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## OBSTACLES TO EVIDENCE-BASED POLICY MAKING IN BOSNIA AND HERZEGOVINA

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### 1. Introduction

The strengthening of policy-making capacities of public institutions in Bosnia and Herzegovina (BiH) is crucial considering the country's vast scope of needed policy reforms and its ambition to join the EU. EU accession requires a challenging and fast-paced process of policy formulation, involving the harmonization of existing and the adoption of new legislation which is aligned with the EU *acquis*. However, although many programs in post-war BiH have sought to deliver technical assistance to public institutions at different levels of government, the policy-making practices and capacities of such institutions remain generally underdeveloped in key areas of policy making: policy formulation, impact assessment, and monitoring and evaluation of policy implementation and its effects. This is amply demonstrated by relevant OECD SIGMA reports for 2015 and 2017, with BiH scoring poorly in all segments of policy making, trailing behind neighboring countries.<sup>1</sup>

More specifically, available evidence shows that the underlying feature of policy making is a chronic lack of analytical capacity within public institutions and other policy actors, which severely restricts their capability to undertake sound policy making procedures. In other words, although, at the formal level, there are regulatory frameworks in place that should ensure proper policy making processes, the lack of analytical capacity renders those formal preconditions largely ineffective as it undermines evidence-based policy making.

This policy memo particularly looks at the capacity for policy analysis of BiH government institutions. Its main purpose is to outline a set of measures that could be deployed to improve overall analytical capacity for policy making in the country. The policy memo takes a broader, systemic view, arguing that any attempt to improve the analytical capacity of government institutions will be insufficient if analytical capacities of other elements of the policy making ecosystem – such as non-governmental organizations actors, academia and independent research institutions – are neglected.

### 2. Defining Policy Capacity

Government policy capacity can be defined as the ability of governments to make proper choices, examine and understand the context and decide on a strategic approach to policy direction, as well as being able to analyze the implications of policy options, and to use knowledge in policy-making.<sup>2</sup> The same authors further define policy capacity “as the set of skills and resources — or competences and capabilities — necessary to perform policy functions. (...)”<sup>3</sup>. They then continue to categorize key policy capacity skills and competences into three types — analytical, operational and political — with each of these consisting of resources at three levels — individual, organizational, and systemic<sup>4</sup> (see Table 1).

Table 1. Policy capacity

Level of resources and capabilities	Skills and competences		
	Analytical	Operational	Political
Individual	Individual analytical capacity	Individual operational capacity	Individual political capacity
Organizational	Organizational analytical capacity	Organizational operational capacity	Organizational political capacity
Systemic	Systemic analytical capacity	Systemic operational capacity	Systemic political capacity

Source: Wu Xun, Michael Howlett and M Ramesh, "Policy Capacity: A Conceptual Framework for Understanding Policy Competences and Capabilities", *Policy and Society*, no. 3-4 (2015), p. 167.

Policy capacity depends on the combination of these types and levels of policy-relevant capacity: Analytical-level capacity is needed to ensure that policies are based on facts, are sound and relevant for addressing targeted problems and for achieving policy goals. Operational-level capacity ensures that adequate resources and procedures are in place for policies to be properly deployed. Finally, political-level capacity means that there is adequate political support for policies to be implemented successfully<sup>5</sup>.

At the individual level, adequate capacity means that policy professionals have necessary knowledge and skills. In order for the policy professionals to be able to work unhindered, it is necessary that at the organizational level there are proper financial and technical resources as well as adequate procedures put in place. Finally, at the systemic level, this model recognizes that government institutions do not act in vacuum and are largely dependent on other societal actors – such as other government agencies, political parties, NGOs, academic institutions, unions, international organizations, etc. – to be able to perform their policy functions. The capacities of these other actors impact the capacity of government agencies to perform their policymaking roles, and vice versa<sup>6</sup>.

This model suggests high interdependence between the three levels – individual, organizational and systemic – and the three dimensions of policy capacity – analytical, operational and political. The model also applies to all types of policy processes and policy stages – from agenda setting and formulation to the implementation or the evaluation phase. Such a perspective enables us to better understand factors behind policy success and policy failure, and to gain deeper insight into factors that determine the outcomes of efforts aimed at building policy capacities and improving policy making at any level of society, and in any type of organizations, governments included<sup>7</sup>.

### 3. Analytical Capacity for Policy Making

In this policy memo, we are particularly interested in analytical capacity in policy making – with a focus on government institutions – looking more specifically into individual-analytical capacity, organizational-analytical capacity and systemic-analytical capacity. With respect

to individual-analytical capacity, any institution that attempts to become involved in policy analysis needs a significant number of staff who possess thematic expertise, methodological knowledge and analytical skills<sup>8</sup>. Organizational-analytical capacity, *inter alia*, includes financial and technical preconditions, processes and procedures for collecting and analyzing data, as well as a true commitment towards evidence-based policy making<sup>9</sup>. Finally, analytical capacity of each organization is significantly determined by the overall systemic-analytical capacity, which can be defined “as the general state of scientific, statistical, and educational facilities in a society which allows policy makers and workers to access high quality information to carry on their analytical and managerial functions”<sup>10</sup>. The availability of experts on specific policy issues, combined with quality of education in the area of public policy and associated fields, as well as the availability of policy-relevant data, will significantly influence the policy capacity of different actors, including government agencies. Table 2 provides a broad framework for the operationalization of analytical capacity in policy making.

Table 2. Analytical Capacity for Policy Making

Analytical Capacity Levels	Elements of Analytical Capacity for Each Level
Individual-Analytical Capacity	<ul style="list-style-type: none"> <li>– Employees/officials possess adequate analytical skills and knowledge necessary for evidence-based policy making</li> </ul>
Organizational-Analytical Capacity	<ul style="list-style-type: none"> <li>– An adequate number of employees with analytical skills and knowledge work in government institutions</li> <li>– Organizational commitment to evidence-based policy making (procedures, policies, organizational structure, funding)</li> <li>– Efficient information systems for collecting and disseminating information are in place</li> <li>– Adequate technical and infrastructural resources (office space, internet access, access to databases, etc.)</li> </ul>
Systemic-Analytical Capacity	<ul style="list-style-type: none"> <li>– Adequate investment in research capacities at societal level (percentage of GDP invested in research)</li> <li>– Scientific, statistical and educational institutions have adequate resources to conduct high-quality research and educational activities</li> <li>– Non-governmental organizations (think tanks, NGOs, unions, political parties, employers’ associations, etc.) have adequate research capacities and resources to conduct high-quality research.</li> <li>– Existence of effective system of data collection and of accessible quality data</li> <li>– Widespread dissemination of data on public affairs</li> <li>– The state of education in general and public policy education and training in particular</li> </ul>

In summary, there is a high interdependence between the three levels of analytical capacity – individual, organizational and systemic. This link is easily observable in the relationship between individual and organizational levels in particular, where a number of mutually closely connected preconditions must be met for each level to be able to properly perform its policy analysis role. The systemic level has a less direct but perhaps more profound effect on analytical capacity at both individual and organizational level since it is the broader education and research system

that creates necessary human resources and generates relevant data for policy analysis. In addition, for policy making institutions to be able to produce and implement sound, evidence-based policies, there has to be a broader ecosystem of organizations and actors representing different societal interests and bearing relevant analytical capacities, which together shape the policy making processes and outcomes.<sup>11</sup>

#### **4. Evidence-Based Policy-Making in BiH: A Brief Review**

BiH faces a plethora of problems related to the use of analysis in policy making processes. Although a formal framework for policy making is in place at the state and entity levels of government, stipulating the use of evidence-based policy making, the practice deviates significantly from what is prescribed by laws and bylaws. This is especially so when it comes to the analytical aspects of policy making: policy formulation, impact assessment and monitoring and evaluation.<sup>12</sup>

Regarding the policy formulation phase, the results of our training needs assessment<sup>13</sup> as well as other reports demonstrate inconsistent and sporadic application of existing rules. Although the technical aspect of policy formulation has been improved in the recent years – such as its legal foundations and the structure of policy document – the majority of policy proposals are formulated without proper analysis, evidence and argumentation. Draft policy proposals often lack proper explanation of the purpose of the specific policy, demonstrating that the analysis of the contextual circumstances and causes and consequences of policy issues have been omitted or done only partially.<sup>14</sup> Moreover, in most instances, different policy options have not been considered or analyzed in such proposals.<sup>15</sup> This finding is also confirmed by OECD SIGMA reports for BiH from 2015 and 2017, where the country was given low score for the use of analytical tools in policy making.<sup>16</sup>

Similarly, regulatory impact assessments are not systematically followed for many important laws. Although governments at state and entity levels in BiH have adopted by-laws on regulatory impact assessment procedures<sup>17</sup>, such procedures are considered to be open-ended in terms of their application and are, according to some sources, not systematically being followed.<sup>18</sup> As a result, policies are being adopted without a sound evidence base and frequently without any rigorous assessment of their possible impact. For example, according to the 2015 annual report of the Ministry of Justice of BiH on the implementation of rules on public consultations, only one out of nine state-level ministries surveyed regularly carries out assessments of the impacts that legal acts that are to be adopted may have on the wider public, as to determine the type of consultation process necessary,<sup>19</sup> which should be an integral part of any regulatory impact assessment. Similarly, according to a report by the Centers for Civic Initiatives (CCI), during the January-August 2015 period, only 7 out of 37 new policy proposals of the Federation BiH government were accompanied by an impact assessment<sup>20</sup>, while there was only one impact assessment done in Republika Srpska for the same period.<sup>21</sup> Occasional impact assessments are most often done within internationally-funded projects of technical support to public institutions in BiH.<sup>22</sup>

Finally, the monitoring and evaluation of implemented policies is largely absent. When it exists, it is mostly applied to strategic documents and their action plans, where monitoring serves to document how many of the planned activities have actually been implemented, but does not provide insight into the effects of implemented activities and particular policies (*performance-based monitoring*). For example, according to the 2015 analysis by CCI, for over two-thirds of adopted laws in the period of 2010-2014, no ex-post analysis of the effects of laws after a certain period of implementation had been conducted.<sup>23</sup>

In summary, policies and laws are usually not based on substantial analysis and evidence<sup>24</sup> and the link between specific policies and sectoral strategies and expenditure frameworks is weak, undermining the potential for their successful implementation<sup>25</sup>. All in all, the quality of policy analysis is considered to be rather poor across all levels of government.<sup>26</sup> Hence, according to the SIGMA report for 2017, the overall indicator value for evidence-based policy making in BiH is zero, which is the consequence of “the weaknesses and shortcomings in the regulatory framework and in the practice of analyzing new proposals to inform policy making, including the absence of application of even basic tools for analysis”.<sup>27</sup> The following Table 3 presents the BiH score across several key indicators for evidence-based policy making:

Table 3. Evidence Based Policy Making Indicators for BiH

Indicator	Points
1. Use of basic analytical tools and techniques to assess the potential impact of new draft laws	1/2
2. Use of budgetary impact assessment prior to approval of policies	1/3
3. Use of broad Regulatory Impact Assessment	0/3
4. Availability of guidance documents on RIAs	0/2
5. Quality control of RIAs	0/3
6. Quality of analysis in RIAs	0/15
<b>Total</b>	<b>2/28</b>

Source: OECD SIGMA, *Monitoring Report*.<sup>28</sup>

## 5. Weak Analytical Capacity as an Obstacle to Policy Making

The chronic absence of evidence-based policy making in BiH points to the deep structural problems with analytical capacities at all three levels: individual, organizational and systemic.

### 5.1. Individual-Analytical Capacity

The individual-analytical capacities of public servants in the government institutions in BiH is rather weak<sup>29</sup>. This is primarily due to insufficient knowledge and skills to conduct policy analysis and to monitor and evaluate the implementation of enacted policies. For example, capacities for policy development in ministries at the state level have been assessed as limited, with a lack of personnel specialized in policy development, including ex ante and ex post assessment of public policies<sup>30</sup>. Public servants mostly do not possess knowledge and skills in the area of applied

research methods and analytical techniques for policy analysis. In effect, the process of policy formulation is frequently reduced to mere copying of solutions from neighboring countries or other levels of government in BiH, without the assessment of the potential of such transposed policies to address policy issues at stake.<sup>31</sup>

Particularly challenging is the financial impact assessment of proposed policies, since public institutions do not have the necessary human resources or specific expert knowledge for such an advanced analysis. However, an OECD SIGMA report from 2015 shows that even the ministries of finance are not fully equipped to conduct adequate analysis of financial effects of public policies. Hence, ministries of finance will frequently issue a positive opinion on proposed policies even when such proposals do not provide an assessment of costs of proposed policies or when they assume that no additional financial resources will be needed, even though a policy may require significant improvements of capacities of state agencies for proper implementation.<sup>32</sup>

## 5.2. Organizational-Analytical Capacity

As a result of its complex administrative structure, BiH does not have a country-wide unified approach to policy making. Instead, policy analysis, formulation and implementation is done separately, and without effective coordination and scrutiny of policy proposals, at different administrative levels: The Council of Ministers of BiH at the State level; the Government of the Federation of BiH (FBiH); the Government of Republic of Srpska (RS); and the Brčko District (BD).<sup>33</sup> The overall commitment of these key policy-making institutions to sound policy making remains weak, exemplified in the absence of formal internal guidelines and procedures for policy development at any level of the administration and generally low quality of policy-development.<sup>34</sup> For example, at the state level, “ministries do not have internal rules for policy development”<sup>35</sup> and “the quality of the policy-development process remains low”<sup>36</sup>. It is thus not surprising that “the requirements for policy analysis, as defined in the ‘Unified Rules on Legislative Drafting’<sup>37</sup>, have not been implemented in practice”.<sup>38</sup>

In addition, internal scrutiny of policy proposals is mostly inadequate.<sup>39</sup> For example, at the state level, the “collaboration between (government) institutions in reviewing ministerial proposals remain weak”<sup>40</sup>.

According to the 2015 CCI report, there are no designated persons in the state and entity ministries – or parliamentary bodies – to conduct analysis of regulatory effects.<sup>41</sup> This was confirmed by interviews that Analitika conducted with public servants in early 2017: in general, the number of personnel involved in the preparation of legislation and other policies is largely inadequate.<sup>42</sup>

Moreover, the use of analysis and evidence-based policy making is frequently initiated by external drivers and is done on an *ad hoc* basis<sup>43</sup>. Bosnia and Herzegovina is in that regard an extreme but illustrative case, as external drivers, i.e. international community lead by OHR until 2005 and later by the European Commission (EC), were the principal drivers of policy processes. The OHR imposed by 2002 “over 100 laws and decisions ... on a wide range of topics where governments or legislatures were unable to agree on action”,<sup>44</sup> making the international actors the most important

factor in policy making processes in the country between 1996 and 2006. Some authors argue that this has discouraged governments in BiH to engage in policy development, boost policy making capacities, and commission policy research, since much of the work was been done for them by international actors<sup>45</sup>. Although the role of international actors is not that prominent anymore, this kind of dependence and inertia to engage in evidence-based policy formulation seem to persist even in 2018, since major policy development efforts are still largely initiated thanks to technical assistance programs and pressure from international actors, such as the EC, IMF or powerful western countries.

As a consequence of the overall poor orientation towards policy making, the government institutions inevitably fail when it comes to evidence-based policy making as well. Hence, “final decision making on policy proposals across all levels in most of cases is not supported by analysis and evidence. Policy proposals are not always checked from the perspective of their financial impact and affordability”<sup>46</sup>. For example, state-level ministries only use basic tools for policy analysis.<sup>47</sup>

### 5.3. Systemic-Analytical Capacity

When looking at the systemic-analytical level in BiH, one can identify a number of deep structural constraints that undermine capacities for evidence-based policy making in the country, such as: limited funding; inadequate education opportunities; weak research institutions, and limited availability of policy-relevant data. All of these shortcomings have detrimental effect on analytical and policy capacities of government institutions and other policy actors.

#### *Insufficient funding*

Research in BiH is severely underfunded. Today, the country invests approximately 0.3% of GDP in research and development<sup>48</sup> – five times less than in 1990, when the total investment reached 1.5% of GDP, out of which 1% was from public funds and 0.5% from the industry<sup>49</sup>. When compared to neighboring countries, BiH has the lowest level of investment in research relative to its GDP, except for Kosovo, and eight times lower than the OECD average of 2.4% of GDP (see Table 4).

*Table 4. Research and Development Expenditure (% of GDP)*

Countries	2007	2008	2009	2010	2011	2012	2013	2014	2016
Albania	0.1	0.2	..	..	..	..	..	..	0.4
Bosnia and Herzegovina	..	..	..	..	..	0.3	0.3	0.3	0.3
Croatia	0.8	0.9	0.8	0.7	0.8	0.8	0.8	0.8	..
Kosovo	..	..	..	..	..	..	..	..	0.2
Macedonia, FYR	0.2	0.2	0.2	0.2	0.2	0.3	0.4	..	0.52
Montenegro	1.1	..	..	..	0.4	..	0.4	0.4	0.36
Serbia	0.4	0.4	0.9	0.7	0.7	0.9	0.7	0.8	0.9
European Union	1.8	1.8	1.9	1.9	2.0	2.0	2.0	2.0	..
OECD members	2.2	2.3	2.4	2.4	2.4	2.4	2.4	..	..

Sources: 2007-2014: World Bank, “World Development Indicators”; data for 2016: European Commission, “Country Reports”, [https://ec.europa.eu/neighbourhood-enlargement/countries/package\\_en](https://ec.europa.eu/neighbourhood-enlargement/countries/package_en) (Accessed on October 20, 2018)

### ***Limited Educational Capacity for Policy Development and Policy Analysis***

BiH has rather poor educational capacities in the field of public policy, policy research and analysis, as well as in the field of research methods in general<sup>50</sup>. There are no specialized educational programs in public policy either at the undergraduate or the postgraduate level in universities in the country.

Consequently, education in public policy-related topics is primarily done through short-term, *ad hoc* courses. Such programs are mainly financed through international projects of technical assistance to public institutions, universities and NGOs, and are by definition limited in scope and duration – normally they do not continue beyond a specific project. In addition, state-level and entity-level Civil Service Agencies offer one-day workshops/trainings on various public policy issues, such as trainings on regulatory impact assessment, which target civil servants. For example, after the adoption of the “Decision on the implementation of the regulatory impact assessment in the formulation of laws”<sup>51</sup>, the Civil Service Agency of Republika Srpska has implemented a number of trainings on the implementation of the decision, which was attended by some 150 civil servants in 2016-2017 period.<sup>52</sup> However, there are no systematic and long-term educational programs that would seek to address the need for public policy education in the country.

As a consequence, most mid-level public officials who partake in policy-making processes at ministries and independent agencies at different levels of government, but also members of civil society and academia, usually do not have access to education in policy analysis, including policy design, monitoring, or policy evaluation.

### ***Weak Research Capacities of Non-Governmental Policy Actors***

According to a 2012 study<sup>53</sup>, BiH never developed a tradition of strong institutes in social sciences, while the general number of publicly funded research institutes in all scientific fields is modest. In the 2010 RS Register of scientific research institutions, maintained by the Ministry of science and technology of RS, there were in total 21 institutes: four public institutes established by the Government of RS, 11 institutes operating within public universities, two institutes within private universities, and four private institutes<sup>54</sup>. At the same time, FBiH had approximately 30 registered research institutes, out of which approximately 20 were a part of universities, and 10 were separate legal entities. However, due to the entity’s complex administrative structure and inconsistent registration procedures, the officially confirmed number of research institutes in FBiH is not available<sup>55</sup>.

Publicly funded research institutions have limited capacities in terms of funding available for research projects, performing policy relevant research and attracting and retaining competent researchers. For example, the World Economic Forum’s Global Competitiveness Reports for 2016-2017 and 2017-2018 place BiH at the bottom of the list of 138 countries covered by the reports when it comes to its quality of scientific research institutions and availability of scientists and engineers. In the context of the Western Balkans, BiH performs slightly better than Albania, and much worse than Macedonia, Montenegro and Serbia (Table 5).



Table 5. 2017-2018 Competitiveness Scores in scientific research capacities of Western Balkan countries (137 countries in total)

Categories / Indicators	Albania	BiH	Macedonia	Montenegro	Serbia
Quality of scientific research institutions	118	106	53	76	47
Availability of scientists and engineers	113	107	82	85	68

Source: Klaus Schwab, ed., *The Global Competitiveness Report 2017–2018* (Geneva: World Economic Forum, 2017); for Macedonia, data from Klaus Schwab, ed., *The Global Competitiveness Report 2016–2017* (Geneva: World Economic Forum, 2016)

Due to these limitations, university and public institutes rarely engage in applied empirical research<sup>56</sup>. It is fair to say that “the BiH higher education institutions have become primarily teaching institutions with severe neglect for research activities”<sup>57</sup>. Therefore, it is not surprising that university institutes and publicly-funded research institutions are almost completely absent from contemporary policy debates.

In addition, civil society generally lacks policy research capacity<sup>58</sup>. Unlike in some Western European countries, most prominently in Germany, where political parties have their own policy research organizations or directly sponsor such research institutions, this is not the case in BiH<sup>59</sup>. Similarly, workers’ unions and employers’ associations have almost no analytical and policy research capacity, which prevents their ability to propose evidence-based policies. While some thematically specialized civil society organizations, focusing, for instance, on youth issues, women’s rights, human rights or good governance, have demonstrated their research capacities by publishing quality policy reports, more often than not, NGOs that engage in research outsource such tasks to external consultants due to a lack of in-house capacity for research and analysis<sup>60</sup>.

There is approximately a dozen of independent policy research organizations, i.e. think tanks, active in BiH currently. These are mostly small non-profit organizations with 3 to 10 full-time staff members, all with modest budgets almost fully dependent on international donors’ funding. These organization have serious problems in finding and retaining competent researchers and experts and ensuring longer-term funding for their research activities. Overall, financial viability of independent think tanks is rather poor, resulting in *ad hoc* activities and the absence of a strategic programmatic orientation<sup>61</sup>.

Hence, policy research in the non-governmental sector is almost fully dependent on funding from international donors. Only a negligible fraction of funding for independent research comes from the state budget and government contracts, since cooperation with governments is limited and public funding for research is scarce and primarily targets public research institutions. Due to funding constraints and the limited availability of competent personnel in the country<sup>62</sup>, the ability of NGOs and independent policy research organizations to deliver quality research is severely limited by a lack of capacity,<sup>63</sup> which subsequently has a negative impact on their ability to influence the policy agenda and decision-making processes.

Despite all of these limitations, it should be emphasized that a significant part, if not most of the primary empirical research in social sciences, including policy relevant studies, in BiH is funded through international organizations and implemented by independent research centers, private institutes, and NGOs<sup>64</sup>.

### ***Limited Data Availability***

As a consequence of a lack of funding, weak research capacities, and low domestic demand by policy-making institutions, there is a general lack of data necessary for evidence-based policy making. Institutions that directly implement laws and policies often do not collect important data, maintain appropriate records and databases, or such data are not readily shared with other public institutions and non-governmental organizations. All of this greatly impedes the prospects of evidence-based policy making in the country. The country lacks some of the very basic sources of data that are necessary for evidence-based policy making. For example, the The European Union Statistics on Income and Living Conditions (EU-SILC) SILC survey, a household survey that collects data on poverty, income, social exclusion and the population's living conditions, has still not been implemented in BiH,<sup>65</sup> while the Household Budget Survey (HBS) is implemented every three to four years, thus limiting policy-making capacities in the socio-economic realm. Data on the performance of specific sectors, such as the justice sector, or data on specific issues, such as employment and discrimination, are not systematically collected nor available to the public, even though collection and publishing of such data is in the mandate of responsible state agencies and ministries. Hence, it is not surprising that the lack of data was one of the main concerns of the EC when discussing the challenges that local authorities might face when trying to answer 3242 questions from the the questionnaire for the preparation of the Commission's opinion on the country's application for EU membership<sup>66</sup>.

## **6. Conclusion and Recommendations**

The available data and reports demonstrate that the capacity for policy analysis, and in effect the capability to engage in evidence-based policy making in BiH, is largely absent. Analytical capacities are inadequate on all three levels: among public servants engaged in policy making (individual level), within government institutions in charge of policy making (organizational level) and within the wider policy making ecosystem in the country (systemic level). In spite of various technical assistance projects aimed at improving the policy making capacities of government institutions in general and their capacities for policy analysis in particular, the progress has, thus far, been limited at best.<sup>67</sup> What is missing is a comprehensive reform of the research and analytical capacities in the country – both of government institutions and of the broader policy-making ecosystem involving civil society, universities, public and private research institutes – in order to create preconditions for evidence-based policy making.

The severity of the situation calls for a thorough overhaul of policy analysis capacities in the country along the following lines:

- It is vital for the development of BiH, and the success of its reform processes, to start investing in research capacities in general, and in policy research capacities in particular. The current underfunding of knowledge production has a devastating effect on the country's ability to develop and implement much needed policy reforms. The goal of reaching 2% of GDP, which is the EU average, should be set as an absolute priority.
- It is important to invest significantly more in strategic development of research capacities in the three sectors that are involved in policy analysis and policy making: research units within the executive government; public and university research institutes; and civil society organizations involved in policy making, such as private policy research organizations, unions, employers' associations, political parties and various other stakeholders and NGOs. This may be done through a systemic approach to investment in research and by granting public contracts for applied research, as well as through strategic coordination of international donors' efforts in this realm.
- Last but not least, it is of vital importance to improved educational capacities for policy making in the country. This could entail the introduction of policy studies programs at undergraduate and postgraduate level at universities in the country, as well as the development of specialized educational programs within civil service agencies, which could be done in cooperation with academia, government agencies and non-governmental organizations involved in policy research, education and policy making.

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2 Wu Xun, Michael Howlett and M Ramesh, "Policy Capacity: A Conceptual Framework for Understanding Policy Competences and Capabilities", *Policy and Society* 34, no. 3-4 (2015), pp. 165-171. <http://dx.doi.org/10.1016/j.polsoc.2015.09.001> (Accessed on October 20, 2018).

3 Ibid, p. 166.

4 Ibid.

5 Ibid, pp. 167-168.

6 Ibid, p. 167.

7 Ibid, pp. 167-168.

8 Ibid, p. 168.

9 Ibid, pp. 168-169.

10 Ibid, p. 169.

11 For involvement of different policy actors in policy making processes in other countries see for example John L. Campbell and Ove K. Pedersen, *The National Origins of Policy Ideas: Knowledge Regimes in the United States, France, Germany, and Denmark* (Princeton and Oxford: Princeton University Press, 2014).

12 Nermina Voloder, *Procjena potreba za edukacijom javnih službenika u BiH u oblasti javnih politika* [Training Needs Assessment of Public Servants in BiH in the Field of Public Policy] (Sarajevo: Analitika – Center for Social Research, 2017), (unpublished report); OECD SIGMA, *Baseline Measurement Reports*; OECD SIGMA, *Monitoring Report*.

13 Voloder, *Training Needs Assessment*.

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- 15 Voloder, *Training Needs Assessment*.
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