



UNITED NATIONS
BOSNIA AND HERZEGOVINA



Common Country Analysis Bosnia and Herzegovina

2022



Common Country Analysis

Bosnia and Herzegovina

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List of acronyms

APIK	Agency for Prevention of Corruption
ASF	African swine fever
BD	Brčko District
BiH	Bosnia and Herzegovina
CAD	Current account deficit
CBBH	Central Bank of Bosnia and Herzegovina
CCA	Common Country Analysis
CoMoCoSEE	Council of Ministers of Culture of South East Europe
Cooperation Framework	United Nations Sustainable Development Cooperation Framework
CSO	Civil society organization
CVD	Cardiovascular diseases
DDF	Dialogue for the Future
DPA	Dayton Peace Accords (or the Dayton Peace Agreement)
DPPI-SEE	Disaster Preparedness and Prevention Initiative for South Eastern Europe
DRR	Disaster Risk Reduction
EBRD	European Bank for Reconstruction and Development
EMEP	Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe
EU	European Union
EUFOR	European Union Force
EUROSTAT	European Statistical Office
FAO	Food and Agriculture Organization of the United Nations
Federation of Bosnia and Herzegovina	Federation of Bosnia and Herzegovina
FDI	Foreign direct investment
FES Youth Study	Friedrich-Ebert-Stiftung Youth Study
GAP BiH	Gender Action Plan of Bosnia and Herzegovina
GBV	Gender-based violence
GDI	Gender Development Index
GDP	Gross domestic product
GHG	Greenhouse gas
HCBM	Human Centred Business Model
HDI	Human Development Index
HJPC	High Judicial and Prosecutorial Council

HLPF	High-level Political Forum
ICT	Information and communication technologies
ICTY	International Criminal Tribunal for the former Yugoslavia
IDP	Internally displaced person
ILO	International Labour Organization
IMF	International Monetary Fund
INC	Initial (second and third) National Communication
IOM	International Organization for Migration
IPPC	International Plant Protection Convention
IVF	In vitro fertilization
BAM	Bosnian Convertible Mark
LFPR	Labour Force Participation Rate
LFS	Labour Force Survey
LGBTQI	Lesbian, gay, bisexual, transgender, queer, and intersex
LSD	Lumpy skin disease
M&E	Monitoring and evaluation
MARRI	Migration, Asylum, Refugees Regional Initiative
MEAs	Multilateral environmental agreements
MEASURE-BiH	Monitoring and Evaluation Support Activity – Bosnia and Herzegovina
MHRR	Ministry of Human Rights and Refugees
MICS	Multiple Indicator Cluster Survey
MICT	International Residual Mechanism for Criminal Tribunals
MMR	Measles, mumps, and rubella
NCD	Noncommunicable diseases
NGO	Non-governmental organization
NHDR	National Human Development Report
ODA	Official development assistance
OECD	Organization for Economic Co-operation and Development
OHR	Office of the High Representative
OHCHR	Office of the United Nations High Commissioner for Human Rights
OIC	Organization of Islamic Cooperation
OSCE	Organization for Security and Co-operation in Europe
PIC-SB	Peace Implementation Council's Steering Board
PISA	Programme for International Student Assessment
PPP	Purchasing power parity
PSG	Peer Support Group
PWID	People who inject drugs
RCC	Regional Cooperation Council
RIA	Rapid Integrated Assessment

RPL	Recognition of prior learning
RS	Republika Srpska
SDG	Sustainable Development Goal
SDSN	Sustainable Development Solutions Network
SEE	South-East Europe
SG	Secretary General
SILC	Statistics on income and living conditions
SMEs	Small and medium-size enterprises
SPS agreement	World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures
STI	Sexually transmitted infection
TFR	Total fertility rate
TVET	Technical and Vocational Education and Training
UASC	Unaccompanied and separated children
UHC	Universal health coverage
UHRI	Universal Human Rights Index
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNCT	United Nations Country Team
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolution
UNV	United Nations Volunteers
UPR	Universal Periodic Review
USAID	United States Agency for International Development
VNR	Voluntary National Review
WG	Working group
WHO	World Health Organization

Executive summary

The Common Country Analysis (CCA) is an integrated evidence-based analysis by the United Nations system of the prospects for sustainable development in a country in which it maintains operational development activities. The CCA serves as the analytical baseline for the United Nations Sustainable Development Cooperation Framework (Cooperation Framework) and provides the basis for policy dialogue and prioritization with stakeholders on sustainable development strategies and solutions.

Substantively, the CCA examines the factors that influence a country's sustainable development pathway and analyzes the gaps, opportunities, and bottlenecks vis-à-vis the country's commitment to achieving the 2030 Agenda for Sustainable Development. It provides an integrated analysis of both proximate causes and underlying structures across the dimensions of sustainable development in line with the overall commitment to leave no one behind, the values of the United Nations Charter, and international norms and standards.

The CCA process for Bosnia and Herzegovina was initiated in July 2019. The United Nations led the drafting of the report based on data and analysis of relevant available United Nations and other public reports. Specific inputs were provided by the United Nations team in Bosnia and Herzegovina, which were synthesized, consolidated, and reviewed by the regional United Nations Peer Support Group. Preliminary findings on the draft CCA were presented during a validation exercise in December 2019, with the final CCA report finalized in March 2020.

The United Nations in Bosnia and Herzegovina initiated a CCA update in October 2021, taking note of the impact that COVID-19 had on development planning and operations, and on political developments. As part of this update, the entire CCA document was reviewed and revised. As such, this updated CCA for Bosnia and Herzegovina reassesses progress towards the 2030 Agenda and provides the United Nations assessment of a changing country context. The CCA update was completed in October 2022. Bosnia and Herzegovina (BiH) is an upper middle-income country with the aspiration to become a member of the European Union. The country has made significant progress with marked improvements across a range of development indicators in recent decades. Drawing on data and analysis across governance and political, social development and exclusion, economic transformation, environment, and climate change, this updated CCA, however, highlights that despite this progress, Bosnia and Herzegovina's development pathway is determined by structural, institutional and political challenges, including as a result of the 1992-1995 conflict, that hinder progress towards the Sustainable Development Goals (SDGs). In particular, the highly decentralised structure of governance, as outlined in the Annex IV of the Dayton Peace Agreement (DPA), fosters challenges in various areas, including struggles to establish a common development vision.

Despite decades of economic growth, the lack of sustained investment in key sectors or institutional reforms, has resulted in a development model that is defined by a growing divergence from European neighbours, increasing inequality within the population, particularly impacting women, and that remains highly vulnerable to external and internal shocks. The last ten years have been marked by a clear trend towards deterioration, exacerbated by exogenous shocks. The most visible objective result of this situation is the remarkable levels of emigration from the country, with ever more young, talented and increasingly middle-class citizens choosing to pursue their aspirations outside of this country. Most recently, the impact of the war in Ukraine overlaying the legacy and the impact of COVID-19 have had a disproportionate impact on the most vulnerable, while institutions have lacked the instruments and mandates to respond to the needs of the population. Beyond the objective data, this conclusion reflects the perceptions of the population, with 77.1 per cent of respondents to public perception data collected by the United Nations reflecting the long-term feeling that the country is stagnating.

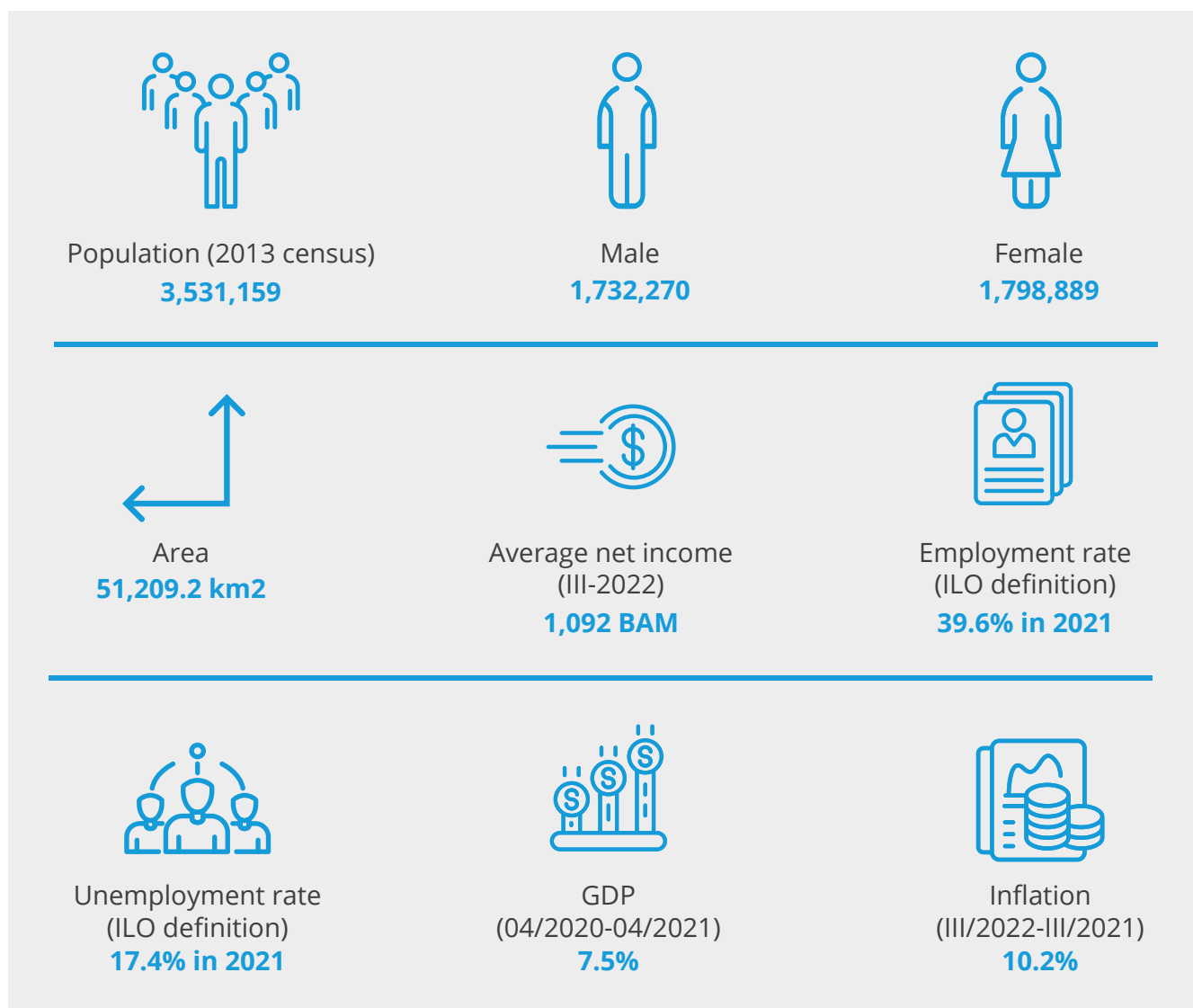
The complexity and interconnectedness of these challenges represent themselves an inhibitor to progress towards sustainable development, and sustained, targeted and inclusive action and investment is required to avert the risk of Bosnia and Herzegovina being caught in a middle-income trap. The CCA update concludes by highlighting that the SDG Framework in Bosnia and Herzegovina endorsed in 2021, provides a platform for more effective and efficient planning and assistance to delivering on the SDGs by 2030.



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**Progress towards the 2030
Agenda and the SDGs, including
commitments towards international
norms and standards**

Country profile

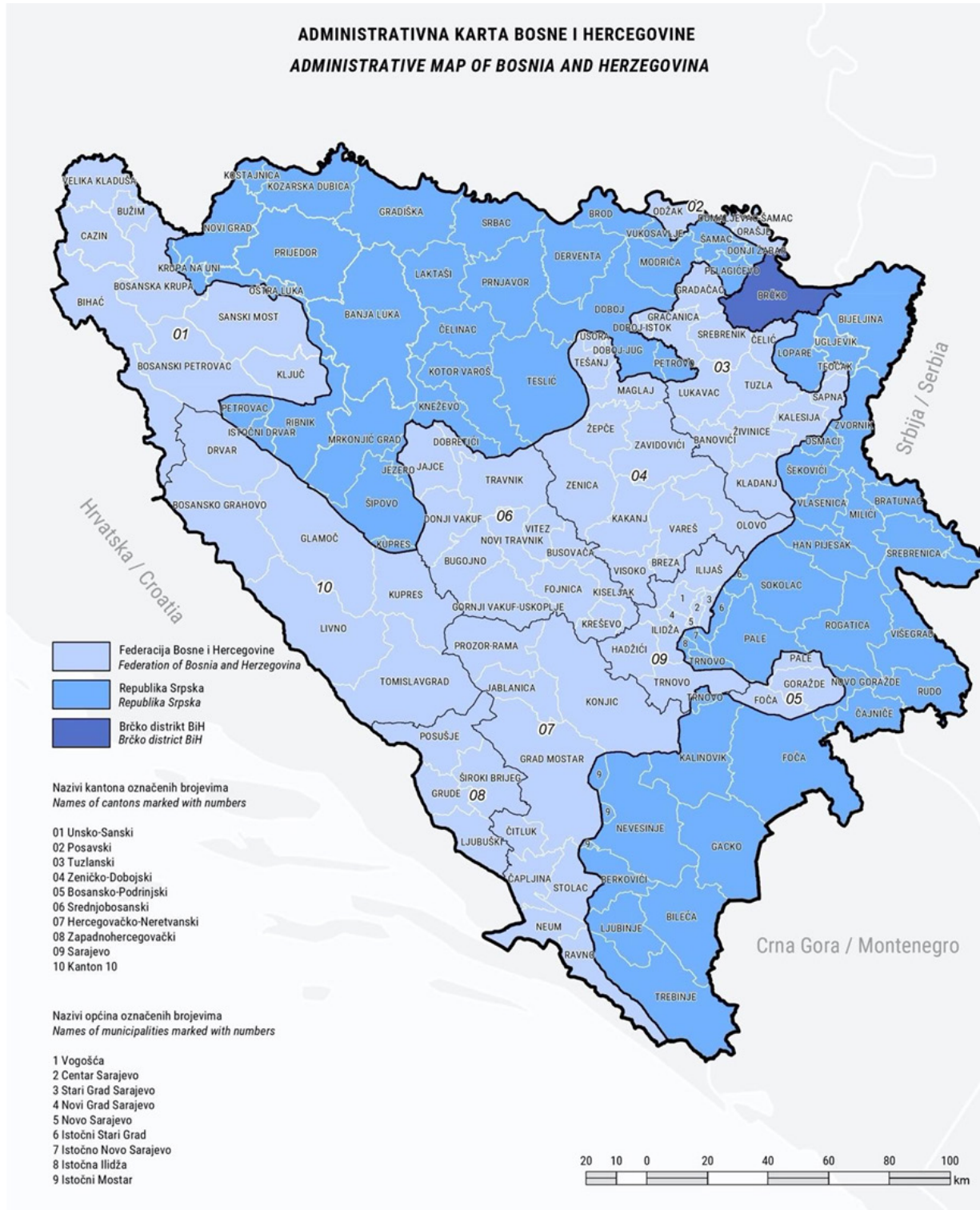


Bosnia and Herzegovina (BiH) is an upper middle-income country with the aspiration to become a member of the European Union. The country's political institutions are derived from Annex IV of the Dayton Peace Accords (DPA), signed in 1995, which ended the 1992–1995 war. According to this annex, which provides the constitutional set-up for the country, Bosnia and

Herzegovina is constituted of two entities, namely the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS), plus Brčko District (BD). The Republika Srpska has 61 municipalities, while the Federation of Bosnia and Herzegovina is divided into 10 cantons with 79 municipalities. Annex IV of the DPA outlines the competencies for each level of government which are further

developed in the individual constitutions of each entity and of each canton. In total the political institutions of Bosnia and Herzegovina include five presidents, 13 prime ministers and as many

governments, more than 180 ministries and over 700 members of parliament in a country of 3.5 million people.



Due to this multi-level structure of political governance, Bosnia and Herzegovina has been struggling with establishing a common development vision.

In 2021, the Council of Ministers of Bosnia and Herzegovina adopted the SDG Framework in Bosnia and Herzegovina.¹ The document represents the first countrywide strategic framework for sustainable development in Bosnia and Herzegovina in over a decade. The Framework identifies three pathways to sustainable development: 1) Good Governance and Public Sector Management, 2) Smart Growth and 3) Society of Equal Opportunities.

Targets and indicators have been identified for each development pathway. The document builds on extensive public consultations held in 2018 and 2019, and is based on the analysis of key development trends, opportunities, and obstacles, particularly within the context of Bosnia and Herzegovina’s aspirations to EU accession.

While official monitoring and reporting on implementation of the SDG Framework is forthcoming, according to the 2022 SDG Index and Dashboards Report, Bosnia and Herzegovina, ranks 59 out of the 163 countries reviewed.²



Source: 2022 SDG Index and Dashboard Report.

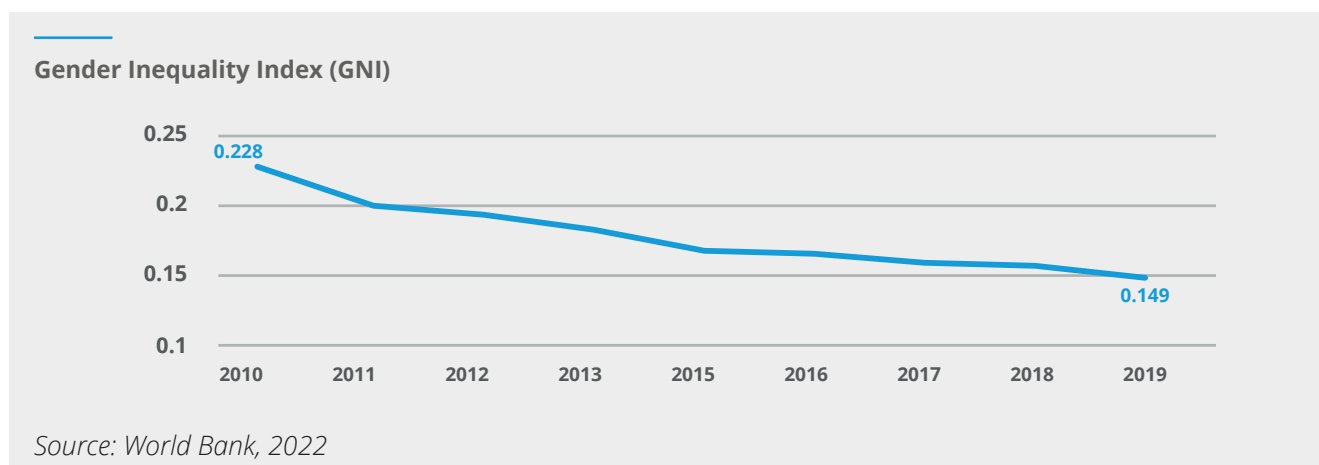
1 The Sustainable Development Framework in Bosnia and Herzegovina, 4 April 2021.

2 Produced by the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung, SDSN invited the European Commission’s Competence Centre on Composite Indicators and Scoreboards (COIN), at the Joint Research Centre (JRC), to [audit](#) the 2019 edition of the SDG Index, which was launched on the side lines of the 2019 United Nations High-level Political Forum on Sustainable Development. Available at <https://dashboards.sdgindex.org/rankings>.

The Human Development Index value (HDI) of Bosnia and Herzegovina for 2019 was 0.78, which put the country in the high human development category.

The Inequality-adjusted Human Development Index (IHDI) for 2019 was 0.66. Bosnia and Herzegovina's Gender Development Index (GDI) for 2019 was 0.92³ and the Bosnia and Herzegovina Gender Inequality Index for 2019 was 0.149, ranking it 38 out of 162 countries.⁴ The World Bank's 2018 human

capital index ranked Bosnia and Herzegovina 58 out of the 157 countries surveyed, roughly comparable to Albania and Montenegro, and slightly behind Slovenia, Serbia, and Croatia.⁵ Yet a Lancet human capital study ranked Bosnia and Herzegovina 64 out of 168 countries in 2016, down from 58 in 1990 and well below the 2016 rankings of Croatia (32), Serbia (46), Montenegro (48) and North Macedonia (51).⁶



Although Bosnia and Herzegovina lacks updated official population data, a 2013 census reported an official population of 3.5 million people.⁷ As is generally the case in Europe and other developed countries, this population is shrinking and ageing. The 1992–1995 war prompted 2.2 million Bosnia and Herzegovina citizens to seek refuge abroad⁸,

over half of the pre-war population. United Nations Department of Economic and Social Affairs (DESA) data indicates that emigration has continued since⁹ with 2 million people from Bosnia and Herzegovina today estimated to be working or residing abroad,¹⁰ the highest share in the Western Balkans. The BiH agency for statistics estimates that 250,000 citizens have

3 UNDP (2021) Social Inclusion in Bosnia and Herzegovina - 2020 National Human Development Report, which was funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC).

4 UNDP (2019), Human Development Report 2020. *The Next Frontier: Human Development and the Anthropocene – Bosnia and Herzegovina*, 2019. Available at <https://hdr.undp.org/sites/default/files/Country-Profiles/BIH.pdf>.

5 Available at <https://openknowledge.worldbank.org/handle/10986/30498>.

6 Available at [www.thelancet.com/action/showPdf?pii=S0140-6736\(18\)31941-X](http://www.thelancet.com/action/showPdf?pii=S0140-6736(18)31941-X)

7 Census dating from 30 September 2013. Source: Agency for Statistics of BiH. The methodology used for the 2013 census data resulted in the development of two census reports: one officially recognised at the state and Federation of Bosnia and Herzegovina level and the other one recognised solely by RS.

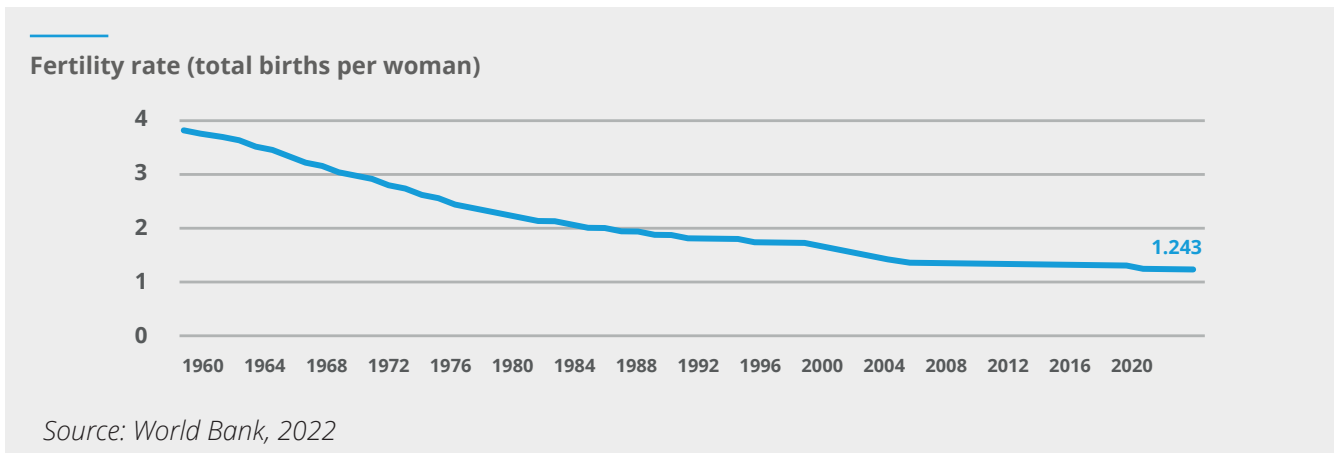
8 Over the period 1992–1995, 1.2 million BiH citizens fled the country. Available at www.mhrr.gov.ba/izbjeglice/default.aspx?id=1711&lang-Tag=bs-BA.

9 For more information on the methodology underpinning the UNDESA figures see *Trends in International Migrant Stock: The 2017 Revision* (Documentation).

10 MHRR, *Mapping of the BiH Diaspora*, UNDP-IOM Diaspora project, 2018.

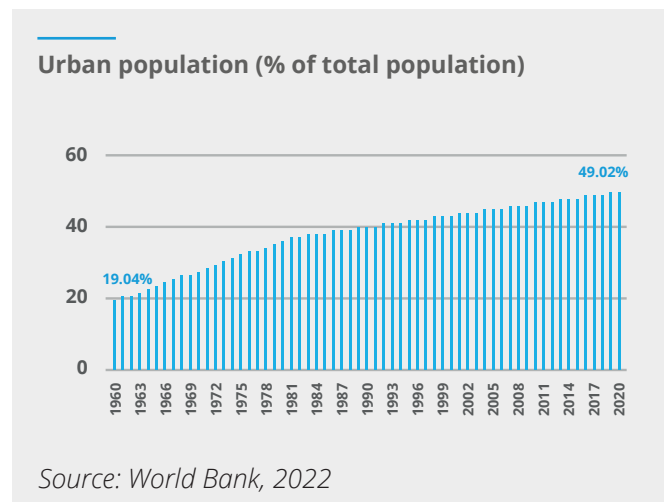
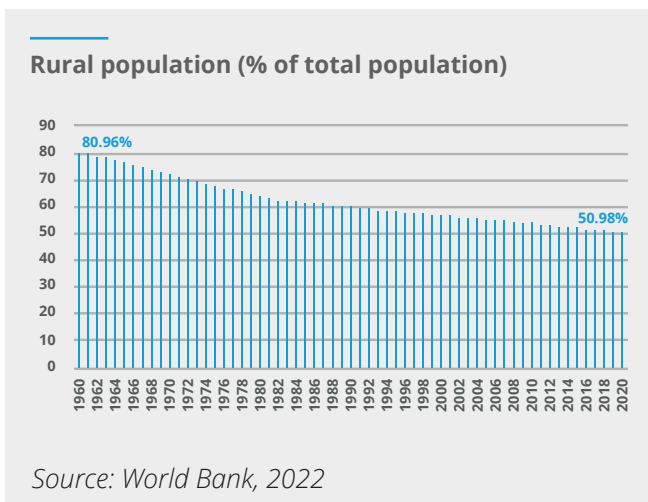
left Bosnia and Herzegovina since the census in 2013, 93,000 in the period between 2016-2018.¹¹ Moreover, the country's fertility rate average of

1.2 children born for each woman is far below the replacement level of 2.1.



Bosnia and Herzegovina is one of the most rural countries in Europe (as per the OECD categorization), with around 51 per

cent of its population living in rural areas (defined as villages and scarcely populated municipalities).



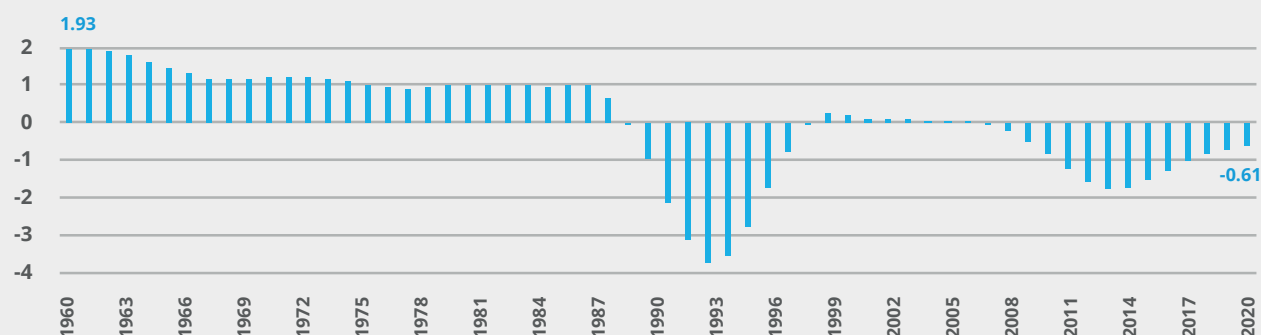
¹¹ Agency for Statistics of BiH, Labour Force Workforce Survey, 2018.

Demographic trends

All United Nations scenarios forecast further population decline in Bosnia and Herzegovina, highlighting demographic trends as a major obstacle to long-term development progress. According to the median variant of the United Nations World Population Prospects (2017), the population of Bosnia and Herzegovina could decrease to 3,058,000 by 2050, while the low variant of prospects (based on the assumption that the total fertility rate remains at an extremely low level) shows that population decline would be much sharper and could result in a decrease of the total population by 22 per cent to 2,747,000 people. These conclusions are confirmed by external sources. The Centre of Expertise on Population and Migration (CEPAM), for example, concludes that, if the average emigration rate of the period 1960–2015 continues, Bosnia and Herzegovina would lose 51 per cent of its population by 2060, with a total population of 1.71 million people. If emigration were to intensify (CEPAM Double Migration scenario), Bosnia and Herzegovina would lose 73 per cent of its population by 2060. It should be considered that all three CEPAM variants are based on a growth of 1.36 to 1.52 live births per woman by 2060, which Bosnia and Herzegovina has not recorded in almost two decades (European Commission, 2018).

Sources: United Nations DESA, *World Population Prospects 2017* and the Centre of Expertise on Population and Migration (CEPAM), *population prospects*.

Population growth (annual %)



Source: World Bank, 2022

Commitments under international norms and standards

The Republic of Bosnia and Herzegovina was admitted as a Member of the United Nations by General Assembly resolution A/RES/46/237 of 22 May 1992. As a successor of the Socialist Federal Republic of Yugoslavia, Bosnia and Herzegovina became the State Party in all conventions and agreements previously ratified and is party to all nine core international human rights treaties and their additional protocols.¹² International human rights instruments can be applied directly by the courts of Bosnia and Herzegovina; however, the level of implementation and enforcement of these provisions is uneven.¹³ In June 2022, the High Commissioner for Human Rights, Michelle Bachelet, visited Bosnia and Herzegovina¹⁴ and reaffirmed issues identified by United Nations human rights mechanisms.¹⁵ These include:

- ✗ Lack of implementation and enforcement of legislation protecting human rights;
- ✗ Persistent inequalities and discrimination on various grounds (particularly ethnicity, gender and sexual orientation) affecting access to economic, social, cultural, civil and political rights;

- ✗ Continued failure to deal with the past in a comprehensive and constructive manner;
- ✗ Challenges related to media freedom and peaceful assembly and general pushbacks to civic space;
- ✗ Hate speech, as a symptom of discrimination, impunity, and lack of reconciliation;

Furthermore, the institutionalization of group rights at the core of the post-war political and governing structures continues to be in violation of rights stipulated under the International Covenant on Civil and Political Rights,¹⁶ as well as the judgments of the European Court of Human Rights.¹⁷ The Constitution only recognizes three ‘constituent peoples’ (Bosniaks, Croats and Serbs), which is also reflected in the electoral laws, and excludes the constitutional category of ‘others’ from participation in certain elections and political representation. This category consists of 18 national minorities, with Roma being the largest.¹⁸ There is underrepresentation of ethnic minorities in public institutions at all levels, including in the judiciary and police.

12 Status of Ratifications Interactive Dashboard. Available at <https://indicators.ohchr.org/>.

13 Universal Human Rights Index (UHRI). Available at <https://uhri.ohchr.org/en/Summary/Country>.

14 <https://www.ohchr.org/en/statements/2022/06/un-high-commissioner-human-rights-michelle-bachelet-concludes-her-official-visit>

15 Critical human rights concerns have been well documented by the United Nations and regional human rights mechanisms. The most recent reviews of Bosnia and Herzegovina by United Nations human rights mechanisms were the Universal Periodic Review of the United Nations Human Rights Council, which issued recommendations in February 2020, and the United Nations Committee on Economic, Social and Cultural Rights, which issued its concluding observations in November 2021. For a compilation of the recommendations of the United Nations Human Rights Mechanisms and their implementation in BiH see Miroslav Živanović, in cooperation with the UNCT, *Compilation of the Recommendations of the UN Human Rights Mechanisms and their Implementation in BiH*, November 2016. Available at https://bosniaherzegovina.un.org/sites/default/files/2019-11/UN_comp_EN_BiH.pdf.

16 Most recent Concluding observations by the Human Rights Committee (2017) CCPR/C/BIH/CO/3.

17 Sejdīć and Finčič v. BiH (27996/06 and 34836/06); *Zornić v. Bosnia and Herzegovina* (2014); *Pilav v. Bosnia and Herzegovina*; *Slaku v. Bosnia and Herzegovina* (2016); *Baralija v. Bosnia and Herzegovina* (2019); *Pudarić v. Bosnia and Herzegovina* (2020).

18 The size of the Roma minority is unclear because their actual number is often not reflected in statistics and censuses. The latest official estimate puts the number of Roma in BiH at 25,000 to 50,000.

Bosnia and Herzegovina has adopted a law on the Prohibition of Discrimination, however, in a number of areas the harmonization and implementation of laws with international standards is lacking. For example,

× **Gender:** Bosnia and Herzegovina has a dedicated Law on Gender Equality, which provides protection against gender-based discrimination. The legal provisions for women's rights and gender equality, as well as the institutional framework, are largely in place¹⁹ and Bosnia and Herzegovina has made significant efforts to harmonize its legislative framework with international standards and commitments.²⁰ Social stigma and a lack of trust in the law enforcement authorities means that cases of gender-based violence are underreported, including domestic violence, and there is a lack of disaggregated data on all forms of gender-based violence.²¹ The Committee on the Elimination of Discrimination against Women (CEDAW) expressed concern over the long-lasting social exclusion of Roma women and girls, and noted with concern the stigmatization and discrimination faced by lesbian, bisexual and transgender women.²² The Committee also noted with concern the lack of information on the coverage of social protection schemes for migrant women and girls, limited access to healthcare services, including maternal care services, the high levels of sexual violence against refugee and

asylum seeker women and girls in reception centres, and the lack of gender-sensitive asylum-seeking procedures.²³

- × **Disability:** Despite Bosnia and Herzegovina's commitment under the Convention on the Rights of Persons with Disabilities (CRPD), state, entity, cantonal and municipal laws are not harmonized with international treaties and standards. There is no common definition of disability, which makes assessment of status and inclusion in state, cantonal, and municipal planning difficult.
- × **Refugees and asylum-seekers:** Bosnia and Herzegovina is party to the 1951 Convention relating to the status of refugees and its 1967 protocol, and the Bosnia and Herzegovina Law on Asylum is generally in line with international and EU standards. There are, nonetheless, shortcomings, including in the definition of 'asylum-seeker' and 'refugee', and in the exclusion and cessation clauses with persons under subsidiary protection lacking the right to family reunification and travel documents, and the Law on Foreigners also does not allow for their stay in Bosnia and Herzegovina to be counted for permanent residence. This means that people under subsidiary protection cannot acquire permanent residence or naturalise regardless of the number of years they spend in Bosnia and Herzegovina.²⁴

19 The Constitution of BiH includes the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and the country has ratified the Council of Europe Convention on preventing and combating violence against women and domestic violence (the Istanbul Convention).

20 The CEDAW commitments and the recommendations of the Committee for the Elimination of Discrimination Against Women as well as other United Nations recommendations on women's human rights and gender equality are included in the priorities of the third Gender Action Plan 2018–2022. In 2015, BiH adopted a Framework Strategy for implementation of the Istanbul Convention for the period 2015–2018. BiH reports regularly on its progress to international bodies for gender equality and the advancement of women's human rights; civil society closely follows all reporting and submits alternative reports accordingly.

21 CEDAW Committee (2019) Concluding observations on the sixth periodic report of BiH, para. 25 (a), (b) and (c).

22 CEDAW Committee (2019) Concluding observations on the sixth periodic report of BiH, para. 43(a) and 44(a).

23 CEDAW Committee (2019) Concluding observations on the sixth periodic report of BiH, para. 43 (c), (d) and 44 (d).

24 In addition, BiH has achieved significant progress towards implementation of the Revised Strategy for the Implementation of Annex VII of the DPA; however, obstacles continue to prevent displaced persons from exercising their basic rights to adequate housing, employment, healthcare, education, and social protection.

✘ **Stateless Persons:** Bosnia and Herzegovina is signatory to the 1954 Convention relating to the status of stateless persons and the 1961 Convention on the Reduction of Statelessness. The authorities of Bosnia and Herzegovina need to develop a sustainable system for the identification and the prevention of recurrent cases by ensuring universal birth registration and access to documentation. Changes need to be introduced to include undocumented individuals as beneficiaries of free legal aid services. At the state and entity level regulations and practice on birth and citizenship registration with simplified procedures need to be harmonised to ensure that all children are registered immediately at birth, in line with the adopted Action Plan²⁵ and commitments taken.²⁶ Furthermore, a dedicated statelessness determination procedure needs to be developed to ensure proper identification and protection of stateless persons.

In 2015, Bosnia and Herzegovina joined other United Nations Member States in agreeing a commonly shared vision of peace and prosperity for the people and the planet. Bosnia and Herzegovina has committed to implement the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs).

✘ Bosnia and Herzegovina is a signatory to the 2015 the United Nations Framework Convention on Climate Change (UNFCCC) has submitted the Initial, Second and Third National Communication (INC). Bosnia and Herzegovina has also submitted reports

under the United Nations Convention on Biological Diversity (UNCBD) and the United Nations Convention to Combat Desertification (UNCCD).²⁷

✘ Bosnia and Herzegovina is a signatory to the Sendai Framework for Disaster Risk Reduction (DRR) 2015–2030. However, in-country monitoring and reporting mechanisms intended to inform DRR strategic planning and the targeting of DRR investments need to be established. Bosnia and Herzegovina is party to the Convention on Transboundary Effects of Industrial Accidents that helps protect people and the environment against industrial and chemical accidents, including technological disaster risks. However, the inter-institutional cooperation needed to enhance the country's industrial safety remains a challenge.

Bosnia and Herzegovina signed the United Nations Convention against Corruption on 16 September 2005 and ratified it on 26 October 2006.

The criminal legislation and legislation on criminal procedure are adopted at the State, Entity and the Brčko District level. Each has their own criminal code and criminal procedure code. Entity and Brčko District laws are enforced solely by the courts of the entities and Brčko District, while the legislation at the State level is enforced by the Court of Bosnia and Herzegovina. The most important institutions for the prevention and countering of corruption are the Agency for Prevention of Corruption and the Coordination of the Fight against Corruption and the anti-corruption bodies at Entity and canton level.²⁸

25 See www.mhrr.gov.ba/PDF/LjudskaPrava/4_per_cent20_per_cent20Akcioni_per_cent20plan_per_cent20BiH_per_cent20za_per_cent20rjesavanje_per_cent20problema_per_cent20Roma_per_cent202017-2020_ENG.pdf.

26 See www.statelessness.eu/blog/commitments-achievements-zagreb-declaration-access-civil-documentation-and-registration-south; also see www.unhcr.org/ibelong/high-level-segment-statelessness/.

27 UNECE, 3rd Environmental Performance Review of Bosnia and Herzegovina, November 2018. Available at <https://www.unece.org/index.php?id=49746>.

28 UNODC (Country Review Report of Bosnia and Herzegovina. Available at https://www.unodc.org/documents/treaties/UNCAC/Country-VisitFinalReports/2019_05_08_BiH_Final_Country_Report.pdf

Bosnia and Herzegovina is in the final phase of accession to the World Trade Organization (WTO) and will therefore have to observe the rules and obligations negotiated with the WTO and respect the provisions of special WTO agreements.²⁹ These include the Agriculture Agreement, Agreement on Sanitary and Phytosanitary Measures (SPS Agreement), International Plant Protection Convention (IPPC) and the Agreement on Trade-related Aspects of Intellectual Property Rights.³⁰

Bosnia and Herzegovina has ratified 83 International Labour Organization (ILO) conventions, including all fundamental conventions (8) and all ILO governance conventions (4) and provides regular reports on their application. Nevertheless, there are still significant challenges in terms of application

and compliance. Labour rights have featured in United Nations recommendations since 2006 through issues such as workers on waiting lists, respect for contractual obligations, support for labour inspection units, gender equality, labour rights of minorities (in particular Roma), trade unions and unemployment.

Bosnia and Herzegovina is a permanent member of the Council of Ministers of Culture of South East Europe (CoMoCoSEE), and has reinforced its commitment and contribution to the sphere of culture. CoMoCoSEE enhances culture for development through a unique regional platform that operates within the Regional Cooperation Strategy Framework, which is aimed at strengthening regional and bilateral cooperation on culture.

Perceptions among the population of Bosnia and Herzegovina

Consultations held in May 2018, as part of the Bosnia and Herzegovina SDG Framework development process, identified four crosscutting issue areas:

× **Democratic governance and peace:** Specific reference was made to the need for much greater transparency, rule of law and effective administrative arrangements within the complex governance system in order to promote a more just and stable society.

All the consultation groups emphasized future EU accession as an opportunity for improving sustainable development and for strengthening the effectiveness of institutions, fostering better governance, peace, and the rule of law.

× **Education:** All types of education needs were highlighted. This included addressing ethnic segregation, improving access to and the quality of compulsory education, including early childhood education, increasing

²⁹ www.wto.org/english/thewto_e/acc_e/nl_e/2019_05_acc_newsletter_e.pdf.

³⁰ Strategic Plan for Rural Development of BiH (2018-2021). Available at www.mvtego.ba/data/Home/Dokumenti/Poljoprivreda/Strategic_Plan_for_Rural_Development_of_BiH_Eng.pdf.

opportunities for vocational education and skills development, and improving knowledge of sustainable development and natural resources management.

- × **Economic potential:** The potential of certain sectors, such as agriculture and tourism (tied to effective natural resources management), and the need for additional financing to meet development needs as well as the untapped potential of the existing human capacity, particularly creative young people, were highlighted. In respect to the challenges, inequality of opportunity, segregation in the labour market and insufficient economic development emerged strongly.
- × **Natural resources:** The abundance and quality of natural resources and the need for sustainable resources management and usage were mentioned across the consultations. Natural resources are seen as an asset that can help support sustainable development.

The analysis and consultations also identified youth and gender equality and the improvement of the position of women as cross-cutting areas of focus and drivers of change.

Public perception data collected by the United Nations reflects these long-term concerns. When asked about the most critical challenges faced by society in a perception survey conducted in 2019, respondents listed unemployment (41.2 per cent), corruption (38.7 per cent), political instability and politicians (31.1 per cent) and emigration, especially of the country's youth (28.1 per cent), as the top concerns.³¹ When considering the future of Bosnia

and Herzegovina, 77.1 per cent of respondents expressed the view that they believe the country was stagnating. The Bosnia and Herzegovina 2020 Nation Human Development Report (2020 NHDR) confirmed these findings. According to the 2020 NHDR, Bosnia and Herzegovina's citizens identified six key issues in their communities:

- × emigration of young families;
- × lack of investment in the local infrastructure;
- × inadequate support and facilities for people with disabilities;
- × lack of sufficient staff and funding for the centres for social welfare;
- × inequality in relation to child benefit, public transportation and school buses, emergency services and service grants in the community;
- × clientelism and the negative effects of politicized public procurement and the non-competitive appointment of public employees.

According to the 2020 annual National Survey of Citizens' Perceptions in Bosnia and Herzegovina,³² citizens' perceptions of the general situation in the country and expectations for the future continue to be pessimistic. Unemployment was identified by one in five citizens as Bosnia and Herzegovina's primary challenge, while 64 per cent of respondents expressed dissatisfaction with the responses of their leaders to the COVID-19 pandemic. More than 95 per cent of citizens claimed that corruption is present in Bosnia and Herzegovina and only 16 per cent of respondents said they trust the judiciary. Citizens' vision of the future remains strongly associated with ethnic affiliation. Most Bosniaks favoured solutions that

31 The source was a public perception survey conducted by the United Nations in May/June 2019: Prism Research and Consulting, *UN peace and development assessment for BiH*, 2019 (draft).

32 USAID, MEASURE-BiH, *National Survey of Citizens' Perceptions in Bosnia and Herzegovina 2020 (NSCP-BiH)*, Final Report, August 2021. Available at <http://measurebih.com/national-survey-of-citizens-perceptions>.

would strengthen the State level government, while most Serbs supported the status quo and opinions among Croats were divided. Despite mainly positive perceptions regarding the education system, 58 per cent of respondents felt that the skills acquired in the system are not aligned with the needs of the labour market. A quarter of respondents indicated that they had

considered leaving Bosnia and Herzegovina. The factors that would motivate citizens to stay in the country were predominantly work related. Among the youth, the main reasons for considering emigration were access to better public services, securing better life opportunities for their children and systemic corruption in Bosnia and Herzegovina.



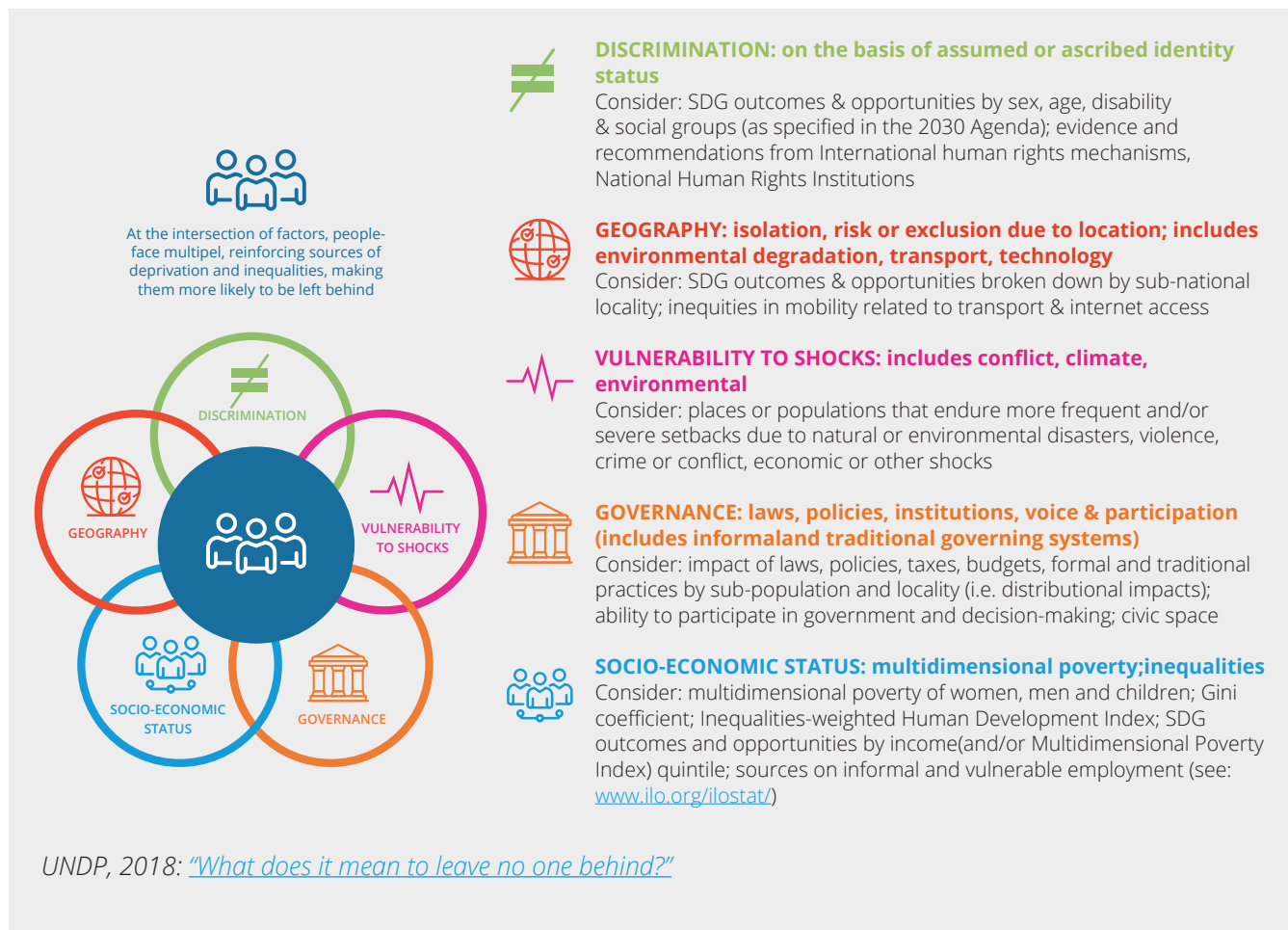
2 Overview of population groups (at risk of being) left behind

unicef 
za svako dijete

Leave no one behind (LNOB) is the central, transformative promise of the 2030 Agenda for Sustainable Development and the SDGs.

LNOB not only entails reaching the poorest of the poor, but includes a focus on discrimination and inequalities, as many of the barriers people face in accessing services, resources and equal

opportunities are not simply due to a lack of resources, but rather the result of laws, policies and social practices that leave particular groups of people further and further behind. The UN uses five criteria to assess groups who are at risk of being left behind.



LNOB in the context of Bosnia and Herzegovina

Despite its international obligations and domestic legislation, the fragmented governance system in Bosnia and Herzegovina has generated gaps in services

and opportunities and perpetuates discrimination that affects significant numbers of people. For example, a UN review of the social inclusion support mechanisms in

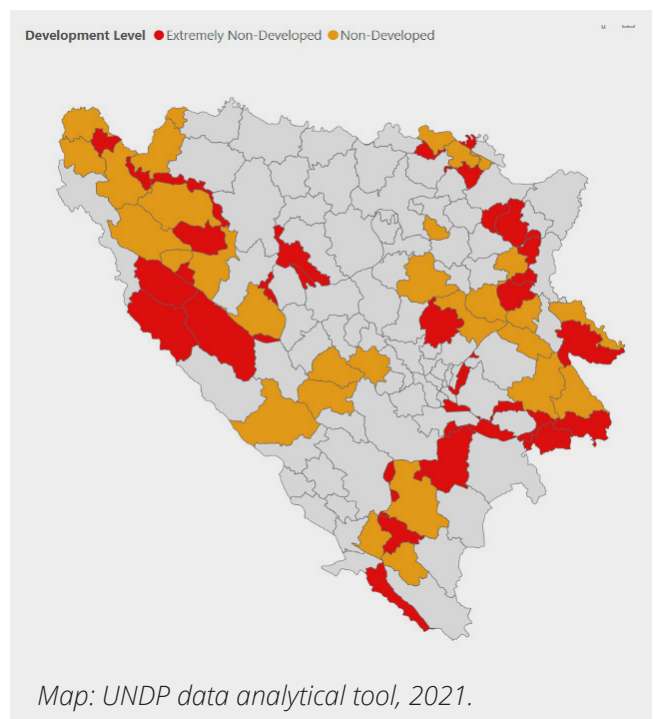
Bosnia and Herzegovina, carried out as part of the 2020 National Human Development Report (NHDR), revealed a set of fragmented and chronically underfunded social sector that is incapable of ensuring the equitable provision of social goods and services. Similarly, legislation or judicial decisions that are not enforced or implemented, including those by the European Court of Human Rights, have impacted access to civil, cultural, economic, political and social rights across the country.

A key challenge to policy dialogue on LNOB in Bosnia and Herzegovina, is the lack of official data in key areas, including updated census and poverty data, and in many other areas data is not disaggregated. This lack of data is related to a combination of factors, such as fragmented statistical systems, complex governance system, lack of agreement on data standards and collection methodologies, and lack of capacity. The various United Nations human rights treaty bodies have underscored this fact when reviewing the situation in Bosnia and Herzegovina in terms of the international human rights treaties. This continues to impede the identification of and appropriate responses to vulnerable groups in the population.

The end result, is that national statistics are often not sufficient to identify vulnerable groups, and target social policies. Bosnia and Herzegovina, for example, is one of the most rural countries in Europe and there is a marked difference between the rural and urban development profiles. Rural areas feature fewer job opportunities, weak physical infrastructure and public services as well as limited access to markets, business development and financial services. Unemployment rates in rural areas can

be 40 per cent higher than in urban centres and GDP per capita is less than half the level reported in urban environments. According to the 2013 NHDR concerning rural development, the 71 per cent of the population who lived outside of the six main cities experienced 60 per cent higher unemployment and wages 20 per cent lower than the average and 19 per cent of the rural population lived in poverty (compared to a poverty rate of 9% in urban areas).

According to official statistics, in 2021 there were 34 “extremely underdeveloped” local governments and 30 “underdeveloped” local governments in which 727,698 people lived. The development status of these 64 local governments was synonymous with low-level indicators related to income taxation per capita, the employment rate, the age structure of the population, mobility of the population and the education rate of the population.

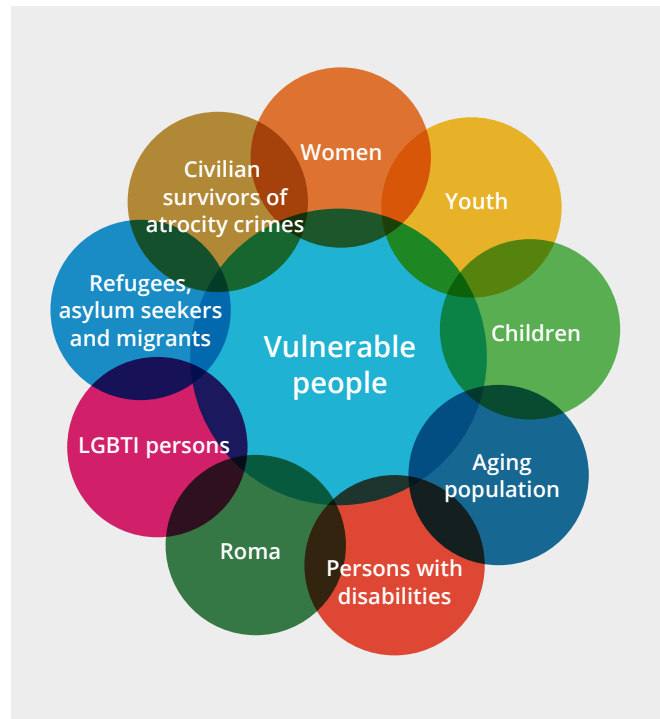


Intersectional deprivation and discrimination

A person can be left behind because of disadvantages related to only one of the five factors described above; however, in practice, most persons face more than one kind of deprivation and/or disadvantage or discrimination. Most of those left behind in Bosnia and Herzegovina face disadvantages stemming from multiple factors. Roma women, for example, are some of the most disadvantaged in the country, experiencing different but interconnected.

The United Nations Country Team (UNCT) identified a number of groups at the highest risk of being left behind, as shown below.

An extensive analysis of the vulnerabilities faced by these groups is provided in the following section.



WOMEN

Gender inequalities are evident in the political, economic and social spheres.

19.3 per cent of parliamentary seats are held by women and there is 35.6 per cent women's participation in the labour market compared to 58.6 per cent for men.³³ Both men (39.1 per cent) and women (31.6 per cent) in at least one entity believe that men are more suitable for public and women for private activities.³⁴ In the local elections that took place in 2020, only 4 per cent of elected mayors were women serving less than 20,000 people altogether.³⁵

Some progress has been made in increasing the participation of women in the military, politics and peacebuilding based on the National Action Plans for the implementation of UNSCR 1325 on Women, Peace and Security. While the Election Law is harmonized with the Gender Equality Law (GEL) when it comes to 40 per cent quota, other laws that are key to women's participation in decision making are not, such as The Law on Bosnia and Herzegovina Council of Ministers that does not prescribe any gender related quotas, which

³³ Human Development Report (2019) Inequalities in Human Development in the 21st Century: Briefing note for countries on the 2019 Human Development Report, 2019. Available at http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/BIH.pdf.

³⁴ UN Women, *Country Gender Equality Profile of Bosnia and Herzegovina*, 2021.

³⁵ Agency for Statistics of BiH, *Women and Men in Bosnia and Herzegovina*, Thematic Bulletin, 2022.

results in very low numbers of women ministers. This issue also persists at the entity and cantonal governments.

As reported in the Beijing +25 process, there are steady improvements in the alignment of legislation, policy and strategy with international gender equality standard. Bosnia and Herzegovina's Agency for Gender Equality reports that the number of legal documents submitted and processed on consistency with GEL is on the rise and has tripled compared to the previous reporting period. In the 2015-2020 period, they have submitted 135 opinions, 90% of which were accepted by policy makers. In Republika Srpska, the RS Gender Center provided 143 opinions, 85% of which were accepted. In the Federation of Bosnia and Herzegovina, the FBiH Gender Center provided over 150 opinions. The main fields of harmonization were labor and employment, public administration, health care, social welfare, education, culture and finance.³⁶

Compared to other countries in the region, Bosnia and Herzegovina has the lowest percentage of women's participation in the labour market.³⁷ Apart from cultural and religious reasons, family responsibilities, lack of affordable childcare services and low educational levels are the primary causes of female inactivity.³⁸ Women are around a third less likely to participate in the labour force than men³⁹ and account for 57.6 per cent⁴⁰ of registered

unemployed persons in Bosnia and Herzegovina. In the context of COVID-19, the increased demand for unpaid domestic and care work deepened the already existing gender inequalities in the division of unpaid labour. Women were more likely than men to report an increase in the number of hours devoted to unpaid domestic work (50% and 35% respectively) and childcare work (28% and 23% respectively). The increase in hours was even higher among women who were unemployed prior to the pandemic. Women are less likely to have a bank account at a formal financial institution (48% compared to 67% for men) and have a lower property ownership rate (74% of dwelling properties are owned solely by men), which reduces their potential collateral and could stifle female entrepreneurship.⁴¹ Discriminatory practices towards women in employment are evident as well as differences in respect to the labour rights of pregnant and postpartum women regarding access to and the length of maternity leave and access to the maternity benefit.

There is a high prevalence of violence against women (VaW) with 48 per cent of women having experienced some form of abuse, including intimate partner violence, non-partner violence, stalking and sexual harassment, since the age of 15.⁴² According to a survey by the Agency for Gender Equality of Bosnia and Herzegovina in 2012, around half of the women surveyed (47.2% in Bosnia and Herzegovina, 47.2% in the Federation of

36 Agency for Gender Equality BiH, Gender Center Federation of Bosnia and Herzegovina, Gender Center RS, *Progress report on the implementation of the Beijing Declaration and Platform for Action in BiH within the Beijing +25 process*, 2019.

37 Sixth BiH Periodic Report on Implementing the Convention on the Elimination of all Forms of Discrimination Against Women 2013–2016, 2017, P. 29.

38 The low activity rates, of women, have been the subject of numerous studies (e.g., Atoyán and Rahman, 2017; Petreski et al., 2017; UNDP, 2016).

39 United Nations, SDG Diagnostics BiH.

40 Agency for Statistics of BiH. Demography and Social Statistics – Registered Unemployment in December 2021. Published on 21 February 2022. Available at https://bhas.gov.ba/data/Publikacije/Saopštenja/2022/LAB_03_2021_12_1_BS.pdf Pg. 2.

41 United Nations, SDG Diagnostics Bosnia and Herzegovina, p. 2.

42 OSCE, *Wellbeing and Safety of Women, Results Report Bosnia and Herzegovina*, 2019.

Bosnia and Herzegovina and 47.3% in RS,) had experienced at least one form of violence since the age of 15.⁴³ Perpetrators of violence against women are most often former or current partners (evident in 71.5% of cases). Young women are more exposed to violence than older women (56.38% for women aged 18 to 24 compared to 44.2% in the case of women over 65 years). Violence was found to be repeated systematically, with early four in 10 (38%) said they have experienced psychological, physical or sexual violence since the age of 15 at the hands of a partner or non-partner.⁴⁴ In 2020, with the onset of the COVID-19 pandemic, there was an increase in the number of reported cases of domestic violence in comparison to 2019. Men were the perpetrators in at least 90 per cent of the cases.⁴⁵ Prevention and response to VaW remains inefficient. Modern contraception is still a taboo topic that is not subsidised and remains too costly for half its potential users. Although under current entity level laws every woman has the right to choose to end a pregnancy this right is not fully respected in all parts of Bosnia and Herzegovina.

The creation and implementation of relevant policies, social services and/or security programmes that specifically target the needs of women is lacking.

This includes:

- ✘ Roma women and girls who experience long-lasting social exclusion also face challenges in accessing education and are exposed to early child marriage, domestic violence and human trafficking more frequently;
- ✘ women living in remote and rural areas;
- ✘ older women;
- ✘ women survivors of conflict related sexual violence (CVRS) - at least 20,000 according to estimates who predominantly continue to suffer from the physical and psychological consequences of their wartime experience and remain in a situation of displacement with limited access to housing, employment, health and psychosocial support benefits⁴⁶;
- ✘ women with diverse sexual orientation and gender identities who face stigmatization and discrimination⁴⁷;
- ✘ migrant women, who lack information on the coverage of social protection schemes and have limited access to healthcare services, including maternal care services;
- ✘ women returnees in remote areas, stateless women;
- ✘ women asylum seekers and refugees, who are at higher risk of sexual violence in reception centres and who face the absence of gender-sensitive asylum seeking procedures.

43 Source: GBV prevalence study, 2012. Available at <https://arsbih.gov.ba/project/rasprostranjenost-i-karakteristike-nasilja-nad-zena-ma-u-bosni-i-hercegovini/>.

44 OSCE, Wellbeing and Safety of Women, Results Report Bosnia and Herzegovina, 2019.

45 Agency for Statistics of BiH. Women and Men in Bosnia and Herzegovina, Thematic Bulletin, 2022.

46 Trial International, Study on opportunities for reparations for survivors of conflict-related sexual violence, April 2022, [available at https://trial.ba/wp-content/uploads/2022/03/](https://trial.ba/wp-content/uploads/2022/03/); and Trial International, Assessing the effectiveness of compensation claims in criminal procedures, April 2022, [available at https://trial.ba/wp-content/uploads/2022/04/ASSESS1.pdf](https://trial.ba/wp-content/uploads/2022/04/ASSESS1.pdf)

47 CEDAW Committee (2019) Concluding observations on the sixth periodic report of BiH, para. 43.

YOUTH

Bosnia and Herzegovina is among the countries with the highest unemployment rate for young people aged 15 to 29, with the percentile of unemployed youth being as high as 64.1 per cent.⁴⁸ One out of four people aged between 15 and 24 is neither in education, employment nor training. In addition, adolescents in Bosnia and Herzegovina are less likely to benefit from social protection benefits due to age limits. As such, 66 per cent of youth live at their family home and 46 per cent receive financial support from their parents.⁴⁹ In terms of quality education, 15-year-old students are three years behind their peers in OECD countries on average.⁵⁰ Access to education was further impaired during the COVID-19 pandemic as 35 per cent of students faced difficulty accessing e-learning.⁵¹ One in seven university students also experienced obstacles in accessing

e-learning during the COVID-19 pandemic, such as low internet connection and inappropriate ICT equipment.⁵² Almost a quarter of young people holding a bachelors and 24 per cent of those holding a master's degree are unemployed. In the past 12 months, 54.1 per cent of unemployed young men thought about leaving Bosnia and Herzegovina compared to 36.4 per cent of unemployed young women.⁵³

About 60 per cent of young people live in rural areas, which often structurally affects their access to basic services and employment opportunities. However, the abovementioned numbers are likely to have changed to a certain extent in recent years, mainly due to the high rate of emigration, with many well educated and young people leaving the country in search of better opportunities.

CHILDREN

Children (0 up until 18 years, as defined by the United Nations Convention of the Rights of the Child) comprise approximately 20 per cent of the total population of Bosnia and Herzegovina according to the latest census⁵⁴ - almost 700,000 children out of approximately 3.5 million people.

The poverty rate for children in Bosnia and Herzegovina was 30.6 per cent in 2011.

Younger children (aged 0 to 4 years) are mainly deprived in terms of nutrition (71.8 per cent) and child development (65.7 per cent).⁵⁵ The latest Household Budget Survey indicates that every sixth household in the country is poor; the poorest households are those families with two or more children (23 per cent).⁵⁶ A child born in Bosnia and Herzegovina will only reach 58 per cent of his or her productive potential when he

48 Friedrich-Ebert-Stiftung (FES), Youth Study BiH 2018/2019, 2019. Available at <http://library.fes.de/pdf-files/id-moe/15262.pdf>.

49 UNFPA, (2021). [Survey on Youth Emigration in Bosnia and Herzegovina](#).

50 PISA assessed the extent to which 15-year-old students, near the end of their compulsory education, had acquired the key knowledge and skills that are essential for full participation in modern societies. The assessment focuses on the core school subjects of science, reading and mathematics. Reading was the main subject assessed in PISA 2018.

51 UNICEF and UNESCO, Rapid Situation and Needs Assessment of COVID-19 Impact on Education in Bosnia and Herzegovina, 2020.

52 UNESCO, Assessment of Quality E-learning and Blended Learning in Higher Education in BiH, 2021, p.24, unpublished.

53 UNFPA, Survey on Youth Emigration in Bosnia and Herzegovina, 2021.

54 Multiple Indicator Cluster Survey (MICS) 2011–2012.

55 L. Fennore, Y. Chzhen, Child Poverty and Deprivation in Bosnia and Herzegovina, UNICEF, April 2015, pp. 6-11.

56 BiH Agency for Statistics, Household Budget Survey in BiH 2015, 2018.

or she grows up, compared to the benchmark of complete education and full health.⁵⁷ When it comes to assessing education, the report shows that children can on average expect to complete 11.7 years of schooling by age 18, which is equivalent to just 8.6 years of effective learning. During the COVID-19 pandemic, a total of 1,695 children or 0.6 per cent of the total primary school population had their attendance at primary school interrupted.⁵⁸

Violent methods of discipline, physical and sexual violence, neglect, online child sexual abuse and violence against women and girls are prevalent issues that affect many children in Bosnia and Herzegovina.

AGEING POPULATION

Older persons comprise 14.2 per cent of the population but their share is constantly rising.⁶¹ Multiple risks of exclusion are linked to ageing and issues that affect older persons, including increased health problems, decline of physical and mental capacities and increased dependency on others. Particular risk factors include low retirement income, living alone without family support, poor health, physical distance from services and the prevalence of illiteracy. In the age group 60 to 70 a total of 15.03 per cent of women are illiterate and in the age group over 70, 49.1 per cent of women are illiterate.⁶² Middle-aged women are likely to be the first responders to informal care needs for elderly people and often bear a triple burden as

Around 55 per cent of children aged 2 to 14 years had experienced a violent method of disciplining at home.⁵⁹ Institutionalization, known to be detrimental to a child's development and well-being, is still a reality for nearly half of the children without parental care (and two thirds of children with disabilities without parental care).⁶⁰ Many children, in particular children from poor households, children with disabilities, Roma children and refugee and migrant children, still do not benefit from equitable access to public services, including social protection, health care and education, and to justice. The principle of 'in the best interests of the child' is not yet applied consistently in criminal and civil proceedings.

they care for the younger and older generations whilst remaining engaged in the labour force, with implications for their own health and well-being. Almost 30 per cent of the elderly reported one or more disability.

The pension system, which is part of the social security system, is the cornerstone of social security for senior citizens. The pension systems in Bosnia and Herzegovina are based on generational solidarity (the so-called Bismarck Model) and can provide above-subsistence living conditions only if the ratio between pensioners to employed persons is at least 1 to 4. This system is heavily impacted by demographic changes with a growing imbalance between the low number

57 World Bank (2020), Bosnia and Herzegovina, Human Capital Index 2020. Available at https://databank.worldbank.org/data/download/hci/HCI_2pager_BIH.pdf.

58 Ibid, p.11

59 Ibid.

60 Entity ministries of social welfare, 2017.

61 Agency for Statistics of BiH, Popis stanovništva, domaćinstava i stanova u BiH 2013 – rezultati popisa.

62 Sixth BiH Periodic Report on Implementing the Convention on the Elimination of all Forms of Discrimination Against Women 2013–2016, 2017, p. 27.

of employed persons who contribute towards their future pension and the rising number of pensioners. In 2019 in both entities the ratio had fallen to nearly one pensioner to one employed

person.⁶³ The minimum pension in both entities does not provide for sufficient economic security, which means that older persons live at subsistence level.

PERSONS WITH DISABILITIES

Persons with disabilities comprise 8.3 per cent of the total population. Taking into account their families, it is estimated that nearly one third of the population of Bosnia and Herzegovina suffers in some way from the consequences of disability.⁶⁴ However, a total of 15,113 persons with disabilities were beneficiaries of social welfare in 2020, which is similar to the number of recipients between 2015–2019.⁶⁵ According to data from the 2013 census, 4.5 per cent of women in Bosnia and Herzegovina live with some form of disability; however, the Disability Policy of Bosnia and Herzegovina estimates the number to be at least twice as high with every second family having a member with a disability.

The complexity of governance in Bosnia and Herzegovina and the separate jurisdictions place additional constraints on persons pursuing the disabilities agenda. The division of responsibilities between the entity, the canton and the municipal levels makes it extremely difficult to bring about systematic and coherent assessments and change in relation to the circumstances of this population. Persons with disabilities often receive different benefits and have different rights depending on their location. The total number of registered unemployed

persons with disabilities in 2020 was 9,184 (21 per cent women).⁶⁶ Family dynamics, including economic status and mental health, can at times impact the result in a separation and even result in children being placed in alternative care.

There is discrimination between civilian persons with disabilities and disabled war veterans in the categorization of disability. Disabled war veterans are entitled to disability benefits with a disability of 20 per cent to 100 per cent, pursuant to the regulations on disabled war veterans in the Federation of Bosnia and Herzegovina; civilian victims of war with the degree of disability of 60 per cent or more are entitled to disability benefits. According to the current Federation of Bosnia and Herzegovina Law on the Basics of Social Protection, Protection of Civilian Victims of War and Protection of Families with Children, persons with non-war-related disabilities acquire the right to individual cash benefit, carer's benefit and orthopaedic allowance at 90 per cent to 100 per cent of disability.⁶⁷

Persons with disabilities are exposed to various types of violence, women more than men. Psychological violence (disparagement, underestimation, insults, threats, lack of

63 Social Inclusion Foundation BiH, *Towards the European Union – Key Social Inclusion Issues in BiH, 2019*, p.28.

64 Ibid., p.24.

65 Agency for Statistics of BiH, *Social Welfare 2015–2020, 2021*. Available at https://bhas.gov.ba/data/Publikacije/Bilteni/2021/SOC_00_2020_TB_1_SR.pdf.

66 Agency for Statistics of BiH, *Women and Men in Bosnia and Herzegovina, Thematic Bulletin, 2022*.

67 Social Inclusion Foundation BiH, *Towards the European Union – Key Social Inclusion Issues in BiH, 2019*, p.25.

recognition of the limitations caused by disability) is the most frequent type of violence against persons with disabilities.⁶⁸ Poverty, social

isolation, prejudice and the lack of services in society further exacerbate this risk.⁶⁹

ROMA

The Roma population is acknowledged to be Bosnia and Herzegovina's most numerous, most disadvantaged and most vulnerable minority. The latest official estimates put the number of Roma in Bosnia and Herzegovina at 25,000 to 50,000.⁷⁰ Most Roma families are affected by chronic multi-dimensional poverty and social exclusion. Only 14 per cent of Roma aged 18 to 24 are in employment, education or training, compared to 41 per cent of non-Roma, and the gender gap remains significant. While women in both groups are less likely to be employed, marginalized Roma women face the lowest employment rates in the Western Balkans region: only 4 per cent were employed in 2017 compared to 19 per cent of marginalized Roma men.⁷¹

Roma children are three times more likely to be living in poverty than their neighbours, five times more likely to be underweight, and twice as prone to stunting, while their primary school attendance rate is one third lower⁷² and their immunization rate is almost non-existent. Roma women have a

lower level of education in relation to Roma men in general. The attendance rate for secondary education is 18 per cent for girls and 26.6 per cent for boys.⁷³ In 2017, only 37 per cent of young Roma women aged 18 to 21 had completed compulsory education in comparison to 50 per cent of young Roma men.⁷⁴ This also contrasts with their non-Roma neighbours among which the gender gap is neither statistically significant nor significant in magnitude. The literacy rate among Roma men aged 15 to 24 is 90 per cent but 69 per cent for Roma women. The literacy rate among non-Roma for both women and men is 99 per cent.⁷⁵ Roma girls are more at risk of early marriage than other children in Bosnia and Herzegovina.⁷⁶ In 2017, labour force participation of marginalized Roma women was only 13 per cent compared to 39 per cent for men.⁷⁷

Roma persons comprise the majority of persons at risk of statelessness in Bosnia and Herzegovina. Between 2015 and 2018, over 379 individuals, mostly Roma, were assisted to complete birth and citizenship registration and the number of stateless is now estimated

68 Tanja Mandić Đokić, Tatjana Žarković, Olga Stojković and Vera Bošković, *Analysis of gender-based violence against persons with disabilities*, 2019.

69 Ibid.

70 Different sources: Institution of the Human Rights Ombudsman of BiH (2013), *Special Report on the Status of Roma in BiH*; UNICEF, *The Status of Roma Children and Families in BiH*, 2013; World Bank, *BiH Roma Brief (English)*, Washington, D.C., World Bank Group, 2018; [Council of Europe](#) estimates (July 2012).

71 UNDP, *Regional Roma Survey 2017: Country fact sheets*, 2017, p. 1.

72 MICS 4, 2011.

73 Sixth BiH Periodic Report on Implementing the Convention on the Elimination of all Forms of Discrimination Against Women 2013–2016, 2017, p. 18.

74 UNDP, *Regional Roma Survey 2017: Country fact sheets*, p. 2.

75 Roma Women's Network BiH. *Platform for improvement of rights of Roma women in BiH*, 2019.

76 Twenty-seven per cent of marginalised Roma women aged 20 to 49 reported having been married before they were 18 years old, compared to 11 per cent of neighbouring non-Roma women. See UNDP, *Regional Roma Survey 2017: Country fact sheets*, p. 1.

77 UNDP, *Regional Roma Survey 2017: Country fact sheets*.

to be below 100. The majority of persons at risk of statelessness live below the poverty line, in informal settlements and under difficult conditions. Many are unable to access social protection as they do not possess any document

proving their date of birth or citizenship, with some specific exceptions: Roma Action Plans at the State or lower levels or ad hoc exceptions made by municipal social welfare offices.

LGBTI PERSONS

Discrimination against LGBTI persons exists in both the private and public spheres. In 2019, LGBTI persons submitted complaints about discrimination, making reference to access to goods and services, labour and health. Other forms of discrimination and violence in schools and universities, job loss, eviction and social ostracism are some other risks that LGBTI persons encounter when their sexual orientation is revealed. During the first waves of the COVID-19 pandemic, as part of the rapid gender assessment conducted into the impact of COVID-19, persons who identified as LGBTI (55 per cent) were 2.7 times more likely to report an increase in discrimination and/or prejudice since the spread of COVID-19 compared to those who did not identify as LGBTI (20 per cent).⁷⁸

Recent years have seen a number of homophobic incidents, including hostile remarks about LGBTI persons by public figures and acts of violence. In 2020, the Sarajevo Open Centre recorded two cases of hate speech, two cases of hate speech and incitement to violence and hatred and 14 cases of crimes and incidents motivated by bias on

the grounds of sexual orientation and gender identity.⁷⁹ Fear prevents LGBTI citizens from reporting discrimination and hate crimes to the police. Such incidents are rarely reported in the local media and there is investigations and prosecutions are rare. LGBTI people from Bosnia and Herzegovina continue to emigrate to the EU and North American countries to seek protection from persecution because of their sexual orientation and gender identity.⁸⁰ In 2021 and 2022, the Pride March took place in Bosnia and Herzegovina without any incidents, although some obstacles remain in ensuring full compliance with the right to freedom of peaceful assembly (e.g. organizers required to pay for some security arrangements). In July 2022, the Council of Ministers of Bosnia and Herzegovina adopted the 2021-2024 Action Plan for the Promotion of Human Rights and Fundamental Freedoms of LGBTI People in Bosnia and Herzegovina, which was developed in consultation with civil society. The plan of action aims at ensuring equal opportunities and prohibition of discrimination; equal rights in all spheres of life; and fostering a society respectful of diversity.

⁷⁸ UN Women, *Rapid Gender Assessment of COVID-19 in Bosnia and Herzegovina*, 2021.

⁷⁹ Sarajevo Open Centre, 2020 Pink Report, 2021. Available at <https://soc.ba/site/wp-content/uploads/2021/11/Pink-Report-2021.pdf>.

⁸⁰ Ibid.

REFUGEES, ASYLUM SEEKERS AND MIGRANTS

Based on data from the Ministry of Security of **Bosnia and Herzegovina, 15,740 migrants and asylum seekers transited through Bosnia and Herzegovina in 2021.** This is comparable to the 16,150 observed in 2020, but considerably lower than the numbers reported in 2018 and 2019.⁸¹ With a reduced number of asylum seekers and migrants in Bosnia and Herzegovina, compared to previous years, the State had sufficient capacities to receive new arrivals. However, there is still a severe lack of adequate protection and sensitive accommodation in Bosnia and Herzegovina for those with specific needs; this includes unaccompanied and separated children (UASC), survivors of gender-based violence (GBV) and lesbian, gay, bisexual, transgender or intersex (LGBTI) persons. Many migrants choose to stay outside of formal reception centres in order to stay as mobile as possible or to avoid mandatory quarantine. Those staying outside face increased risks of violence, exploitation and abuse as well as exposure to health and other vulnerabilities.

Despite legal provisions under international and domestic law, few alternatives except onwards movement to the European Union are offered to migrants and asylum seekers.

In order to be able to stay legally in Bosnia and Herzegovina, 90 per cent of migrants express the intention to seek asylum. However, upon expiry of the two-week attestation issued by the Service for Foreigners' Affairs (SFA), only one per cent enter a claim to the Sector of Asylum of

the Ministry of Security (MoS). As a result, most migrants in Bosnia and Herzegovina are de facto in an irregular situation. Meanwhile, the number of asylum claims processed remains very low: only nine persons have obtained refugee status since 2014 and 113 complementary forms of protection have been granted by the Sector on Asylum.⁸² Newborn children of undocumented migrants as well as the newborn children of persons seeking asylum who have not been formally registered are at risk of statelessness if it is not possible to prove their entitlement to a nationality. With increased border controls and movement restrictions related to the COVID-19 pandemic onward movement has become riskier and the average length of stay of migrants in Bosnia and Herzegovina has increased, with 30 per cent of migrants in Bosnia and Herzegovina declaring having been in the country for over three months.⁸³ In 2021, 16 per cent of the migrants accommodated in TRCs were children. This included 11 per cent of children in a family and five per cent unaccompanied or separated children (UASCs). Moreover, close to 30 per cent of migrants recorded in 2021 reported being from Afghanistan.

In 2020, Europol noted a growth of migrant smuggling activities in the Western Balkans with criminal networks employing increasingly exploitative measures to defeat controls.⁸⁴ Information technology is used increasingly by migrant smugglers to advertise their services and share information

81 Ministry of Security of Bosnia and Herzegovina, Weekly Data on Migrants and Arrivals.

82 UNHCR, Western Balkans - *Refugees, asylum-seekers and other mixed movements*, July 2021.

83 IOM Displacement Tracking Matrix (DTM) data on the presence of migrants outside of transit facilities (November 2021). In one of the largest TRC in BiH the average length of stay of migrants in December 2021 was 143 days. Other smaller TRCs, closer to the border, had an average turnaround of around two weeks. Families and unaccompanied minors tend to stay longer, averaging 43 days and 102 days in the two dedicated TRCs currently in operation. All data stems from December 2021.

84 www.europol.europa.eu/sites/default/files/documents/emsc_4th_annual_activity_report_-_2020.pdf.

on routes and other aspects of these risky journeys.⁸⁵ Furthermore, EUROPOL has noted that communication technology, including social media and mobile applications, are transforming the operations of criminal networks involved in the trafficking of human beings.⁸⁶ Globally, the 2021 Political Declaration on the Implementation of the Global Plan of Action to Combat Trafficking in Persons expressed grave concern that the COVID-19 pandemic has further exacerbated existing situations of vulnerability to human trafficking.⁸⁷

Restrictions on the freedom of movement of migrants continue to apply in parts of the country. In the Una Sana Canton, for example, migrants are not allowed to use public transportation. In 2021, the requirement of compulsory quarantine for migrants entering a temporary reception centre was maintained in relation to the COVID-19 situation. The practice was considered discriminatory as it was not applied in other administrative areas of Bosnia and Herzegovina or to persons entering Bosnia and Herzegovina from abroad or to Bosnia and Herzegovina citizens. Nevertheless, in 2021, migrants and asylum seekers were included in the cantonal vaccination plans.

According to the Flow Monitoring Surveys (FMSs) conducted in December 2021 at the temporary reception centres in Bosnia and Herzegovina, more than a third of the respondents had direct experience of certain form of abuse, violence or exploitation during their journey to Bosnia and Herzegovina. More than half of the migrant

children surveyed reported having experienced physical violence during their journey. Migrant children from Afghanistan were more likely to be travelling alone or with a facilitator, clearly indicating that they are at greater risk of exploitation by smugglers and human traffickers. Furthermore, 31 per cent of the respondents reported having had health problems during their journey and 43 per cent declared that they had suffered from hunger along the route. During their journey over 80 per cent had encountered at least one problem, ranging from robbery and theft, including of identity documentation, to journey-related health issues such as leg injuries, fever and mental health problems as well as a lack of food and shelter. The women and children surveyed had effectively been more exposed to robberies whilst travelling.⁸⁸

Women migrants face major risks, including sexual exploitation, trafficking and violence. In the period of one month in summer 2021, between 35 and 50 cases of gender-based violence (GBV) against women and girls were identified and recorded in Bosnia and Herzegovina.⁸⁹ Women and girls not only experience discrimination based on their migrant status but also based on their gender. This can take the form of mistreatment, including sexual harassment, even when accessing services.⁹⁰ In Bosnia and Herzegovina, trafficking that results in forced criminality is covered legally by other forms of exploitation of victims within the definition of trafficking, especially in the context of forced begging, forced marriage and prostitution.⁹¹ The Law on Foreigners is not harmonized with the Istanbul Convention and

85 Diba, P., Papanicolaou, G. and Antonopoulos, G.A., *The digital routes of human smuggling? Evidence from the UK. Crime Prevention and Community Safety*, 21, 2019, pp. 159–175. <https://doi.org/10.1057/s41300-019-00060-y>.

86 www.europol.europa.eu/media-press/newsroom/news/challenges-of-counteracting-human-trafficking-in-digital-era.

87 <https://undocs.org/en/A/76/L.11>.

88 IOM, Europe – Flow Monitoring Surveys in Bosnia and Herzegovina 2021, 18 November – 24 December 2021. Available at <https://migration.iom.int/reports/europe-flow-monitoring-surveys-bosnia-and-herzegovina-2021>.

89 Monthly Operational Updates on Refugee/Migrant Situation, June–September 2021. Available at <https://bosniaherzegovina.un.org/en/resources/publications>.

90 Helsinški parlament građana Banja Luka.; *Položaj žena migrantkinja tokom migrantske krize u Bosnia and Herzegovina*, 2021.

91 UNODC, *Exploitation and Abuse: The Scale and Scope of Human Trafficking in South Eastern Europe*, 2022. Available at www.unodc.org/

does not include measures of assistance to foreign victims of gender-based violence (GBV). As a result, the reception of and assistance to migrant victims of GBV currently depends on civil society. When shelters for domestic victims are full, migrant victims of GBV may face the challenge of remaining in the same collective centre where they became a victim of violence.

Migrant youth and children on the move are also at great risk of being left behind.

Unaccompanied and separated children (UASC) continue to be seen as persons 'in transit' and are rarely offered inclusion and integration paths that can prevent their onward movement and further exposure to the risk of becoming victims of violence, health hazards, exploitation, abuse and other degrading treatment that will permanently affect their mental and physical well-being. Access to healthcare is limited and the modalities for inclusion of UASC in the public

health insurance scheme are not clear in the legislation. In 2021, progress was achieved in the Una Sana Canton and the Sarajevo Canton with the inclusion of over 80 migrant children in local school programmes. Yet only 17 of these children were still enrolled in the programme just four months after the beginning of the school year (mostly because the families of the other children had decided to move onward).

Vulnerable workers are at risk of being involved in precarious or informal employment relationships. Most jobs offered are temporary and require low-skilled young, old, women or migrant workers to work for micro and small enterprises in the private sector. They usually have lower job security, lower income and non-wage welfare benefits, as well as lower or no social security protection and limited or no labour law protection.

CIVILIAN VICTIMS OF CONFLICT-RELATED VIOLATIONS

The majority of civilian victims of the conflict in the 1990s, including survivors of detention camps, torture, including sexual violence, have not obtained justice and have yet to receive any or sufficient and inadequate reparation. In the absence of a transitional justice strategy, there has been no comprehensive reparation scheme for civilian victims (regardless of their ethnic background and place of residence), including compensation and medical and psycho-social support. This has been raised by the United Nations Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence during his visit to Bosnia and Herzegovina in December 2021 and in his report of August

2022, by the United Nations High Commissioner for Human Rights at the end of her mission on 24 June 2022, and by the Committee on Economic, Social and Cultural Rights in its Concluding Observations in November 2022.

Bosnia and Herzegovina does not offer a country-wide reparations system recognizing all civilian victims of torture and the uneven compensation systems that are in place are based on the place of residence of the survivor. A particularly vulnerable group are survivors of conflict-related sexual violence (men and women) whose status, access to rights and protection are regulated at the entity level and the Brčko District level. Their access to rights

[documents/human-trafficking/Exploitation_and_Abuse.pdf](#).

depends on their place of residence. There is no law at the State level on this issue and nor is there a fund for compensation damages available to the victims when the perpetrator(s) is/are unable to pay for the damage. In a positive development in July 2022, the Brčko District adopted a Law on civilian victims of war which recognizes various categories of victims. One important and unprecedented aspect of this law in the Bosnia and Herzegovina context is the legal recognition of children born as a result of rape perpetrated during the conflict.

A holistic approach has yet to be applied to the rights and needs of the survivors and the families of missing persons. Many survivors

remain displaced and are unlikely to return to their place of origin. Those that do return to a place where they represent a numerical minority face discrimination in terms of access to certain rights and the level of representation of their community in the local authority, institutions and public services is sometimes very low. Numerous associations across the country, continue to advocate for the search of missing persons, legislation to ensure recognition of the status of victims and reparations as well as memorialization. However, given the divergent narratives about the conflict, these remain highly sensitive issues and thus far there has been no political will to address these issues at the State level.

CONCLUSION

While official data is not reliable, the above breakdown highlights that the development model of Bosnia and Herzegovina is leaving many people behind. Faced with the prospect of Intersectional deprivation and discrimination increasing numbers of people, particularly the young, decide to emigrate. A “conflict-plagued political situation and an unsettling atmosphere of insecurity, fear, etc.” induce young people to leave.⁹² With the emigration of the young population, large numbers of old people are left alone without the traditional family network to fill the gaps in the social protection system. Concerns arise about an ageing society and the sustainability of the social welfare systems, including the pension systems, given the declining ratio of the working age population to those 65 years or older. Widespread poverty further worsens the situation of the elderly. Policies on

ageing are being put in place at the entity level that promote healthy lifestyles and behavioural changes.

More than a quarter of all people are considering leaving Bosnia and Herzegovina.

The third household survey of the Social Impact Assessment of COVID-19 showed that the percentage of people considering emigrating increased from 23.9 per cent to 26.1 per cent between December 2020 and March 2022. Those who are considering leaving are mainly people from the cities aged between 18 and 50. Two thirds of respondents said that the primary reason for their considering leaving the country was the unstable political situation (67.3%), followed by economic reasons (52.2%) and the future of their children (45.6%).⁹³

92 Friedrich Ebert Stiftung, Youth Study BiH 2018/2019, 2019. Available at <http://library.fes.de/pdf-files/id-moe/15262.pdf>.

93 UNDP and UNICEF, [Social Impact Assessment of COVID-19 in Bosnia and Herzegovina: Third Household Survey](#), 2022.



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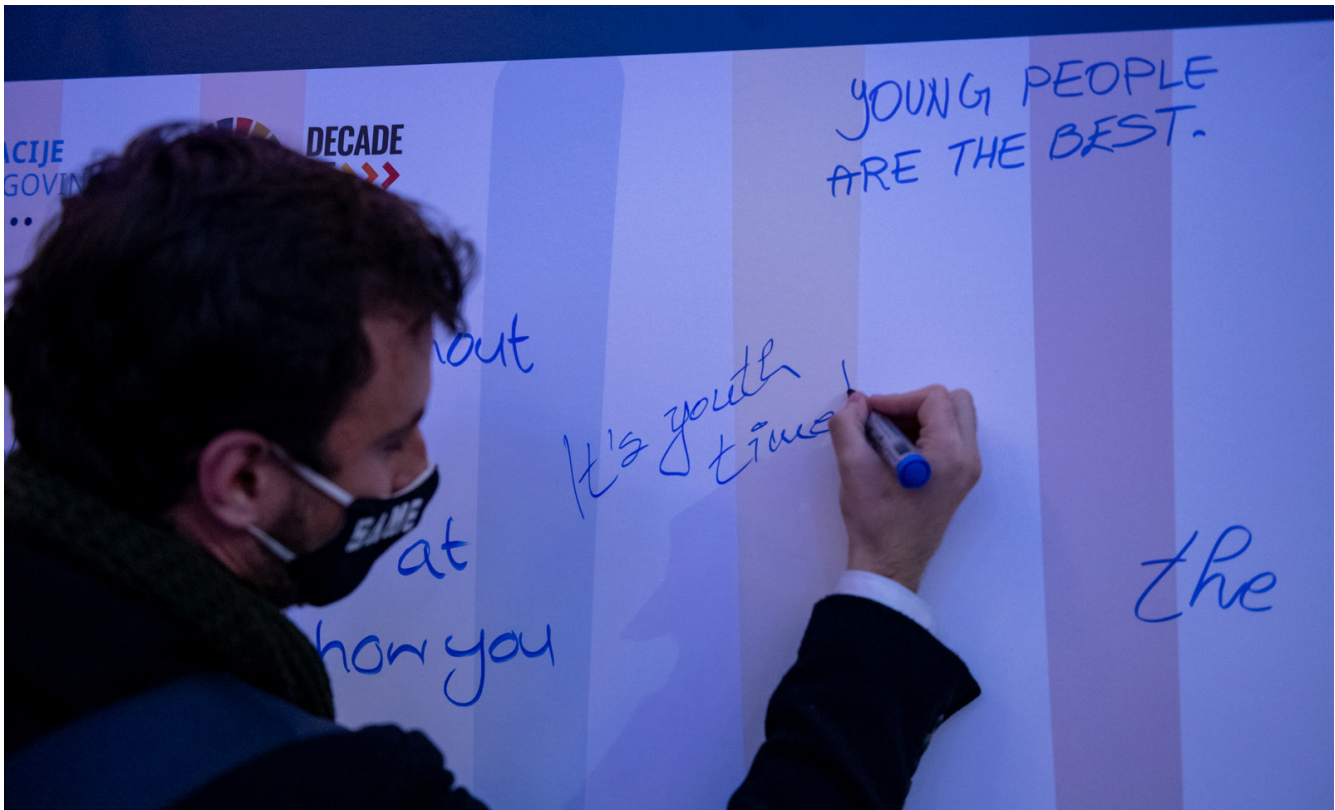


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**Sustainable
development analysis**

Governance and political analysis



More than 25 years after the cessation of hostilities, Bosnia and Herzegovina remains on the agenda of the United Nations Security Council⁹⁴ and is still in the implementation phase of the Dayton Peace Agreement (DPA). The Office of the High Representative⁹⁵

and EUFOR Althea remain operational in the country as internationally mandated political and peace monitoring and reporting missions, pending the fulfilment of the “5+2 criteria” set out by the Peace Implementation Council’s Steering Board in 2008.⁹⁶

⁹⁴ The United Nations Security Council meets twice a year in New York to review and discuss the situation in BiH. It also conducts an annual renew of its resolution that mandates the remaining peacekeeping mission in BiH, the European Union Force EUFOR Althea, with its 1,100 troops in the country as of August 2022.

⁹⁵ The Office of the High Representative for BiH (established under the DPA) continues to oversee implementation of the civilian aspects of the peace agreement, with political guidance from the Steering Board of the Peace Implementation Council (Canada, France, Germany, Italy, Japan, Sweden, Switzerland, Russia, United Kingdom, United States, European Union Presidency, European Commission, and the Organization for Islamic Cooperation, represented by Turkey).

⁹⁶ Adopted in 2008 by the Steering Board of the Peace Implementation Council (PIC-SB is a mechanism under the mandate of the Security Council). The “5+2” conditions include five objectives: (1) a sustainable resolution of the apportionment of property between the State and other levels of government, (2) an agreement on defence property, (3) resolution of the Brčko issues, (4) fiscal sustainability and (5) entrenchment of the rule of law; there are two conditions (1) the signing of the EU’s Stabilisation and Association Agreement (done in 2015) and (2) a positive assessment of the situation in BiH by the PIC-SB based on full compliance with the Dayton Peace Agreement. Once the PIC-SB views the conditions as fulfilled this would lead to the closure of the Office of the High Representative. The Security Council would then also consider the presence of the multilateral European Union Force (EUFOR Althea) in BiH, which oversees the military implementation of the Dayton Peace Agreement.

Following Bosnia and Herzegovina's application for European Union membership in February 2016, the May 2019 European Commission Opinion⁹⁷ set out 14 key priorities to be fulfilled to recommend the opening of accession negotiations.⁹⁸ Critical areas flagged in the Opinion included rule of law and human rights protection, corruption, public administration reform, challenges around elections, and political competition on identity-based agendas. According to the European Commission's 2021 assessment, Bosnia and Herzegovina remains overall at an early stage regarding its preparedness and ability to take on the obligations of European Union membership.⁹⁹

The public commitment by the authorities, at all levels of government, to the strategic goal of European Union integration has not yet translated into concrete reform action. Political leaders have continued to engage in divisive rhetoric and political disputes that have hindered progress towards the 14 key priorities and have generally impeded governance.¹⁰⁰ In terms of its capacity to compete economically, given the competitive pressures and market forces in the European Union, Bosnia and Herzegovina has made only limited progress thus far.¹⁰¹

The crux of many problems is that the constitutional and institutional order of the state blocks progress in various areas where it is urgently required. The DPA was a bridging document that ended the fighting but many opinion polls reflect the fact that the majority of citizens of Bosnia and Herzegovina would welcome any initiative to revise the DPA, including

the Constitution, if this would allow them to move towards a 'normal' country with responsive governance, more livelihood opportunities, increased stability, predictability, good quality health and education and a strong rule of law. Bosnia and Herzegovina's deficiencies in terms of the rule of law and lack of good governance pose a major threat to social and economic development and hinder progress towards attaining the SDGs. In governance terms, the deteriorating political situation means that State institutions are a weak coordination mechanism that balances the competing demands of mostly nationalist driven agendas.

Serious shortcomings remain in regard to the effectiveness and impartiality of the judiciary. A further year-on-year decline in the completion of war crime cases was reported for 2020, when only 18 proceedings against 31 defendants were finalized. At the end of 2020, a backlog of 571 unresolved cases involving 4,498 suspects remained.¹⁰² The Revised National War Crimes Prosecution Strategy, adopted in 2020, foresees the processing of all unresolved war crime cases by the end of 2023. However, according to the OSCE, which has been monitoring domestic war crimes prosecutions in Bosnia and Herzegovina, "nearly 500 war crimes cases, involving over 4,000 known suspects, remain before the country's prosecutors' offices" as of June 2022. OSCE observed that: "At the current rate of processing, the deadline of the Revised National War Crimes Processing Strategy [...] to process all remaining cases by the end of 2023 will be missed". It adds that "with each

97 Available at <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-bosnia-and-herzegovina-opinion.pdf>.

98 European Commission (2021). Bosnia and Herzegovina Report 2021. Available at https://ec.europa.eu/neighbourhood-enlargement/bosnia-and-herzegovina-report-2021_en.

99 European Commission (2021) Bosnia and Herzegovina Report 2021, p. 3.

100 European Commission (2021) Bosnia and Herzegovina Report 2021, p. 3.

101 European Commission (2021). Bosnia and Herzegovina Report 2021, Pp. 5-6

102 Available at <https://www.osce.org/mission-to-bosnia-and-herzegovina/494881#:~:text=In%202020%2C%20the%20OSCE%20Mission,completed%20by%20the%20BiH%20judiciary.>

passing day, the likelihood of achieving justice for the remaining victims of the atrocities committed during the war diminishes – a result of the death and illness of suspects, defendants, witnesses, and victims, coupled with a decreasing quality in the evidence to support prosecutions. Justice is now in a race against time”.¹⁰³ Moreover, support to victims and witnesses and the provision of free legal aid remain limited both in terms of availability and quality.

The electoral system discourages and, in some cases, does not allow citizens to vote across nationality lines and it enables a majority group to skew the election results of a minority group (in the Federation of Bosnia and Herzegovina). It also allows candidates running for key positions to seek votes from only one nationality in order to win office (e.g. a Bosniak can be elected without receiving a single vote cast by a Serb and vice-versa). Voters in either entity are not able to vote for their preferred presidential candidate because of constitutional limitations placed upon them based on their nationality, ethnicity or geographic location. Those citizens who simply wish to declare themselves as Bosnians and Herzegovinians have no opportunity to run for the presidency or to compete with the leaders of the ‘constituent peoples’ on a level political playing field. These problems and the accompanying tensions have in effect created a ‘tyranny of the majority’ at the municipal level and gridlock at the State level.

Corruption presents one of the most pressing challenges in the country. According

to the Transparency International Corruption Perceptions Index 2021,¹⁰⁴ Bosnia and Herzegovina is ranked 110 out of 180 countries, with particularly high perception of corruption in the country’s public sector. The report notes Bosnia and Herzegovina as a “country to watch”. While positive steps have been taken to enhance access to information several measures from the anti-corruption Action Plan have remained unimplemented, for example, the monitoring and enforcement a regime for managing conflicts of interest needs to be established and opportunities for public oversight need to be strengthened. The Agency for Prevention of Corruption (APIK) is the main authority responsible for the coordination and monitoring of the implementation of the Anti-Corruption Strategy but it is not mandated to conduct investigations or prosecutions. To date, no significant corruption cases have been processed by the judiciary. In prosecution of corruption case, the efficiency of the justice system is deeply affected by the complexity of four judicial systems and threats to judicial independence. The prosecutors’ offices have displayed inadequate capacities in terms of opening new investigations and issuing indictments against current or former senior political figures and officials. The low number of verdicts involving the seizure of criminal assets is also a concern¹⁰⁵ along with the implementation of various pieces of anti-corruption legislation, which presents a mixed picture.

Bosnia and Herzegovina lacks institutionalized participatory mechanisms.

Despite the increase in civic participation rates in the last two years, less than a quarter

103 OSCE, A Race Against Time: Successes and Challenges in the Implementation of the War Crimes Prosecution Strategy of Bosnia and Herzegovina, June 2022, available at <https://www.osce.org/files/f/documents/9/0/521149.pdf>

104 www.transparency.org/en/cpi/2021/index/bih.

105 Transparency International BiH, Monitoring Report on Confiscation of Unlawfully Acquired Property in BiH, 2017. Available at <https://ti-bih.org/wp-content/uploads/2017/03/Monitoring-Report-on-confiscation-of-Unlawfully-Acquired-Property-in-BIH.pdf>.

of respondents to the 2020 annual National Survey of Citizens' Perceptions in Bosnia and Herzegovina¹⁰⁶ said that they had participated in political activities in 2020. Television remains the most trusted source of news in Bosnia and Herzegovina. Although there is general satisfaction with the television news there is also the general perception that television is influenced by political parties. Both intra-ethnic and interethnic trust among citizens has declined. Citizens continue to trust those in their own ethnic group more than those of other ethnicities, while people belonging to the constituent peoples tend to put the least trust in the Roma population.

Bosnia and Herzegovina continues to be weakened by contested narratives about the past, present and future of the country.

Twenty-seven years after the signing of the DPA, some political officials and some media pursue or propagate war time policies of division through repeated public statements and policy actions, with some challenging the legitimacy of the State and invoking separation, others alluding to the creation of a new entity, by speaking about redrawing international boundaries and by engaging in bitter disputes, including around commemorations, flags and symbols. Bosnia and Herzegovina leaders continue to argue incessantly about whether Bosnia and Herzegovina is one country, two or even three, how the country should be governed and where the power should lie: with the State or with the entities. The DPA itself and its Annex 4 (i.e., the Bosnia and Herzegovina Constitution that defines the country as a state with two entities and three constituent peoples) are full of ambiguities. This continues to be superimposed onto communities

that have not yet been given the space to come to terms with the events of a still recent past in a constructive manner.

Bosnia and Herzegovina lacks a responsible memory culture.

The glorification of convicted war criminals, including by some political leaders, at the expense of victims or survivors of atrocity crimes, remains a major issue, as well as the repudiation of verdicts delivered by international justice institutions, including the denial of war crimes, crimes against humanity and genocide by some political leaders and other public officials, media organizations and citizens, as well as the naming of public spaces after controversial or negative historical figures. When combined with secessionist rhetoric these elements give rise to a perpetual environment of fear and mistrust. On 22 July 2021, the then High Representative for Bosnia and Herzegovina, Valentin Inzko, issued a decision enacting amendments to the Bosnia and Herzegovina Criminal Code, criminalizing the condoning, gross trivialization, denial and justification denial of war crimes, crimes against humanity and genocide adjudicated in final verdicts of international and domestic tribunals, as well as the glorification of war criminals convicted by such tribunals.¹⁰⁷ This decision was prompted by a peak in instances of denial of the Srebrenica genocide, particularly around the issuance of the final verdict of the International Residual Mechanism for Criminal Tribunals in the Mladić case, on 8 June 2021.¹⁰⁸ Some 40 complaints against citizens and officials pursuant to the new legislation have been filed since the enactment of the law, but these have not resulted in any indictments to date. However, a decrease in instances of genocide denial have been observed since the entry into force of this law.

106 USAID, MEASURE-BiH, *National Survey of Citizens' Perceptions in Bosnia and Herzegovina 2020* (NSCP-BiH), Final Report, August 2021. Available at <http://measurebih.com/national-survey-of-citizens-perceptions>.

107 Available at <http://www.ohr.int/hrs-decision-on-enacting-the-law-on-amendment-to-the-criminal-code-of-bosnia-and-herzegovina/>

108 Available at <http://www.ohr.int/hrs-decision-on-enacting-the-law-on-amendment-to-the-criminal-code-of-bosnia-and-herzegovina/>

The Secretary-General's Special Adviser on the prevention of genocide has expressed growing concerns around persistent patterns of denial of the crime of genocide, crimes against humanity and war crimes, as well as the glorification of war criminals, hate speech, and rhetoric of division in Bosnia and Herzegovina – as did the United Nations High Commissioner for Human Rights

and the United Nations Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence.¹⁰⁹ She urged political leaders in Bosnia and Herzegovina who had committed to these steps to intensify efforts to ensure that peoples and citizens can live with dignity, with mutual respect and understanding.¹¹⁰

109 [Special Adviser for the Prevention of Genocide - Keynote remarks for Srebrenica Heroines International Conference, July 10, 2022, 10am, Srebrenica Memorial Center - World | ReliefWeb](#)

110 Ditto. [Special Adviser for the Prevention of Genocide - Keynote remarks for Srebrenica Heroines International Conference, July 10, 2022, 10am, Srebrenica Memorial Center - World | ReliefWeb](#)

Social development and exclusion analysis



Poverty and precarity are widespread in Bosnia and Herzegovina. The most recent available data shows that roughly 18 per cent of the population lives below the poverty line (60 per cent of the median income) and 30 per cent experience precarity, living above the poverty line but at risk of falling below it.¹¹¹ In terms of inequality, according to the GINI coefficient, Bosnia and Herzegovina is in the mid-range for the Western Balkans. However, the trend of income distribution over time indicates that

inequality is growing. In 1984 the bottom 50 per cent of the population received about 29 per cent of national income, while the top 10 per cent received around 23 per cent. Between 1984 and 2004, these proportions were totally reversed: whereas the bottom 50 per cent had fallen to 23 per cent the share of the top 10 per cent had risen to 32 per cent.¹¹² The impact of the COVID-19 pandemic has accelerated these trends.¹¹³ Groups of the population already vulnerable have been hit the hardest, reporting

111 UNDP, Multidimensional Poverty Index, 2021. [The 2021 Global Multidimensional Poverty Index \(MPI\) | Human Development Reports \(undp.org\)](https://data.undp.org/publications/2021-global-multidimensional-poverty-index-mpi/).

112 UNDP, Multidimensional Poverty Index, 2021. [The 2021 Global Multidimensional Poverty Index \(MPI\) | Human Development Reports \(undp.org\)](https://data.undp.org/publications/2021-global-multidimensional-poverty-index-mpi/).

113 UNDP and UNICEF, [Social Impact Assessment of COVID-19 in Bosnia and Herzegovina: Third Household Survey](https://www.unicef.org/bosnia-and-herzegovina/report/social-impact-assessment-of-covid-19-in-bosnia-and-herzegovina-third-household-survey), 2022.

a radically worsened financial situation (24.4 per cent).¹¹⁴ Population groups vulnerable to poverty, also began to change during the pandemic, as containment measures not only pushed the working poor deeper into poverty but threatened to push large segments of the middle-class population into unemployment and material deprivation.¹¹⁵

A key challenge is limited outreach and coverage of social protection systems, particularly for marginalized and vulnerable groups. The social protection systems in Bosnia and Herzegovina are composed of a social security system and a social assistance system. Both systems are decentralized to the level of the entities, the Brcko District and (within the Federation of Bosnia and Herzegovina) the cantons, with the coordination role at the State level. A total of 18.8 per cent of GDP is spent on social protection, however, only around 4 per cent is allocated to social assistance. Of this around 3 per cent is allocated to war-related benefits (especially for veterans) and only about 1.2 per cent is allocated to the most vulnerable groups.¹¹⁶ The very low level of public expenditure on social assistance, results in disparity in availability, and accessibility. World Bank data (2015)¹¹⁷ indicates that most households in the poorest 20 per cent of the population do not receive contributory social protection benefits (e.g., old age or disability pensions), while only about one in eight individuals in this income category receives social assistance (i.e., cash transfers). The 2020 National Human Development Report concluded that the Bosnia and Herzegovina social welfare system is

under pressure because of an ageing population, rising emigration of working age citizens, relatively low female labour force participation and the large share of informal employment.¹¹⁸ The fiscal sustainability of the social protection systems is threatened by population decline.

Eligibility for social assistance is frequently based on criteria that are discriminatory: vulnerable people receive different benefits based on both their place of residence (territorial inequality) and the social category to which the users belong (status-based inequality). Information Management Systems are decentralized, unsynchronized and with multiple gaps related to coverage of relevant data and schemes in the registries and databases.¹¹⁹ Only 1.9 per cent of the total population and 6.2 per cent of the poorest benefit from means tested permanent and/or one-off social assistance. This is a very low level of coverage when compared with other countries in Europe and the Central Asia region.¹²⁰ Child assistance benefits are conditional upon the family's income and assets and are mostly inadequate to tackle child poverty, while in the Federation of Bosnia and Herzegovina they are dependant on the place of residence. In general, cash benefits for school-age children and adolescents above the age of 15 are conditional upon regular school attendance. The lack of social protection is known to contribute to child labour and exposes adolescents in street situations to violence, abuse and exploitation, while mechanisms to prevent, identify and address violence are often weak.

114 Ibid.

115 UNDP and UNICEF, [Social Impact Assessment of COVID-19 in Bosnia and Herzegovina: Third Household Survey](#), 2022.

116 UNDP, *Social Inclusion in Bosnia and Herzegovina - 2020 National Human Development Report*, 2021, p. 17. The report was funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC).

117 World Bank ASPIRE data base (2015 data).

118 UNDP, *Social Inclusion in Bosnia and Herzegovina - 2020 National Human Development Report*, 2021, p. 20. The report was funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC).

119 UN in BiH (Draft September 2021), UN Position Paper on Social Protection BiH, Draft.

120 Ibid.

This pattern of high expenditure and uneven quality and access is replicated across other social services, with disproportionate impact on groups identified as at risk of

being left behind, and a growing impact on development outcomes:

EDUCATION

The education system is highly decentralized, with 13 ministries of education (one in each entity, one in the Brčko District and one in each of the 10 cantons of the Federation) with separate curricula. While the total spending on education is relatively high (estimated at 4.2% of GDP in 2017), due to high administrative costs, funding available for school infrastructure is insufficient and salaries for teachers are uneven. The Bosnia and Herzegovina Framework Law on Primary and Secondary Education enshrines the obligation of the education authorities to ensure educational services under equal conditions for all pupils. Yet pupils and teachers continue to experience ethnic and religious segregation, intolerance and division, particularly due to the existence of ethnically homogenous schools and ‘two schools under one roof’ where children are segregated based on their ethnicity. This divided system also involves the use of different curricula and textbooks, which contributes to entrench distrust and divisions along ethnic lines, and therefore constitutes one of the main and most insidious obstacles to reconciliation. Young people are increasingly vulnerable to radicalization and extremism and interethnic distance and distrust between young people is growing. Asylum-seeking children are not included in primary education in several jurisdictions. Furthermore, every third Roma child or child with disability

have experienced some form of discrimination during their education and are at greater risk of dropping out of secondary school.¹²¹¹²² Economic difficulties, poverty, lack of access to schools and low awareness of the importance of education are the main reasons why young Roma drop out of school.¹²³

According to the World Bank’s Human Capital Index, the expected future productivity (as a future worker) of a child born today in Bosnia and Herzegovina is 62 per cent of what it would be if he or she was in full health and had completed a high quality education.¹²⁴ The primary education system reveals major gaps in the provision of early childhood education with less than a quarter of children aged 0 to 5 in nurseries or kindergartens.¹²⁵ Current methods of teaching, assessment and evaluation do not develop the life skills and competencies needed for a knowledge-based society. Very limited funds are dedicated to improving the quality of education, school equipment and capital investment; sector plans and legislation remain unimplemented and official statistics are unreliable. There are no reported or documented mechanisms for identifying children who are out of school.

Furthermore, the general education provision is increasingly mismatched to the

121 UNICEF, *Analysis of trends and recommendations for action, Strategic Moment of Reflection*, 2017.

122 UNICEF, *Gap analysis in the area of social protection and inclusion policies in BiH and roadmaps for progress*, 2013.

123 Snazniji glas za djecu/Nasa Djeca, *Report on the Situation of the Rights of Children in BiH*, 2016.

124 Ibid, p. 16.

125 Ibid, p. 15.

needs of the modern labour market. There are few support mechanisms for young people wishing to set up their own business, hardly any young person has access to sufficient start-up capital, and many lack the capacity to navigate the complex and discouraging legal/administrative environment. Young people are socialized into a culture of corruption where cheating in school, paying bribes to pass university exams and relying on family connections to get employment are common practices. There are no systemic mechanisms to address sport, leisure, cultural development or participatory

non-formal learning. Opportunities for non-formal education are also very limited: only one out of four young people stated that they were included in a non-formal education programme, most often in the form of language or computer courses. TVET schools are often underfunded, lack access to technology and are misaligned to local industry. TVET curricula and standards tend to be outdated. Investment in teachers' technical and methodological skills is needed, while adult professional development and lifelong learning are not well developed.

HEALTH

The right to healthcare differs depending on the place of residence.¹²⁶ Healthcare responsibility lies with the entities, with the coordination and reporting role at the State level (Ministry for Civil Affairs). The existence of 13 different health systems, at the level of the entities, Brčko District and the cantons, complicates service provision, increases management and coordination costs and adversely affects the rationality of management of healthcare institutions. Health insurance is also managed at the entity and, within the Federation, at the cantonal level, with 13 different health insurance funds. Although Republika Srpska broadened health insurance coverage for vulnerable categories in 2019, the estimated health insurance coverage was 81 per cent (RS Health Insurance Fund) in January 2021. In 2017, health insurance coverage in the Federation of Bosnia and Herzegovina was 89.7 per cent of the population on average, with significant variations

among the different cantons.¹²⁷ The very low level of integration between the entity healthcare systems constitutes an obstacle to free movement. The pronounced territorial, gender and age imbalance of health workers represents another challenge to effective healthcare.

At 9.2 per cent of GDP, healthcare expenditure in Bosnia and Herzegovina is the highest in the region, however, it has lower health outcomes, fewer medical staff and less hospital beds than neighbouring countries. This situation also partly results from the devolution of competence at the entities level, which entails substantial duplication and hinders coordination.¹²⁸ The Bosnia and Herzegovina Universal Health Coverage (UHC) service coverage index is 57, the second lowest in the Western Balkans region. Household spending on health exceeds 25 per cent of total household expenditure or income for 1.3 per cent of the Bosnia and Herzegovina population

126 Children suffering, for example, from diabetes in some cantons are not entitled to insulin pumps within the framework of regular healthcare services, while children with developmental delays do not always have access to dental care services.

127 Ibid.

128 UNDP, Social Inclusion in Bosnia and Herzegovina - 2020 National Human Development Report, 2021, p. 18. The report was funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC).

(the second highest percentage in the Western Balkans region and significantly higher than in EU Member States).¹²⁹ Significant progress was made towards achieving UHC during the period 2016–2018, as access to standardized cardiovascular risk assessment and management services in primary healthcare/family medicine was provided to approximately 68 per cent (2.4 million people) of the population with a clear determination among the health authorities to extend it to 100 per cent by 2021.

Access to sexual and reproductive health services for all women is not guaranteed, especially when it comes to pregnancy and prenatal and postnatal care. A Policy on Sexual and Reproductive Health and Reproductive Rights in Bosnia and Herzegovina was adopted at the State level in 2012, and both entity level strategies provide an excellent basis, however implementation is slow and hampered by the lack of strong commitments, including sustainable financing. In vitro fertilization (IVF) is regulated differently in the entities and Brčko District. IVF procedures are not available to unmarried women, which discriminates against single heterosexual women and LGBT women. The available data shows a low rate of STIs, but experts agree that this is a result of underreporting. Cervical cancer is the most prevalent type of cancer among women, although it is preventable through immunization or vaccine. The available data also shows that only 12 per cent of women in Bosnia and Herzegovina use modern contraception. Differences in

mortality between the sexes suggest the need for the preventive healthcare services (including cancer screening programmes) and significant change in the population lifestyle to prevent non-communicable diseases. Comprehensive sexuality education is not part of school curricula (with the exception of the Bosnia-Podrinje Canton) and education on health is generally limited

With weak and insufficiently funded health promotion, Bosnia and Herzegovina has among the lowest immunization coverage in the region and faces significant problems from non-communicable diseases (NCDs).

NCDs cause over 80 per cent of all deaths, with cardiovascular diseases (CVDs) accounting for approximately half of all deaths in 2016.¹³⁰ High blood pressure, tobacco smoking, dietary risks together with a metabolic syndrome (high sugar and cholesterol) are the biggest risk factors for health and drive the most deaths and disabilities combined in this country.¹³¹ Stress levels have increased significantly in all observed age groups, most commonly among women, as a result of heightened fear resulting from the COVID-19 pandemic.¹³² A strong anti-vaccine movement and a lack of targeted immunisation interventions for Roma, Bosnia and Herzegovina is one of the three countries in the region at high risk of a polio outbreak (according to the RCC 2018 risk assessment).¹³³ Bosnia and Herzegovina has the lowest HIV prevalence rate in Europe (less than 1%) and has sustained a reduction of tuberculosis levels of more than 50 per cent.¹³⁴

129 World Health Organization, The Global Health Observatory. Universal Health Coverage, [online] Geneva: WHO. Accessed 1 October 2019. Available at <http://apps.who.int/gho/portal/uhc-overview.jsp>.

130 Republika Srpska Public Health Institute, *Health Status of the Population of Republika Srpska 2016*, Banja Luka; FEDERATION OF BOSNIA AND HERZEGOVINA Public Health Institute, *Health Status of the Population and Health Care in the Federation of BiH 2016*, Sarajevo.

131 Institute for Health Metrics and Evaluation (IHME), Results of Global Burden of Disease 2016 study, Seattle, WA: IHME, University of Washington, 2017. Accessed 12 October 2018. Available from www.healthdata.org/results/country-profiles.

132 UNDP and UNICEF, *Social Impact Assessment of COVID-19 in Bosnia and Herzegovina: Third Household Survey*, 2022.

133 The coverage for certain vaccines, such as MMR, is continuously decreasing (MCV1 in 2013 was 92% whereas in 2017 it fell to 69%). About one third of districts in the country reported coverage of DTP3 vaccine at less than 80 per cent, which is far from the required 95 per cent coverage rate.

134 Tuberculosis incidence in BiH in 2018 was 25/100,000 with a total 669 TB-infected people (further reduced compared to 42/100,000

Fragmentation and deficiencies of the Bosnia and Herzegovina social protection systems create risks to the health and safety of those already at risk of being left behind.

- × **People with disability** face a lack of access to quality services in early childhood and later in life due to the inappropriate public funding allocations and a lack of sensitivity to their situation within the public service. It is difficult to determine the number of persons with disabilities who are entitled to a range of benefits - from personal cash benefit to carer's allowance - due to the differences in legislation between Republika Srpska and the Federation of Bosnia and Herzegovina. Furthermore, there is discrimination between civilian persons with disabilities and disabled war veterans in the categorization of disability.
- × **Services for protection from domestic violence** are not equally accessible to all, especially minority disadvantaged

groups or socially excluded persons. Specialized services for survivors of violence (shelters, SOS lines and free legal aid) are overwhelmingly provided by NGOs focus on survivors of domestic violence. Other forms of violence listed in the Istanbul Convention are not addressed adequately due to? lack relevant support services. There is lack of human and financial capacity for the provision of specialized public services for survivors of violence. Research on access to services has shown that no special procedure is in place when providing services to women from marginalized groups. Most service providers, for example, cannot offer support in the Romani language or sign language or provide adapted information for persons with intellectual disabilities.¹³⁵

- × **Migrants and Asylum-seekers:** There is no formal provision of healthcare to migrants at any level, although some is provided on an ad hoc basis in some locations through EU funding.¹³⁶

and 1,112 infected people in 2015). WHO estimates. Available at https://extranet.who.int/sree/Reports?op=Replet&name=%2FWHO_HQ_Reports%2FG2%2FPROD%2FEXT%2FTBCountryProfile&ISO2=BA&LAN=EN&outype=html.

135 UN Women, Essential services: Analysis of the access to support services (health, police and justice and social services) for women belonging to marginalised groups who have experienced violence, 2019.

136 The necessary actions were recommended to BiH at the 96th session of the Committee on the Elimination of Racial Discrimination. See the Concluding observations on the combined twelfth and thirteenth periodic reports of BiH, adopted by the Committee at its 96th session (6-30 August 2018), CERD/C/BIH/CO/12-13. Available at https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CERD%2Fper%2Fcent2Fper%2Fcent2Federation%2Fof%2FBosnia%2Fand%2FHerzegovina%2Fper%2Fcent2Fper%2Fcent2F12-13&Lang=en

Economic transformation analysis



Bosnia and Herzegovina's economic structure and indicators suggest that the economy is not transitioning quickly enough to an economic model that is able to cope with the competitive pressures and market forces in the EU.¹³⁷ The public sector accounts for more than one fifth of the economy, while private sector companies face numerous structural weaknesses such as inefficient markets, the low labour force participation rate, limited access to finance,¹³⁸ unclear property rights, a cumbersome regulatory environment

and endemic corruption. Following a decade of progress in which gaps between income levels in Bosnia and Herzegovina and the EU narrowed, IMF data indicates that these gaps widened again in the period 2008–2015 with convergence resuming after 2015. IMF projections for 2018–2024 envision further progress in GDP convergence. Full convergence of the Western Balkan countries with EU living standards could range from 40 years in an optimistic scenario to more than 200 years in a pessimistic scenario.¹³⁹

137 Cf. European Commission Staff Working Document, Bosnia and Herzegovina 2021 Report, p. 5. Available at Bosnia and Herzegovina 2021 report.PDF.

138 This is a higher barrier for women. See World Bank, *Access to Finance for Female-Led Micro, Small & Medium-Sized Enterprises in BiH*, 2018. Available at <http://documents.worldbank.org/curated/en/890741521459734141/pdf/124394-WP-P144969-PUBLIC-BiHAccesstoFinanceKnowledgeBrief.pdf>

139 EBRD, *The Western Balkans Convergence Challenge: Decades or Centuries?*, 2017.

Bosnia and Herzegovina continues to have one of the most challenging labour market situations in the region.

Despite a steady expansion of the economy, employment rates remain as low as 40 per cent for ages 15 to 64 and the unemployment rate is high (16 per cent in Q3 2021) affecting mostly the youth.¹⁴⁰ While the economy recovered faster than anticipated following the COVID-19 pandemic (GDP growth rate in 2020 was at -3.2 per cent, in 2021 +4.5 per cent, est.), the recovery of the labour markets is lagging. Prior to the COVID-19 pandemic, unemployment was high at 15.7 per cent, with youth unemployment at 33.8 per cent and high levels of long-term unemployment.¹⁴¹ Employment and participation rates have registered a slight increase at 34.3 per cent and 42.1 per cent respectively,¹⁴² but remain very low overall even by regional standards. This increase is largely due to a substantial decline in the working age population 15+ (almost 200,000 fewer compared to 2014), which can be attributed to the low fertility rate and outward migration.

Gender gaps in employment continue to be significant compared to other countries in the region, with Bosnia and Herzegovina having the lowest percentage of women's participation in the total number of employed.

In spite of the legal provisions that prohibit it, a gender pay gap persists irrespective of qualifications, education and age. The main challenges include insufficient investment and job creation in the private sector, low wages, uncertainty, limited occupational health and safety, the high incidence of informal employment, low quality of education and skills development, lack of lifelong career development and a prevalence of skills mismatch. The general

lack of qualified workers is paired with continued emigration. Overall, there is a need to conduct a skills needs assessment at the local, regional and country level and to translation them into professional training curricula and standards.

Addressing these deficits can only be done by engaging the private sector; however, the business environment remains poor¹⁴³ and competitiveness low.

Foreign Direct Investments (FDIs) inflows at around 2 per cent of GDP annually over the period 2016–2018 were one of the lowest in the Western Balkans region. The factors that most hinder doing business in Bosnia and Herzegovina (measured on a scale of 0 - 100 per cent) relate to economic governance and the lack of public sector capacity: inefficiency of the public administration (14.2 per cent), corruption (11.5 per cent), tax instability (10.5 per cent), political instability (9.7 per cent), government instability (9.3 per cent), access to finance (8.8 per cent), complexity of tax regulations (6.9 per cent), restrictive labour regulations (6.5 per cent), inadequately secured infrastructure (2.6 per cent) and insufficient innovation capacity (2.5 per cent). Different laws and regulations at the entity and cantonal level complicate the business registration process: entrepreneurs must register more than once to be allowed to operate throughout Bosnia and Herzegovina.

Large public budgets are in part a reflection of high wages and employment, with State owned enterprises dominating essential sectors such as energy and transport.

Bosnia and Herzegovina's ratio of government expenditure to gross domestic product (GDP) increased from 40.36 per cent in 2019 to 45.69

140 www.ilo.org/budapest/countries-covered/bosnia-herzegovina/WCMS_471903/lang--en/index.htm.

141 UNDP, *Social Inclusion In BiH, 2020 National Human Development Report*, 2021.

142 Labour Force Survey 2018.

143 The World Bank Doing Business Report for 2019 ranks BiH 89 out of 190 countries globally. Available at www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf.

per cent in 2020.¹⁴⁴ Nonetheless, Bosnia and Herzegovina's macroeconomic policy regime has kept the country's external debt in check. Public sector debt (46 per cent of GDP in 2014) fell to 38.3 per cent in 2020 but is expected to grow over the short-term due to the pandemic and declining GDP growth rates. Gross foreign debt is projected to drop from 64 per cent of GDP in 2016 to 56 per cent post 2022.

Bosnia and Herzegovina's economy and institutions remain highly vulnerable to internal and external shocks. Prior to the pandemic, the Bosnia and Herzegovina economy was stable and growing albeit below the average for most Western Balkan countries. This can be attributed to low investment, outward migration and the lack of reform.¹⁴⁵ The lack of policy coordination across levels of government during the COVID-19 epidemic hampered effective policy formulation and implementation. This resulted in a contraction of economic activity of 5 per cent in 2020, compared to pre-pandemic average growth of 3 per cent. This sharp contraction was caused by a slump in domestic demand and a weak external environment with exports hit hard by the EU recession. Growth picked up in 2021 but not at the anticipated V shaped recovery rate, while the economy has since been severely impacted by inflation and supply chain shortages caused by the war in Ukraine in 2022.

The gaps between public and private budgets increased substantially during the COVID-19 crisis. Spending, largely on health transfers and social benefits, increased in 2020 and 2021 compared to 2019. This sharp increase was needed to ramp up COVID-19 prevention, testing, monitoring and treatment. The governments

established temporary solidarity funds and additional spending, guarantees and other off-budget items were implemented, but with limited success. In 2020, public investment fell by around 1 per cent of GDP due to implementation constraints.¹⁴⁶

The current economic model places significant pressure on natural resources and is neither sustainable, resilient nor inclusive. Economic decline and instability affect people in terms of their quality of life and political and regional stability as well as overall convergence with the EU. The shares of GDP devoted to savings and investment remain below that reported for the neighbouring countries, depriving Bosnia and Herzegovina of the capital and technology needed for future competitiveness. Entrepreneurs, skilled workers and young people who can earn six times more abroad than at home are unlikely to stay in Bosnia and Herzegovina.¹⁴⁷ The public (economic) infrastructure is degraded or missing and this further affects investment and poses challenges for both domestic and cross-border connectivity and economic activity. These hold back economic growth, including fast-growing industries such as wood and furniture, metal, tourism and ICT.

Agriculture and rural areas have significant economic potential in Bosnia and Herzegovina. Yet rural areas are characterised by fewer job opportunities, weak physical infrastructure and public services and limited access to markets, business development and financial services. Unemployment rates in rural areas are considerable and can be 40 per cent higher than in the main urban centres. There are several deficiencies and gaps that prevent actors

144 www.statista.com/statistics/454193/ratio-of-government-expenditure-to-gross-domestic-product-gdp-in-bosnia-herzegovina/.

145 IMF Article 4 Report.

146 www.imf.org/~/-/media/Files/Publications/CR/2020/English/1BIHEA2020002.ashx.

147 SDG Framework in BiH document (draft, 2019).

in the agriculture sector (farmers, processors and associations) from increasing competitiveness and eventually contributing towards the sustainable growth of rural areas. Agriculture and the food industry are important branches of the economy, both in terms of their contribution to the economy and overall employment and socioeconomic development. Although long-term trends indicate a decreasing number of people engaged in agriculture, according to the International Labour Organization (ILO), 15.7 per cent of people are employed in agriculture of whom 38 per cent are women. Around 1,000 legal entities and around 360,000 rural households are involved in agricultural production of which one third is registered as agricultural holdings. Key problems are the large number of agricultural holdings and their small size combined with the fragmentation of agricultural land.¹⁴⁸

Small and medium-size enterprises (SMEs) are important contributors to job creation

and economic growth and yet they are held back by the low level of technological modernisation and innovation, limited access to finance, low productivity and insufficient entrepreneurial skills. SMEs make up approximately 99 per cent of all companies, generate approximately 60 per cent of GDP and account for more than 60 per cent of the total number of employed in the country.¹⁴⁹ Some 80 per cent of Bosnia and Herzegovina exports are concentrated in the hands of ten companies, leaving the country vulnerable to enterprise specific shocks.

Data on informal employment is lacking, but it is assumed that at least one third of total employment is informal. Prior to the COVID-19 pandemic, the informal economy was a major source of concern¹⁵⁰ and this has been exacerbated by the return of young migrants. The informal economy affects the state pension and health insurance systems.

148 A pilot census on agriculture conducted in 2010 by the Agency for Statistics of BiH, the Federation of Bosnia and Herzegovina Institute of Statistics and the Republika Srpska Institute of Statistics shows that the average utilisation of agricultural land per holding is four parcels or 1.97 ha per farm, which is far below the EU-27 average of 14.3 ha (EUROSTAT).

149 SME Policy Index for Western Balkans and Turkey, 2019.

150 Agency for Statistics of BiH, Labour Force Survey 2019, Thematic Bulletin 10.

Environment and climate change analysis



Climate change is contributing to pronounced variability in rainfall and increasing temperatures, which are causing more frequent and intense droughts¹⁵¹ and increasing the likelihood of storms, floods and landslides. The gradual degradation of water, air, forest and agricultural land and the pace of biodiversity loss have accelerated. The country's carbon dioxide emissions amount to 25,539 Mt CO₂, with the energy and agriculture sectors, industrial processes and waste being the largest sources of CO₂ emissions. Bosnia and Herzegovina is a member of the Disaster Preparedness and Prevention Initiative for South Eastern Europe (DPPI-SEE). Yet while this regional initiative presents concrete potential for improving the national capacities of Bosnia and Herzegovina and risk understanding at a larger scale, the activities planned by the group need to be more results oriented.

The results of climate inaction are becoming more visible.¹⁵² Institutional and capacity improvement is needed in order to deliver climate change related policies and strategies. The climate change policy framework comprises the draft National Adaptation Plan, the draft Fourth National Communication and the Second Biennial Update Report on GHG emissions. These help Bosnia and Herzegovina to prioritise implementation of its National Determined Contribution (NDC). Bosnia and Herzegovina has recently submitted more ambitious targets through revised Nationally Determined Contributions (NDCs). Developed with the support of UNDP, these revised NDCs were approved by the Council of Ministers of Bosnia and Herzegovina and submitted to the UNFCCC. Through the revised NDCs Bosnia and Herzegovina promises to reduce its GHG

¹⁵¹ Economic losses between 1990 and 2014 amounted to 36.3 per cent. Source: EM-DAT.

¹⁵² UNDP BiH, *In-depth climate change vulnerability assessment*, 2019.

emissions by 66 per cent by 2050 compared to 1990. However, climate considerations are not mainstreamed within policies and strategies and the level of alignment achieved on the EU climate acquis is limited. Bosnia and Herzegovina's professed aspiration of EU membership is the main driver for improving and completing the strategic and legal environmental framework in the country, including climate and disaster risk reduction and environment related data collection and management. Better information, improved monitoring and enhanced legal procedures for water resources, including cross-border, are needed. Bosnia and Herzegovina reported the existence of a National Platform for Disaster Risk Reduction, which was established in 2013 and is used as a multi-stakeholder forum for exchange of opinions, proposals and achievements contributing to disaster risk reduction.¹⁵³ Bosnia and Herzegovina has begun implementation of its national database on disaster losses, which will allow reporting against disaster risk reduction related indicators for the SDGs (i.e., goals 9, 11 and 13).

Bosnia and Herzegovina is highly energy inefficient. The main energy sources are coal (61.2%), oil (36.5%) and hydro (10.2%) whereas natural gas only accounts for 3.9 per cent. Domestic production is 71 per cent of total gross inland consumption and the energy sector accounts for 6 per cent of GDP.¹⁵⁴ Accessibility to electricity is 100 per cent. Bosnia and Herzegovina's electricity interconnections with neighbouring countries are sufficient, with no serious congestion. As for gas, the sole network interconnection with Serbia is in a poor state of repair and the country's inland gas network is often overloaded in winter months. The Federation of Bosnia and Herzegovina is now looking to building another gas pipeline, namely

the south interconnection, thus diversifying gas supply to Bosnia and Herzegovina. Bosnia and Herzegovina spends about 20 per cent of its GDP on energy, which is three times higher than in EU countries, with 55 per cent of the energy consumed by the public and residential buildings sectors. At the same time, Bosnia and Herzegovina has significant energy conservation potential and could base its mid-term economic development and generation of new employment on energy efficiency improvement measures in the residential and public sectors. Bosnia and Herzegovina reached a 25.33 per cent share of energy derived from renewable sources in 2016. Hydropower generation depends on hydrological variability and on transboundary cooperation. Other renewable energy sources have significant potential, but various obstacles affect their development and investment.

Poor energy efficiency and intensive use of coal contribute to the highest air pollution in Europe, which far exceeds WHO and EU standards and causes one of the highest average mortality rates for air pollution in the world. According to the WHO, Bosnia and Herzegovina loses 21.5 per cent of its GDP annually through air pollution. There is no national or countrywide strategy or programme for the improvement and monitoring of air quality and no functioning air monitoring network. Western Balkan countries spend heavily on subsidies for coal fired power plants. In 2019, United Nations Environment found air pollution to be responsible for up to one in five premature deaths in 19 Western Balkan cities. Pollution across the region threatens the health of its people, causes damage to the economy, puts pressure on already strained economic resources and threatens the loss of resources in the future.

¹⁵³ UNDRR, *Overview of National Platforms for DRR in Europe*, August 2017.

¹⁵⁴ Framework Energy Strategy of BiH until 2035.

Water losses amount to more than 50 per cent, which leads to system failures that include shortages, overexploitation of water sources and high distribution costs. It is estimated that 58 per cent of the population in Bosnia and Herzegovina is covered by public water supply, while less than 40 per cent is connected to the public wastewater system. Water tariff levels are often too low to cover operational and maintenance costs, let alone enable capital investment.

Approximately 60 per cent of the population is covered by organized solid waste collection, with a lack of proper rubbish collection and disposal frequently recorded in rural and poorer areas. Illegal dumping has become rampant, while waste is often thrown in rivers or on the roadside. Nearly a quarter of municipal waste does not undergo any significant treatment or remediation and virtually none of this waste is recycled.

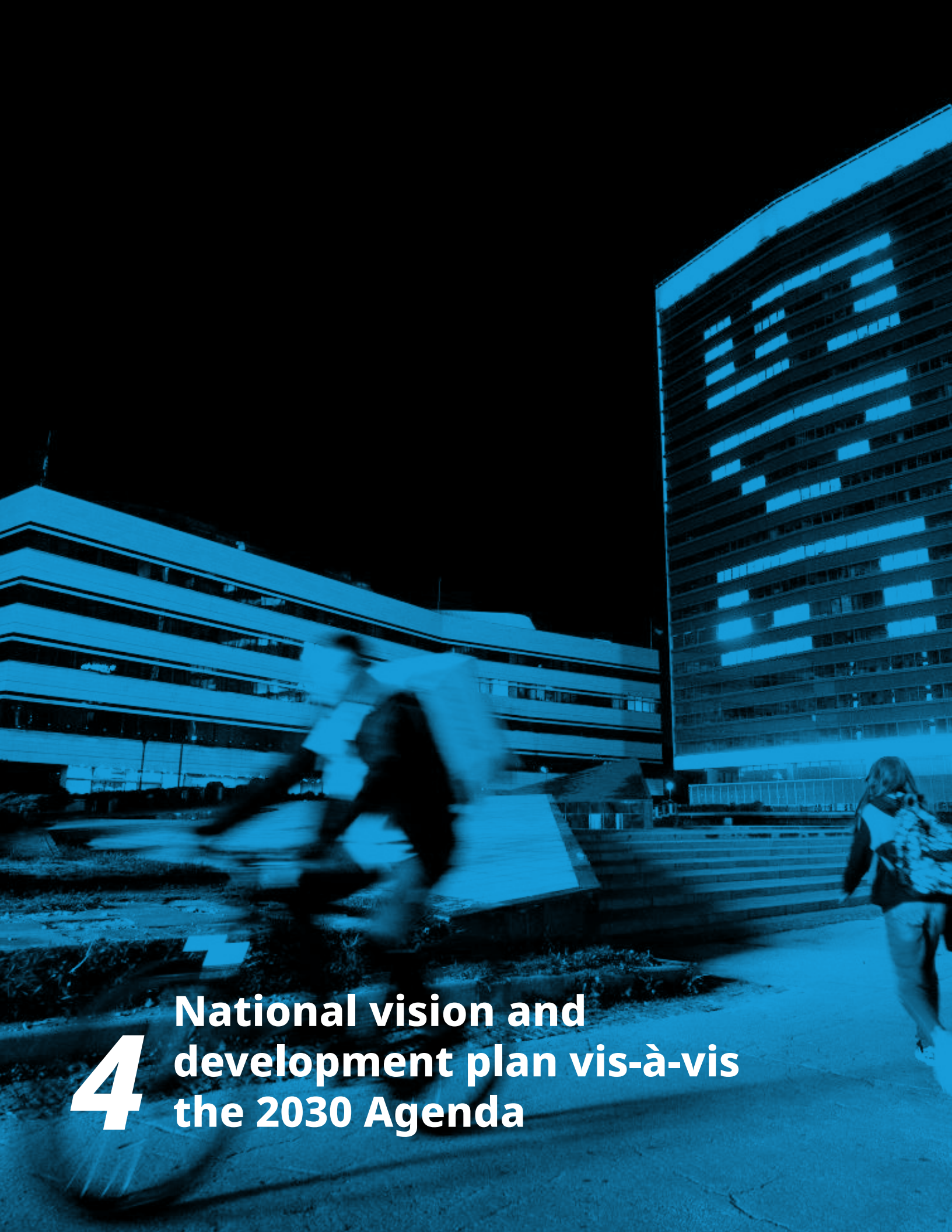
Bosnia and Herzegovina is one of the richest countries in Europe in terms of biodiversity yet alignment with the EU acquis on nature protection remains very limited. The major threats to biodiversity include the unsustainable use of land and forests, habitat conversion, vegetation succession and invasive alien species, overexploitation of natural resources, poor waste mismanagement, inadequate fire protection, illegal hunting and fishing, and climate change. Although the 2015–2020 Strategy and Action Plan for Protection of Biological Diversity¹⁵⁵ is in place, the list of Natura 2000 sites and secondary legislation needs to be adopted. There is no system in place for collecting information on biodiversity or systematic monitoring of biodiversity in Bosnia and Herzegovina.

High impact animal diseases, such as lumpy skin disease (LSD) and African swine fever (ASF), represent a threat to food security, nutrition, livelihoods and internal and international trade between countries in the region. ASF has been reported in Bulgaria, Hungary, Romania and Serbia, while for the first time in history LSD has seen outbreaks in the Balkans since 2014. Not having been exposed to either disease implies that the level of awareness and the technical knowledge on these diseases is low and that contingency or surveillance plans might not be in place.

There is a need to integrate agro-environmental approaches into rural development planning processes. Production intensification required significant changes in land and water management practices and this lead, inter alia, to the concentration of an ever smaller number of economically profitable higher yield species, varieties and breeds. As a result of the intensification and the absence of agro-environmental policies and legislation, the overuse of pesticides and fertilisers threatens biodiversity.

More generally, the integration of environmental considerations into sectoral policies and legislation is only at the early stage in the energy, mining, transport, agriculture, forestry and health sectors and has yet to be initiated in the tourism and education sectors. This is partially explained by the weak legal framework for strategic environmental assessments. Bosnia and Herzegovina has not yet put in place an overall effective coordination framework to ensure robust progress in meeting the obligations that derive from the relevant environmental strategies, plans and international agreements.

155 www.cbd.int/doc/world/ba/ba-nbsap-v2-en.pdf.



4

National vision and development plan vis-à-vis the 2030 Agenda

On 4 April 2021, following its endorsement by the entity and Brčko District authorities at the beginning of 2021, the Council of Ministers of Bosnia and Herzegovina adopted the SDG Framework in Bosnia and Herzegovina.¹⁵⁶ The adoption of the SDG Framework is a key milestone in the country's post-war history, representing the first nationwide strategic framework for sustainable development in over a decade. Outlining a collective vision of development priorities, the Framework is the product of a three year inclusive, consultative and nationally led process facilitated by the SDG Working Group in Bosnia and Herzegovina. The latter comprised of representatives of the state, entity and Brčko District authorities and supported by the United Nations in Bosnia and Herzegovina.

The SDG Framework underscores the interlinkages between Agenda 2030, the requirements for EU accession and the domestic development priorities. In addition, prior to its adoption, the Framework was updated to include reflections on the new realities resulting from the COVID-19 crises. The Framework presents three priority areas of action (pathways), specific accelerators and priority SDG targets and indicators for Bosnia and Herzegovina, with investment in human capital for the future and leave no one behind as two crosscutting themes.¹⁵⁷

The three pathways

- ✘ Smart growth: The focus is on transforming innovative ideas into job and growth generating products and services whilst protecting the natural capital.
- ✘ Society of equal opportunities: The focus is

on improving the social and health protection systems as well as access to education, training and the labour market.

- ✘ Good governance and public sector management: Here the focus is on the need to build an open, transparent and efficient public sector in Bosnia and Herzegovina capable of ensuring full adherence to the rule of law.

Recognizing the complex governing structure in Bosnia and Herzegovina, the SDG Framework is designed to be a strategic reference for development planning processes in the country at various levels of government under a set of shared SDG targets. The 2021–2027 Federation of Bosnia and Herzegovina Sustainable Development Strategy, adopted by the Government of the Federation of Bosnia and Herzegovina and currently pending endorsement by the Parliament of the Federation of Bosnia and Herzegovina, is fully aligned with the SDG Framework in Bosnia and Herzegovina and embeds its SDG accelerators and targets. Similar processes are also being advanced in Republika Srpska and in Brčko District, but also at the cantonal and municipal level. In an effort to ensure alignment of various strategic planning processes in the country with the SDG Framework the Council of Ministers of Bosnia and Herzegovina established an SDG Council in Bosnia and Herzegovina as a mechanism that can horizontally and vertically integrate the relevant authorities and stakeholders and oversee implementation of the SDG Framework.

The SDG Framework also provides an opportunity to leverage and galvanise partnerships in the country towards sustainable development. In presenting

¹⁵⁶ BiH (4 April 2021), The SDG Framework in Bosnia and Herzegovina.

¹⁵⁷ A full overview of the SDG Framework pathways and accelerators are provided in Annex I.

a countrywide vision on agreed priorities it provides a platform for more effective and efficient aid coordination in the country. The three development pathways and the supporting accelerators offer effective alignment points for activities of numerous international partners in Bosnia and Herzegovina, which is an element that has been absent in this country for over a decade.

Yet many challenges remain in ensuring implementation of the SDG Framework.

The existing strategic and development planning systems in the country will require additional capacities in the area of sustainable development programming and implementation, including

cross-sectoral integration, new service delivery methods and the integration programme-based budgeting. The overall coordination set-up mentioned above will need to be established in order to ensure a cohesive and effective countrywide approach towards implementation of the SDG Framework. The SDG Financing Framework, currently under preparation by the SDG Council and the financial authorities in Bosnia and Herzegovina, aims to overcome the evident SDG financing gap by identifying opportunities to expand the existing sources of finance and identifying new financial instruments and modalities.



5 Financial landscape analysis

According to the SDG Framework, approximately 40 per cent of GDP is distributed through public budgets that together with external remittances represent the dominant potential sources of funding for the SDGs (based on data for 2008–2017). In 1995, according to OECD official statistics, the annual reported Official Development Assistance (ODA) allocation to Bosnia and Herzegovina constituted 59.4 per cent of GNI. This allocation reportedly constituted only 2.3 per cent of GNI in 2019. ODA amounts to approximately 6 per cent of potential sources of funding for the SDGs. With the endorsement of the SDG Framework in Bosnia and Herzegovina will through strengthened and more efficient utilisation of the traditional financial sources be working to improve the financial architecture that supports the implementation of the goals.¹⁵⁸

Financial inflows, particularly aid and remittances, have been fuelling consumption based economic growth; however, the level of investment is currently seen as too low to sustain this growth over the long term. Migrant remittances constituted 11 per cent of GDP in April 2018;¹⁵⁹ however, there are no analyses of the use of remittances in Bosnia and Herzegovina.¹⁶⁰ Gross Official Development Assistance channelled to Bosnia and Herzegovina increased to 1.3 billion euros in

2020.¹⁶¹ Over the period 2021–2027, Bosnia and Herzegovina will be receiving EU funds under the new EU programme for Pre-Accession Assistance (IPA III).¹⁶² Yet the gap between the allocation and disbursement of these funds has grown considerably alongside this increase, reaching over 400 million euro in 2020.

These financial sources appear insufficient to fuel Bosnia and Herzegovina's sustainable development and even counterproductive if not channelled towards achievement of the SDGs. Bosnia and Herzegovina has the lowest Foreign Direct Investment (FDI) in the Western Balkans region, mainly due to the difficult political environment¹⁶³ and various other factors continue to discourage FDI.¹⁶⁴ According to estimates, net FDI inflows for 2018 increased slightly in nominal terms but decreased in terms of GDP by 0.1 percentage points financing 42 per cent of the current account deficit.¹⁶⁵ The highest inflows in 2018 were from Russia, Croatia, the Netherlands, Austria and Germany. Most FDI was recorded in financial services (banking sector), the production of coke and refined oil products, the retail trade and the production of base metals.¹⁶⁶ Financial trends, apart from a peak of FDI in 2007, have not seen significant change this century. Further progress is needed in a number of key areas with implications for mobilising external financing, such as securing financing for key infrastructure

158 BiH (4 April 2021), The SDG Framework in Bosnia and Herzegovina, p.62.

159 Source: World Bank staff calculation based on data from the IMF Balance of Payments Statistics Database and data releases from central banks, national statistical agencies and World Bank country desks. For more detail see Migration and Development Brief 28, Appendix A. World Bank data. Available at <https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?locations=BA>.

160 www.mhrr.gov.ba/iseljenistvo/Istrazivanja/default.aspx?id=1766&langTag=bs-BA.

161 Ministry of Finance and Treasury of Bosnia and Herzegovina, *Development Partners Mapping Report*, 2020.

162 The Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in the so-called enlargement countries with financial and technical assistance. European Union, Regulation (EU) 2021/1529 establishing the Instrument for Pre-Accession Assistance (IPA III) within the framework of the Multiannual Financial Framework (MFF) 2021–2027, adopted on 15 September 2021.

163 World Bank, *Reform Momentum Needed*, Spring 2019. Available at <http://documents.worldbank.org/curated/en/219231554130333324/pdf/Reform-Momentum-Needed.pdf>.

164 World Bank, 'Through Peace and Transition to Prosperity', BiH Economic Journey, 2018, p. 86.

165 World Bank, *Reform Momentum Needed*, Spring 2019, p. 67. Available at <http://documents.worldbank.org/curated/en/219231554130333324/pdf/Reform-Momentum-Needed.pdf>. According to FDI statistics for 2018 published by the Central Bank of BiH (CBBH), FDI inflows in 2018 amounted to BAM 783.4 million (approximately USD 443.23 million) or 2.3 per cent of GDP; this is similar in nominal terms to that recorded in 2017.

166 Central Bank of BiH. Available at www.cbbh.ba/press/ShowNews/1222.

projects, modernising banking sector legislation and improving corporate governance of state owned enterprises.¹⁶⁷

The private sector could play a significant role in the country's economic growth as well as in channelling investment and funding towards sustainable development and the SDGs.

Bosnia and Herzegovina needs more and larger companies, vibrant SMEs and a business environment that allows them to grow and expand output, employment and exports. Recent policy measures have not addressed the country's need to support innovation and entrepreneurship effectively, specifically in terms of access to skills, ease of business regulations and the predictability of the business environment.¹⁶⁸ A wider range of financing instruments is needed in order to boost lending to businesses.¹⁶⁹ Greater diversification of financial systems would create opportunities for enhanced access to finance. Improvement in the operations of the state development banks in Bosnia and Herzegovina is required; some deficiencies in the governance and business model are still unresolved. Given the size of the Bosnia and Herzegovina economy and financial sector, there is room for further consolidation, entry of reputable players and banking sector efficiency gains.¹⁷⁰

On the other hand, in an economy dominated by the public sector large public enterprises continue to be addicted to foreign borrowing to meet revenue shortfalls or

finance capital investment, public sector debt and infrastructure projects.

This structural dependence on more expensive commercial credit only increases the sovereign debt risks. The trade deficit, the regressive tax system and the lack of public sector investment represent structural barriers to the sustainability of public finance.¹⁷¹ Beyond sustainability, fiscal transparency¹⁷² and strong fiscal institutions still need to be built. Demographic changes in the country and across the region will have significant implications for growth and fiscal sustainability and under the current economic model will require increased public expenditure and investment.

Overall, incentives are misaligned for embarking towards a sustainable development model.

Public expenditure needs to be more efficient and public financing needs to be strengthened for vulnerable population groups. Most public policies support those who already have a job and benefit from a consumption based and state dominated economy. Efficient investment in human capital is key for the country's sustainable development.⁸⁷ To eliminate poverty, create shared prosperity and eventually become a high-income country Bosnia and Herzegovina will need to invest in an effective development path that ensures the sustainability and inclusiveness of future growth.⁸⁸

Since national SDG priorities have only

167 Statement by the IMF Mission Chief for BiH, April 6, 2017. See Press Release No. 16/396. Available at www.imf.org/en/News/Articles/2016/09/07/PR16396-Bosnia-and-Herzegovina-IMF-Executive-Board-Approves-Three-Year-Extended-Arrangement

168 Aridi, Anwar; Ong Lopez and Anne Beline Chua, BiH - Innovation and Entrepreneurship Assessment: Towards a Private Sector led Growth Model. Washington, D.C., World Bank Group, 2019. Available at <http://documents.worldbank.org/curated/en/796741560348129202/Towards-a-Private-Sector-led-Growth-Model>

169 See World Bank, Access to Finance for Female-Led Micro, Small & Medium-Sized Enterprises in BiH, March 2018. Available at <http://documents.worldbank.org/curated/en/890741521459734141/pdf/124394-WP-P144969-PUBLIC-BiHAccessToFinanceKnowledgeBrief.pdf>

170 World Bank, Reform Momentum Needed, Spring 2019. Available at <http://documents.worldbank.org/curated/en/21923155413033324/pdf/Reform-Momentum-Needed.pdf>

171 <http://wings-of-hope.ba/wp-content/uploads/2016/12/D3.4.1.1.-Analysis-on-Public-Debt-Bosnia-and-Herzegovina.pdf>

172 BiH seems to be depriving taxpayers of information about how their money is spent. The Open Budget Index (OBI) has shown limited improvement in terms of transparency since 2010.

recently been set through the adoption of the SDG Framework, an analysis of national budget allocations would be premature.

However, some preliminary assessments of sectoral financing needs have been undertaken and help identify the structural challenges that need to be addressed: a complex administrative structure with a high level of fragmentation and overlapping of responsibilities, the improper use of economic instruments for public policy goals, especially when applied at different levels of government without a proper monitoring and

evaluation systems in place. The adoption of the Bosnia and Herzegovina SDG Framework will stimulate a more precise measure of public sector SDG finance. Furthermore, commercial finance could increase quite significantly in the coming decade, particularly if the country's reform and progress towards EU accession continue. On the other hand, reductions in potential SDG finance might appear as a result of political or macroeconomic shocks producing unexpected cuts in financial inflows and GDP growth as well as depressing the value of the national currency.¹⁷³

173 Ibid.



6 Stakeholders and partnership analysis

The international community continues its strong and diverse presence and partnership with Bosnia and Herzegovina and its authorities.

Current levels of gross Official Development Assistance (ODA)¹⁷⁴ being channelled to Bosnia and Herzegovina have increased over recent years, up from USD 439 million in 2015 and USD 779 million in 2018 to almost USD 1.3 billion in 2020. Disbursement of ODA has also shown a positive trend over the same period, increasing from USD 505 million in 2015 and USD 492 million in 2018 to USD 808 million in 2020. In terms of distribution, the majority (50%) of ODA was allocated to assist the transportation infrastructure, followed by support for competitiveness and innovation (19%), governance (11%), environment/climate change, education/employment (4%) and energy (2%). The largest bilateral partners in terms of disbursement of the ODA include the EU, USA/ USAID, Sweden, Switzerland, Germany, United Nations, Italy, UK, Czech Republic, Norway, the Netherlands and Japan when it comes to allocation of grants and EBRD, EIB, World Bank, Germany and Japan when it comes to the allocation of loans.

Nonetheless, Bosnia and Herzegovina continues to face challenges when it comes to putting in place a coordination mechanism with development partners in order to establish longer-term partnerships centred on sustainable development.

Despite institutional arrangements, such as the Donor Coordination Forum under the Ministry of

Finance and Treasury of Bosnia and Herzegovina, the lack of sufficient capacity, political support and a countrywide strategic vision undermines attempts to mobilise effective partnerships around common strategic objectives. The recent adoption of the SDG Framework in Bosnia and Herzegovina provides a unique opportunity to strengthen stakeholder engagement and to galvanize partnerships in a more structured and effective manner and thereby increase the impact of development partner engagement in this country.

The EU integration process is arguably the single most commonly acknowledged strategic objective by all political stakeholders in the country and therefore it represents a valuable platform for development partners in the country to align their engagement and strengthen partnerships.

In general, development partners align their strategies and activities in order to assist the efforts of the authorities in Bosnia and Herzegovina in achieving this objective. However, as noted by the European Commission,¹⁷⁵ this strategic goal lacks concrete action and progress and has been significantly undermined by the ongoing political polarisation and institutional deadlock. Similar to the sustainable development agenda, the EU integration process lacks concrete leadership and commitment as well as a set of priorities that would otherwise mobilise and galvanize the necessary partnerships across the various stakeholders.

174 Ministry of Finance and Treasury of Bosnia and Herzegovina, Development Partners Mapping Report, 2020.

175 European Commission, Enlargement Package, 19 October 2021.



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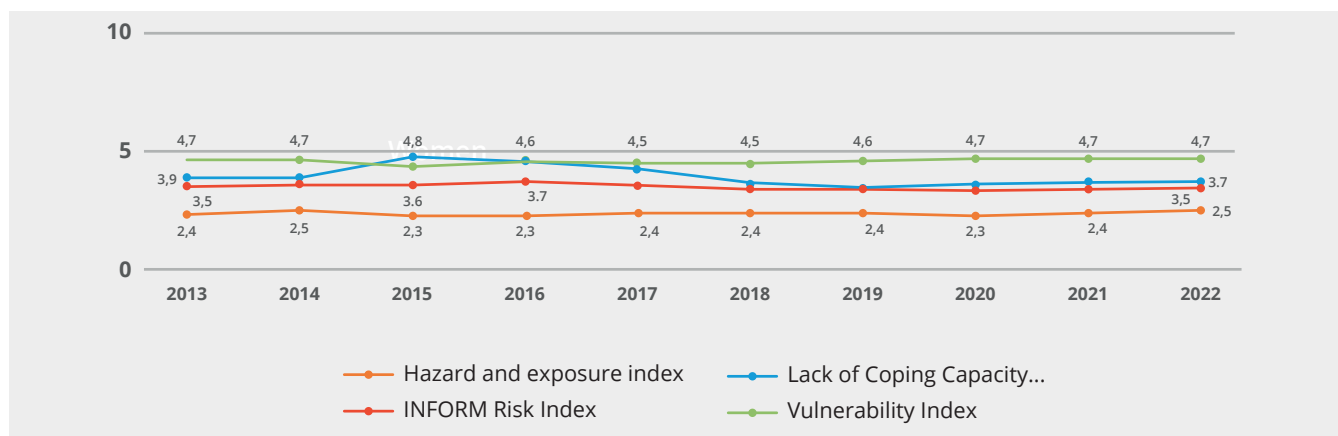
Multidimensional SDG risk analysis and prevention

The CCA follows the United Nation's 12-factor multidimensional risk analysis and is designed to assess the risk factors that could have an impact on the country's development. The risks outlined below could hinder national efforts to achieve the Sustainable Development Goals and exacerbate inequalities and exclusion.

The risks to sustainable development in Bosnia and Herzegovina are multiple, with many of them being interlinked and reinforcing. Despite significant progress

towards achieving the SDGs, the COVID-19 pandemic coupled with developments on the political plane have highlighted its continued vulnerability to shocks and the fragility of the development context in the country.

	Value
INFORM Risk	3.1
Hazard and Exposure	2.5
Vulnerability	3.7
Lack of a Coping Mechanism	4.7



Bosnia and Herzegovina is highly vulnerable both to internal and external shocks. The onset of the COVID-19 caused a 3.2 per cent contraction of GDP in 2020 and disrupted the previously declining trajectory of public debt. Despite a 4 per cent increase in GDP in 2021, the slump in revenue and higher current expenditure contributed to the continued fiscal imbalance. These adverse impacts were further exacerbated by the Ukraine crisis, having a particular impact on agriculture and food systems around the world. With rapid increases in inflation in the food, fuel and energy sectors the livelihood and food security of the poorest communities in particular were affected. As Bosnia and Herzegovina is one of the most rural countries in Europe, with around 60 per cent of the population living in

rural areas, these events have and will continue to have an impact on the livelihoods of many in the country. The COVID-19 pandemic also had an impact in terms of access to quality education, primarily for children and youth in marginalised communities, which could deepen learning disparities and has the risk of reversing gains made in access to and the quality of education. The ongoing demographic changes, including a low fertility rate and increasing emigration, present a challenge to the sustainability of the social security systems, including the pension system.

Bosnia and Herzegovina is a country of medium exposure to natural disasters, with droughts, floods, landslides,

earthquakes and wildfires being the most prominent.¹⁷⁶

Extreme climate and weather events are increasingly causing disasters. The unprecedented flooding of 2014 affected a quarter of the country and one million people, including 60,000 children. The flooding affected the well-being of minority groups, persons with disabilities and children and caused the equivalent of a five-year setback to poverty levels. The floods reduced GDP by around 15 per cent and caused near complete devastation of 70,000 hectares of arable land, damaging hospitals, schools and public offices in over 50 municipalities. This translated into damage amounting to USD 1.7 billion, with economic losses exceeding USD 1.5 billion.¹⁷⁷

Underlying these risks is the continued policy uncertainty centred around the authorities capacity to respond effectively and efficiently in order to mitigate and/or prevent negative impacts on the population.

The risks posed to the agriculture and food industry, tourism, biodiversity and sensitive ecosystems by climate change have yet to be addressed sufficiently,¹⁷⁸ investment in disaster risk reduction and preparedness remains limited. Bosnia and Herzegovina's dependency on oil and gas as energy resources also contributes to one of the highest rates of air pollution in Europe, which presents a significant risk to the health and well-being of the population.¹⁷⁹ Following several years of recurrent crisis, the political situation further deteriorated in 2021.

The proliferation of hate speech and nationalist rhetoric continues to fuel divisions in the country while a protracted blockade of all state level institutions, presented a fundamental obstacle to decisions on appointments, budgets and reforms. Furthermore, the lack of independent media and constructive dialogue in society as well as threats to journalists and civil society all contribute to the shrinking of the democratic space.

The combination of exposure to risk and the institutional response capacity, which is not distributed equally across the population, highlights the particular need to monitor the impact on the most vulnerable. As analysed in depth in the section '[Overview of population groups \(at risk of being left behind\)](#)', discrimination and inequalities persist in terms of access to human rights and on various other grounds. There is a general lack of trust in public institutions, particularly the judiciary and the health authorities, which has been intensified by high levels of corruption. Negative outlooks regarding internal security have been triggered by both the most recent political tensions in the country and the deteriorating security situation internationally. Youth also highlight their concerns regarding organised crime, trafficking in small arms and light weapons, hate speech and ultranationalist groups as a threat to achievement of a safe and secure environment.¹⁸⁰

176 INFORM Risk. Bosnia and Herzegovina Country Profile, 2022. Available at <https://web.jrc.ec.europa.eu/dashboard/INFORM-RISK/?no-header=1&v-vISO3=AFG&no-scroll=1>.

177 According to the World Bank Global Facility for Disaster Reduction, over 20 per cent of Bosnia and Herzegovina is susceptible to flooding. This could affect around 100,000 people and result in potential losses of around USD 600 million each year. Overall, 118 of the 145 municipalities are considered to be at high or very high risk of flooding and/or landslide. These areas are home to nearly 280,000 children or 38 per cent of all children in the country. The average annual air temperature in Bosnia and Herzegovina increased by about 0.4 to 1.0 degrees Celsius (depending on the location) between 1982 and 2014.

178 UNFCCC, *Nationally Determined Contribution of Bosnia and Herzegovina (NDC) for the Period 2020–2030*, 2021. Available at https://unfccc.int/sites/default/files/NDC/2022-06/NDC%20BiH_November%202020%20FINAL%20DRAFT%2005%20Nov%20ENG%20LR.pdf.

179 The most significant source of air pollution is the energy sector, which produces about 53 per cent of total carbon dioxide emissions in the country.

180 UNFPA, *Survey on Youth Emigration in Bosnia and Herzegovina*, 2021. Available at <https://ba.unfpa.org/en/publications/survey-youth-emigration-bosnia-and-herzegovina>.



Conclusions

Bosnia and Herzegovina is an upper middle-income country with the aspiration to become a member of the European Union.

The country has made significant progress over the last 27 years with marked improvements across a range of [development indicators](#), ranging from GDP growth and the Human Development Index to the Gender Development Index, the Gender Inequality Index and the Human Capital Index.

Bosnia and Herzegovina is a member of many United Nations bodies, and is a troop and police contributing country to United Nations peacekeeping operations.

In 1995, according to OECD official statistics, the annual reported ODA allocation to Bosnia and Herzegovina constituted 59.4 per cent of GNI. Yet this allocation reportedly constituted only 2.3 per cent of GNI in 2019. In recognition of the country's progress, following its application for membership of the European Union in February 2016, the May 2019 European Commission Opinion set out the priorities for the country in order for it to transition to being a candidate for accession.

Yet the country remains defined by a legacy of structural and political challenges, including as a result of the 1992-1995 conflict, that hinder its progress towards attainment of the SDGs, the protection of human rights, and reconciliation.

These challenges are multi-dimensional and complex and have been elaborated in this report across the dimensions of governance, social development, economy and environment. The result is that despite its relative wealth and the immense investment made by the international community, the country's development pathway is determined by growing inequality and marginalization within the

population, particularly among women. Political competition incentivizing zero-sum outcomes, inhibits institutional reforms, diverts budgets from the public good and fosters a sense of perpetual political crisis, endemic corruption and the lack of transparent decision-making. At the same time, the country remains on the agenda of the United Nations Security Council, with the presence of the High Representative and his Office, and EUFOR-Althea mission to oversee implementation of the Dayton agreement and contribute to a safe and secure environment.

The last decade of progress in Bosnia and Herzegovina has amply demonstrated that economic growth alone is not sufficient to transcend these structural challenges, with the resulting development model remaining exposed to a number of risks and highly vulnerable to external and internal shocks.

As a result, the United Nations and its partners under its different mandates and at the request of the authorities has been asked to provide direct assistance to the population and to institutions. This was amply demonstrated in 2014 when widespread floods caused damage estimated in excess of 1 billion euros. There were requests for international assistance and this was mirrored by the need to manage the immigration influx that started in 2017 and continued during COVID-19.

The multi-dimensional nature of the challenges faced by Bosnia and Herzegovina elude simple description yet can be summarized in terms of the continued division of policymaking and politics by contested narratives about the past, present and future of the country.

While overall the country and its population have demonstrated remarkable resilience the last ten

have shown a clear trend towards deterioration. Following several years of recurrent crisis, challenges to the constitutional framework of the country and a blockade of state level decision-making and appointments, the political gridlock has intensified. The impact of the war in Ukraine overlaying the legacy and the impact of COVID-19 have had a disproportionate impact on the most vulnerable, while institutions lack the necessary instruments and mandates to respond to the needs of the population. The most visible objective result of this situation is the remarkable levels of emigration from the country, with ever more young talented and increasingly middle-class citizens choosing to pursue their aspirations outside of this country.

Beyond the objective data, this conclusion reflects the perceptions of the population.

Public perception data collected by the United Nations in May/June 2019 reflects the long-term feeling that the country is stagnating (77.1% of respondents). The Bosnia and Herzegovina 2020 Nation Human Development Report (2020 NHDR) confirmed these findings. The citizens assessment of local services showed that a large number of respondents were dissatisfied with social services, while social connections across the ethnicities have weakened over the past decade.¹⁸¹ The 2020 annual National Survey of Citizens' Perceptions in Bosnia and Herzegovina¹⁸² shows that the perceptions of Bosnia and Herzegovina citizens about the general situation in the country and their expectations for the future continue to be pessimistic.

The complexity of these challenges itself represents an inhibitor to progress towards sustainable development.

Solving the challenges that Bosnia and Herzegovina faces requires fundamental structural reforms, which require the broad participation of citizens. Reforms will have losers and winners and with the absence of wider political agreement will require building a consensus within the existing institutional arrangements. In the absence of such a consensus the country risks being caught in a middle-income trap where it is unable to keep up with the more developed economies in the region and within Europe. Bosnia and Herzegovina will only be on the path to becoming a high-income country when it activates the chain of knowledge production that entails the production of ideas, conducting research (testing ideas); knowledge stock increase, the commercialisation of knowledge (innovation); productivity increase, improved competitiveness; increased export of higher value-added products, and raising the standard of living.

On 4 April 2021, the Council of Ministers of Bosnia and Herzegovina adopted the SDG Framework in Bosnia and Herzegovina,¹⁸³ following its endorsement by the entity and Brčko District authorities at the beginning of 2021.

The adoption of the SDG Framework was a key milestone in the country's post-war history, representing the first countrywide strategic framework for sustainable development in over a decade. The SDG Framework underscores the interlinkages between Agenda 2030, the

181 Chapter 3 of the report presents the findings of a case study of seven municipalities selected to reflect a range of characteristics, including size, ethnic composition and urban/rural and geographical location. Three complementary research methods combining qualitative and quantitative approaches were applied in order to collect information on the views of citizens on social inclusion and social cohesion as well as the participants' assessment of the six most pressing problems in their communities. UNDP, *Social Inclusion in Bosnia and Herzegovina - 2020 National Human Development Report*, 2021. The report was funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC).

182 USAID, MEASURE-BiH, National Survey of Citizens' Perceptions in Bosnia and Herzegovina 2020 (NSCP-BiH), Final Report, August 2021. Available at <http://measurebih.com/national-survey-of-citizens-perceptions>.

183 BiH (4 April 2021), The SDG Framework in Bosnia and Herzegovina.

requirements for EU accession and the domestic development priorities.

The SDG Framework also provides an opportunity to leverage and galvanize partnerships in the country towards sustainable development. In presenting a countrywide vision on agreed priorities it provides a platform for more effective and efficient aid coordination in the country. The three development pathways and the supporting accelerators offer effective alignment points for the activities of numerous international partners in Bosnia and Herzegovina, which is an element that has been absent in this country for over a decade.

Yet many challenges remain when it comes to ensuring implementation of the

SDG Framework. The existing strategic and development planning systems in the country will require additional capacities in the area of sustainable development programming and implementation, including cross-sectoral integration, new service delivery methods and integration of programme-based budgeting. The overall coordination set-up mentioned above will need to be established in order to ensure a cohesive and effective countrywide approach towards implementation of the SDG Framework. The SDGs Financing Framework, which is currently under preparation by the SDG Council and the financial authorities in Bosnia and Herzegovina, aims to overcome the evident financing gap when it comes to the SDGs by identifying opportunities to expand the existing financing sources and identify new financing instruments and modalities.

