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BOSNIA AND HERZEGOVINA'S

Reform Agenda: Between Political Deadlock and EU Conditionality

Bosnia and Herzegovina's Reform Agenda: Between Political Deadlock and EU Conditionality

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Bosnia and Herzegovina's (BiH) **Reform Agenda (RA)** is the strategic framework prepared under the **European Commission's Growth Plan for the Western Balkans (Growth Plan)** and the **Reform and Growth Facility (RGF)**, which is designed to link financial support to the delivery of measurable reforms. The RA provides BiH with an opportunity to demonstrate both political commitment and administrative capacity to deliver reforms aligned with EU standards, while also strengthening the institutional functionality needed for accession negotiations.

BiH submitted its RA with a one-year delay and entered 2026 without the key preconditions for disbursements in place, including signature and ratification of the Facility Agreement and the Loan Agreement, as well as the establishment of domestic implementation and reporting structures.

The RA is organised around four policy areas and translates priorities into 26 reforms, 113 reform steps, and 372 activities. These are grouped under Green and Digital Transition, Private Sector Development and Business Environment, Human Capital Development, and Fundamentals. While the Agenda spans economic governance, the business environment, human capital, and the green and digital transition, the fundamentals are central for accession credibility, particularly in areas assessed under Chapters 23 and 24, where enforcement, institutional independence, and track record are decisive, and where successive **European Commission reports** have for years pointed to limited progress and persistent shortcomings.

This policy update is structured in three parts. First, it analyses the development and adoption process in the national context, including the drivers of blockage, the role of contested reforms, non-executive involvement, consultations, and public communication around the Facility. Second, it provides an overview of the RA's key policy areas and the main delivery risks embedded in them. Third, it examines the institutional setup envisaged for implementation under the RGF, with particular attention to governance design risks, coordination challenges, and the conditions for functional monitoring and reporting.

Beyond its role as a gateway to RGF funding, the RA is also a test of BiH's ability to coordinate across jurisdictions, manage political disagreement through workable procedures, and deliver measurable results under EU timelines. The extent to which BiH can translate the RA into functioning implementation structures and credible delivery will shape both access to funds and the country's broader accession credibility.



On 26 November 2023, the Council of Ministers (CoM) of BiH established an [ad hoc body](#) to prepare the RA on an extremely tight deadline (6 December 2023) for submission to EU counterparts.

Following Commission feedback through an Indicative List of Reforms, the CoM adopted a [decision](#) on 17 January 2024 establishing a Working Team to prepare the RA within the Growth Plan framework, chaired by the Chairwoman of the CoM and comprising executive representatives from all levels of government. The Working Team repeatedly missed deadlines set under the Growth Plan framework, without any internal accountability measures, while other Western Balkan (WB) beneficiaries proceeded to adopt their Reform Agendas, launch implementation, and begin drawing down funds under the Facility. After BiH missed the 30 June 2025 submission deadline, the Commission applied a [10 per cent reduction](#) to BiH's allocation, amounting to EUR 108.5 million. Momentum to adopt the document increased only later in 2025, under stronger EU engagement and [civil society pressure](#). On 4 December 2025, the [Commission approved BiH's RA](#), but also underlined that disbursements can start only after BiH signs and ratifies the Facility Agreement and the Loan Agreement, and once all conditions are met. These agreements have still not been signed or ratified as of end-February 2026.

The Working Team's institutional design created strong incentives for blockage. Its decision and related acts did not establish robust decision-making rules upfront, leaving the Working Team to adopt Rules of Procedure (RoP) by consensus. This effectively enabled veto power across participating levels of government, replicating the same blockage patterns long associated with BiH's EU coordination mechanism, where unanimity has been repeatedly used for political conditionality. The framework also lacked a dispute resolution and escalation mechanism for situations where consensus could not be reached, relying instead on general "good faith" language, which proved insufficient in practice. Although the RoP allowed participation of other institutions and civil society, in practice, only the EU Delegation to BiH attended the meetings, as this was not something domestic institutions could realistically avoid. The EU Delegation's role was limited to interpreting and clarifying the European Commission's requirements, rather than directly participating in drafting the RA.

During the most intensive drafting phases, particularly in the summer of 2024, the working version of the document combined the core text with almost 800 institutional comments.¹ This required exceptional effort, patience, and negotiation capacity from civil servants tasked with consolidating inputs,

1 A working version of the Reform Agenda, containing several hundred institutional comments, was provided to the author in June 2025 in response to an access to information request. The document has not been made publicly available.

reconciling competing positions, and producing a text acceptable to all participating authorities. Against this background, it is legitimate to ask whether the Commission was effectively negotiating with the state of BiH, or whether the process evolved into de facto negotiations with subnational governments that held a role and leverage not typically seen for subnational authorities in other WB beneficiaries.

Substantive disagreements were concentrated in a small number of reforms, but they were sufficient to stall the entire process. Early drafting discussions narrowed disagreements from several issues to a limited set of disputed reform steps, and by 2025, two remained persistently contested. [Party statements](#) indicated that these concerned the functioning of the Constitutional Court of BiH and the implementation of its decisions, as well as changes to decision-making in state bodies such as the State Aid Council and the Competition Council of BiH. In public debate, the eventual adoption was widely perceived as secured only after concessions, including adjusted wording of these disputed steps, which sent a negative signal that obstruction can be rewarded, reinforcing incentives for future blockades rather than compliance with EU timelines and commitments.

In public communication about the RA process, officials mostly highlighted the financial package envisaged under the EU Growth Plan for the WB, while giving substantially less attention to the reforms that condition access to funding. This was visible in the repeated emphasis on the headline figure of EUR 6 billion, often without clarifying how funds would be distributed, how much would be available to BiH, and under what conditions. Public messaging also rarely addresses that some reform measures entail fiscal costs that would need to be covered, in whole or in part, through Growth Plan resources.

At times, messaging further weakened credibility. After the CoM session, [Minister Staša Košarac stated](#) that the Reform Agenda had been adopted because “Milorad Dodik had said so”. This was particularly striking given that, at that point, Dodik no longer held public office and was acting only as party leader, suggesting that key decisions were being presented as dependent on informal political authority rather than institutional procedure. In parallel, according to MP Sabina Ćudić’s [account of the inter-party talks](#) in Mostar, Radovan Višković, then Prime Minister of RS indicated that the main interest was securing the first tranche of Growth Plan funding, rather than broader implementation, reinforcing concerns that access to initial funding was being prioritised over genuine reform delivery.

The absence of timely, coordinated and strategic communication by BiH institutions created additional space for misinformation and partial information about the Growth Plan. With elections held every two years and political incentives shaped accordingly, narratives around betrayal, surrender of authority, and loss of competencies dominated discourse throughout the drafting period. Much of what reached the public came through party statements, while the CoM did little to prevent or counter polarising framings.

Public understanding of how reform conditionality relates to infrastructure investments has remained limited. Procedures and pipelines under the WBIF have not been clearly explained in the public space, making it harder to position the Growth Plan within an already existing investment architecture. As a result, both the broader public and parliaments have remained only marginally familiar with the role of the National Investment Committee, including its function in endorsing and confirming the prioritisation of projects through the Single Project Pipeline. This information gap contributed to misunderstandings about how projects under the Growth Plan will be selected, financed and implemented.

During drafting, an informal indicative list of priority investment projects for potential support through the RGF and WBIF circulated among institutions. It was never formally adopted or submitted to the Commission, but it still served

as an internal snapshot of the pipeline and project readiness. In the absence of an official, publicly communicated project list and a clear explanation of selection criteria and governance, political debate increasingly shifted toward perceived distributional outcomes. This became visible in parliamentary debates, where opposition parties questioned the geographic balance of proposed projects and alleged that certain regions were being neglected. Such perceptions risk becoming politically salient in subsequent steps requiring parliamentary engagement, including ratification of agreements, particularly in a context where public discourse has prioritised projects and funding figures over reform conditionality and implementation responsibilities.

Despite [Regulation \(EU\) 2024/1449](#) requiring the involvement of parliaments in the preparation of the RA, parliaments in BiH were excluded from the process throughout. Even parliamentarians who [sought information](#) through formal access-to-information requests were denied meaningful access.

At the initiative of civil society, an [urgent session](#) of the House of Representatives of the Parliamentary Assembly of BiH was convened in September 2025, aiming to increase pressure on the executive to adopt and submit the RA by 30 September, thereby avoiding a further reduction in funds, as announced by the Commission. During the debate, it became clear that parliamentarians had been fully excluded and lacked information about the reforms included in the RA. Following the conclusions of that session, parliamentarians received only an unofficial translation in January 2026.

Finally, although the adopted RA states that it is the result of extensive consultations, this largely refers to interinstitutional consultations. Substantive consultations with actors outside institutions were largely absent. Consultations with the business sector and civil society, held in July 2024 and referenced in the RA, functioned in practice as information sessions on reforms already agreed, accompanied by clear statements that changes were not possible and that proposals would not be considered. It was not observed that recommendations were reflected in the final document, despite claims to the contrary in the RA's description of consultations. Although the RA foresees consultations through the e-consultations portal, they did not take place; therefore, Annex 2 (Comments received during the consultation process) and Annex 3 (Monitoring database) were neither produced nor submitted to the Commission, despite being listed as annexes.

BiH's RA was prepared in a highly challenging political context. EU candidate status and the political approval to open accession negotiations were largely shaped by the geopolitical environment. Since 2022, reforms have often been pursued pro forma, driven more by EU-related obligations and deadlines than by local ownership and genuine reform commitment, and have frequently been adopted through non-transparent, expedited procedures. Against this background, it was foreseeable that agreeing and delivering an RA that also includes long-disputed issues would be difficult. This context is important for understanding why several RA policy areas combine high relevance for the country with elevated political and implementation risks. This section provides an overview of the RA's key policy areas as set out in BiH's RA.

Policy Area 1 reflects the Commission's repeated assessment that BiH is struggling to convert digital, energy, and climate commitments into implementation, largely because delivery requires coordinated action across multiple levels of government and sustained administrative capacity. The RA, therefore, frames this policy area as a shift from uneven progress toward countrywide frameworks that can produce monitorable outputs, rather than one-off legislative approximation.

In the digital transition, the RA links the **connectivity rollout** to governance reform in ways that align with obligations assessed under the digital acquis, including Chapter 10. It treats delivery as much of an institutional problem as a legal one. The broadband and 5G strand aims to enable secure rollout through countrywide planning, coordination arrangements, and regulatory alignment, thereby reducing rollout costs while strengthening security requirements. The RA flags practical constraints, notably the need to map existing infrastructure and interconnections, mobilise investment, and ensure effective interagency coordination so that rollout and security standards are applied consistently across jurisdictions.

The **e-government strand** is similarly designed to move beyond isolated digital services toward a functioning backbone for trusted transactions and cross-level service delivery, including electronic identification and trust services, interoperability enabling secure data exchange, and rules that support data governance.

Cybersecurity is treated as a prerequisite for credibility in the broader digital agenda. While alignment with the NIS2 approach is relevant to expectations typically assessed under Chapters 23 and 24, the RA emphasises operational readiness, such as incident response and supervision, rather than formal alignment alone. It seeks to overcome domestic challenges that are particularly acute in BiH's fragmented governance setting, including uneven technological maturity across sectors and levels of government and limited expertise in meeting stringent standards and ensuring timely reporting.

Regarding the energy transition, **energy market reforms** are prerequisites for the Energy Community and for integration with the EU energy markets, and they align with core Chapter 15 expectations. The broad direction is to complete the legal and institutional conditions for functioning electricity and gas markets, including unbundling and organised trading, alongside politically sensitive adjustments that bring tariff policy closer to market principles. The RA explicitly notes constraints that have historically blocked progress, including the absence of a coherent countrywide policy baseline, incomplete liberalisation and restructuring, and continued state control that weakens transparency and market signals.

The RA translates earlier commitments on **climate and decarbonization** under the Green Agenda for the Western Balkans and NECP planning into steps relevant for Chapter 27, including strengthening climate governance and preparing the technical basis for carbon pricing over time. Implementation is costly and politically complex, with high investment needs and competitiveness pressures for energy-intensive sectors, and major social and labour market implications, especially in coal regions. Renewables deployment and energy efficiency reforms address slow permitting and weak investment predictability, and the RA points to recurring delivery bottlenecks, including regulatory uncertainty, limited financing and incentives, and weak enforcement capacity.

These reforms mirror the Growth Plan's premise that financing and deeper integration are conditional on credible reform delivery. By strengthening interoperable digital services and trusted transactions, and advancing energy market reforms and climate readiness, BiH improves the preconditions for gradual integration into the EU single market in the digital and energy domains, respectively.

POLICY AREA 2: PRIVATE SECTOR DEVELOPMENT AND BUSINESS ENVIRONMENT

Policy Area 2 aims to strengthen BiH's economy by functioning as a single national market, reducing regulatory and administrative fragmentation across jurisdictions, enhancing predictability and enforcement, and enabling firms to register, operate, and trade nationwide with fewer barriers. At the same time, the policy area supports stronger integration of the Common Regional Market and reduces friction in regional trade flows, notably through accession to the Common Transit Convention, which is particularly relevant to Chapter 29. The overall objective is to prepare BiH for deeper integration and gradual participation in the EU single market, while addressing accession obligations that cut across company law and the internal market, competition and state aid, customs and transit, transport policy, and financial integrity rules.

A central reform track focuses on the **fiscal and governance risks of publicly owned enterprises (POEs)**. The RA prioritises transparency and oversight through regularly updated public registers, governance and reporting rules aligned with OECD-type standards, and annual reporting on fiscal risks stemming from direct and contingent liabilities and state guarantees. It also sets operational expectations, including reducing arrears against the baseline and piloting a public-private partnership model for airport infrastructure management.

To strengthen **investment confidence and compliance**, the RA combines integrity and enforcement measures that the EU treats as preconditions for a predictable business environment. It requires functional beneficial ownership registers and the implementation of AML/CFT legislation and bylaws to achieve credible compliance with EU and FATF standards, which are closely linked to Chapter 4 expectations. It also commits to mapping and repealing domestic legislation that conflicts with EU rules, including outdated technical standards, and to improving commercial dispute resolution through alternative dispute resolution mechanisms, such as mediation and arbitration.

Finally, Policy Area 2 links the business environment to **competitiveness, innovation, and access to finance**. It includes steps on e-freight and intelligent transport systems, aligned with EU rules on electronic freight transport information and the rollout of ITS frameworks on the TEN-T network. It also requires a countrywide smart specialisation strategy and a new scientific development strategy and action plan, stronger regulatory impact assessment practices that cover SME impacts, and a system to financially support innovative startups and MSMEs, aligned with Growth Plan priorities and accession expectations under enterprise and industrial policy and science and research chapters.

Policy Area 3 translates long-standing Commission recommendations on education quality, skills mismatch, labour market inclusion and uneven social protection into measurable delivery. It primarily supports accession preparation, where the EU assesses education and social policy reforms, notably Chapter 26 on education and Chapter 19 on social policy and employment.

The **education reforms** focus first on expanding early childhood education and care, addressing persistent inequality and weak foundational outcomes flagged in Commission reporting. It then links quality reforms to labour market relevance and digital transformation by requiring curricula based on learning outcomes, including digital competencies aligned with EU frameworks, and by scaling infrastructure and capacity, rolling out Wi-Fi annually until full coverage in schools, and training a significant share of teachers in digital skills. Higher education reforms emphasise quality assurance and alignment with European QA practices, including entity-level legislation and progress toward European accreditation standards. Vocational education is oriented toward employability through expanded work-based learning exposure and measurable post-graduation employment outcomes. Adult education quality assurance and professional development of teachers and trainers are included to support delivery, not isolated pilots.

In **labour market policy**, the RA targets a shift toward activation and strengthening public employment services and enforcement. It combines regular income and living conditions and labour force surveys with reforms that reorient employment services away from administrative tasks toward job matching and counselling. Key deliverables include labour inspections, improved job-seekers registries, data exchange between employment services and social work centres to activate vulnerable groups, expanded mediation services, and increased outreach to women and other vulnerable groups. The Youth Guarantee's performance is measured by employment outcomes after completion and an improved counsellor-to-job-seeker ratio.

In **social protection**, fragmented entitlements and weak targeting are addressed through a countrywide action plan to harmonise parental leave rights, implement a social card system, and improve targeting, transparency, and auditability. This requires interoperable registries and reliable data exchange, and it aligns with the Growth Plan's logic of coupling financial support to reforms that strengthen social resilience and governance capacity.

The RA also points to the **main delivery risks**: coordination across levels of government, uneven administrative capacity, financing constraints for early childhood expansion and education digitalisation, and the operational complexity of building registries and data exchange for employment and social protection without creating new exclusion errors.

Policy Area 4 targets the fundamentals for accession credibility, in areas assessed under Chapters 23 and 24, while also underpinning competition and state aid, public procurement, and public administration reform, where enforcement and institutional independence are central.

On **democratic governance** and **EU-related coordination**, the RA focuses on the functionality of the coordination, which the Commission has flagged as weak and prone to blockage. The reform steps include ensuring that joint bodies under the Stabilisation and Association Agreement function effectively, strengthening the EU coordination mechanism and adopting core planning instruments such as a Program for Alignment with the Acquis (NPAA). It also foresees a roadmap on democratic institutions that addresses institutional issues identified in earlier EU conditionality.

In the area of the **judiciary**, the RA combines governance reforms with performance expectations and track-record requirements, reflecting the Commission's emphasis that credibility depends on results. Judiciary steps focus on integrity and functionality, including verification of asset declarations for judicial office holders, stabilising the High Judicial and Prosecutorial Council's (HJPC) core ICT capacity through permanent budget funding, establishing a state-level appellate judicial body through a new Court of BiH framework, and adopting and implementing an HJPC law aligned with European standards. It also includes measurable reductions in civil case backlogs.

Anti-corruption reforms are framed as system-building across levels of government. The RA includes a state-level whistleblower protection law aligned with EU standards; harmonisation of civil service recruitment and career rules with merit principles; an independent state-level commission; and functioning anticorruption bodies at the Entity and cantonal levels to create a functioning conflict-of-interest prevention and enforcement system. It also covers public procurement, concessions, and PPP frameworks, as well as competition and state aid governance. The reforms foresee alignment with the acquis and adequate staffing of oversight bodies, with independence and professionalism as explicit conditions. Importantly, the RA requires evidence of more investigations, confirmed indictments, and convictions in corruption cases, including high-level cases, and functioning mechanisms for tracing and recovering criminal assets. These steps sit at the core of Chapters 23 and 24 and reinforce obligations assessed under public procurement and competition frameworks, where formal rules without enforcement are routinely treated as insufficient.

The **fight-against-organised-crime** segment emphasises operational effectiveness in a law-enforcement environment. The reforms require stronger cooperation among law enforcement agencies, prosecutors and courts, use of an intelligence-led approach, establishment and use of joint multiagency investigation teams for complex cases, financial investigations, and increases in investigations, indictments, and convictions for organised and serious crime. This corresponds to the EU's recurrent focus under Chapter 24 on operational cooperation and track record, not only on strategies and formal mandates.

Fundamental rights and media freedom reforms are politically sensitive because they constrain pressure and influence. The RA includes the registration and follow-up of threats and violence against journalists, the decriminalisation of defamation across the country, the completion of governance and financial sustainability arrangements for public broadcasters, and legal and practical safeguards for freedom of expression, assembly, and association, with an explicit expectation that no new restrictive proposals are introduced. The visa policy component requires alignment steps, including terminating visa-free arrangements with countries that require visas for the EU, and testing the country's willingness to align its external policy choices with EU internal security expectations.

The main **delivery risks** for this policy area are political feasibility and sustained ownership, as recognised in the document itself. Many steps have been pending for years, touch entrenched interests, and require coordination across levels of government, where veto dynamics and selective implementation have been recurrent features of EU-related reforms. For Policy Area 4, the credibility test will be whether BiH can deliver measurable outcomes and institutional independence in practice, rather than repeating a pattern of partial or purely formal compliance timed around EU deadlines.

BiH has not yet established the institutional framework required to implement the RGF. The RA foresees that implementation and reporting will be organised through four interconnected components: a National RGF Coordinator, a single contact point designated for each individual reform, the RGF Monitoring Committee, and a Secretariat.

The RA envisages the CoM to appoint a National RGF Coordinator as the main interlocutor with the Commission. The Coordinator's responsibilities are primarily technical and managerial, with a focus on coordination and reporting under the Facility. This includes the preparation and submission of Requests for Release of Funds to the Commission, as well as semi-annual reporting, annual implementation reports, and monthly reports to the Monitoring Committee. The Coordinator is also expected to issue guidance to responsible institutions, particularly on data verification and on-the-spot checks.

The **choice of the National RGF Coordinator** is a key area where BiH-specific challenges are likely to surface. Three institutions have most often been mentioned as potential candidates: the Directorate for Economic Planning, which technically coordinated drafting of the RA and demonstrated substantial expertise but has questioned capacity to coordinate and report across the entire system during implementation; the Directorate for European Integration, whose mandate is closer to an EU interface and which has historically reported to the Commission on behalf of the state; and the Ministry of Finance and Treasury, whose potential leadership has already been contested by parts of the political spectrum. Some scenarios have also suggested collective coordination arrangements involving more than one institution. Based on BiH experience, collective leadership of complex processes tends to introduce risks of slower harmonisation, weaker accountability, and higher exposure to political interference. A further complication is that the Coordinator function is widely misinterpreted in public discourse as a role for deciding on reform content and allocation of funds. In reality, the relevant provisions in the Regulation and the RA point to a coordination and reporting function rather than a mandate for political decision-making.

At the operational level, the RA commits to designating a **single contact point for each reform** responsible for drafting and updating the implementation plan, submitting monthly updates to the Secretariat, and providing data reform progress, internal control systems, implementation challenges and risks, and irregularity management. The legal act governing the flow of communication and the designation and responsibilities of contact points has yet to be developed and adopted, but is critical in the BiH context. The RA frequently

lists several responsible institutions for the same reform step across different levels of government, without explaining how activities will be coordinated, harmonised, and reported. Without a credible single-point model, it will be difficult to conduct meaningful monitoring, given long-standing weaknesses in proactive transparency and systematic public reporting.

The **Monitoring Committee** is envisaged as a jointly established body between the Commission and BiH, mandated to assess the degree and quality of implementation of the reforms and investments foreseen under the RA and RGF Regulation (EU) 2024/1449. In addition to institutional representatives from all levels of government involved in drafting the RA, the model leaves space for participation of bilateral donors, international organisations, international financial institutions, civil society organisations, the private sector, academia, and parliamentary representatives. While this design provides a formal platform for monitoring and dialogue, its operability will ultimately depend on how membership modalities and working methods are defined in the Committee's RoP.

To support the Coordinator and the Monitoring Committee, the RA envisages establishing a **Secretariat within the Coordinator's office**. The Secretariat would provide operational and technical support, including collecting and analysing documentation, developing reporting templates and guidelines, and cooperating with line ministries at all levels of government to prepare indicator fiches for quantitative reform steps. In practice, this function is expected to be the technical backbone of the reporting system and the place where coherence is built across a fragmented administrative landscape.

While the governance model is defined in general terms, BiH still needs to translate it into functioning structures through domestic decisions, staffing, and bylaws. The first formal step toward that came at the [CoM session on 29 December 2025](#), when the Ministry of Finance and Treasury, the Directorate for Economic Planning, and the Directorate for European Integration were tasked to continue work, in cooperation with all levels of government, and prepare a draft decision on establishing the institutional framework for implementing the RA in BiH, in line with constitutional competences. After collecting inputs and positions from all levels of government, they were required to report back to the CoM and submit the proposal into procedure no later than 30 days. This deadline was not met, and no agreement on the implementing structures had been reached by the end of February 2026.

Several **design risks** follow directly from BiH's experience with multilevel governance and EU-related coordination. The RA does not define criteria or modalities for the inclusion of non-executive actors in the Monitoring Committee,

nor does it clarify their status and rights. More importantly, it does not pre-define workable rules for managing disagreements. In the BiH context, this is a core functionality issue, because domestic disputes can be imported into joint bodies with the EU. A relevant precedent is the Stabilisation and Association Parliamentary Committee, whose work was blocked for years after some representatives insisted on Entity voting. The practical implication is that the Monitoring Committee will only be functional if its RoP ensure a workable decision-making model and prevents domestic veto logics from paralysing a joint structure.

The **broader political and institutional environment** on the EU accession track also weighs on prospects for establishing RGF structures. During 2025, BiH institutions ran parallel procedures on negotiating structures, including the model for establishing the chief negotiator office and appointing a chief negotiator. The issues remain unresolved, with the parliamentary decision challenged before the Constitutional Court and the outcome pending. In this climate, creating new coordination and reporting structures for the RGF is likely to be contested and exposed to similar veto dynamics.

This pattern is also visible in BiH's difficulties in maintaining other EU-related coordination functions. The Commission has repeatedly called for a functioning National IPA Coordinator arrangement in successive country reports, yet BiH has been unable to maintain continuity. The inability to sustain a largely technical coordination role under IPA is a relevant warning sign for the future National RGF Coordinator function.

BiH approached the preparation of the RA ambitiously and initially within the timelines set by the RGF. However, long-standing weaknesses in multilevel coordination and a political crisis during drafting made BiH the only WB beneficiary that did not adopt the RA within the RGF deadlines. This caused reputational damage, reduced the funds available to BiH under the RGF, and shortened the implementation and fund absorption periods.

The delay has continued into the implementation phase. As of the end of February 2026, BiH has still not established the structures required to implement and report under the Facility, and the Facility Agreement and the Loan Agreement have not been signed or ratified. With the June 2026 deadline for completing half of the reform steps approaching, further delays are likely to translate into missed milestones and delayed disbursements.

Across these processes, a recurring feature has been the absence of consequences for obstruction. Neither political nor administrative accountability mechanisms have been activated against officials who block or delay procedures, whether through political conditionality at the leadership level or through non-performance in working structures. In practical terms, the challenge for BiH is therefore not only to formally establish the RGF implementation architecture, but to ensure that the rules of operation, reporting and verification procedures, and decision-making arrangements are designed in a way that prevents the new structures from reproducing familiar patterns of paralysis, interinstitutional competition, and politicised conditionality.

Finally, the implementation of the Reform Agenda is also a practical stress test for the governance capacity that BiH will need for accession negotiations. It requires the state to adopt coherent positions, coordinate across jurisdictions, resolve disputes without importing veto logics into joint structures, and deliver measurable outcomes under externally defined timelines. If BiH can use the RA to establish functioning coordination and accountability practices, it would not only improve prospects for RGF disbursements but also strengthen the country's readiness for the sustained discipline and credibility demands of the accession process.

