.1 STRENGTHEN THE FIGHT AGAINST ORGANISED CRIME BY IMPROVING INSTITUTIONAL COOPERATION AMONG LAW ENFORCEMENT AGENCIES AND WITH PROSECUTORS' OFFICES AND COURTS; ESTABLISHING SPECIALISED MULTIAGENCY INVESTIGATION TEAMS FOR COMPLEX CASES; AND IMPLEMENTING STRATEGIC, INTELLIGENCE-LED APPROACH TO FIGHTING ORGANISED CRIME, LEADING TO INCREASE IN CONVICTIONS

- **4.4.1.1 A mechanism is in place for tracing and recovery of assets derived through illegal activities at state and entity level**

At the **entity level**, institutional arrangements for asset tracing and recovery were already in place or were further developed during the reporting period. In RS, the Department for Financial Investigations and Money Laundering within the Ministry of Interior⁷⁶ was designated as the entity ARO by a 2020 government decision. In the FBiH, an ARO was established within the Federal Police Administration in 2025,⁷⁷ while an asset recovery office was also established within the Brčko District Police. These offices conduct financial investigations and asset tracing, coordinate with police, prosecutors, courts, tax authorities, and other competent institutions, and use relevant databases and registers to identify assets and support their freezing and confiscation.⁷⁸ The United Nations Office on Drugs and Crime (UNODC) confirmed the establishment and operationalisation of the FBiH ARO and the strengthening of cooperation among prosecutors, police, and institutions involved in asset recovery and management.⁷⁹

An institutional gap remains at the State level, where no State-level institution has yet been formally designated to perform ARO functions, despite the December 2025 deadline. During the preparation of the new State-level Draft Law on Seizure and Management of Assets Acquired through Criminal Offences, the Ministry of Justice concluded that asset tracing and recovery

76 Ministry of the Interior of Republika Srpska, "Criminal Polas ,well asice Administration: Department for Financial Investigations and Money Laundering," accessed September 21, 2026, <https://mup.vladars.rs/lat/policija/uprava-krim-policije#jumtpost>.

77 Federal Police Administration, "Asset Recovery Office Established within the Federal Police Administration," accessed September 21, 2026, <http://fup.gov.ba/?p=41515>.

78 Ministry of Justice of Bosnia and Herzegovina, response to a freedom of information request, August 28, 2026.

79 United Nations in Bosnia and Herzegovina, "From Commitment to Results: Strengthening Asset Recovery and Financial Investigations in Bosnia and Herzegovina," May 22, 2026, <https://bosniaherzegovina.un.org/en/316051-commitment-results-strengthening-asset-recovery-and-financial-investigations-bosnia-and>.

competences **should be assigned to a police body**.⁸⁰ The draft law was submitted to the General Secretariat of the Council of Ministers in April 2026. It takes into account Directive (EU) 2024/1260 and regulates financial investigations, confiscation, extended confiscation and management of seized assets. It also envisages a **coordination office** within the Ministry of Justice to manage seized assets and to establish written cooperation arrangements with competent law enforcement agencies. This proposed coordination office should not be treated as the State-level ARO, which the Ministry separately envisages assigning to a police institution.

The broader Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) context remains marked by a significant legislative and institutional gap. In particular, the lack of a State-level ARO, among other shortcomings, led the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) to place BiH under enhanced follow-up. These persistent anti-money laundering and countering the financing of terrorism (AML/CFT) deficiencies ultimately led **the Financial Action Task Force (FATF) to place BiH on its list of jurisdictions under increased monitoring (the grey list)** in June 2026.⁸¹

Verification through implementation reporting under the Strategy for the Fight against Organised Crime remains limited. The 2023 implementation report was considered by the Council of Ministers only in February 2025 and was not adopted. The 2024 report was adopted considerably later, on 30 October 2025. The report covering 2025 had not been adopted by the cut-off date. The **reports are not publicly available**, despite provisions on proactive transparency. The BiH Ministry of Security also did not respond to the FOI request submitted for these documents, which prevented independent verification of whether the required standard operating procedures for financial investigations and information-sharing arrangements had been adopted and implemented.

80 Ministry of Justice of Bosnia and Herzegovina, response to a freedom of information request, August 28, 2026, stating that consultations with the Ministry of Security were planned for September 2026, after which an act designating the competent institution was expected to be submitted to the Council of Ministers.

81 Financial Action Task Force (FATF), "Jurisdictions under Increased Monitoring—19 June 2026," June 19, 2026, <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2026.html>.

- **4.4.1.2 Increased number of investigations through the use of intelligence-led policing approach or joint investigation teams is demonstrated**

Implementation of intelligence-led policing (ILP) advanced mainly through institution-level capacity building and OSCE-supported cooperation, but the available **evidence does not demonstrate the increase in investigations** required by the reform step. The Coordination Group established through the ILP project is not an institutional mechanism created by legislation or any other binding act, and **no single procedure or protocol has established** uniform ILP standards for all police bodies in BiH.⁸²

The Directorate for Coordination of Police Bodies of Bosnia and Herzegovina (DKPT) **does not maintain a centralised database of criminal intelligence information** from police bodies, consolidated statistics on investigations initiated or substantially supported through ILP, or evidence that allows a reliable link between individual criminal intelligence reports and investigations conducted by other agencies. Although the volume and quality of criminal intelligence reports received and produced by DKPT increased, the Directorate explicitly stated that these figures cannot be equated with the number of investigations or operational activities. This indicates that ILP capacities and analytical products have developed, but their **impact on investigations is not monitored through a unified system**.

There were **no publicly available consolidated data** for the reporting period showing the total number of investigations conducted through ILP or Joint Investigation Teams (JIT) mechanisms. Public information in 2026 primarily documents ongoing efforts to strengthen JIT cooperation and practitioners' capacities, rather than a measurable national track record of additional investigations.⁸³ The Strategy Against Organised Crime implementation reports that should provide part of the verification evidence are not publicly available, and the Ministry of Security did not respond to the FOI request seeking the relevant documentation and statistics.

82 Directorate for Coordination of Police Bodies of Bosnia and Herzegovina (DKPT), response to a freedom of information request, August 28, 2026.

83 Eurojust, "WBCJ Training Strengthens JIT Cooperation between the Western Balkans and Latin America," June 26, 2026, <https://www.eurojust.europa.eu/news/wbcj-training-strengthens-jit-cooperation-between-western-balkans-and-latin-america>.

Implementation of the *renewable energy* reform is being hindered by weaknesses in the monitoring framework. All four reform steps were due by the cut-off date, two in December 2025 and two in June 2026, but none was fully achieved. A key problem is the lack of clear baselines for certain outcome-based indicators, making it difficult to measure progress. This is compounded by fragmented data collection across levels of government and the absence of consolidated countrywide reporting on indicators such as prosumer capacity and newly installed renewable energy capacity. Together, the four reform steps account for approximately EUR 39.93 million in potential payments under the Reform and Growth Facility for the Western Balkans (the Facility). Of this amount, EUR 18.15 million is linked to the two steps originally due in December 2025 and would be at risk if these conditions remain unfulfilled by the end of the grace period in December 2026. The delays also extend beyond the Reform Agenda, as BiH failed to notify the Energy Community Secretariat of its final National Energy and Climate Plan by the deadline, prompting the Secretariat to open infringement proceedings.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
1.6.1 Implementation of the renewable energy Directive, including use of transparent and competitive procedures for deployment of renewable energy, permitting, guarantees of origin and first RES auction			
1.6.1.1 Launch first RES auction and announce 3-year auction plan	Dec 2026	Not achieved. Grace period until Dec 2026	The first RES auctions were not held, and adoption of the required three-year auction plans could not be fully verified.
1.6.1.2 Permitting procedures time for renewables reduced by 50% (including households, public buildings and large installations) to enable faster deployment of renewables	Jun 2026	Not achieved. Grace period until Jun 2027	Some secondary legislation was adopted, but its impact on permitting times cannot be verified due to incomplete implementation and the absence of a baseline.
1.6.1.3 Installed capacity for prosumers is more than 180 MW	Jun 2026	Not achieved. Grace period until Jun 2027	Official data remain far below the 180 MW target, with only about 9.8 MW verified in FBiH and RS and no consolidated countrywide figure available.
1.6.1.4 At least 0,9 GW of new renewable energy (solar and wind) capacities installed (according to the NECP and Energy Community targets)	Dec 2025	Not achieved. Grace period until Dec 2026	About 360 MW of new solar and wind capacity was added, well below the 900 MW target; NEPC was not adopted.

REFORM 1.6.1 IMPLEMENTATION OF THE RENEWABLE ENERGY DIRECTIVE, INCLUDING USE OF TRANSPARENT AND COMPETITIVE PROCEDURES FOR DEPLOYMENT OF RENEWABLE ENERGY, PERMITTING, GUARANTEES OF ORIGIN AND FIRST RES AUCTION

• 1.6.1.1 Launch first RES auction and announce 3-year auction plan

The first renewable energy sources (RES) auctions were not held at any level of government by the deadline. Furthermore, no level had adopted a document formally designated as a three-year auction plan, although some by-laws set out auction timelines that could be considered a basis for such a plan.

In **FBiH**, the regulatory and institutional framework was substantially developed before adoption of the Reform Agenda. The 2024 **Regulation on RES quotas**⁸⁴ sets technological quotas, auction volumes, and schedules through 2030, effectively providing a multi-year auction planning framework, while the **Auction Rulebook**⁸⁵ and technical systems for Feed-in Tariff (FIT) and Feed-in Premium (FIP) auctions were also prepared. The **three-year planning requirement** therefore appears to be substantively covered, and the Federal Ministry of Energy, Mining and Industry (FMERI) also cited this Regulation in response to the FOI request regarding the three-year auction plan. However, no document was formally designated as a three-year auction plan, the **first auction was not launched** by the December 2025 deadline, and necessary conditions for FIT and FIP calls were not met in 2025, although preparatory work continued in 2026.⁸⁶

In **RS**, the legal and regulatory framework for RES auctions is in place, including the **Renewable Energy Program**,⁸⁷ adopted in 2024, and the **Auction Rule-**

84 Government of the Federation of Bosnia and Herzegovina, "Regulation on Quotas for Renewable Energy Sources and Efficient Cogeneration," Official Gazette of the Federation of Bosnia and Herzegovina, year XXXI, no. 61 (August 7, 2024), <https://fmeri.gov.ba/media/2884/61-24.pdf>.

85 Operator for Renewable Energy Sources and Efficient Cogeneration, "Decision on the Adoption of the Rulebook on Auctions," Official Gazette of the Federation of Bosnia and Herzegovina, no. 94 (November 27, 2024): 42, https://www.oieiek.ba/wp-content/uploads/2024/11/Pravilnik-o-aukcijama_Slist.pdf; and Operator for Renewable Energy Sources and Efficient Cogeneration, "Decision on the Adoption of the Rulebook Amending and Supplementing the Rulebook on Auctions," no. 146, adopted by the Management Board at its 18th session, November 24, 2025, Official Gazette of the Federation of Bosnia and Herzegovina, no. 8 (January 30, 2026): 19, <https://www.oieiek.ba/wp-content/uploads/2026/02/Pravilnik-o-izmjename-o-dopunama-Pravilnika-o-aukcijama.pdf>.

86 Subsequent developments indicate that preparations continued after the monitoring cut-off date: technological quotas for 2026 were allocated in July, while draft decisions on launching the FIT and FIP auctions, procedural rules, and contract models had been prepared by August 2026. Operator for Renewable Energy Sources and Efficient Cogeneration, response to freedom of information request, August 25, 2026, with attached Decision on the Allocation of Technological Quotas for 2026, no. 02-736/26, July 14, 2026, and FMERI consent.

87 Government of Republika Srpska, "Programme on the Use of Renewable Energy," Official Gazette of Republika Srpska, no. 16/24 (February 20, 2024), <https://www.vladars.rs/sr-SP-Cyrl/Vlada/Ministarstva/mper/Documents/ProgramOIEpdf.pdf>.

book.⁸⁸ However, the Program itself **should not be considered equivalent to the three-year auction plan** required by the Reform Agenda, as the RES Law separately requires the Government to adopt a decision on each auction every two years. No publicly available three-year auction plan, first auction decision, auction notice, or results were identified. By contrast, in FBiH, the 2024 Regulation itself sets auction volumes and timelines through 2030 and therefore substantively satisfies the multi-year planning requirement, whereas the RS framework separates the general renewable energy program from individual auction decisions, making it less clear that the milestone has been met. The RS Ministry of Energy and Mining **did not respond to the free access-to-information request**, so the implementation of the auction component could not be verified.

In the **Brčko District**, implementation remained in an **early preparatory stage** as of the deadline. Guidelines for drafting the Auction Rulebook were adopted by the Government in December 2025,⁸⁹ while the Rulebook itself remained in the legislative work program for 2026.⁹⁰ No publicly available evidence was identified of an adopted three-year auction plan, a formally launched RES auction, auction documentation or results. The Department for Public Utilities of the Brčko District Government did not respond to the FOI request.

- **1.6.1.2 Permitting procedures time for renewables reduced by 50% (including households, public buildings and large installations) to enable faster deployment of renewables**

Some positive steps have been taken towards adopting secondary legislation, but their effect on reducing permit issuance times cannot be established, as not all measures are operational and there is no baseline against which the 50% reduction can be measured. The necessary coordinating role of state-level institutions, particularly the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MoFTER), has not yet been operationalised to ensure a harmonised countrywide approach and consolidate data and information from the institutions involved in issuing permits for renewable energy projects.

88 Regulatory Commission for Energy of Republika Srpska, "Rulebook on Auctions," Official Gazette of Republika Srpska, no. 1/24 (2024), <https://reers.ba/wp-content/uploads/2024/02/Pravilnik-o-aukcijama-Sluzbeni-glasnik-RS-br.-124.pdf>.

89 Government of Brčko District of Bosnia and Herzegovina, "Decision Adopted on the Organised and Controlled Culling of Game in the Territory of the District (Usvojena Odluka o organizovanom i kontrolisanom odstrjelu divljači na teritoriji Distrikta)," December 3, 2025, accessed September 21, 2026. <https://www.vlada.bdcentral.net/Publication/Read/usvojena-odluka-o-organizovanom-i-kontrolisanom-odstrelu-divljaci-na-teritoriji-distrikta>.

90 Government of Brčko District of Bosnia and Herzegovina, Annual Work Programme for 2026, section 2.7, "Annual Work Plan of the Department for Public Utilities for 2026," 122, 136, 2026. <https://vlada.bdcentral.net/content/DownloadAttachment?id=7931e63b-fbc7-4b1a-aa65-5be219375e29&langTag=en>.

In the FBiH, progress was made on the secondary legislation⁹¹ required under the Law on the Use of Renewable Energy Sources and Efficient Cogeneration. By the deadline, the framework included the Decree on RES and efficient cogeneration quotas (Official Gazette FBiH 61/24), the Decree on incentives for electricity production from RES and efficient cogeneration (95/24), the Rulebook on auctions (94/24, amended in 8/26), the Rulebook on Renewable Energy Communities (65/25), the Rulebook on Efficient Cogeneration (76/25), and the Methodology for calculating the RES share in final energy consumption (83/25). The register of renewable energy communities had not yet become operational, and the new Decree on the types, content, and quality of biofuels in motor vehicle fuels had not yet been prepared.⁹²

There is some evidence of procedural simplification in FBiH, but insufficient evidence for the specific 50% result. The new electricity legislation **simplified procedures for generation facilities**, and several cantons amended their legislation so that certain prosumer and self-consumption installations no longer require construction permits. However, it cannot be determined whether permitting times were reduced, because permits are issued by different authorities and **historical data on procedure durations were not systematically available**.⁹³ Although amendments to the FBiH spatial planning law shortened deadlines for construction-related administrative acts to 15 days⁹⁴ and introduced a basis for e-permits, no new environmental by-law specifically adopted by June 2026 to streamline RES permitting was identified. An investor guide has already been prepared, and an online investor application is under development to improve access to relevant information and procedures. However, for BiH to meet the requirements for a RES one-stop shop, a state-level institution, namely MoFTER, would need to serve as **the central aggregator of data and information** from all relevant institutions involved in issuing permits for renewable energy projects.⁹⁵

RS had likewise adopted much of the implementing framework,⁹⁶ including the Program on the Use of Renewable Energy (16/24), the Rulebook on incentives for electricity production from RES (102/23, 2/24, amended in 6/25), the

91 Federal Ministry of Energy, Mining and Industry, "Legislation," accessed September 22, 2026, <https://fmeri.gov.ba/zakonodavstvo/>.

92 Federal Ministry of Energy, Mining and Industry, response to a freedom of information request, August 4, 2026. According to the Ministry, this area should first be regulated at the state level, after which the entities should adopt harmonized implementing acts based on the state-level document. Work remained ongoing in cooperation with the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina.

93 Ibid.

94 Federal Ministry of Spatial Planning, response to a freedom of information request, August 25, 2026.

95 Federal Ministry of Energy, Mining and Industry, response to a freedom of information request, August 4, 2026.

96 Regulatory Commission for Energy of Republika Srpska, "Regulations in the Field of Renewable Energy Sources," accessed September 22, 2026, <https://reers.ba/pravila-i-propisi/propisi-iz-oblasti-obnovljivih-izvora/?pismo=lat>.

Rulebook on certificates for RES generation facilities (70/23), the Rulebook on auctions (1/24), and the Rulebook on Renewable Energy Communities (32/25). However, the RS Ministry of Energy and Mining did not respond to the FOI request; **no corresponding new environmental by-laws specifically demonstrating simplification of RES permitting were identified**, nor was there evidence that the RES one-stop shop had become operational.

In **Brčko District**, implementation was less advanced. Several implementing acts had been prepared, but there was no public evidence of their formal adoption. The Government approved the guidelines for the Rulebook on prosumers and renewable energy communities in June, but the bylaws were not prepared and adopted on time.⁹⁷ The October 2025 amendment to the RES law removed the concession requirement that had previously applied to certain ground-mounted solar plants.⁹⁸

- **1.6.1.3 Installed capacity for prosumers is more than 180 MW**

Although **no consolidated data** are available for BiH as a whole, a review of data from the entities and the Brčko District established that the target had not been achieved by June 2026.

In **FBiH**, there were **162 registered prosumers** with a total installed capacity of **7.27 MW** at the end of June 2026, compared with only 17 prosumers and 0.223 MW at the end of 2025. All registered prosumer capacity was located within the JP Elektroprivreda BiH distribution area, while no prosumers were recorded in the EP HZHB distribution area.⁹⁹ The absence of registered prosumers in the EP HZHB area was linked to delays in adopting the necessary implementing acts for connecting prosumer installations.

In **RS**, there were **147 prosumers** with a combined installed capacity of **2.5 MW** as of 31 December 2025.¹⁰⁰ The latest verified prosumer figures available for FBiH and RS therefore amount to approximately 9.77 MW, while **no comparable data were obtained for Brčko District**, and no data were submitted for RS for the first half of 2026. FBiH introduced a household prosumer co-fi-

97 Government of Brčko District of Bosnia and Herzegovina, "The 70th and 71st Government Sessions Concluded," June 10, 2026, <https://vlada.bdcentral.net/Publication/Read/okoncana-70-71-sjednica-vlade>.

98 Assembly of Brčko District of Bosnia and Herzegovina, "Law Amending the Law on Renewable Energy Sources and Efficient Cogeneration of Brčko District of Bosnia and Herzegovina," no. 01-02-1925/25, October 15, 2025, <https://skupstinabd.ba/3-zakon/ba/Zakon%20o%20obnovljivim%20izvorima%20energije%20i%20efikasnoj%20kogeneraciji%20Brc--ko%20distrikta%20BiH/02B36-25%20%20Zakon%20izmjeni%20Zakona%20o%20obnovljivim%20izvorima%20energije.pdf>.

99 Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina, response to a freedom of information request, with attached quarterly reports from distribution system operators, August 20, 2026. Figures are based on quarterly reports submitted by the two distribution system operators and cover customers that have formally acquired prosumer status and are connected to the distribution network.

100 Regulatory Commission for Energy of Republika Srpska, response to a freedom of information request, August 13, 2026.

nancing program¹⁰¹ in June 2026, but it became operational only at the end of the reporting period and could not materially affect achievement of the target by the deadline.

Overall, while the regulatory framework and the number of prosumers have increased, no consolidated countrywide report has been identified to verify overall progress. The available official figures remain **far below 180 MW**. MoFTER, the competent RS Ministry and Brčko District **did not provide the requested information**.

- **1.6.1.4 At least 0,9 GW of new renewable energy (solar and wind) capacities installed (according to the NECP and Energy Community targets)**

Installed wind capacity increased to 272.5 MW and solar capacity to 914.39 MW by the end of 2025, giving a combined total of approximately 1.187 GW. Compared with the 2024 figures of 219 MW of wind and 607.64 MW of solar, this represents approximately **360 MW of additional solar and wind capacity, or around 40% of the 900 MW target**. The growth was particularly driven by solar installations.¹⁰²

In RS, 687 new solar plants with 132.4 MW were connected to the distribution network during 2025.¹⁰³ Reporting in FBiH confirms a substantial expansion of renewable generation, but does not provide a single consolidated solar-and-wind figure directly comparable to the country-wide data.¹⁰⁴ **No consolidated report** on newly installed solar and wind capacity, as specifically required under activity 1.6.1.4.2, was found on the website of the BiH Ministry for Foreign Trade and Economic Relations, and the Ministry did not respond to the FOI request.

The final Integrated National Energy and Climate Plan (NECP) **had not been adopted** by the December 2025 deadline, and the Energy Community subsequently opened **infringement proceedings** over BiH's failure to notify the final plan.¹⁰⁵

101 Operator for Renewable Energy Sources and Efficient Cogeneration, "Decision Adopting the Programme for Co-financing Household Prosumers," no. 01-892-7/25, May 21, 2026, Official Gazette of the Federation of Bosnia and Herzegovina, no. 41 (June 3, 2026): 88, <https://www.oieiek.ba/wp-content/uploads/2026/06/Program-o-sufinansiranju-prosumera-iz-kategorije-domacinstva.pdf>.

102 State Electricity Regulatory Commission, Report on the Activities of the State Electricity Regulatory Commission in 2025 (Tuzla: State Electricity Regulatory Commission, December 2025), <https://www.derk.ba/DocumentsPDFs/DERK-Izvjestaj-o-radu-2025-en.pdf>.

103 Regulatory Commission for Energy of Republika Srpska, response to a freedom of information request, August 13, 2026.

104 Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina, Report on Activities for 2025 (July 2026), 1, https://www.ferk.ba/download_zaj/2026/Izvjesce_o_radu_2025_b_hr.pdf.

105 Energy Community Secretariat, "Case ECS-9/25: Bosnia and Herzegovina," accessed September 22, 2026, <https://www.energy-community.org/enc-lex/cases/registry/2025/case0925BH.html>.

The public enterprise reform domain aims to strengthen ownership governance, transparency, financial oversight, and accountability of POEs while aligning management practices with OECD and EU standards. By the cut-off date, six reform steps were due, including five overdue from December 2025 and the airport PPP step due in June 2026; none had been fully achieved. Progress was most visible in RS, where new legal and reporting frameworks were adopted, but implementation remains incomplete. FBiH and Brčko District show more limited or fragmented progress. Persistent weaknesses include the absence of operational public registers, ownership policies, consolidated fiscal-risk reporting, and comparable baseline data, which also prevents verification of the required reduction in POE arrears.

The five steps originally due in December 2025 account for about EUR 47.2 million in RGF funding. If they remain unfulfilled by the end of their grace period in December 2026, this amount is at risk of being permanently reduced under the Facility rules. The additional airport PPP step, worth about EUR 10.9 million, has a later grace period that extends to June 2027. The next semester is therefore critical for operationalising adopted frameworks, completing pending legislation and reporting systems, and demonstrating measurable implementation rather than further preparatory activity.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
2.1.1. Strengthen governance and management and increase the efficiency and transparency of public enterprises, including POEs			
2.1.1.1 POEs registers at entity level is regularly updated and publicly available	Dec 2025	Not achieved. Grace period until Dec 2026	No fully operational public POE registers; RS and Brčko adopted legal frameworks in 2026, while FBiH has not.
2.1.1.2 Legislation related to POEs management to address climate considerations by providing guidelines for business planning and reporting of PoEs is aligned	Dec 2025	Not achieved. Grace period until Dec 2026	No specific planning and reporting framework that operationalises climate and sustainability considerations was adopted.
2.1.1.3 Regulation related to POEs governance and transparency aligned with best practice (OECD guidelines) including state ownership strategy, monitoring market disruptions, providing guidelines for business planning, procurement and reporting, addressing climate considerations	Dec 2025	Not achieved. Grace period until Dec 2026	None of the three jurisdictions has met all requirements of the reform step; RS has progressed the furthest, while FBiH and Brčko District remain at an early stage.
2.1.1.4 POEs Oversight Units published annual report on POEs impact on economy including fiscal risk assessment stemming from direct and contingent POEs liabilities and state guarantees	Dec 2025	Not achieved. Grace period until Dec 2026	The required annual reports have not been published; only RS has established a legal framework for such reporting, with the first report to cover 2026 and be published in 2027.

2.1.1.6 POEs arrears reduced by 30% in comparison to baseline 2023	Dec 2025	Not achieved. Grace period until Dec 2026	No official 2023 baseline or comparable end-2025 aggregate data were established.
2.1.1.7 At least one public private partnership in effect for the management of airport infrastructure	Jun 2026	Not achieved. Grace period until Jun 2027	Preparatory steps were taken in FBiH, but no airport PPP was concluded.

2.1.1 STRENGTHEN GOVERNANCE AND MANAGEMENT AND INCREASE THE EFFICIENCY AND TRANSPARENCY OF PUBLIC ENTERPRISES, INCLUDING POES

- **2.1.1.1 POEs registers at entity level is regularly updated and publicly available**

None of the three responsible jurisdictions had established registers of public enterprises by the cut-off date.

The legal and technical framework for the register in **RS** has progressed, but it is not yet fully operational. The Law Amending the Law on Public Enterprises,¹⁰⁶ adopted in December 2025, provides for a **Public Enterprise Register as part of the Unified Information System for Coordinating the Oversight of Public Enterprises**. The Government adopted the Regulation on the Unified Information System in June 2026.¹⁰⁷ The development of the information system is supported by a World Bank grant. From March to May 2026, activities were carried out with future users to adjust system functionalities, while technical instructions and access parameters were still being prepared and would be made available before the system became fully operational. The decision on **categorisation of public enterprises had not yet been adopted** and was planned for a subsequent period.¹⁰⁸ The Regulation provides that general data entry obligations for public enterprises will apply from 20 January 2028, while they already apply to specially supervised enterprises. The future list of specially supervised enterprises will be determined annually based on prescribed criteria.

In the **FBiH**, **no dedicated, publicly accessible POE register** meeting the requirements of the Reform Agenda was identified. The 2025 preliminary

¹⁰⁶ National Assembly of Republika Srpska, "Law on Amendments to the Law on Public Enterprises," Official Gazette of Republika Srpska, no. 1/26, January 14, 2026, <https://www.narodnaskupstinars.net/ci/akti/usvojeni-zakoni/zakon-o-izmjenama-i-dopunama-zakona-o-javnim-preduzecima>.

¹⁰⁷ Government of Republika Srpska, "Regulation on the Unified Information System for the Coordination of Oversight of Public Enterprises in Republika Srpska," Official Gazette of Republika Srpska, no. 62/2026.

¹⁰⁸ General Secretariat of the Government of Republika Srpska, response to a freedom of information request, August 6, 2026.

draft amendments to the Law on Public Enterprises¹⁰⁹ do not establish such a register. The entity-level Financial Intelligence Agency maintains a database titled “Public Enterprise Profile”,¹¹⁰ but **access is restricted to registered users**, and publicly available information does not show its complete POE coverage, the scope of information included, or regular updating. No public information sources confirm the status of the law after the preliminary draft, and the competent FBiH Ministry of Energy, Mining and Industry did not respond to the free access to information request on this matter.

The Reform Agenda’s narrative does not identify Brčko District as an implementation level, despite listing its government as a responsible institution. Although this inconsistency complicates monitoring, the Reform Monitor includes the District because it has relevant competences. A Rulebook on the Establishment and Maintenance of the Register of Public Sector Entities was adopted in May 2026.¹¹¹ Rather than creating a dedicated POE register, it establishes a broader public sector register that includes the three public enterprises operating in the District. The Directorate for Finance is responsible for maintaining the register. Changes must be reported within eight days, and the updated register must be published in the Official Gazette and on the Directorate’s website. This establishes a formal framework for recording and updating POE information, but it was introduced only in 2026, after the deadline had passed.

- **2.1.1.2 Legislation related to POEs management to address climate considerations by providing guidelines for business planning and reporting of POEs is aligned**

General POE planning and reporting requirements exist or have been further developed, particularly in RS, but **no jurisdiction has adopted the specific planning and reporting framework that operationalises climate and sustainability considerations**. There are no formal sustainability expectations for POEs, nonfinancial reporting requirements remain weak, and POEs are not subject to robust sustainability reporting requirements.¹¹²

109 Federal Ministry of Energy, Mining and Industry, Preliminary Draft Law on Amendments to the Law on Public Enterprises in the Federation of Bosnia and Herzegovina, published for public consultation, February 2025, <https://fmeri.gov.ba/media/3140/zjp-izmjene-i-dopune-web.pdf>.

110 Financial and Information Agency of the Federation of Bosnia and Herzegovina, “Public Enterprise Profile,” in “Registers,” accessed September 23, 2026, <https://fia.ba/bs/details/7224/registri>.

111 Directorate of Finance of the Brčko District of Bosnia and Herzegovina, Rulebook on the Establishment and Maintenance of the Register of Public Sector Entities of the Brčko District of Bosnia and Herzegovina, June 20, 2026, <https://df.bdcentral.net/Content/Read/pravilnici>.

112 Organisation for Economic Co-operation and Development (OECD), “Strengthening Governance, Management and Transparency of State-Owned Enterprises (SOEs) in Bosnia and Herzegovina,” in Assessing Bosnia and Herzegovina’s Reform Agenda for Private Sector Development (Paris: OECD Publishing, 2025), https://www.oecd.org/en/publications/assessing-bosnia-and-herzegovina-s-reform-agenda-for-private-sector-development_12b64ce6-en/full-report/strengthening-governance-management-and-transparency-of-state-owned-enterprises-soes-in-bosnia-and-herzegovina_68ec1777.html.

In **RS**, the regulatory framework adopted after the deadline strengthened general business planning and reporting requirements but **did not introduce specific climate-related requirements**. The amended Law on Public Enterprises requires business objectives with key performance indicators and three-year business plans to address objectives, implementation measures, and risks to achieving them. There are also **general sustainability reporting requirements** under the Law on Accounting and Auditing, which are to apply from January 1, 2027, to entities meeting the relevant statutory criteria.¹¹³ However, no dedicated guidelines or equivalent binding act requiring POEs to incorporate climate or sustainability objectives, risks, measures, or related disclosure into business plans and regular reporting were identified.

The February 2025 **FBiH** preliminary draft amendments to the Law on Public Enterprises provide a structured planning framework. Three-year business plans would include an overview of the market and activities, enterprise strategy, risks and mitigation measures, operational planning and target financial indicators, while the Government would be authorised to regulate the preparation and submission of POE plans and reports in greater detail.¹¹⁴ **Public consultations** on the preliminary draft were organised, and the text was also sent to the cantons for comments. However, no information was available on whether the comments and proposals received had been incorporated. By the cut-off date, the text had not advanced to the next stage of the legislative process, and the responsible ministry did not respond to requests for information. The provisions therefore remained at the preliminary-draft stage, and the **proposed framework did not explicitly introduce climate or sustainability requirements** into POE planning and reporting.

In the **Brčko District**, the existing Law on Public Enterprises requires annual business plans and at least biannual reports on operations and financial performance to be submitted to the Assembly and the Government.¹¹⁵ Business plans primarily cover financial and operational matters, including revenues, expenditures, staffing, capital expenditures, financing, loans, and guarantees. **No binding guidelines introducing climate or sustainability considerations** into these planning and reporting requirements were identified.¹¹⁶

¹¹³ General Secretariat of the Government of Republika Srpska, response to a freedom of information request, August 6, 2026.

¹¹⁴ Federal Ministry of Energy, Mining and Industry, Preliminary Draft Law on Amendments.

¹¹⁵ Brčko District of Bosnia and Herzegovina, Law on Public Enterprises in Brčko District of Bosnia and Herzegovina, Official Gazette of Brčko District of Bosnia and Herzegovina, nos. 22/2018 (consolidated text), 5/2020, 10/2022, and 31/2024, accessed September 25, 2026, <https://www.paragraf.ba/propisi/brcko/zakon-o-javnim-preduzecima-u-brcko-distriktu-bosne-i-hercegovine.html>.

¹¹⁶ Government of the Brčko District of Bosnia and Herzegovina, Department for Economic Development, Sport and Culture, response to a freedom of information request, August 12, 2026. The Department stated that it did not possess the requested documentation concerning such guidelines or methodologies.

- **2.1.1.3 Regulation related to POEs governance and transparency aligned with best practice (OECD guidelines) including state ownership strategy, monitoring market disruptions, providing guidelines for business planning, procurement and reporting, addressing climate considerations**

Limited progress was made in aligning POE governance and transparency with OECD standards. RS advanced the furthest by amending its Law on Public Enterprises and adopting the necessary implementing acts, although the medium-term ownership policy remains outstanding. In FBiH, the relevant legislation was not adopted, leaving no adequate legal basis for regulating this area. The **lack of harmonisation across BiH** remains a further obstacle to establishing consistent governance and transparency standards.

Amendments to the **RS Law on Public Enterprises**, adopted in December 2025, introduced a formal coordination system, clarified institutional responsibilities, introduced a unified information system and annual consolidated reporting, and legally mandated the adoption of a medium-term ownership policy.¹¹⁷ OECD assessed the RS oversight function as the most developed in BiH, with responsibilities covering ownership policy, performance monitoring, corporate governance and coordination of ownership functions.¹¹⁸ The **ownership policy** itself, however, **had not yet been adopted** as of the cutoff date and was still being prepared with technical assistance from the World Bank.¹¹⁹

Preliminary draft amendments to the **Law on Public Enterprises in FBiH** introduce ownership and dividend policies, strategic objectives, performance assessment, enhanced disclosure, and changes concerning board and management accountability. Organisation for Economic Co-operation and Development (OECD) specifically noted that these planned reforms could provide the legal basis for clearer ownership expectations and stronger governance.¹²⁰ Nevertheless, the **law was not adopted** by the cut-off date.

In Brčko District, no comparable legislative changes were identified. The OECD findings¹²¹ and information provided by the competent District department confirmed that the relevant ownership framework remained unchanged.¹²²

117 National Assembly of Republika Srpska, "Law on Amendments to the Law on Public Enterprises," Official Gazette of Republika Srpska, no. 1/26

118 OECD, "Strengthening Governance, Management and Transparency of State-Owned Enterprises," 21-22.

119 General Secretariat of the Government of Republika Srpska, response to a freedom of information request, August 6, 2026.

120 Organisation for Economic Co-operation and Development (OECD), "Strengthening Governance, Management and Transparency of State-Owned Enterprises (SOEs) in Bosnia and Herzegovina," 23.

121 Ibid.

122 Government of the Brčko District of Bosnia and Herzegovina, Department for Economic Development, Sport and Culture, response to a freedom of information request, August 12, 2026.

- **2.1.1.4 POEs Oversight Units published annual report on POEs impact on economy including fiscal risk assessment stemming from direct and contingent POEs liabilities and state guarantees**

Only RS established a legal basis for these reports, while the relevant frameworks in FBiH and Brčko District remain pending. No jurisdiction produced the required report by the deadline; RS alone indicated that its first report, covering 2026, would be published in 2027.

The wording of this reform step is internally inconsistent. The title sets out an implementation-level result, namely the publication of an annual report on the economic impact of POEs, whereas the narrative description of activities focuses primarily on developing and adopting a rulebook governing such reporting.

RS adopted the Regulation on the Consolidated Report on the Operations of Public Enterprises,¹²³ which provides the regulatory basis for future annual reporting, in June 2026, after the December 2025 cut-off date. It prescribes publication of the annual report on the Government website by 31 October of the following year. However, it does **not explicitly require the report to contain a comprehensive fiscal risk assessment covering direct liabilities, arrears, contingent liabilities and state guarantees.** The first report prepared fully under this framework will cover 2026 and is expected in 2027.¹²⁴ The Ministry of Finance had previously prepared reports specifically addressing fiscal risks related to public enterprises, but OECD found that these reports were not publicly available.¹²⁵

In **FBiH**, a general legal basis for monitoring and reporting on state-owned companies exists under the Regulation on the Exercise of Ownership Rights in Companies with State Capital Participation,¹²⁶ which requires competent ministries to monitor individual companies and report to the Government. However, **no specific rulebook or equivalent legal framework was identified to establish the consolidated annual reporting mechanism** required by the Reform Agenda. In January 2025, the FBiH House of Peoples adopted a

123 Government of the Republika Srpska, Regulation on the request for Consolidated Report on the Operations of Public Enterprises, Official Gazette of the Republika Srpska, no. 62/2026.

124 General Secretariat of the Government of Republika Srpska, response to a freedom of information request, August 6, 2026.

125 Organisation for Economic Co-operation and Development (OECD), "Strengthening Governance, Management and Transparency of State-Owned Enterprises (SOEs) in Bosnia and Herzegovina," 30.

126 Government of the Federation of Bosnia and Herzegovina, Decree on the Exercise of Authority in Companies with State Capital Participation under the Jurisdiction of the Federation of Bosnia and Herzegovina, Decree no. V 594/2016, March 10, 2016, <https://fbihvlada.gov.ba/bosanski/zakoni/2016/uredbe/10.html>; Government of the Federation of Bosnia and Herzegovina, Decree Amending the Decree on the Exercise of Authority in Companies with State Capital Participation under the Jurisdiction of the Federation of Bosnia and Herzegovina, Decree no. V 1812/2022, December 15, 2022, <https://fbihvlada.gov.ba/bs/30-uredba-o-izmjeni-uredbe-o-vrsenju-ovlastenja-u-privrednim-drustvima-sa-ucescem-drzavnog-kapitala-iz-nadleznosti-federacije-bosne-i-hercegovine-14129> (both accessed September 24, 2026).

conclusion¹²⁷ to ensure that reports on the operations of public enterprises and institutions in which the FBiH holds an ownership stake are considered by Parliament at least once a year. This strengthened the existing system of enterprise-level reporting to Parliament, but did not establish the consolidated annual POE reporting framework required under this reform step, nor did it require a comprehensive fiscal risk assessment covering direct and contingent liabilities and state guarantees. Planned regulatory changes envisaged annual aggregate reporting by the newly established monitoring units, but these arrangements **had not been operationalised** by the cutoff date. The responsible ministry did not respond to the request for free access to information regarding the inquiry on this topic.

In **Brčko District**, the legal framework requires individual public enterprises to report regularly, and public debt is monitored separately. The Law on Public Enterprises requires each POE to submit reports to the Assembly and Government at least twice a year, and these reports are regularly considered and published. However, **no rulebook or equivalent framework requires the competent authority to consolidate this information into an annual POE portfolio report on overall economic impact and fiscal risks**. The competent District department also confirmed that it did not have the requested methodology, rulebook or annual reporting documentation.

- **2.1.1.6 POEs arrears reduced by 30% in comparison to baseline 2023**

The required 30% reduction in POE arrears could not be verified because the evidence lacks a consistent 2023 baseline, a common definition of covered liabilities, and comparable end-2025 data. This reflects the reporting deficiencies identified under Reform Step 2.1.1.4, as consolidated POE reporting and fiscal-risk assessment mechanisms were either not established by the deadline or still under development, leaving no harmonised data to calculate the reduction.

The situation in the **FBiH** illustrates this gap, where the entity Government referred the request for information to individual line ministries¹²⁸ rather than providing a consolidated dataset. The responses contained information on individual enterprises using existing sectoral and financial reporting arrangements, but **responsible ministries did not hold information on the methodology, the 2023 baseline, monitoring of Reform Step 2.1.1.6, or aggregate POE arrears**.¹²⁹

¹²⁷ Parliament of the Federation of Bosnia and Herzegovina, House of Peoples, "Minutes of the 15th Session of the House of Peoples of the Parliament of the Federation of Bosnia and Herzegovina, Held on 30 January 2025," item 12, "Conclusion of the Committee for Economic and Development Policy, Finance and Budget," accessed October 12, 2026, <https://parlamentfbih.gov.ba/v2/userfiles/Zapisnik%2015.%20sjednice%20-%20bos..pdf>.

¹²⁸ General Secretariat of the Government of the Federation of Bosnia and Herzegovina, response to a freedom of information request, July 23, 2026, forwarded to seven ministries.

¹²⁹ Federal Ministry of Culture and Sports of the Federation of Bosnia and Herzegovina, response to a freedom of information request, August 4, 2026.

Competent authorities in **RS** are still carrying out activities to prepare the report on reducing overdue unpaid liabilities of public enterprises, which will be aggregated by the competent line ministries, thereby creating the conditions for their inclusion in a consolidated reporting system.¹³⁰

- **2.1.1.7 At least one public private partnership in effect for the management of airport infrastructure**

No level of government had a PPP in effect for managing airport infrastructure during the reporting period. Consequently, this reform step was **not achieved**.

FBiH took preparatory steps towards an airport concession during the reporting period, but these did not result in the launch or completion of the procedure required by the reform step. FBiH Government considered and adopted information prepared by the FBiH Ministry of Transport and Communications on **unsolicited offers concerning airports in the FBiH** in March 2026.¹³¹ The Ministry did not provide information on the unsolicited offers, limiting the possibility to independently assess their content and the stage of the procedure. Media reports identify AAFS Infrastructure Energy LLC as the interested US company, with proposals concerning Sarajevo and Mostar airports and a reported overall investment offer of EUR 250 million.¹³² In the case of Mostar, the process advanced when the City Council granted **prior consent to the FBiH Government to conduct a concession award procedure for the construction, expansion, and use of Mostar International Airport**, while also determining the project to be of **special public interest** for the City in June 2026.¹³³ The process is constrained by the **absence of the FBiH PPP framework** noted under Reform Step 4.3.1.4, as implementation Step 2.1.1.7 requires adoption of the PPP law before the airport PPP, but the law was not adopted by the deadline.

RS was not engaged in negotiations with potential partners concerning a concession PPP of the Airports of Republika Srpska.¹³⁴

¹³⁰ General Secretariat of the Government of Republika Srpska regarding PPP concession for Republika Srpska, response to a freedom of information request, August 6, 2026.

¹³¹ Government of the Federation of Bosnia and Herzegovina, conclusion, March 4, 2026, provided by the Federal Ministry of Transport and Communications in response to a freedom of information request, August 24, 2026; Government of the Federation of Bosnia and Herzegovina, Minutes of the 67th Session of the Government of the Federation of Bosnia and Herzegovina, Held in Sarajevo on March 4, 2026 (Sarajevo, March 2026), https://fbihvlada.gov.ba/uploads/documents/zapisnik-67-sjednice_1774349450.pdf.

¹³² Predrag Zvijerac, "American Investors Offer Millions to Manage Sarajevo and Mostar Airports," Radio Free Europe, March 24, 2026, <https://www.slobodnaevropa.org/a/bih-upravljanje-koncesija-aerodrom-zracna-luka-sarajevo-mostar/33713550.html>.

¹³³ City Council of the City of Mostar, "Decision on Granting Prior Consent for the Award of a Concession," no. 01-02-540/26, June 19, 2026, Official Gazette of the City of Mostar, no. 11/2026 (June 24, 2026), 8, <https://www.scribd.com/document/1058753327/11-Sluzbeni-Glasnik-Grada-Mostara-Broj-11-2026>.

¹³⁴ Ministry of Transport and Communications of Republika Srpska, response to a freedom of information request, August 21, 2026.

